

SERFF Tracking Number: AMGN-125731836 State: Arkansas  
Filing Company: American General Life Insurance Company State Tracking Number: 39842  
Company Tracking Number: 08327  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.002 Joint (Last Survivor)  
Adjustable Life  
Product Name: AIG Survivor Index  
Project Name/Number: AIG Survivor Index/08327

## Filing at a Glance

Company: American General Life Insurance Company

Product Name: AIG Survivor Index

SERFF Tr Num: AMGN-125731836 State: ArkansasLH

TOI: L09I Individual Life - Flexible Premium

SERFF Status: Closed

State Tr Num: 39842

Adjustable Life

Sub-TOI: L09I.002 Joint (Last Survivor)

Co Tr Num: 08327

State Status: Approved-Closed

Filing Type: Form

Co Status:

Reviewer(s): Linda Bird

Authors: Nancy Smith, Janice  
Hoey

Disposition Date: 08/11/2008

Date Submitted: 08/04/2008

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: AIG Survivor Index

Status of Filing in Domicile: Authorized

Project Number: 08327

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: File and Use in our  
domicile state of Texas

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 08/11/2008

State Status Changed: 08/11/2008

Deemer Date:

Corresponding Filing Tracking Number: 08327

Filing Description:

NAIC No.: 012-60488

FEIN No.: 25-0598210

RE: 08327 – Joint and Last Survivor Fixed Index Interest Flexible Premium Adjustable Life Insurance Policy

08692 – Term Life Insurance Benefit Rider Providing Life Insurance on the Life of the Last Surviving Contingent

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## Insured

These forms are being submitted for your consideration and approval. They are new and do not replace any forms previously approved by your Department.

No part of this filing contains any unusual or possibly controversial items from normal company or industry standards.

This policy will be sold by licensed agents with an illustration compliant with the NAIC Model Illustration Regulation.

This policy is an individual non-participating, Joint and Last Survivor Fixed Index Interest Flexible Premium Adjustable Life Insurance policy. A Premium Expense Charge not to exceed 8.0% will be deducted from each premium payment. Deductions from the Accumulation Value are made monthly, and include a Monthly Administration Fee not to exceed \$10.00, cost of insurance provided by the base policy, charges for benefits provided by riders, and a Monthly Expense Charge for the duration stated on the Policy Schedule. The policy contains a surrender charge schedule. Surrender charges and a new Monthly Expense Charge will be applied to any increase in Specified Amount.

Death Benefit Compliance Tests are used to determine if a policy will qualify as life insurance. Applicants may choose one of two Death Benefit Compliance Tests when applying for this policy: The Cash Value Accumulation Test or the Guideline Premium Test.

The Owner may elect to receive declared fixed interest and/or index interest at the time of application. Declared fixed interest is credited monthly to the Accumulation Value based upon a declared interest rate set by the Company. Declared interest rates will never be less than 3%.

Fixed Index Interest Accounts will be established on the Date of Issue for the portion of the Initial Net Premium that is designated to receive index interest. Subsequent Index Accounts may be established on each Allocation Day. Net Premiums and loan repayments received on any day other than an Allocation Day that are designated to receive index interest will be placed in an Interim Account. The Interim Account will receive interest based upon a declared interest rate set by the Company. Interim Account declared interest rates will never be less than 3%.

The Index Accounts will be made a part of this policy in the form of a rider(s). Such riders have either been previously

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approved by your Department or are currently pending approval. Please be assured that a rider will not be made available until we have received your Department's approval.

The enclosed Term Life Insurance Benefit Rider provides term life insurance coverage to age 121. It is written so that it can be attached at issue to joint and last survivor flexible premium adjustable life policies approved by your Department. We will pay the Death Benefit Amount to the beneficiary if the Last Surviving Contingent Insured dies while the policy and the rider are in force.

This policy will normally be issued on a sex distinct basis. However, it may be issued on a unisex basis if required by the Norris Decision. Please be assured that sex distinct policies will be issued with sex-distinct pages and unisex policies will be issued with unisex pages.

These forms have been written using simplified language. The Flesch Readability scores are as follows:

Form	Score	Words	Syllables	Sentences
08327	50.368	11,647	18,833	601
08692	51.139	1,809	2,893	90

If you have any questions or require additional assistance, please do not hesitate to call me at (800) 247-8837, extension 3194. You may also reach me via e-mail at the following address: Nancy\_M\_Smith@aigag.com.

## Company and Contact

### Filing Contact Information

Nancy Smith, Manager	nancy_m_smith@aigag.com
2929 Allen Parkway	(713) 831-3194 [Phone]
Houston, TX 77019	(713) 342-7550[FAX]

### Filing Company Information

American General Life Insurance Company	CoCode: 60488	State of Domicile: Texas
2727-A Allen Parkway	Group Code: 12	Company Type:
Houston, TX 77019	Group Name: AIG	State ID Number:



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## Filing Fees

Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? Yes  
Fee Explanation: \$100.00 per filing  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American General Life Insurance Company	\$100.00	08/04/2008	21768667

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	08/11/2008	08/11/2008



SERFF Tracking Number: *AMGN-125731836* State: *Arkansas*  
 Filing Company: *American General Life Insurance Company* State Tracking Number: *39842*  
 Company Tracking Number: *08327*  
 TOI: *L09I Individual Life - Flexible Premium* Sub-TOI: *L09I.002 Joint (Last Survivor)*  
*Adjustable Life*  
 Product Name: *AIG Survivor Index*  
 Project Name/Number: *AIG Survivor Index/08327*

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Certification/Notice		Yes
<b>Supporting Document</b>	Application		Yes
<b>Supporting Document</b>	Health - Actuarial Justification		No
<b>Supporting Document</b>	Outline of Coverage		No
<b>Supporting Document</b>	L 4339 Notice		Yes
<b>Supporting Document</b>	Illustration Actuary's Certification of Compliance		No
<b>Supporting Document</b>	Actuarial Memorandum's		No
<b>Supporting Document</b>	AR Indexed Certification		Yes
<b>Form</b>	Joint and Last Survivor Fixed Index Interest Flexible Premium Adjustable Life Insurance Policy		Yes
<b>Form</b>	Term Life Insurance Benefit Rider Providing Life Insurance On the Life of the Last Surviving Contingent Insured		Yes

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## Form Schedule

Lead Form Number: 08327

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	08327	Policy/Cont	Joint and Last ract/Fratern Survivor Fixed Index al Interest Flexible Certificate Premium Adjustable Lfe Insurance Policy	Initial		50	08327_AIG_SURVIVOR_IN DEX_AR.pdf
	08692	Policy/Cont	Term Life Insurance ract/Fratern Benefit Rider al Providing Life Certificate: Insurance On the Life Amendmen of the Last Surviving t, Insert Contingent Insured Page, Endorseme nt or Rider	Initial		51	08692_TERM _LIFE_INSUR ANCE_BENE FIT_RIDER.p df

**AMERICAN GENERAL LIFE**  
**Insurance Company**  
A Stock Company

Home Office:  
Houston, Texas

2727-A Allen Parkway  
P.O. Box 1931  
Houston, Texas 77251

(713) 522-1111

**POLICY NUMBER: 000000000**

**WE WILL PAY THE DEATH BENEFIT PROCEEDS** to the Beneficiary if the Last Surviving Contingent Insured dies prior to the Maturity Date and while this policy is in force. Payment will be made after We receive due proof of the deaths of both Contingent Insureds, and will be subject to the terms of this policy.

**WE WILL PAY THE CASH SURRENDER VALUE** of this policy to the Owner on the Maturity Date if one or both Contingent Insureds are living on that date and if this policy is in force.

**No benefits under the base policy will be paid upon the death of the first Contingent Insured.**

The consideration for this policy is the application and payment of the first premium. The first premium must be paid on or before delivery of this policy.

This is a JOINT AND LAST SURVIVOR FIXED INDEX INTEREST FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY. An Adjustable Death Benefit is payable upon the Last Surviving Contingent Insured's death prior to the Maturity Date and while this policy is in force. Premium payments are flexible and payable to the Maturity Date. ACCUMULATION VALUES and CASH VALUES are flexible and will be based on the amount and frequency of premiums paid, and the amount of interest credited. NONPARTICIPATING-THIS POLICY WILL NOT PAY DIVIDENDS.

**NOTICE OF TWENTY DAY RIGHT TO EXAMINE POLICY**

**You may return this policy within twenty days after delivery if You are not satisfied with it for any reason. The policy may be returned to Us or to the agent through whom it was purchased. Upon surrender of the policy within the twenty day period, it will be void from the beginning, and We will refund any premium paid.**

SIGNED AT THE HOME OFFICE ON THE DATE OF ISSUE.



Secretary



President

**JOINT AND LAST SURVIVOR FIXED INDEX INTEREST  
FLEXIBLE PREMIUM ADJUSTABLE LIFE  
READ YOUR POLICY CAREFULLY**

## INDEX

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## DEFINITIONS

**Company Reference.** The words "We", "Our", "Us", or "Company" mean American General Life Insurance Company.

**"You", "Your."** The words "You" or "Your" mean the Owner of this policy.

**Home Office.** Our office at 2727-A Allen Parkway, Houston, Texas 77251; Mailing Address P.O. Box 1931, Houston, Texas 77251.

**Written, In Writing.** A written request or notice in acceptable form and content, which is signed and dated, and received at Our Home Office.

**Premium Class.** The Premium Class for each Contingent Insured is shown on the Policy Schedule as one or a combination of the following terms:

**Preferred Plus.** The term "Preferred Plus" means the cost of insurance is based on the Contingent Insured being an exceptional mortality risk and a non-user of tobacco and/or other products that contain nicotine.

**Preferred.** The term "Preferred" means the cost of insurance is based on the Contingent Insured being a significantly better than average mortality risk.

**Standard.** The term "Standard" means the cost of insurance is based on the Contingent Insured being an average mortality risk.

## NOTICE

This Policy Is A Legal Contract Between  
The Policy Owner And The Company.

## DEFINITIONS (Cont'd)

**Tobacco.** The term "Tobacco" means the cost of insurance is based on the Contingent Insured being a user of tobacco and/or other products that contain nicotine.

**Non-Tobacco.** The term "Non-Tobacco" means the cost of insurance is based on the Contingent Insured being a non-user of tobacco and/or other products that contain nicotine.

**Special.** The term "Special" means "Sub-standard" or "Rated". This means an extra amount is being charged due to the Contingent Insured's health, occupation or avocation.

**Uninsurable.** The term "Uninsurable" means the Contingent Insured would not pass the underwriting requirements for a single life policy.

## POLICY SCHEDULE

<b>Contingent Insureds:</b>	<b>Insurance Ages:</b>	<b>Premium Classes:</b>
John Doe	35	Preferred Plus
Jane Doe	35	Preferred Plus
Initial Specified Amount: \$250,000.00	Policy Number:	000000000
Death Benefit Option: 1	Date of Issue:	July 12, 2008
This Is A [Sex Distinct] Policy	Maturity Date:	July 12, 2094
Initial Premium:	\$2,376.82	
Planned Periodic Premium:	\$2,376.82 Payable Annually	
Monthly Deduction Day:	12 <sup>th</sup> Day of Each Month	
Minimum Death Benefit Amount (After A Decrease In Specified Amount):	[\$250,000.00]	
Monthly Guarantee Premiums:		
MGP1:	[\$55.00]	
MGP2:	[\$65.00]	
Guarantee Period:		
MGP1:	First [10] Policy Years	
MGP2:	First [14] Policy Years	
Monthly Expense Charge:	[\$27.25]	
Monthly Expense Charge Duration:	First [5] Policy Years First [5] Years of An Increase	
Death Benefit Discount Factor:	1.002466	
Guaranteed Interest Rates:	Annual Effective	Monthly
Declared Interest Account:	3.00%	.2466%
Interim Account:	3.00%	.2466%
Index Interest Accounts	See Page 3 (Cont'd)	
Mortality Table:	[2001 Commissioners Standard Ordinary Male or Female, Smoker or Non-Smoker Ultimate ANB Mortality Table]	
Death Benefit Compliance Test:	[Guideline Premium]	
[Initial Maximum Net Amount At Risk For Death Benefit Option 3	[3] Times The Initial Specified Amount Stated On This Page]	
Premium Expense Charge Percentage:	Guaranteed	Initial
Monthly Administration Fee:	8.00%	[8.00%]
	\$10.00	[\$8.00]

Coverage may expire prior to the Maturity Date shown where either no premiums are paid following payment of the initial premium, subsequent premiums are insufficient to continue coverage to such date, or the requirements of the Monthly Guarantee Premium provisions have not been met.

This Is A [State Name] Policy

**Policy Schedule Continued - Policy Number: 0000000000**

Additional Benefits Provided By Riders

Index Interest Accounts

Annual Point-To-Point Fixed Index Interest Account With Participation Rate Rider

Allocation Day	[12th Day of Each Month]
Guaranteed Interest Rate	[2.00%]
Eligible Value Factor	[.02]
Initial Participation Rate	[50%]
Minimum Participation Rate	[0%]
S&P 500® Index on the Date of Issue	[1,000.00]
Maximum Partial Surrender	[10%]

Annual Point-To-Point Fixed Index Interest Account With Index Cap Rider

Allocation Day	[12th Day of Each Month]
Guaranteed Interest Rate	[1.00%]
Eligible Value Factor	[.01]
Initial Index Cap	[10%]
Minimum Index Cap	[0%]
S&P 500® Index on the Date of Issue	[1,000.00]
Maximum Partial Surrender	[10%]

Term Life Insurance Benefit Rider	Monthly Cost See Rider	Years Payable 86
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Initial Rider Specified Amount:	\$100,000.00
Rider Monthly Expense Charge:	[\$2.18]
Rider Monthly Expense Charge Period:	First [5] Policy Years First [5] Years of An Increase

**Policy Schedule Continued – Policy Number 000000000**

**TABLE OF GUARANTEED MONTHLY COST OF INSURANCE RATES  
PER \$1,000 OF NET AMOUNT AT RISK**

<b>POLICY YEAR</b>	<b>RATE</b>	<b>POLICY YEAR</b>	<b>RATE</b>
1	0.00008	44	1.97189
2	0.00026	45	2.30268
3	0.00048	46	2.68047
4	0.00073	47	3.14903
5	0.00102	48	3.67898
6	0.00136	49	4.25327
7	0.00177	50	4.90110
8	0.00228	51	5.63663
9	0.00291	52	6.39536
10	0.00369	53	7.35013
11	0.00467	54	8.37402
12	0.00584	55	9.46777
13	0.00730	56	10.53978
14	0.00888	57	11.30601
15	0.01077	58	12.32199
16	0.01316	59	13.61830
17	0.01607	60	15.16622
18	0.01980	61	17.01310
19	0.02430	62	18.77293
20	0.02991	63	20.60121
21	0.03694	64	21.19095
22	0.04545	65	22.34827
23	0.05559	66	24.01788
24	0.06699	67	25.71975
25	0.08037	68	27.63126
26	0.09641	69	29.73356
27	0.11600	70	32.06650
28	0.14012	71	34.60697
29	0.16870	72	37.23686
30	0.20207	73	39.95180
31	0.24104	74	42.70248
32	0.28582	75	45.57763
33	0.33694	76	48.52963
34	0.39640	77	51.38758
35	0.46433	78	54.17785
36	0.54553	79	56.74912
37	0.64168	80	60.29824
38	0.76102	81	63.63012
39	0.89783	82	67.09235
40	1.05429	83	70.87934
41	1.23524	84	74.40895
42	1.44308	85	78.00210
43	1.68636	86	83.33000

The rates shown above represent the guaranteed (maximum) monthly cost of Insurance for each \$1,000 of net amount at risk.

**Policy Schedule Continued – Policy Number 000000000**

**DEATH BENEFIT CORRIDOR RATES  
BASED ON CASH VALUE ACCUMULATION TEST**

<b>POLICY YEAR</b>	<b>RATE</b>	<b>POLICY YEAR</b>	<b>RATE</b>
1	7.51300	44	1.56500
2	7.22410	45	1.52340
3	6.94630	46	1.48440
4	6.67940	47	1.44790
5	6.42280	48	1.41400
6	6.17620	49	1.38260
7	5.93910	50	1.35340
8	5.71120	51	1.32630
9	5.49220	52	1.30130
10	5.28180	53	1.27790
11	5.07960	54	1.25660
12	4.88530	55	1.23700
13	4.69860	56	1.21900
14	4.51930	57	1.20210
15	4.34700	58	1.18490
16	4.18150	59	1.16750
17	4.02260	60	1.15010
18	3.87000	61	1.13260
19	3.72360	62	1.11450
20	3.58310	63	1.09440
21	3.44830	64	1.07070
22	3.31910	65	1.04000
23	3.19520	66	1.00000
24	3.07660	67	1.00000
25	2.96290	68	1.00000
26	2.85410	69	1.00000
27	2.74980	70	1.00000
28	2.65020	71	1.00000
29	2.55490	72	1.00000
30	2.46390	73	1.00000
31	2.37710	74	1.00000
32	2.29420	75	1.00000
33	2.21510	76	1.00000
34	2.13980	77	1.00000
35	2.06790	78	1.00000
36	1.99940	79	1.00000
37	1.93430	80	1.00000
38	1.87240	81	1.00000
39	1.81380	82	1.00000
40	1.75830	83	1.00000
41	1.70570	84	1.00000
42	1.65610	85	1.00000
43	1.60920	86	1.00000

For Death Benefit Corridor Rates between policy anniversaries: 1. Determine the difference in rates between the two anniversaries; and 2. Add to the earlier rate 1/12 of the difference in rates for each month that has passed since the earlier policy anniversary.

**Policy Schedule Continued – Policy Number 000000000**

**DEATH BENEFIT CORRIDOR RATES  
BASED ON GUIDELINE PREMIUM TEST**

<b>ATTAINED AGE OF YOUNGER CONTINGENT INSURED</b>	<b>RATE</b>	<b>ATTAINED AGE OF YOUNGER CONTINGENT INSURED</b>	<b>RATE</b>
0-40	2.50	60	1.30
41	2.43	61	1.28
42	2.36	62	1.26
43	2.29	63	1.24
44	2.22	64	1.22
45	2.15	65	1.20
46	2.09	66	1.19
47	2.03	67	1.18
48	1.97	68	1.17
49	1.91	69	1.16
50	1.85	70	1.15
51	1.78	71	1.13
52	1.71	72	1.11
53	1.64	73	1.09
54	1.57	74	1.07
55	1.50	75-90	1.05
56	1.46	91	1.04
57	1.42	92	1.03
58	1.38	93	1.02
59	1.34	94	1.01
		95+	1.00

**Policy Schedule Continued – Policy Number 000000000**

**TABLE OF SURRENDER CHARGES  
PER \$1,000 OF INITIAL SPECIFIED AMOUNT**

The following charges apply to each \$1,000 of Initial Specified Amount surrendered during the policy years shown below (Surrender Charge Period). The charge for the surrender of all or any portion of Initial Specified Amount will be equal to the rate shown below for the year of surrender multiplied by the number of thousands of Specified Amount being surrendered. There will be an additional charge for each partial surrender as described in the "Partial Surrender" provision.

<b>POLICY YEAR</b>	<b>SURRENDER CHARGE RATE</b>
1	\$17.62
2	17.47
3	17.31
4	17.15
5	16.99
6	15.93
7	14.01
8	12.13
9	10.28
10	8.46
11	6.69
12	4.95
13	3.26
14	1.60
15	0.00

A new Surrender Charge Schedule will be furnished if there is an increase in Specified Amount.

**Contract.** Your policy is a legal contract that You have entered into with Us. You have paid the first premium and have submitted an application, a copy of which is attached. In return, We promise to provide the insurance coverage described in this policy.

The entire contract consists of:

1. The base policy;
2. The riders that add benefits to the base policy, if any;
3. Endorsements, if any; and
4. The attached copy of Your application, and any amendments or supplemental applications.

**Date of Issue.** The Date of Issue of this policy is the date on which the first premium is due. The Date of Issue is also the date from which all policy years, anniversaries, and Monthly Deduction dates are determined.

**Owner.** The Owner is as stated in the application unless later changed. During the Last Surviving Contingent Insured's lifetime, the Owner may exercise every right the policy confers or We allow (subject to the rights of any assignee of record). You may have multiple Owners of the policy. In that case, the authorizations of all Owners are required for all policy changes. The Owner or Owners may be the same as one or both of the Contingent Insureds, but do not have to be. If an Owner

dies while the policy is in force and the Insured is living, ownership rights pass on to a successor Owner recorded in Our records, if any; otherwise ownership rights pass to the estate of the Owner.

**Last Surviving Contingent Insured.** The Last Surviving Contingent Insured is the last survivor of the Contingent Insureds named on the Policy Schedule. Payment of a Death Benefit under this policy will be made upon the death of the Last Surviving Contingent Insured. The term "second death" means "death of the Last Surviving Contingent Insured."

**Notification of First Death.** While Death Benefit Proceeds will be payable upon the second death, We must receive proof of the death of both Contingent Insureds before payment will be made. Therefore, it is important that due proof of the first death be furnished to the Company at the time of such death.

**Types of Accounts.** There are three types of accounts available with this policy to which interest is credited to the Accumulation Value. They are:

1. The Fixed Index Interest Account(s);
2. The Declared Interest Account; and
3. The Interim Account.

Fixed Index Interest Accounts will be made a part of this policy in the form of a rider(s).

## PREMIUM PAYMENTS

All premiums after the first are payable in advance. Premium payments are flexible. This means You may choose the amount and frequency of payments.

The actual amount and frequency of premium payments will affect the Cash Values and the amount and duration of insurance. Please refer to the "Policy Values Provisions" for a detailed explanation.

## PREMIUM PAYMENTS (Cont'd)

**Planned Periodic Premiums.** The amount and frequency of the Planned Periodic Premiums You selected are shown on the Policy Schedule. You may request a change in the amount and frequency. We may limit the amount of any increase. (See "Maximum Premium".) Payment of the Planned Periodic Premium may not be sufficient to keep Your policy in force until maturity. You can choose a higher Planned Periodic Premium or an increase in the frequency of payments to keep Your policy in force. (See "Grace Period", "First Monthly Guarantee Premium" and "Second Monthly Guarantee Premium".)

**Unscheduled Additional Premiums.** You may pay additional premiums at any time before the Maturity Date shown on the Policy Schedule. We may limit the number and amount of additional premiums. (See "Maximum Premium" and "Maximum Net Amount at Risk".)

**Maximum Premium.** We reserve the right to refund any premium that would cause this policy to fail to qualify as life insurance under the Death Benefit Compliance Test selected, and under applicable tax laws. The test selected is shown on the Policy Schedule.

**Maximum Net Amount at Risk.** We reserve the right to refund any premium that would cause an immediate increase in the Net Amount at Risk. We may automatically effect a partial surrender or reduce the Death Benefit, both of which may have federal tax consequences, if the Net Amount at Risk exceeds Our limitations. (We determine the "Net Amount at Risk" as shown in the "How We Calculate the Cost of Insurance for the Base Policy" provision.)

**Where to Pay.** You may make Your payments to Us at Our Home Office or to an authorized agent. All premium checks must be made payable to the Company. A receipt signed by an officer of the Company will be furnished upon request.

**Premium Expense Charge.** The Premium Expense Charge is calculated by multiplying the premium paid by the Premium Expense Charge Percentage. The Premium Expense Charge Percentage is adjustable, but will never be more than the guaranteed Premium Expense Charge Percentage shown on the Policy Schedule.

**Net Premium.** The term Net Premium as used in this policy means the premium paid, less the Premium Expense Charge except as follows: No Premium Expense Charge will be deducted if the source of the premium is Cash Surrender Values applied from another policy issued by the Company. (We refer to this as an internal rollover.)

**Allocation of Net Premiums.** The initial allocation of Net Premiums is shown in the application for this policy and will remain in effect until changed by Written notice from the Owner. The percentage allocation for future Net Premiums may be changed at any time by Written notice.

Changes in the allocation of Net Premiums will be effective on the date We receive the Owner's notice. The allocation may be 100% to Fixed Index Interest (Index Interest) or Declared Interest Accounts or may be divided between the accounts in whole percentage points totaling 100%.

Net Premiums received on any day other than an Allocation Day that are designated to receive Index Interest will be placed in an Interim Account. Such Account will receive interest as described in the "Interest Rates" provision.

## DEATH BENEFIT AND DEATH BENEFIT OPTIONS

**Death Benefit Proceeds.** If both Contingent Insureds die prior to the Maturity Date and while this policy is in force, We will pay the Death Benefit Proceeds to the Beneficiary. The Death Benefit Proceeds will be subject to:

1. The Death Benefit Option in effect on the date of the second death; and
2. Any increases or decreases made to the Specified Amount. The Initial Specified Amount is shown on the Policy Schedule.

Guidelines for changing the Death Benefit Option or the Specified Amount will be found in the "Changing Your Insurance Policy" section.

Any premium received after the date of the second death will be refunded and will not be included in the Accumulation Value for purposes of calculating the Death Benefit Amount.

The Death Benefit Proceeds will be the Death Benefit Amount, after refunding any premium received after the date of the second death, less any outstanding policy loan and will be subject to the other provisions of the "Beneficiary and Proceeds" section.

**Death Benefit Compliance Test.** Death Benefit Compliance Tests are used to determine if a policy will qualify as life insurance under applicable tax laws. There are two compliance tests which may be used: The Guideline Premium Test and the Cash Value Accumulation Test. The test which You selected when this policy was issued is shown on the Policy Schedule. You cannot change Your selection of the Death Benefit Compliance Test after the Date of Issue.

**Death Benefit Option.** The Death Benefit Option which You selected is shown on the Policy Schedule as either Option 1, 2 or 3.

**Option 1.** If You selected Option 1, the Death Benefit Amount will be the greater of:

1. The Specified Amount on the date of the second death; or
2. The Accumulation Value on the date of the second death multiplied by the applicable Death Benefit Corridor Rate.

**Option 2.** If You selected Option 2, the Death Benefit Amount will be the greater of:

1. The Specified Amount plus the Accumulation Value on the date of the second death; or
2. The Accumulation Value on the date of the second death multiplied by the applicable Death Benefit Corridor Rate.

**Option 3.** If You selected Option 3, the Death Benefit Amount will be the amount payable under Option 1 plus the sum of all premiums paid for this policy, including premiums for any riders, less any amounts waived by the Company under a waiver of monthly deduction benefit, except as follows: Premium payments after a partial surrender will not increase the Death Benefit Amount until the sum of premiums paid from the date of the partial surrender exceeds the amount of the partial surrender.

## DEATH BENEFIT AND DEATH BENEFIT OPTIONS (Cont'd)

There is a Maximum Net Amount at Risk associated with Death Benefit Option 3. If You selected Option 3, the Maximum Net Amount at Risk on the Date of Issue is shown on the Policy Schedule. If at any time the Net Amount at Risk (Net Amount at Risk is the excess of the Death Benefit Amount over the Accumulation Value of the policy) exceeds the Maximum Net Amount at Risk, the Company may automatically effect a partial surrender or reduce the Death Benefit Amount, both of which may have federal tax consequences, to keep the Net Amount at

Risk below the maximum then in effect. In no event, however, will We effect such partial surrender or reduce the Death Benefit Amount if the change would result in adverse tax consequences under Internal Revenue Code (IRC) Section 7702. Future underwritten increases in Specified Amount will increase the Maximum Net Amount at Risk.

Death Benefit Corridor Rates are shown in the table for the Death Benefit Compliance Test which You selected.

## CHANGING YOUR INSURANCE POLICY

You may request a change in the Specified Amount or the Death Benefit Option at any time except that a decrease in the Specified Amount may not become effective prior to the end of the first policy year. Your request must be submitted to Our Home Office In Writing.

**Increasing the Specified Amount.** Increases in Specified Amount will only be considered while both Contingent Insureds are still living. We will require an application for each Contingent Insured and evidence of insurability satisfactory to Us for any increase in the Specified Amount.

An increase will be effective on the Monthly Deduction Day on or next following the date the application for increase is approved by Us. The effective date will appear in an endorsement to this policy.

**Decreasing the Specified Amount.** Any decrease will go into effect on the Monthly Deduction Day following the day We receive the request. The Death Benefit Amount remaining in effect after any decrease cannot be less than the greater of:

1. The Minimum Death Benefit Amount shown on the Policy Schedule; or

2. Any Death Benefit Amount required to qualify this policy as life insurance under applicable tax laws.

Any such decrease will be applied in the following order:

1. Against the Specified Amount provided by the most recent increase;
2. Against the next most recent increases successively;
3. Against the Specified Amount provided under the original application.

Any reduction in Specified Amount will be subject to any applicable surrender charges on a pro-rata basis with the surrender charge prior to the reduction in Specified Amount being reduced proportionately. However, if such charge is greater than the Accumulation Value, the Specified Amount decrease will not be allowed.

**Changing the Death Benefit Option.** You may request a change from Option 1 to Option 2, from Option 2 to Option 1, or from Option 3 to Option 1.

## CHANGING YOUR INSURANCE POLICY (Cont'd)

1. If You request a change from Option 1 to Option 2: The new Specified Amount will be the Specified Amount, prior to the change, less the Accumulation Value as of the effective date of the change, but not less than zero. Any such decrease in Specified Amount will be subject to the same guidelines and restrictions as outlined in the "Decreasing the Specified Amount" provision, except that such decrease will not be subject to a pro-rata surrender charge and the surrender charge will not change due to such decrease.
2. If You request a change from Option 2 to Option 1: The new Specified Amount will be the Specified Amount, prior to the change, plus the Accumulation Value as of the effective date of the change.
3. If You request a change from Option 3 to Option 1: The Specified Amount will remain unchanged.

We will not require evidence of insurability for a change in the Death Benefit Option. The change will go into effect on the Monthly Deduction Day following the date We receive Your request for change.

**Changing the Terms of Your Policy.** Any change in Your policy must be approved by the President, a Vice President, an Administrative Officer or the Secretary of the Company. No agent has the authority to make any changes or waive any of the terms of Your policy.

## INTEREST ACCOUNTS

**Declared Interest Account.** Net Premiums and loan repayments received that are not designated to receive Index Interest will be placed in the Declared Interest Account. The Declared Interest Account will receive interest as described in the "Interest Rates" provision.

**Interim Account.** Net Premiums and loan repayments received on any day other than an Allocation Day that are designated to receive Index Interest will be placed in an Interim Account. The Interim Account will receive interest as described in the "Interest Rates" provision.

**Index Interest Accounts.** Fixed Index Interest Accounts (Index Accounts) will be made a part of this policy in the form of a rider(s). Each rider will describe in detail how Index Interest is to be calculated and applied to an account. Separate riders might be used to credit interest within multiple Index Accounts by applying different methods to calculate Index Interest, as described in the applicable rider.

Index Accounts will be established on the Date of Issue for the portion of the Initial Net

Premium that is designated to receive Index Interest. These Index Accounts are established in accordance with the premium allocation percentages in effect. Subsequent Index Accounts will be established on the Allocation Day shown on the Policy Schedule, as needed.

On each Allocation Day, the following will be placed in the appropriate Index Account:

1. Net Premiums and loan repayments received on such Allocation Day that are designated to receive Index Interest; and
2. The unloaned Accumulation Value in the Interim Account; and
3. The Renewal Allocation Amount as described in each rider.

You may allocate all or a portion of the unloaned Accumulation Value receiving Declared Interest to a new Index Account. Such value will be placed in the Interim Account until the next Allocation Day when a new Index Account is established. We must receive Your Written request that changes Your allocation instructions at least 30 days prior to an Allocation Day.

## POLICY VALUES PROVISIONS

### Accumulation Value:

**On the Date of Issue.** The Accumulation Value on the Date of Issue will be:

1. The Net Premium received; less
2. The Monthly Deduction for the first policy month. (See "How We Calculate a Monthly Deduction".)

The first Deduction Day is the Date of Issue. The Monthly Deduction Day is shown on the Policy Schedule.

**On Each Monthly Deduction Day.** On each Monthly Deduction Day after the Date of Issue, We will determine the Accumulation Value as follows:

1. We will take the Accumulation Value as of the last Monthly Deduction Day; and
2. Add all Net Premiums received since the last Monthly Deduction Day; and
3. Add the interest earned for the month:
  - a. Interest will be applied for the entire month on the excess of the Accumulation Value on the last Monthly Deduction Day over any partial surrenders made since the last Monthly Deduction Day;
  - b. If a Net Premium has been received since the last Monthly Deduction Day, interest on such amount will be added on a pro-rata basis from the date received to the end of the policy month;
  - c. If a partial surrender has been made since the last Monthly Deduction Day, interest on the amount of such partial surrender will be added on a pro-rata basis from the last Monthly Deduction

Day to the day of such partial surrender; and

4. Add Index Interest, if any; and
5. Subtract any partial surrender made and any charges for partial surrenders since the last Monthly Deduction Day; and
6. Subtract the Monthly Deduction for the policy month following the Monthly Deduction Day. (See "How We Calculate a Monthly Deduction".)

**On Any Day Other Than a Monthly Deduction Day.** The Accumulation Value on any day other than a Monthly Deduction Day will be:

1. The Accumulation Value as of the last Monthly Deduction Day;
2. Less any partial surrenders made and any charges for partial surrenders since the last Monthly Deduction Day;
3. Plus all Net Premiums received since the last Monthly Deduction Day;
4. Plus interest earned since the last Monthly Deduction Day.

**Cash Value.** The Cash Value of this policy will be equal to the Accumulation Value, less the surrender charge, if any.

**Cash Surrender Value.** The Cash Surrender Value of this policy will be equal to the Cash Value less any indebtedness.

## POLICY VALUES PROVISIONS (Cont'd)

**Monthly Deductions May Be Made Only if There Is Sufficient Value (Unless Policy Is Being Continued Under Either Monthly Guarantee Premium Provision).** Unless this policy is being continued in force under either Monthly Guarantee Premium provision, a Monthly Deduction from the Accumulation Value may be made only if the Cash Surrender Value is equal to or greater than the Monthly Deduction. The Accumulation Value will be reduced by the amount of each Monthly Deduction. If the Cash Surrender Value on a Monthly Deduction Day is not sufficient to meet the Monthly Deduction for the current month, this policy will be subject to the "Grace Period", "First Monthly Guarantee Premium" and "Second Monthly Guarantee Premium" provisions.

**Surrender Charge.** Surrender charges will apply if the Initial Specified Amount is surrendered or reduced during the Surrender Charge Period. Surrender charges for any increases in Specified Amount will apply if such increases are surrendered or reduced during the Surrender Charge Period of each increase. The Surrender Charge Period will vary according to the younger Contingent Insured's age at issue (or the younger Contingent Insured's age on the date of an increase) as shown in the Table of Surrender Charges per \$1,000 of Specified Amount. (See "Table of Surrender Charges".)

You may make a request for a full surrender at any time during either Contingent Insured's lifetime before the Maturity Date.

A reduction in Specified Amount due to a requested partial surrender, full surrender, or partial surrender will be calculated as of the day We receive Your request.

**How We Calculate a Monthly Deduction.** Each Monthly Deduction includes:

1. The cost of insurance provided by the base policy; and
2. The total charges for benefits provided by riders; and

3. The Monthly Administration Fee; and
4. The Monthly Expense Charge, if any.

Monthly Deductions will be made from the accounts in the following order:

1. From the Interim Account until it is reduced to zero;
2. From the Declared Interest Account until it is reduced to zero;
3. From among the Index Accounts, allocated proportionately.

**How We Calculate the Cost of Insurance for the Base Policy.** We calculate the cost of insurance at the beginning of each policy month. The cost of insurance is determined on the Monthly Deduction Day by multiplying the Net Amount at Risk by the cost of insurance rate per \$1,000 and dividing the result by 1000.

To determine the Net Amount at Risk, We:

1. Divide the Death Benefit Amount under the base policy by the Death Benefit Discount Factor shown on the Policy Schedule; and
2. Reduce the result by the amount of Accumulation Value allocated to the base policy:
  - a. Before the cost of insurance deduction is taken; and
  - b. After any applicable rider charges, the Monthly Expense Charge, if any, and the Monthly Administration Fee are deducted.

**Charges for Benefits Provided by Riders.** All charges for benefits provided by riders will be as stated on the Policy Schedule or in an endorsement to this policy. Riders are not part of the base policy.

## POLICY VALUES PROVISIONS (Cont'd)

**Monthly Administration Fee.** An administration fee will be deducted monthly. The amount of the Monthly Administration Fee may be adjusted, but will never be greater than the guaranteed Monthly Administration Fee shown on the Policy Schedule.

**Monthly Expense Charge.** A Monthly Expense Charge will be deducted monthly. Such charge applies to the Initial Specified Amount and to any increase in Specified Amount. The Monthly Expense Charge for the Initial Specified Amount is shown on the Policy Schedule. The duration of the charge for the Initial Specified Amount and any increase in Specified Amount is also shown on the Policy Schedule. The Monthly Expense Charge for any increase in the Specified Amount will be provided in an endorsement to this policy. Any decrease in Specified Amount will not change the Monthly Expense Charge then in effect.

**Cost of Insurance Rate.** The cost of insurance rate for the Initial Specified Amount, and for each Specified Amount increase, is based on each Contingent Insured's:

1. Gender (if issued on a Sex Distinct basis);
2. Age nearest birthday on each policy anniversary; and
3. Premium class shown on the Policy Schedule associated with the Initial Specified Amount and Premium Class associated with each increase in the Specified Amount, if any, shown in subsequent endorsements.

A table of guaranteed monthly cost of insurance rates is included in this policy. We can use cost of insurance rates that are lower than the guaranteed rates. Any change in rates will apply to all policies in the same rate class as this policy. The rate class of this policy is determined on its Date of Issue according to:

1. The calendar year of issue and policy year;
2. The plan of insurance;
3. The amount of insurance; and
4. The age, gender and premium class of each Contingent Insured if issued on a Sex Distinct basis or the age and premium class if issued on a Gender Neutral basis.

**Changes in Rates, Charges and Fees.** This policy does not participate in Our profits or surplus. Any redetermination of the cost of insurance rates, interest rates, Premium Expense Charge Percentage or Monthly Administration Fee will be based on Our future expectations as to mortality, persistency, expenses, investment earnings, reinsurance costs, option prices, and state and federal taxes. We will not change these rates or charges in order to recoup any prior losses.

**Interest Rates.** The guaranteed interest rates used in calculating Accumulation Values are shown on the Policy Schedule. Guaranteed interest is credited monthly to the Declared Interest and Interim Accounts. We can use interest rates greater than the guaranteed interest rates to calculate the values in the Declared Interest and Interim Accounts.

For the Declared Interest Account and Interim Account: Interest in addition to that provided by the guaranteed interest rates, if any, will be credited monthly.

We will apply a different rate of interest to that portion of the Accumulation Value which equals the amount of a policy loan. The rate applied to amounts offset by policy loans will be credited monthly at an annual effective rate of 3.0%. The amounts offset by policy loans will not be eligible for Index Interest.

## POLICY VALUES PROVISIONS (Cont'd)

**Grace Period.** The Grace Period is the 61-day period that follows a Monthly Deduction Day or an annual policy loan interest due date if:

1. There is not enough Cash Surrender Value to pay the amount due; and
2. The requirements of the applicable Monthly Guarantee Premium provision have not been met.

There is no Grace Period for the initial Monthly Deduction.

If the amount required to keep Your policy in force is not paid by the end of the Grace Period, this policy will terminate without value. However, We will give You at least 31 days notice prior to termination that Your policy is in the Grace Period and advise You of the amount of premium required to keep Your policy in force. Such 31 days prior notice will be sent to You at Your last known address, and to the assignee of record, if any. If the Last Surviving Contingent Insured dies during the Grace Period, Monthly Deductions through the policy month in which death occurred will be deducted from the proceeds.

If a surrender request is received within 31 days after the Grace Period commences, the Cash Surrender Value payable will not be less than the Cash Surrender Value on the Monthly Deduction Day the Grace Period commenced. The Monthly Deduction for the policy month following such Monthly Deduction Day will not be subtracted in the calculation of such Cash Surrender Value.

### **First Monthly Guarantee Premium (MGP1).**

The MGP1 for the Initial Specified Amount and any benefit riders in force on the Date of Issue is shown on the Policy Schedule. The MGP1 Guarantee Period on the Date of Issue is also shown on the Policy Schedule. This policy will not terminate during the MGP1 Guarantee Period if, on each Monthly Deduction Day within the MGP1 Guarantee Period, the sum of the premiums paid, equals or exceeds:

1. The sum of the MGP1s from the Date of Issue, including the current month; plus
2. Any partial surrenders and any increase in the policy loan amount since the Date of Issue.

### **Second Monthly Guarantee Premium (MGP2).**

The MGP2 is a benefit that is in addition to the MGP1. The MGP2 for the Initial Specified Amount and any benefit riders in force on the Date of Issue is shown on the Policy Schedule. The MGP2 Guarantee Period on the Date of Issue is also shown on the Policy Schedule. This policy will not terminate during the MGP2 Guarantee Period if, on each Monthly Deduction Day within the MGP2 Guarantee Period, the sum of the premiums paid, equals or exceeds:

1. The sum of the MGP2s from the Date of Issue, including the current month; plus
2. Any partial surrenders and any increase in the policy loan amount since the Date of Issue.

**Concerning Monthly Guarantee Premiums.** If on a Monthly Deduction Day, this policy does not meet either Monthly Guarantee Premium provision requirements, guarantees under these provisions will not be in effect.

During either guarantee period the Monthly Guarantee Premium will be recalculated if:

1. The Specified Amount is increased or decreased;
2. A benefit rider is increased, decreased, added or removed;
3. A change in Premium Class occurs; or
4. A change in Death Benefit Option occurs.

These changes will not affect either guarantee period then in effect.

## POLICY VALUES PROVISIONS (Cont'd)

If a policy is reinstated during either guarantee period with no change to the Specified Amount, the Death Benefit Option, Premium Class, or benefit riders, if any, the Monthly Guarantee Premium for that guarantee period upon reinstatement will be the same as it was when the policy lapsed. Reinstatement will not change either guarantee period that was in effect when the policy lapsed. The guarantee period will continue as though the policy had not lapsed.

The policy value at the end of either guarantee period may be insufficient to keep the policy in force unless an additional payment is made at that time.

**Full Surrender.** You may return Your policy to Us and request its Cash Surrender Value at any time during the Last Surviving Contingent Insured's lifetime before the Maturity Date. The Cash Surrender Value will be calculated as of the day We receive Your request. If surrender takes place within 31 days after a policy anniversary, the Cash Value will not be less than on that anniversary. However, calculation of the Cash Surrender Value will take into account any partial surrender, loan and/or Monthly Deduction taken within those 31 days.

**Partial Surrender.** At anytime after the first policy year and prior to the Maturity Date, You may request withdrawal of a portion of the Cash Surrender Value of the policy. To be processed on an Allocation Day, the partial surrender request must be received prior to the Maturity Date, In Writing, at least ten days prior to that Allocation Day.

Partial surrenders will be made from the accounts in the following order:

1. From the Interim Account until it is reduced to zero;

2. From the Declared Interest Account until it is reduced to zero;
3. From among the Index Accounts, allocated proportionately.

Partial surrenders from an Index Account are limited to 100% of the value in an Index Account that ends on the date the partial surrender is made. If the partial surrender is not made on such date then the amount is limited to the Maximum Partial Surrender percentage for each Index Account shown on the Policy Schedule.

A partial surrender will result in a reduction of the Cash Value, Accumulation Value and the Death Benefit Amount. The Cash and Accumulation Values will be reduced by the amount of partial surrender. The reduced Death Benefit Amount will be determined in accordance with the "Death Benefit Option" provision. If Your Death Benefit Option is Option 1 or Option 3, the Specified Amount will be reduced by the amount of the partial surrender. The reduction in Specified Amount will be subject to the same guidelines and restrictions as outlined in the "Decreasing the Specified Amount" provision. (The Specified Amount after the reduction will not be less than zero.) The Death Benefit Amount remaining after this reduction must not be less than the Minimum Death Benefit Amount shown on the Policy Schedule. If You have selected Death Benefit Option 2, a partial surrender may not cause a reduction in Specified Amount.

There will be a charge not to exceed \$50.00 for each partial surrender in addition to the amounts shown in the Table of Surrender Charges. Any partial surrender that causes a reduction in Specified Amount will be subject to any applicable surrender charges on a pro-rata basis, and the remaining surrender charge will be reduced proportionately.

## POLICY VALUES PROVISIONS (Cont'd)

### **Payment of Cash Surrender Value Benefit.**

We can delay payment of Cash Surrender Values for up to 6 months, or the period allowed by law, whichever is less. However, We cannot delay payment of a partial surrender if the amount is to be used to pay a premium to Us.

**Continuation of Insurance Coverage if Amount or Frequency of Premium Payments is Reduced or if Premium Payments Are Discontinued.** During the Guarantee Periods, this policy will remain in force as long as the applicable Monthly Guarantee Premium requirements are met. Thereafter, if You reduce the amount or frequency of premium payments,

or if You discontinue payment of premiums and do not surrender this policy, We will continue making Monthly Deductions (as long as there is sufficient Cash Surrender Value to make such deductions) until the Maturity Date. This policy will remain in force until the earliest of the following dates:

1. The Maturity Date (if there is sufficient value to make Monthly Deductions to that date);
2. Full surrender of the policy;
3. The end of the Grace Period; or
4. The second death.

## POLICY LOANS

You may borrow from Us at any time while this policy is in force, an amount which is equal to or less than the policy's loan value. The loan value will be the Cash Value less:

1. Any prior outstanding loan; and
2. Interest on the amount to be borrowed to the next policy anniversary; and
3. Interest on any prior outstanding loan to the next policy anniversary.

When a policy loan is made, the amount of the loan will be deducted on a pro-rata basis from each Index Account, the Declared Interest Account and the Interim Account.

**Loan Interest.** Except for Preferred Loans, the Annual Policy Loan Interest Rate is 3.85%, payable in advance. (This is equivalent to an annual effective rate of 4.0%, paid at the end of the policy year.) On each policy anniversary, loan interest for the next year is due in advance. Interest not paid when due will be added to the loan. (See "Preferred Loans".)

**How You May Repay a Policy Loan.** You may repay all or part of a policy loan at any time, except that:

1. Repayment may be made only while this policy is in force and prior to the second death; and
2. A partial repayment must be at least \$10.00; and
3. You must specify the payment is to repay all or part of the policy loan.

Loan repayments will be allocated in accordance with the premium allocation percentages in effect.

Except as provided in the "Grace Period" provision, this policy will lapse at any time Your policy loan exceeds the Cash Value. However, at least 31 days prior notice must be mailed by Us to Your last known address and to the assignee of record, if any.

## POLICY LOANS (Cont'd)

**We Can Delay Payment.** We can delay lending You money for up to 6 months, or the period allowed by law, whichever is less. However, We cannot delay lending You money if the amount is to be used to pay a premium to Us.

**Obtaining a Loan.** You may obtain a policy loan by Written request and assignment of the policy as sole security for the loan.

**Preferred Loans.** A "Preferred Loan" is a policy loan that is made at a net cost to the Owner that is less than the net cost of other policy loans. By "net cost" We mean the amount of interest charged for the loan less interest credited to the amount of the Accumulation Value offset by a loan. Starting on the tenth policy anniversary, this policy will be eligible for "Preferred Loans" subject to the following guidelines:

1. The maximum amount of the loan value eligible for Preferred Loans during a policy year is restricted to;
  - a. The Cash Surrender Value at the beginning of the policy year; less
  - b. The sum of premiums paid in excess of partial surrenders since the Date of Issue.
2. When a Preferred Loan is made, loan interest to the next policy anniversary will accrue daily at an annual effective rate of not less than 2.91% nor more than 3.15%. (This is equivalent to an effective rate of not less than 3.0% nor more than 3.25% respectively, paid at the end of the policy year.)

## BENEFICIARY AND PROCEEDS

**Beneficiary.** The Beneficiary will be as named in the application, or later changed by the Owner. Unless the Owner provides otherwise, upon the second death, We will pay proceeds in equal shares to the named Beneficiaries that survive such Contingent Insured. Unless otherwise provided by the Beneficiary designation, proceeds will be paid as follows:

1. If any Beneficiary dies while the Last Surviving Contingent Insured is living, that Beneficiary's interest will pass to any other Beneficiaries of the Last Surviving Contingent Insured according to their respective interests.
2. If there is no Beneficiary upon the second death (and there is no provision to the contrary), proceeds will be paid in one sum to the Owner, if otherwise proceeds will be paid to the Owner's estate.

**Common Disaster.** If We cannot determine whether a Beneficiary or the Last Surviving Contingent Insured died first in a common disaster, We will assume that the Beneficiary died first. Proceeds will be paid on this basis unless an endorsement to this policy provides otherwise.

**Simultaneous Death of Contingent Insureds if Contingent Insureds are Owners.** If the Contingent Insureds are also the Owners and We are unable to determine to Our satisfaction that one of the Contingent Insureds predeceased the other, it will be assumed that the Contingent Insureds died simultaneously. Thereupon, one-half of the Death Benefit Proceeds will be payable with respect to each of the Contingent Insureds' Beneficiaries.

## BENEFICIARY AND PROCEEDS (Cont'd)

**Proceeds.** Proceeds mean the amount payable on:

1. The Maturity Date;
2. Exercise of the full surrender benefit; or
3. The second death.

The proceeds on the Maturity Date will be the Cash Surrender Value. The proceeds on the second death will be the Death Benefit Amount,

after refunding any premium received after the date of the second death, less any outstanding policy loans and will be subject to the other provisions of the "Beneficiary and Proceeds" section.

All proceeds and partial surrender benefits are subject to the provisions of the "Payment Options" section and the other provisions of this policy.

## CHANGE OF OWNERSHIP OR BENEFICIARY

You may change the Owner or the Beneficiary at any time during the lifetime of either Contingent Insured unless the previous designation provides otherwise. To do so, send a Written request to Our Home Office. The change will go into effect when We have

recorded the change. However, after the change is recorded, it will be deemed effective as of the date of Your Written request for change. The change will be subject to any payment made or action taken by Us before the request is recorded.

## PAYMENT OPTIONS

Instead of being paid in one sum, all or part of the proceeds may be applied under any of the Payment Options described below. In addition to these options, other methods of payment may be chosen with Our consent.

**Payment Contract.** When proceeds become payable under a Payment Option, a Payment Contract will be issued to each payee. The Payment Contract will state the rights and benefits of the payee. It will also name those who are to receive any balance unpaid at the death of the payee.

**Election of Options.** The Owner may elect or change any Payment Option while either Contingent Insured is living, subject to the provisions of this policy. This election or change must be In Writing. Within 60 days after We receive Written notification of the second death,

a payee entitled to proceeds in one sum may elect to receive proceeds under any option (subject to the limitations stated in the "Availability of Options" provision).

**Option 1. Payments for a Specified Period:** Equal monthly payments will be made for a specified period. The Option 1 Table in this policy shows the monthly income for each \$1,000 of proceeds applied.

**Option 2. Payments of a Specified Amount:** Equal monthly payments of a specified amount will be made. Each payment must be at least \$60 a year for each \$1,000 of proceeds applied. Payments will continue until the amount applied, with interest, has been paid in full.

## PAYMENT OPTIONS (Cont'd)

**Option 3. Monthly Payments for Life with Period Certain:** Equal monthly payments will be made for a specified period, and will continue after that period for as long as the payee lives. The specified period may be 10, 15, or 20 years. The Option 3 Table in this policy shows the monthly income for each \$1,000 of proceeds applied. If issued on a Sex Distinct basis, tables are based on the Annuity 2000 Male or Female Tables adjusted by projection scale G (adjusted by 50% of projection scale G for females and 100% of projection scale G for males) for 20 years, with interest at the rate of 2% per year. If issued on a Gender Neutral basis, tables are based on the Annuity 2000 Male and Female Tables adjusted by projection scale G (adjusted by 50% of projection scale G for females and 100% of projection scale G for males) for 20 years, with Gender Neutral rates based on 60% female and 40% male, and interest at the rate of 2% per year.

At the time payments are to begin under this option, the payee may choose one of the following:

1. Monthly payments based on the Option 3 Table; or
2. Monthly payments equal to a monthly annuity based on Our single immediate annuity rates then in use.

**Option 4. Proceeds Left at Interest:** Proceeds may be left on deposit with Us for any period up to 30 years. Interest earned on the proceeds may be:

1. Left on deposit to accumulate at the rate of 2% compounded annually; or
2. Paid in installments at the rate for each \$1,000 of proceeds of \$20 annually, \$9.95 semiannually, \$4.96 quarterly or \$1.65 monthly.

Upon the death of the payee, or at the end of the specified period, any balance left on deposit will be paid in a lump sum or under Options 1, 2 or 3.

**Interest Rates.** The guaranteed rate of interest for proceeds held under Payment Options 1, 2, 3 and 4 is 2% compounded annually. We may credit interest at a higher rate. We determine the higher rate.

**Payments.** The first payment under Options 1, 2 and 3 will be made when the claim for settlement has been approved. Payments after the first will be made according to the manner of payment chosen. Interest under Option 4 will be credited from the date of the second death and paid or added to the proceeds as provided in the Payment Contract.

**Availability of Options.** If the proposed payee is not a natural person, payment options may be chosen only with Our consent.

If this policy is assigned, We will have the right to pay the assignee in one sum the amount to which the assignee is entitled. Any balance will be applied according to the option chosen.

The amount to be applied under any one option must be at least \$2,000. The payment elected under any one option must be at least \$20. If the total policy proceeds are less than \$2,000 payment will be made in one lump sum.

**Evidence that Payee is Alive.** Before making any payment under a Payment Option, We may ask for proof that the payee is alive. If proof is requested, no payment will be made or considered due until We receive proof.

**Death of a Payee.** If a payee dies, any unpaid balance will be paid as stated in the Payment Contract. If there is no surviving payee named in the Payment Contract, We will pay the estate of the payee:

1. Under Options 1 and 3: The value of the remaining payments for the specified period as of the date We receive Written notification of death, discounted at the rate of interest used in determining the amount of the monthly payment.

## PAYMENT OPTIONS (Cont'd)

2. Under Options 2 and 4, the balance of any proceeds remaining unpaid with accrued interest, if any.

**Withdrawal of Proceeds Under Options 1 or 2.** If provided in the Payment Contract, a payee will have the right to withdraw the entire unpaid balance under Options 1 or 2. Under Option 1, the amount will be the value of the remaining payments for the specified period discounted at the rate of interest used in determining monthly income. Under Option 2, the amount will be the entire unpaid balance.

**Withdrawal of Proceeds Under Option 4.** A payee will have the right to withdraw proceeds left under Option 4 subject to the following rules:

1. The amount to be withdrawn must be \$500 or more;

2. A partial withdrawal must leave a balance on deposit of \$1,000 or more.

**Withdrawals May Be Deferred.** We may defer payment of any withdrawal for up to 6 months from the date We receive a withdrawal request.

**Assignment.** Payment Contracts may not be assigned.

**Change in Payment.** The right to make any change in payment is available only if the Payment Contract provides for a change in payment.

**Claims of Creditors.** To the extent permitted by law, proceeds will not be subject to any claims of a Beneficiary's creditors.

## GENERAL PROVISIONS

**Assigning Your Policy.** During the lifetime of either Contingent Insured, You may assign this policy as security for an obligation. We will not be bound by an assignment unless it is received In Writing at Our Home Office. Two copies of the assignment must be submitted. We will retain one copy and return the other. We will not be responsible for the validity of any assignment.

**Incontestability.** We rely on the statements made in the application for the policy and any amendments of application, supplemental applications, and applications for any reinstatements or increases in Specified Amount. These statements, in the absence of fraud, are considered representations and not warranties. No statement may be used in defense of a claim under the policy unless it is in such applications.

Except as stated below, We cannot contest this policy during either Contingent Insured's lifetime after it has been in force for two years from the Date of Issue.

Exceptions:

1. We cannot contest any claim related to an increase in Specified Amount during either Contingent Insured's lifetime after such increase has been in force for two years.
2. If this policy is reinstated, We cannot contest this policy during either Contingent Insured's lifetime after it has been in force for two years from the date of reinstatement.

We can contest a reinstatement or an increase in Specified Amount for a 2-year period following the date of an increase or reinstatement solely on the basis of the information furnished in the application for such reinstatement or increase.

This 2-year limitation does not apply to benefits provided by any Disability or Accidental Death Benefit rider, or to the nonpayment of premium.

## GENERAL PROVISIONS (Cont'd)

**Suicide Exclusion.** If either Contingent Insured takes his or her own life, while sane or insane, within two years from the Date of Issue, We will limit the Death Benefit Proceeds to the premiums paid less any policy loans and less any partial cash surrenders paid.

If there are any increases in the Specified Amount a new 2-year period shall apply to each increase beginning on the date of each increase. If death due to suicide occurs during the 2-year period following an increase, but after the policy has been in force for 2 years or more, We will refund the cost of insurance charges that were deducted for the increase, and the increase will be terminated. The Initial Specified Amount and any increases in Specified Amount that have been in force for 2 years or more, will remain in force on the life of the Last Surviving Contingent Insured. (See "Changing Your Insurance Policy".)

When the laws of the state in which this policy is delivered require less than this 2-year period, the period will be as stated in such laws.

**Age or Gender Incorrectly Stated (Age Incorrectly Stated if Issued on a Gender Neutral Basis).** If the: (1) age or gender of a Contingent Insured (if this policy was issued on a Sex Distinct basis); or (2) age of a Contingent Insured (if this policy was issued on a Gender Neutral basis) has been misstated to Us, We will adjust the excess of the Death Benefit Amount over the Accumulation Value on the date of the second death to that which would have been purchased by the Monthly Deduction for the policy month of death at the correct cost of insurance rate. By age, We mean age nearest birthday as of the Date of Issue.

**Statutory Basis of Policy Values.** The Cash Values of the policy are not less than the minimum values required by the law of the state where this policy is delivered. The calculations of minimum Cash Values, non-forfeiture benefits and Guaranteed Cost of Insurance rates are based on the Mortality Table shown on the

Policy Schedule for the appropriate gender (if this policy was issued on a Sex Distinct basis) and age nearest birthday.

A detailed statement of the method of computing values has been filed with the state insurance department where required.

**No Dividends.** This policy will not pay dividends. It will not participate in any of Our surplus or earnings.

**Annual Report.** We will send You at least once a year, without charge, an annual report which shows the following:

1. Premiums paid;
2. Expense charges deducted;
3. Interest added to the Declared, Interim and Fixed Index Interest Accounts, if any, credited to Your Accumulation Value;
4. The cost of insurance deducted;
5. Partial surrender benefits deducted including partial surrender fees;
6. The amount of any outstanding policy loan;
7. The current Cash Surrender and Accumulation Values;
8. The Death Benefit Amount;
9. The Eligible Value, if applicable; and
10. The items necessary to calculate Index Interest.

**Illustration Request.** At any time while this policy is in force, the Owner may request from Us an illustration of policy values for the future. The values will be based on both guaranteed and then current assumptions. A reasonable fee, not to exceed \$50.00, may be charged for additional illustrations requested in a policy year.

## GENERAL PROVISIONS (Cont'd)

**When This Policy Terminates.** This policy will terminate if:

1. A full surrender of this policy is made; or
2. The Last Surviving Contingent Insured dies; or
3. Premiums are refunded due to suicide of either Contingent Insured; or
4. The policy matures; or
5. The Grace Period ends; and
  - a. There is insufficient Cash Surrender Value to cover a Monthly Deduction; and
  - b. The necessary Monthly Guarantee Premiums to keep the policy in force have not been paid.

**Reinstatement.** "Reinstating" means placing Your policy in force after it has terminated at the end of the Grace Period. We will reinstate this policy if We receive:

1. Your Written request within 5 years after the end of the Grace Period and before the Maturity Date; and
2. Evidence of insurability satisfactory to Us for each Contingent Insured who was living on the date the policy terminated; and
3. Payment of enough premium to keep the policy in force for 2 months or, if less, an amount equal to all past due Monthly Guarantee Premiums; and
4. Payment or reinstatement of any indebtedness.

The reinstated policy will be in force from the Monthly Deduction Day on or following the date We approve the reinstatement application.

The original "Table of Surrender Charges per \$1,000 of Specified Amount" will apply to a reinstated policy. The Accumulation Value at the time of reinstatement will be:

1. The surrender charge deducted at the time of lapse (such charge not being greater than the Accumulation Value at the time of lapse before the surrender charge was applied); plus
2. The Net Premium paid at reinstatement; plus
3. Any loan repaid or reinstated; less
4. The Monthly Deduction for one month.

If persons other than the Contingent Insureds are covered by an attached rider, coverage will be reinstated according to that rider.

**Index Accounts After Reinstatement.** Unless the effective date of reinstatement is an Allocation Day, an Index Account will not be established until the first Allocation Day following reinstatement.

**Option to Extend Coverage.** You may elect to extend the Maturity Date stated on the Schedule Page (Maturity Date), as follows:

If one or both Contingent Insureds are living on the Maturity Date, coverage will be continued until the date of the second death.

To elect this option, You must submit a Written request to the Company on a form acceptable to Us, at least 30 days prior to the original Maturity Date.

Starting on the original Maturity Date:

1. The Death Benefit Amount for the base policy will be equal to the base policy Death Benefit Amount in effect on the day prior to the Maturity Date, and if based all, or in part, on the Accumulation Value, will be adjusted by future changes in the Accumulation Value. The Death Benefit Amount will never be less than the Accumulation Value;

## GENERAL PROVISIONS (Cont'd)

2. Unless otherwise stated in a rider attached to this policy, coverage under any riders attached to this policy will not be extended;
3. No Monthly Deductions will be made;
4. New premium payments will not be accepted;
5. Interest on policy loans will continue to accrue in the same manner as stated in the "Policy Loans" provisions and You may repay all or part of a loan at any time as stated in the "Policy Loans" provisions; and
6. The Accumulation Value will continue to be determined as stated in this policy, subject to item 3 above.

After this option is selected, it may not be revoked.

### **Policy Changes and Extending Coverage.**

We will not permit a change to Your policy that would result in the policy not meeting the definition of life insurance under Section 7702 of the Internal Revenue Code. The 2001 CSO Mortality Tables provide a stated termination date of age 121. The Option to Extend Coverage, described above, allows the policy to continue beyond age 121. The tax consequences of extending the Maturity Date

beyond the age 121 termination date of the 2001 CSO Mortality Tables are unclear. You should consult Your personal tax advisor about the effect of any change to Your policy as it relates to Section 7702 and the termination date of the Mortality Tables.

**Changing or Discontinuing an Index.** If one of the indices is no longer published, or if the index cannot be used, We will adopt a published index that is similar. Our decision to discontinue the Index Interest option will apply to this policy only on an Allocation Day and will not affect Index Interest payable for any existing Index Account. The substitution of a new index will be subject to approval by the regulatory authority of the jurisdiction in which this policy was issued. We will notify You of any change.

**Rights Reserved By Us.** Upon notice to You, this policy may be modified by Us, but only if such modification is necessary to make any changes as required by the Internal Revenue Code or by any other applicable law, regulation or interpretation in order to continue treatment of this policy as life insurance.

When required by law, We will obtain Your approval of changes and We will obtain approval from any appropriate regulatory authority.

## EXCHANGE OPTION

At any time while both Contingent Insureds are living this policy may be exchanged for two individual policies covering the Contingent Insureds separately subject to the following:

1. The total amount of coverage under the new policies will be an amount equal to:
  - a. The Death Benefit Amount in effect on the effective date of exchange; less
  - b. The amount of any policy loan.

Except as stated in number 10, the Death Benefit Amount of this policy may be split

into two individual policies in any proportion, the total of which does not exceed the Death Benefit Amount of this policy.

2. The Cash Surrender Value will be transferred to the new policies in the same ratio as the division of the Death Benefit Amount;
3. The new policies will be issued on any flexible premium adjustable whole life or level premium whole life or endowment plan regularly issued by the Company on the date of exchange;

## EXCHANGE OPTION (Cont'd)

4. Except as stated in number 10, evidence of insurability satisfactory to the Company must be furnished (this Exchange Option is not available unless both Contingent Insureds are found to be insurable);
5. The new policies will be issued as of the date of exchange based on the age nearest birthday of each Contingent Insured;
6. The plan of insurance selected will be subject to Our standard minimum amount requirement for such a plan;
7. If, on or after the Date of Issue of this policy:
  - a. A rider providing waiver of monthly deduction or waiver of premium coverage is made available, and is added to this policy; and
  - b. Monthly deductions or premiums for this policy are being waived as provided in such a rider;then neither monthly deductions nor premiums for the new policies will be waived and We will not include a waiver benefit in the new policies;
8. The Suicide Exclusion and Incontestability provisions of the new policies will run from the Date of Issue of the new policies;
9. This policy will terminate on the Date of Issue of the new policies; and
10. We will not require evidence of insurability at the time this option is elected if:
  - a. The Contingent Insureds divorce and a period of at least 24 months has elapsed since the date the divorce decree was finalized; or
  - b. The Federal unlimited marital deduction is repealed, or there is a reduction of at least 50% of the tax rate in the maximum Federal estate bracket.

In these cases the amount of the coverage under each new policy will be 50% of an amount equal to:

1. The Death Benefit Amount in effect on the effective date of exchange; less
2. The amount of any policy loan.

50% of the Cash Surrender Value will be transferred to each of the new policies.

This Exchange Option is not available if the premium class of either Contingent Insured was "Uninsurable" on the Date of Issue.

To apply for an exchange, the Owner must submit:

1. Applications for the new policies (including evidence of insurability satisfactory to Us);
2. Payment of the first premium for each new policy; and
3. This policy for cancellation.

There may be income tax consequences if You exercise the Exchange Option. Consult with Your tax advisor before exercising this right.

**Payment of Interest on Proceeds Not Paid Within 30 Days After Due Proof of Death is Furnished To The Company.** If proceeds under this policy, including the refund of any unearned premiums, are not paid within 30 days after due proof of the second death has been furnished to the Company, We will pay interest on such proceeds at the rate of 8% per year from the date due proof of the second death is furnished to the date such proceeds are paid.

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**TABLES OF MONTHLY INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS**

<b>OPTION 1 TABLE</b>							
<b>INSTALLMENTS FOR A SPECIFIED PERIOD</b>							
<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>
1	\$84.09	11	\$8.42	21	\$4.85	31	\$3.59
2	42.46	12	7.80	22	4.67	32	3.51
3	28.59	13	7.26	23	4.51	33	3.44
4	21.65	14	6.81	24	4.36	34	3.37
5	17.49	15	6.42	25	4.22	35	3.30
6	14.72	16	6.07	26	4.10	36	3.23
7	12.74	17	5.77	27	3.98	37	3.17
8	11.25	18	5.50	28	3.87	38	3.12
9	10.10	19	5.26	29	3.77	39	3.06
10	9.18	20	5.04	30	3.68	40	3.01

<b>OPTION 3 TABLE</b>							
<b>INSTALLMENTS FOR LIFE WITH SPECIFIED MINIMUM PERIOD</b>							
<b>AGE OF PAYEE</b>	<b>GUARANTEED PERIOD</b>			<b>AGE OF PAYEE</b>	<b>GUARANTEED PERIOD</b>		
<b>Female</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>	<b>Female</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>

10	\$2.11	\$2.11	\$2.11	50	\$3.12	\$3.11	\$3.09
11	2.13	2.13	2.12	51	3.18	3.16	3.14
12	2.14	2.14	2.14	52	3.23	3.22	3.19
13	2.15	2.15	2.15	53	3.29	3.27	3.24
14	2.16	2.16	2.16	54	3.35	3.33	3.30
15	2.18	2.18	2.17	55	3.41	3.39	3.36
16	2.19	2.19	2.19	56	3.48	3.46	3.41
17	2.20	2.20	2.20	57	3.55	3.52	3.48
18	2.22	2.22	2.22	58	3.63	3.59	3.54
19	2.23	2.23	2.23	59	3.70	3.67	3.60
20	2.25	2.25	2.25	60	3.79	3.74	3.67
21	2.27	2.26	2.26	61	3.87	3.82	3.74
22	2.28	2.28	2.28	62	3.97	3.91	3.81
23	2.30	2.30	2.30	63	4.06	4.00	3.88
24	2.32	2.32	2.31	64	4.17	4.09	3.96
25	2.33	2.33	2.33	65	4.28	4.18	4.03
26	2.35	2.35	2.35	66	4.39	4.28	4.11
27	2.37	2.37	2.37	67	4.51	4.39	4.18
28	2.39	2.39	2.39	68	4.64	4.49	4.26
29	2.41	2.41	2.41	69	4.77	4.60	4.33
30	2.44	2.43	2.43	70	4.92	4.71	4.41
31	2.46	2.46	2.46	71	5.07	4.83	4.48
32	2.48	2.48	2.48	72	5.22	4.94	4.54
33	2.51	2.50	2.50	73	5.39	5.06	4.61
34	2.53	2.53	2.53	74	5.56	5.18	4.67
35	2.56	2.56	2.55	75	5.74	5.29	4.72
36	2.59	2.58	2.58	76	5.92	5.40	4.77
37	2.61	2.61	2.61	77	6.11	5.51	4.81
38	2.64	2.64	2.64	78	6.31	5.62	4.85
39	2.68	2.67	2.67	79	6.51	5.72	4.89
40	2.71	2.70	2.70	80	6.71	5.81	4.92
41	2.74	2.74	2.73	81	6.91	5.89	4.94
42	2.78	2.77	2.77	82	7.11	5.97	4.96
43	2.81	2.81	2.80	83	7.31	6.04	4.98
44	2.85	2.85	2.84	84	7.50	6.10	5.00
45	2.89	2.89	2.88	85	7.68	6.16	5.01
46	2.93	2.93	2.92	86	7.85	6.21	5.02
47	2.98	2.97	2.96	87	8.01	6.25	5.03
48	3.02	3.02	3.00	88	8.16	6.28	5.03
49	3.07	3.06	3.05	89	8.30	6.31	5.04
				90	8.42	6.34	5.04

Payments are based upon the age, nearest birthday, of the Payee on the date the first payment is due. If monthly installments for two or more specified periods for a given age are the same, the specified period of longer duration will apply.

**TABLES OF MONTHLY INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS**

<b>OPTION 1 TABLE</b>							
<b>INSTALLMENTS FOR A SPECIFIED PERIOD</b>							
<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>
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4	21.65	14	6.81	24	4.36	34	3.37
5	17.49	15	6.42	25	4.22	35	3.30
6	14.72	16	6.07	26	4.10	36	3.23
7	12.74	17	5.77	27	3.98	37	3.17
8	11.25	18	5.50	28	3.87	38	3.12
9	10.10	19	5.26	29	3.77	39	3.06
10	9.18	20	5.04	30	3.68	40	3.01

<b>OPTION 3 TABLE</b>							
<b>INSTALLMENTS FOR LIFE WITH SPECIFIED MINIMUM PERIOD</b>							
<b>AGE OF PAYEE</b>	<b>GUARANTEED PERIOD</b>			<b>AGE OF PAYEE</b>	<b>GUARANTEED PERIOD</b>		
<b>Male</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>	<b>Male</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>

10	\$2.17	\$2.17	\$2.16	50	\$3.31	\$3.29	\$3.25
11	2.18	2.18	2.18	51	3.37	3.35	3.31
12	2.19	2.19	2.19	52	3.43	3.41	3.36
13	2.21	2.21	2.20	53	3.50	3.47	3.42
14	2.22	2.22	2.22	54	3.57	3.53	3.47
15	2.24	2.23	2.23	55	3.64	3.60	3.53
16	2.25	2.25	2.25	56	3.72	3.67	3.60
17	2.27	2.26	2.26	57	3.80	3.74	3.66
18	2.28	2.28	2.28	58	3.88	3.82	3.72
19	2.30	2.30	2.29	59	3.97	3.90	3.79
20	2.32	2.31	2.31	60	4.06	3.98	3.86
21	2.33	2.33	2.33	61	4.16	4.07	3.92
22	2.35	2.35	2.35	62	4.26	4.16	3.99
23	2.37	2.37	2.37	63	4.37	4.25	4.06
24	2.39	2.39	2.39	64	4.49	4.34	4.13
25	2.41	2.41	2.41	65	4.61	4.44	4.20
26	2.43	2.43	2.43	66	4.73	4.54	4.27
27	2.45	2.45	2.45	67	4.86	4.64	4.34
28	2.48	2.47	2.47	68	5.00	4.75	4.40
29	2.50	2.50	2.49	69	5.14	4.85	4.47
30	2.52	2.52	2.52	70	5.29	4.95	4.53
31	2.55	2.55	2.54	71	5.44	5.06	4.59
32	2.58	2.57	2.57	72	5.60	5.16	4.64
33	2.60	2.60	2.60	73	5.76	5.27	4.69
34	2.63	2.63	2.62	74	5.92	5.37	4.74
35	2.66	2.66	2.65	75	6.09	5.47	4.78
36	2.69	2.69	2.68	76	6.27	5.56	4.82
37	2.73	2.72	2.72	77	6.44	5.66	4.86
38	2.76	2.76	2.75	78	6.62	5.74	4.89
39	2.80	2.79	2.78	79	6.80	5.82	4.92
40	2.84	2.83	2.82	80	6.98	5.90	4.94
41	2.87	2.87	2.86	81	7.16	5.97	4.96
42	2.92	2.91	2.89	82	7.34	6.04	4.98
43	2.96	2.95	2.93	83	7.51	6.10	5.00
44	3.00	2.99	2.97	84	7.67	6.15	5.01
45	3.05	3.04	3.02	85	7.83	6.20	5.02
46	3.10	3.08	3.06	86	7.98	6.24	5.02
47	3.15	3.13	3.11	87	8.12	6.27	5.03
48	3.20	3.18	3.15	88	8.26	6.30	5.03
49	3.25	3.23	3.20	89	8.38	6.33	5.04
				90	8.50	6.35	5.04

Payments are based upon the age, nearest birthday, of the Payee on the date the first payment is due. If monthly installments for two or more specified periods for a given age are the same, the specified period of longer duration will apply.

**TABLES OF MONTHLY INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS**

<b>OPTION 1 TABLE</b>							
<b>INSTALLMENTS FOR A SPECIFIED PERIOD</b>							
<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>
1	\$84.09	11	\$8.42	21	\$4.85	31	\$3.59
2	42.46	12	7.80	22	4.67	32	3.51
3	28.59	13	7.26	23	4.51	33	3.44
4	21.65	14	6.81	24	4.36	34	3.37
5	17.49	15	6.42	25	4.22	35	3.30
6	14.72	16	6.07	26	4.10	36	3.23
7	12.74	17	5.77	27	3.98	37	3.17
8	11.25	18	5.50	28	3.87	38	3.12
9	10.10	19	5.26	29	3.77	39	3.06
10	9.18	20	5.04	30	3.68	40	3.01

<b>OPTION 3 TABLE</b>							
<b>INSTALLMENTS FOR LIFE WITH SPECIFIED MINIMUM PERIOD</b>							
	<b>GUARANTEED PERIOD</b>				<b>GUARANTEED PERIOD</b>		
<b>AGE OF PAYEE</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>	<b>AGE OF PAYEE</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>

10	\$2.14	\$2.13	\$2.13	50	\$3.20	\$3.18	\$3.16
11	2.15	2.15	2.15	51	3.25	3.24	3.21
12	2.16	2.16	2.16	52	3.31	3.29	3.26
13	2.17	2.17	2.17	53	3.37	3.35	3.32
14	2.19	2.19	2.18	54	3.44	3.41	3.37
15	2.20	2.20	2.20	55	3.51	3.48	3.43
16	2.21	2.21	2.21	56	3.58	3.54	3.49
17	2.23	2.23	2.23	57	3.65	3.61	3.55
18	2.24	2.24	2.24	58	3.73	3.69	3.61
19	2.26	2.26	2.26	59	3.81	3.76	3.68
20	2.28	2.28	2.27	60	3.90	3.84	3.75
21	2.29	2.29	2.29	61	3.99	3.92	3.82
22	2.31	2.31	2.31	62	4.09	4.01	3.89
23	2.33	2.33	2.32	63	4.19	4.10	3.96
24	2.35	2.34	2.34	64	4.30	4.19	4.03
25	2.37	2.36	2.36	65	4.41	4.29	4.10
26	2.39	2.38	2.38	66	4.53	4.39	4.18
27	2.41	2.40	2.40	67	4.65	4.49	4.25
28	2.43	2.43	2.42	68	4.78	4.60	4.32
29	2.45	2.45	2.44	69	4.92	4.70	4.39
30	2.47	2.47	2.47	70	5.07	4.81	4.46
31	2.50	2.49	2.49	71	5.22	4.92	4.52
32	2.52	2.52	2.52	72	5.37	5.03	4.58
33	2.56	2.54	2.54	73	5.54	5.14	4.64
34	2.57	2.57	2.57	74	5.71	5.26	4.70
35	2.60	2.60	2.59	75	5.88	5.36	4.75
36	2.63	2.63	2.62	76	6.06	5.47	4.79
37	2.66	2.66	2.65	77	6.25	5.57	4.83
38	2.69	2.69	2.68	78	6.44	5.67	4.87
39	2.73	2.72	2.71	79	6.63	5.76	4.90
40	2.76	2.76	2.75	80	6.82	5.85	4.93
41	2.80	2.79	2.78	81	7.02	5.93	4.95
42	2.83	2.83	2.82	82	7.21	6.00	4.97
43	2.87	2.87	2.86	83	7.39	6.06	4.99
44	2.91	2.91	2.89	84	7.57	6.12	5.00
45	2.96	2.95	2.93	85	7.74	6.17	5.01
46	3.00	2.99	2.98	86	7.90	6.22	5.02
47	3.05	3.04	3.02	87	8.06	6.26	5.03
48	3.10	3.08	3.06	88	8.20	6.29	5.03
49	3.15	3.13	3.11	89	8.33	6.32	5.04
				90	8.45	6.35	5.04

Payments are based upon the age, nearest birthday, of the Payee on the date the first payment is due. If monthly installments for two or more specified periods for a given age are the same, the specified period of longer duration will apply.

**AMERICAN GENERAL LIFE**  
**Insurance Company**  
A Stock Company

This is a JOINT AND LAST SURVIVOR FIXED INDEX INTEREST FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY. An Adjustable Death Benefit is payable upon the Last Surviving Contingent Insured's death prior to the Maturity Date and while this policy is in force. Premium payments are flexible and payable to the Maturity Date. ACCUMULATION VALUES and CASH VALUES are flexible and will be based on the amount and frequency of premiums paid, and the amount of interest credited. NONPARTICIPATING-THIS POLICY WILL NOT PAY DIVIDENDS.

For Information, Service or to make a Complaint

Contact Your Servicing Agent, or Our Policyowner Service Department

**2727-A Allen Parkway**  
**P.O. Box 1931**  
**Houston, Texas 77251**  
**1-800-231-3655**

**AMERICAN GENERAL LIFE INSURANCE COMPANY**  
**TERM LIFE INSURANCE BENEFIT RIDER**  
**PROVIDING TERM INSURANCE**  
**ON THE LIFE OF THE LAST SURVIVING CONTINGENT INSURED**

**American General Life Insurance Company** has issued this rider as a part of the policy to which it is attached.

**We will pay the Death Benefit Amount** to the beneficiary, as defined in this rider, if the Last Surviving Contingent Insured dies while the policy and this rider are in force. Payment will be made after We receive due proof of the deaths of both Contingent Insureds subject to the terms of this rider and the policy to which it is attached.

**Contingent Insureds.** The Contingent Insureds referred to in this Rider are the Contingent Insureds named on the Policy Schedule of the policy.

**Date of Issue.** The Date of Issue of this rider must be the same as the Date of Issue of the policy.

**Rider Specified Amount.** The Initial Rider Specified Amount is shown on the Policy Schedule.

**Total Amount of Coverage.** The Total Amount of Coverage is the Policy Specified Amount plus the Rider Specified Amount.

**Death Benefit Amount.** The Death Benefit Amount provided by this rider and the policy to which this rider is attached will vary according to the Death Benefit Option in effect at the time of the second death. It will be calculated as follows:

**Option 1.** If You selected Option 1, the Death Benefit Amount will be the greater of:

1. The policy Specified Amount plus the Rider Specified Amount on the date of the second death;  
or
2. The Accumulation Value on the date of the second death multiplied by the applicable Death Benefit Corridor Rate.

**Option 2.** If You selected Option 2, the Death Benefit Amount will be the greater of:

1. The policy Specified Amount plus the Rider Specified Amount plus the Accumulation Value on the date of the second death; or
2. The Accumulation Value on the date of the second death multiplied by the applicable Death Benefit Corridor Rate.

**Option 3.** If You selected Option 3, the Death Benefit Amount will be the amount payable under Option 1 plus the sum of all premiums paid for this policy, including premiums for any riders, less any amounts waived by the Company under a waiver of monthly deduction benefit, except as follows:

Premium payments after a partial surrender will not increase the Death Benefit Amount until the sum of premiums paid from the date of the partial surrender exceeds the amount of the partial surrender.

The Death Benefit Option for this rider must be the same as the policy's Death Benefit Option.

**Rider Monthly Expense Charge.** A Rider Monthly Expense Charge will be deducted from the Accumulation Value of the policy during the Rider Monthly Expense Charge Period. Such charge applies to the Initial Rider Specified Amount and to any increase in Rider Specified Amount. The Rider Monthly Expense Charge for the Initial Rider Specified Amount is shown on the Policy Schedule. The Rider Monthly Expense Charge Period for the Initial Rider Specified Amount and any increase in Rider Specified Amount is also shown on the Policy Schedule. The Rider Monthly Expense Charge for any increase in the Rider Specified Amount will be provided in an endorsement to the policy. Any decrease in the Rider Specified Amount will not change the Rider Monthly Expense Charge then in effect.

**The Monthly Cost of Insurance.** The monthly cost of insurance will be calculated at the beginning of each policy month on the Monthly Deduction Day. The monthly cost of insurance for the Initial Rider Specified Amount and for each Rider Specified Amount increase will be based on each Contingent Insured's:

1. Gender (if issued on a Sex Distinct basis);
2. Age nearest birthday on each policy anniversary;
3. Premium Class associated with the Initial Rider Specified Amount and each increase in Rider Specified Amount; and
4. Net Amount at Risk allocated to this rider.

The guaranteed monthly cost for each \$1,000 of coverage is shown in the Table of Guaranteed Monthly Cost of Insurance Rates in the policy. This is the same table that is used to determine a separate cost of insurance charge for the policy. We can use cost of insurance rates that are lower than the guaranteed rates. The cost of insurance will be deducted from the Accumulation Value of the policy.

If the policy to which this rider is attached contains a waiver of monthly deduction or waiver of premium rider, an additional charge for waiver coverage will be made for this rider. Such additional charge will be determined from the table of rates in the rider providing waiver coverage.

**Increasing the Rider Specified Amount.** You may apply for an increase in the Rider Specified Amount at any time. If You apply for an increase in the Rider Specified Amount, We will require an application and evidence of insurability satisfactory to Us. The proportion of the Specified Amount under the policy to the Rider Specified Amount following an increase may be in any proportion as long as such Specified Amount is at least 10% of the Total Amount of Coverage provided by the policy and rider.

An increase will be effective on the Monthly Deduction Day on or next following the date the application for increase is approved by Us.

**Decreasing the Total Amount of Coverage.** After the first policy year, the Total Amount of Coverage may be decreased subject to the following requirements:

1. The application for decrease must be In Writing;
2. A decrease will not be allowed if the sum of the Specified Amount under the policy plus the Rider Specified Amount would be reduced to an amount less than \$100,000; and
3. The effective date of any decrease will be the first Monthly Deduction Day following receipt of a request for a decrease.

Any such decrease will be applied in the following order:

1. Against the Total Amount of Coverage provided by the most recent increase, with the decrease applying first to the entire Rider Specified Amount portion of such increase, if any, followed by the policy Specified Amount portion;
2. Against the next most recent increases successively with the decrease of each prior increase applying first to the entire Rider Specified Amount portion of such increase, if any, followed by the policy Specified Amount portion;
3. Against the Total Amount of Coverage provided under the original application, with the decrease applying first to the entire Rider Specified Amount portion of such amount, if any, followed by the policy Specified Amount portion.

**Changing the Specified Amount Option.** You may request a change from Option 1 to Option 2, from Option 2 to Option 1, or from Option 3 to Option 1.

1. If You request a change from Option 1 to Option 2: The new Total Amount of Coverage will be the Total Amount of Coverage, prior to change, less the Accumulation Value as of the effective date of the change, but not less than zero. Any such decrease in Total Amount of Coverage will be subject to the same guidelines and restrictions as outlined in the Decreasing the Total Amount of Coverage provision.
2. If You request a change from Option 2 to Option 1: The new Total Amount of Coverage will be the Total Amount of Coverage prior to the change plus the Accumulation Value as of the effective date of the change.
3. If You request a change from Option 3 to Option 1: The Total Amount of Coverage will remain unchanged.

We will not require evidence of insurability for a change in the Death Benefit Option. The change will go into effect on the Monthly Deduction Day following the date We receive Your request for change.

**Rider Ownership.** The Owner of the policy to which this rider is attached is the Owner of this rider.

**Beneficiary.** Unless application for this rider or a later endorsement provides otherwise, the Rider Specified Amount will be paid in accordance with the policy's beneficiary designation.

**Age or Gender Incorrectly Stated (Age Incorrectly Stated if Issued on a Gender Neutral Basis).**

If: (1) the age or gender of a Contingent Insured (if the policy was issued on a Sex Distinct basis); or (2) the age of a Contingent Insured (if the policy was issued on a Gender Neutral basis) has been misstated to Us, the amount payable will be that which the most recent cost of insurance charge would have purchased at the correct age or gender (age only if the policy was issued on a Gender Neutral basis).

**Suicide Exclusion.** If either Contingent Insured takes his or her own life, while sane or insane, within 2 years from the Date of Issue of this rider, the amount payable will be limited to the Monthly Deductions made for this rider.

If there are any increases in the Rider Specified Amount a new 2-year period shall apply to each increase beginning on the date of each increase. If death due to suicide occurs during the 2-year period following an increase, but after the policy has been in force for 2 years or more, We will refund the cost of insurance charges that were deducted for the increase, and the increase will be terminated. The Initial Rider Specified Amount and any increases in Rider Specified Amount that have been in force for 2 years or more, will remain in force on the life of the Last Surviving Contingent Insured.

When the laws of the state in which the policy and this rider are delivered require less than this 2-year period, the period will be as stated in such laws.

**Not Contestable after Two Years.** We will not contest payment of the Rider Specified Amount after it has been in force during the lifetime of both Contingent Insureds for 2 years from the date coverage under this rider began.

This provision will not apply to nonpayment of the monthly cost of insurance.

**Automatic Conversion.** On the Maturity Date stated on the Policy Schedule:

1. This rider will terminate; and
2. The Specified Amount under the policy will be increased by the Rider Specified Amount being terminated.

**Termination.** This rider will terminate on the earliest of the following:

1. On termination of the policy to which this rider is attached; or
2. When any monthly deduction for this rider and the policy is in default beyond the end of the grace period; or
3. On the Maturity Date stated on the Policy Schedule; or
4. On the first Monthly Deduction Day following receipt of the Owner's Written request for termination.

**Policy Provisions Applicable.** This rider is subject to all the conditions and provisions of the policy to which it is attached, except as provided herein.

**Consideration.** The consideration for this rider is the application for the policy and this rider and deduction of the cost of insurance for this rider.

The effective date of this rider is the Date of Issue of the policy.

A handwritten signature in black ink, appearing to read "Matthew E. Winters". The signature is written in a cursive style with a prominent flourish at the end.

President



SERFF Tracking Number: AMGN-125731836 State: Arkansas  
Filing Company: American General Life Insurance Company State Tracking Number: 39842  
Company Tracking Number: 08327  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.002 Joint (Last Survivor)  
Adjustable Life  
Product Name: AIG Survivor Index  
Project Name/Number: AIG Survivor Index/08327

## Supporting Document Schedules

<b>Satisfied -Name:</b> Certification/Notice	<b>Review Status:</b>	07/12/2008
<b>Comments:</b>		
<b>Attachments:</b>		
AR Flesch Certification.pdf		
AR_AR Certif of Compliance with Rule 19.pdf		
AR Certification of Compliance.pdf		
<b>Satisfied -Name:</b> Application	<b>Review Status:</b>	07/12/2008
<b>Comments:</b>		
Approved on 12/01/2006		
<b>Attachments:</b>		
AGLC100565-2006.pdf		
AGLC100566-2006.pdf		
<b>Bypassed -Name:</b> Health - Actuarial Justification	<b>Review Status:</b>	07/12/2008
<b>Bypass Reason:</b> Not applicable		
<b>Comments:</b>		
<b>Bypassed -Name:</b> Outline of Coverage	<b>Review Status:</b>	07/12/2008
<b>Bypass Reason:</b> Not applicable		
<b>Comments:</b>		
<b>Satisfied -Name:</b> L 4339 Notice	<b>Review Status:</b>	07/12/2008
<b>Comments:</b>		
<b>Attachment:</b>		
L 4339 Notice.PDF		

SERFF Tracking Number: AMGN-125731836 State: Arkansas  
Filing Company: American General Life Insurance Company State Tracking Number: 39842  
Company Tracking Number: 08327  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.002 Joint (Last Survivor)  
Adjustable Life  
Product Name: AIG Survivor Index  
Project Name/Number: AIG Survivor Index/08327

**Review Status:**

**Satisfied -Name:** Illustration Actuary's Certification of Compliance 07/15/2008

**Comments:**

**Attachment:**

Illustration Actuary's Certification of Compliance.pdf

**Review Status:**

**Satisfied -Name:** Actuarial Memorandum's 08/01/2008

**Comments:**

**Attachments:**

08327 Actuarial Memorandum C.PDF

08692 Actuarial Memorandum.PDF

**Review Status:**

**Satisfied -Name:** AR Indexed Certification 08/01/2008

**Comments:**

**Attachment:**

AR Indexed - Annuity Product Cert.pdf

AMERICAN GENERAL LIFE INSURANCE COMPANY

ARKANSAS FLESCH CERTIFICATION

This is to certify that the attached Form No(s). 08327, 08692 (has) achieved Flesch Reading Score of 50.368 and 51.139 and comply (ies) with the requirements of Arkansas Stat. Ann. §66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.



Leo W. Grace, FLMI  
Vice President

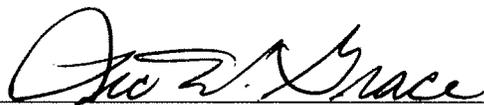
07/18/08  
Date

## Certificate of Compliance with Arkansas Rule and Regulation 19

Insurer: American General Life Insurance Company

Form Number(s): 08327- Joint and Last Survivor Fixed Index Interest Flexible Premium Adjustable Life  
Insurance Policy  
08692 - Joint and Last Survivor Term Life Insurance Rider

I hereby certify that the filing above meets all applicable Arkansas requirements including the requirements of Rule and Regulation 19.



\_\_\_\_\_  
Signature of Company Officer

Leo W. Grace, FLMI

\_\_\_\_\_  
Name

Vice President

\_\_\_\_\_  
Title

07/18/08

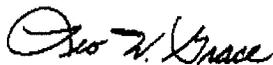
\_\_\_\_\_  
Date

**AMERICAN GENERAL LIFE INSURANCE COMPANY**

**ARKANSAS CERTIFICATION OF COMPLIANCE**

		Y/N	NA
<b>Arkansas Code 23-79-138</b>	<b>Required Policy Information</b> (AGL Form L-4339)	Y	
<b>Rule and Regulation 49</b>	<b>Life And Disability Insurance Guaranty Fund Notices</b>	Y	
<b>Rule and Regulation 19</b>	<b>Unfair Sex Discrimination in the Sale of Insurance</b>	Y	
<b>Rule and Regulation 33</b>	<b>Variable Life Insurance</b>		X
	Licensing and approval to do business		↓
	Qualification of Insurer to Issue Variable Life Insurance		
	Article IV. Insurance Policy Requirements		
	Article V. Reserve Liabilities for Variable Life Insurance		
	Article VI. Separate Accounts		
	Article VII. Information Furnished to Applicants		
	Article VIII. Applications		
	Article IX. Reports to Policyholders		
	Article X. Foreign Companies		
	Article XI. Qualifications of Agents for the Sale of Variable Life Insurance		
	Article XII. Separability Article		
	Article XIII. Supersession of Conflicting Regulations		
<b>Rule and Regulation 34</b>	<b>Universal Life Insurance (Sections 1-12)</b>	Y	
	Valuation	Y	
	Nonforfeiture	Y	
	Mandatory Policy Provisions	Y	
	Disclosure Requirements	Y	
	Periodic Disclosure to Policyowner	Y	
	Interest Indexed Universal Life Policies	Y	
Severability	Y		
<b>Arkansas Bulletin 11-83</b>	<b>Guidelines for non-guaranteed costs on participating and non-participating life insurance</b>		X
	<b>Current and Guaranteed Cost Of Insurance Rates</b>	Y	
	<b>Minimum/Maximum Interest Rate Range</b>		
	Minimum Rate:	3%	
	Maximum Rate:	10%	

I hereby certify that form(s) 08327 is in compliance with those relevant Arkansas laws and regulations sited above.



\_\_\_\_\_  
Leo W. Grace  
Director, Product Development



- Insurance company selection options: American General Life Insurance Company, Houston, TX; The United States Life Insurance Company in the City of New York, New York, NY; AIG Life Insurance Company, Wilmington, DE

Member companies of American International Group, Inc.

The insurance company checked above ("Company") is responsible for the obligation and payment of benefits under any policy that it may issue. No other company is responsible for such obligations or payments.

Personal Information

1. Primary Proposed Insured

Form for Primary Proposed Insured: Name John Doe, Social Security # 123-45-6789, Sex M, Birthplace Anytown, USA, Date of Birth 6/01/71, Current Age 35, Tobacco Use no, Driver's License no, U.S. Citizen yes, Address 123 Main Street, City Anytown, USA, ZIP 77704, Home Phone (713)123-4567, Work Phone (713)345-6789, Email Jdoe aol.com, Employer Steel Industries, Occupation Machine Operator, Length of Employment 5 years, Employer Address 123 West Road, City Anytown, USA, ZIP 77704, Duties Operate machines, Supervise other operators, Personal Earned Income \$ 50,000, Household Income \$ 50,000, Net Worth \$ 100,000

2. Other Proposed Insured

Form for Other Proposed Insured: Name, Social Security #, Sex, Birthplace, Date of Birth, Current Age, Relationship to Primary Proposed Insured, Tobacco Use, Driver's License, U.S. Citizen, Address, City, State, ZIP, Home Phone, Work Phone, Email, Employer, Occupation, Length of Employment, Employer Address, City, State, ZIP, Duties, Personal Earned Income \$, Household Income \$, Net Worth \$

Ownership

3. A. Complete if the Primary Proposed Insured is not the Owner (If contingent Owner is required, use Remarks section.)

Form for Contingent Owner: Name, Social Security or Tax ID #, Date of Birth, Address, City, State, ZIP, Home Phone, Relationship to Primary Proposed Insured, Email

B. Complete if Owner is a trust (If trustee is premium payor, also complete section 14 D.)

Form for Trust Owner: Exact Name of Trust, Trust Tax ID #, Address, City, State, ZIP, Email, Current Trustee(s), Date of Trust

\*for identification purposes only

**Product Information**

4. **Product Name** (Complete appropriate supplemental application if applicable.) Elite Universal Life  
Amount Applied For: Base Coverage \$ 50,000 Supplemental Coverage (If applicable) \$ \_\_\_\_\_  
Death Benefit Compliance Test Used (If applicable):  Guideline Premium  Cash Value Accumulation  
Automatic Premium Loan (If applicable):  Yes  No Premium Class Quoted \_\_\_\_\_  
Reason for Insurance family protection

5. **Dividend Options** (For participating policy only.)  
 Cash  Premium Reduction  Paid-up Additions  Deposit Earning Interest  Other (Explain) \_\_\_\_\_

6. **Premium Allocation** (For Indexed UL only if applicable.)  
Indicate how each premium received is to be allocated. **Total allocations must equal 100%. Use whole percentage only.**  
Indexed Interest Account \_\_\_\_\_% Excess Interest Account \_\_\_\_\_% Total 100%

7. **Death Benefit Options** (For UL & VUL only.)  Option 1 - Level  Option 2 - Increasing  Option 3 - Level Plus Return of Premium

8. **Riders/Benefits**  
 Child Rider Amount \$ \_\_\_\_\_ **(Complete Child Rider Attachment)** or  No current children  
 Waiver of Premium  Waiver of Monthly Deduction  Waiver of Monthly Guarantee Premium  
 Maturity Extension Rider - Accumulation Value  Maturity Extension Rider - Death Benefit  Terminal Illness Rider  
 Accidental Death Benefit Amount \$ \_\_\_\_\_  Other Insured/Spouse Rider Amount \$ \_\_\_\_\_  
 Disability Income Rider (Complete the following if DI Rider is requested)  
Number of Units (1 unit = \$100): \_\_\_\_\_ Occupational Class (Please check):  1  2  
 Adjustable Return of Premium Rider - (Provide % of Premium) \_\_\_\_\_  
 Scheduled Increase Rider  
 Other Riders/Benefits #1 \_\_\_\_\_ Amount/Unit(s) \_\_\_\_\_  
 Other Riders/Benefits #2 \_\_\_\_\_ Amount/Unit(s) \_\_\_\_\_

**Beneficiary**

9. **Primary** Name Jane Doe Relationship wife Share 100% %  
Name \_\_\_\_\_ Relationship \_\_\_\_\_ Share \_\_\_\_\_ %  
Name \_\_\_\_\_ Relationship \_\_\_\_\_ Share \_\_\_\_\_ %  
Name \_\_\_\_\_ Relationship \_\_\_\_\_ Share \_\_\_\_\_ %  
10. **Contingent** Name \_\_\_\_\_ Relationship \_\_\_\_\_ Share \_\_\_\_\_ %  
Name \_\_\_\_\_ Relationship \_\_\_\_\_ Share \_\_\_\_\_ %  
Name \_\_\_\_\_ Relationship \_\_\_\_\_ Share \_\_\_\_\_ %

11. **Trust Information (if Beneficiary)** Exact Name of Trust \_\_\_\_\_  
Trust Tax ID # \_\_\_\_\_ Current Trustee(s) \_\_\_\_\_ Date of Trust \_\_\_\_\_

12. **Rider Beneficiaries** (Complete if other than Primary Proposed Insured.)  
Other Insured/Spouse Rider \_\_\_\_\_ Relationship \_\_\_\_\_  
Child Rider \_\_\_\_\_ Relationship \_\_\_\_\_

**Business Coverage**

13. **Business Insurance Details** (Complete only if applying for business coverage.)  
Does any Proposed Insured have an ownership interest in the business?  yes  no  
If yes, what is the percentage of ownership for the: Primary Proposed Insured \_\_\_\_\_% Other Proposed Insured \_\_\_\_\_%  
Net Profit of Business \$ \_\_\_\_\_ Fair Market Value of Business \$ \_\_\_\_\_  
If buy-sell, stock redemption, or key person insurance, will all partners or key people be covered?  yes  no  
Describe any special circumstances. \_\_\_\_\_

**Premium**

- 14. Premium Payment**  Modal \$ 600     Single \$ \_\_\_\_\_     Additional Initial \$ \_\_\_\_\_
- A. Frequency of modal premium:**     Annual     Semi-annual     Quarterly     Monthly (*Bank Draft only*)
- B. Method:**     Direct Billing     Bank Draft (*Complete Bank Draft Authorization.*)     List Bill: Number \_\_\_\_\_
- Credit Card - Initial Premium Only (*Complete Credit Card Authorization.*)
- Other (*Please explain.*) \_\_\_\_\_
- C. Amount submitted with application \$**    600
- D. Premium Payor** (*Complete if other than Owner.*)
- Name \_\_\_\_\_ Social Security or Tax ID # \_\_\_\_\_
- Relationship to Primary Proposed Insured \_\_\_\_\_
- Address \_\_\_\_\_ City, State \_\_\_\_\_ ZIP \_\_\_\_\_

**Limited Temporary Life Insurance Eligibility**

- 15. Health and Age Questions** (*Regarding the Primary Proposed Insured and the Other Proposed Insured under a joint life or survivorship policy, if the correct answer to either question below is "yes" or any question is answered falsely or left blank, coverage is not available under the Limited Temporary Life Insurance Agreement ("LTLIA") and it is void, and any payment submitted will be refunded. Read the LTLIA for additional terms and conditions of coverage.*)
- A.** Has any Proposed Insured ever had a heart attack, stroke, cancer, diabetes or disorder of the immune system, or during the last two years been confined in a hospital or other health care facility or been advised to have any diagnostic test or surgery not yet performed?     yes     no
- B.** Is any Proposed Insured age 71 or above?     yes     no

**Existing Coverage**

**16. Existing Coverage**

**A. Life and Annuity Coverage**

**Does any Proposed Insured have any existing or pending annuities or life insurance policies?**     yes     no

*(If yes, complete the following regarding such annuities or life insurance policies.)*

**Type:** **i** = individual, **b**= business, **g**=group, **p**=pending life insurance or annuity

Name of Proposed Insured	Policy Number	Insurance Company	Type(s) (see above)	Year of Issue	Face Amount	Replace*	1035 Ex
_____	_____	_____	_____	_____	_____	<input type="checkbox"/> yes <input type="checkbox"/> no	<input type="checkbox"/> yes
_____	_____	_____	_____	_____	_____	<input type="checkbox"/> yes <input type="checkbox"/> no	<input type="checkbox"/> yes
_____	_____	_____	_____	_____	_____	<input type="checkbox"/> yes <input type="checkbox"/> no	<input type="checkbox"/> yes
_____	_____	_____	_____	_____	_____	<input type="checkbox"/> yes <input type="checkbox"/> no	<input type="checkbox"/> yes

\***Replace** means that the insurance being applied for may replace, change or use any monetary value of any existing or pending life insurance policy or annuity. If replacement may be involved, complete and submit replacement-related forms. Please note: certain states require completion of replacement related forms even when other life insurance or annuities are not being replaced by the policy being applied for.

**B. Disability Coverage** (*Complete only if Disability Income Rider coverage requested.*)

**Does any Proposed Insured have any existing or pending Disability insurance policies?**     yes     no

*(If yes, complete the following regarding existing and pending disability insurance)*

Insurance Company	Benefit Amount	Benefit Period	Elimination Period	Year Issued
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Nonmedical Questions**

**17. Background Information** (Complete questions A through F. If yes answer applies to any Proposed Insured, provide details specified after each question.)

**A.** Does any Proposed Insured intend to travel or reside outside of the United States or Canada within the next two years?  yes  no

(If yes, list country, date, length of stay and purpose.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**B.** In the past five years, has any Proposed Insured participated in, or does he or she intend to participate in: any flights as a trainee, pilot or crew member; scuba diving; skydiving or parachuting; ultralight aviation; auto racing; cave exploration; hang gliding; boat racing; mountaineering; extreme sports or other hazardous activities?  yes  no

(If yes, circle or list the applicable activities and complete the Aviation and/or Avocation Questionnaire.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**C.** Has any Proposed Insured:

1) During the past 90 days submitted an application for life insurance to any company or begun the process of filling out an application?  yes  no

(If yes, list company name, amount applied for, purpose of insurance and if application will be placed.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2) Ever had a life or disability insurance application modified, rated, declined, postponed, withdrawn, canceled or refused for renewal?  yes  no

(If yes, list date and reason.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**D.** Has any Proposed Insured ever filed for bankruptcy?  yes  no

(If yes, list chapter filed, date, reason and discharge date.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**E.** In the past five years, has any Proposed Insured been charged with or convicted of driving under the influence of alcohol or drugs or had any driving violations?  yes  no

(If yes, list date, state, license no. and specific violation.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**F.** Has any Proposed Insured ever been convicted of or pled guilty or no contest to a criminal offense or currently have any felony or misdemeanor charge pending?  yes  no

(If yes, list date, state and charge.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Remarks**

**18. Details and Explanations** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above listed life insurance company ("Company") as selected on page one of this application is responsible for the obligation and payment of benefits under any policy that it may issue. No other company is responsible for such obligations or payments.

**Agreement, Authorization to Obtain and Disclose Information and Signatures**

I, the Primary Proposed Insured and Owner signing below, agree that I have read the statements contained in this application and any attachments or they have been read to me. They are true and complete to the best of my knowledge and belief. I understand that this application: (1) will consist of Part A, Part B, and if applicable, related attachments including supplement(s) and addendum(s); and (2) shall be the basis for any policy and any rider(s) issued. I understand that any misrepresentation contained in this application and relied on by the Company may be used to reduce or deny a claim or void the policy if: (1) such misrepresentation materially affects the acceptance of the risk; and (2) the policy is within its contestable period.

Except as may be provided in any Limited Temporary Life Insurance Agreement, I understand and agree that even if I paid a premium no insurance will be in effect under this application, or under any new policy or any rider(s) issued by the Company, unless or until all three of the following conditions are met: (1) the policy has been delivered and accepted; and (2) the full first modal premium for the issued policy has been paid; and (3) there has been no change in the health of any Proposed Insured(s) that would change the answers to any questions in the application before items (1) and (2) in this paragraph have occurred. I understand and agree that if all three conditions above are not met: (1) no insurance will begin in effect; and (2) the Company's liability will be limited to a refund of any premiums paid, regardless of whether loss occurs before premiums are refunded.

Limited Temporary Life Insurance Agreement ("LTLIA") – If I have received and accepted the LTLIA, I understand and agree that such insurance is available only on the life of the Primary Proposed Insured under the life policy (and the Other Proposed Insured under a joint and survivorship life policy, if applicable) and only if the following four conditions are met: (1) the full first modal premium is submitted with this application and paid; and (2) only "no" answers have been truthfully given to the Health and Age Questions in section 15; and (3) Part A and Part B of the application must be completed, signed and dated; and (4) all medical exam requirements must be satisfied. I understand and agree that such insurance is not available with any riders or any accident and/or health insurance.

I understand and agree that no agent is authorized to: accept risks or pass upon insurability; make or modify contracts; or waive any of the Company's rights or requirements.

I have received a copy or have been read the Notices to the Proposed Insured(s).

I give my consent to all of the entities listed below to give to the Company, its legal representatives, American General Life Companies LLC ("AGLC") (an affiliated service company), and affiliated insurers all information they have pertaining to: medical consultations; treatments; surgeries; hospital confinements for physical and/or mental conditions; use of drugs or alcohol; drug prescriptions; or any other information for me, my spouse or my minor children. Other information could include items such as: personal finances; habits; hazardous avocations; motor vehicle records from the Department of Motor Vehicles; court records; or foreign travel, etc. I give my consent for the information outlined above to be provided by: any physician or medical practitioner; any hospital, clinic or other health care facility; pharmacy benefit manager or prescription database; any insurance or reinsurance company; any consumer reporting agency or insurance support organization; my employer; or the Medical Information Bureau (MIB).

I understand the information obtained will be used by the Company to determine: (1) eligibility for insurance; and (2) eligibility for benefits under an existing policy. Any information gathered during the evaluation of my application may be disclosed to: reinsurers; the MIB; other persons or organizations performing business or legal services in connection with my application or claim; me; any physician designated by me; or any person or entity required to receive such information by law or as I may further consent.

I, as well as any person authorized to act on my behalf, may, upon written request, obtain a copy of this consent. I understand this consent may be revoked at any time by sending a written request to the Company, Attn: Underwriting Department at P.O. Box 1931, Houston, TX 77251-1931.

This consent will be valid for 24 months from the date of this application. I agree that a copy of this consent will be as valid as the original. I authorize AGLC or affiliated insurers to obtain an investigative consumer report on me. I understand that I may: request to be interviewed for the report; and receive, upon written request, a copy of such report.  Check if you wish to be interviewed.

**IRS Certification:** Under penalties of perjury, I certify: (1) that the number shown on this application is my correct Social Security or Tax ID number; and (2) that I am not subject to backup withholding under Section 3406(a)(1)(C) of the Internal Revenue Code; and (3) that I am a U.S. person (including a U.S. resident alien). The Internal Revenue Service does not require my consent to any provisions of this document other than the certifications required to avoid backup withholding. You must cross out item (2) if you are subject to backup withholding and cross out item (3) if you are not a U.S. person (including a U.S. resident alien).

**Proposed Insured(s)/Owner Signature**

Signed at (city, state) Anytown, USA On (date) 10/01/06

Primary Proposed Insured  John Doe  
(If under age 15, signature of parent or guardian)

Other Proposed Insured  \_\_\_\_\_  
(If under age 15, signature of parent or guardian)

Owner (If other than Primary Proposed Insured)  \_\_\_\_\_

**Agent(s) Signature(s)**

I certify that the information supplied by the Primary Proposed Insured(s)/Owner has been truthfully and accurately recorded on the Part A application.

Writing Agent Name (please print) John Smith Writing Agent # 5678

Writing Agent Signature  John Smith Countersigned \_\_\_\_\_  
(Licensed resident agent if state required)

**Agent's Report**

**1. Statements**

- A.** Number of years you have known Primary Proposed Insured: \_\_\_\_\_  
Other Proposed Insured: \_\_\_\_\_
- B.** Does any Proposed Insured have any existing or pending annuities or life insurance policies?  yes  no  
If yes, do you have any information that indicates that any Proposed Insured may replace, change, or use any monetary value of any existing or pending life insurance policy or annuity with any company in connection with the purchase of insurance?  yes  no  
*(If yes, please provide details in the Remarks section below and attach all replacement-related forms. Certain states require completion of replacement-related forms even when other life insurance or annuities are not being replaced by the policy being applied for.)*
- C.** Are you aware of any other information that would adversely affect any Proposed Insured's eligibility, acceptability, or insurability? *(If yes, please provide details in the Remarks section below, and do not provide limited temporary life insurance.)*  yes  no
- D.** Did you provide the Owner with a Limited Temporary Life Insurance Agreement?  yes  no

**2. Remarks, Details and Explanations** *(Please include information on any collateral assignment, etc.)*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**3. Commission, Agent/Agency Information** *(Please list servicing agent first.)*

Agent(s) to Receive Commission	Agency Number	Agent Number	Percent of Split
_____	_____	_____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %

Writing Agent Name *(Please print)* \_\_\_\_\_ Date \_\_\_\_\_

Writing Agent Signature **X** \_\_\_\_\_

State License # \_\_\_\_\_ Phone # \_\_\_\_\_

Email \_\_\_\_\_ Fax # \_\_\_\_\_

**4. If a translator was used, complete the following:**

Name *(Please print)* \_\_\_\_\_

Address \_\_\_\_\_ City, State \_\_\_\_\_ ZIP \_\_\_\_\_

**For Home Office use**

Processing Center \_\_\_\_\_ Contact Person \_\_\_\_\_ Phone # \_\_\_\_\_

Servicing Agent (if other than writing agent) send policy/delivery requirements to \_\_\_\_\_

\_\_\_\_\_



- American General Life Insurance Company, Houston, TX
- The United States Life Insurance Company in the City of New York, New York, NY
- AIG Life Insurance Company, Wilmington, DE

Member companies of American International Group, Inc.

The insurance company checked above ("Company") is responsible for the obligation and payment of benefits under any policy that it may issue. No other company is responsible for such obligations or payments.

Personal Information

1. Proposed Insured (Complete separate Part B for each Proposed Insured)

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ Social Security # \_\_\_\_\_

Medical History

(Instructions: Please answer ALL medical history questions. Do not leave any questions blank.)

2. Physician Information

Name, address and phone number of the Proposed Insured's personal physician(s). (If no personal physician, provide name, address and phone number of doctor last seen.)

Name \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_

Address \_\_\_\_\_ City, State \_\_\_\_\_ ZIP \_\_\_\_\_

Date, reason, findings and treatment at last visit \_\_\_\_\_

3. Build

A. Admitted Height and Weight \_\_\_\_\_ ft. \_\_\_\_\_ in. \_\_\_\_\_ lbs

(Examiners: Also record measured height and weight on Exam page 1.)

B. Has the Proposed Insured had any weight change in excess of 10 lbs. in the past year?  yes  no If yes, complete the following:

Loss \_\_\_\_\_ lbs. Gain \_\_\_\_\_ lbs. Reason \_\_\_\_\_

4. Family History

Age if Living	Age at Death	Cause of Death	History of Heart Disease?	History of Cancer?
Father _____	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____ Type _____
Mother _____	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____ Type _____
Brother _____	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____ Type _____
Brother _____	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____ Type _____
Sister _____	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____ Type _____
Sister _____	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____	<input type="checkbox"/> No <input type="checkbox"/> Yes _____ Age of Onset _____ Type _____

**5. Personal Health History**

**A.** Has the Proposed Insured ever been diagnosed as having, been treated for, or consulted a licensed health care provider for:

- 1) heart disease, heart attack, chest pain, irregular heartbeat, heart murmur, high cholesterol, high blood pressure or other disorder of the heart?  yes  no
- 2) a blood clot, aneurysm, stroke, or other disease, disorder or blockage of the arteries or veins?  yes  no
- 3) cancer, tumors, masses, cysts or other such abnormalities?  yes  no
- 4) diabetes, a disorder of the thyroid or other glands or a disorder of the immune system, blood or lymphatic system?  yes  no
- 5) colitis, hepatitis or a disorder of the esophagus, stomach, liver, pancreas, gall bladder or intestine?  yes  no
- 6) a disorder of the kidneys, bladder, prostate or reproductive organs or sugar or protein in the urine?  yes  no
- 7) asthma, bronchitis, emphysema, sleep apnea or other breathing or lung disorder?  yes  no
- 8) seizures, a disorder of the brain or spinal cord or other nervous system abnormality, including a mental or nervous disorder?  yes  no
- 9) arthritis, muscle disorders, connective tissue disease or other bone or joint disorders?  yes  no

*(If yes, list condition and provide details such as: date of first diagnosis; name, address, and phone number of doctor; tests performed; test results; medications or recommended treatment.)*

**Details** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**B.** Is the Proposed Insured currently taking any medication, treatment or therapy or under medical observation?  yes  no

*(If yes, provide details such as: date of first diagnosis; name, address, and phone number of doctor; tests performed; test results; medications or recommended treatment.)*

**Details** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**C.** Has the Proposed Insured in the past three years had but NOT sought treatment for:

- 1) fainting spells, nervous disorder, headaches, convulsions or paralysis?  yes  no
- 2) any pain or discomfort in the chest or shortness of breath?  yes  no
- 3) disorders of the stomach, intestines or rectum, or blood in the urine?  yes  no

*(If yes, list condition such as: date of first occurrence; symptoms; and how treated.)*

**Details** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**D.** Has the Proposed Insured ever:

- 1) sought or received advice, counseling or treatment by a medical professional for the use of alcohol or drugs, including prescription drugs?  yes  no
- 2) used cocaine, marijuana, heroin, controlled substances or any other drug, except as legally prescribed by a physician?  yes  no

*(If yes answered to D1 or D2, please provide details below.)*

Type of drug(s)/alcohol product(s) \_\_\_\_\_ Date last used \_\_\_\_\_  
Name(s) of doctor/facility \_\_\_\_\_ Phone ( ) \_\_\_\_\_  
Address \_\_\_\_\_ City, State \_\_\_\_\_ ZIP \_\_\_\_\_  
Treatment Dates \_\_\_\_\_  
Support group(s) \_\_\_\_\_ Last date attended \_\_\_\_\_  
Details of any drug or alcohol related arrests \_\_\_\_\_

**5. Personal Health History (continued)**

E. Has the Proposed Insured ever been diagnosed as having or been treated by any member of the medical profession for AIDS Related Complex (ARC) or Acquired Immune Deficiency Syndrome (AIDS)?  yes  no

*(If yes, provide details such as: date of first diagnosis; name, address, and phone number of doctor; tests performed; test results; medications or recommended treatment.)*

**Details** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

F. Other than previously stated, in the past 10 years, has the Proposed Insured:  
1) been hospitalized, consulted a health care provider or had any illness, injury or surgery?  yes  no

*(If yes, provide details such as: date of first diagnosis; name, address, and phone number of doctor; tests performed; test results; medications or recommended treatment.)*

**Details** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2) been advised to have any diagnostic test, hospitalization or treatment that was NOT completed?  yes  no

*(If yes, provide details such as: date of first diagnosis; name, address, and phone number of doctor; recommended tests, medications or treatment.)*

**Details** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3) received or claimed disability or hospital indemnity benefits or a pension for any injury, sickness, disability or impaired condition?  yes  no

*(If yes, list condition and provide details such as: date of first diagnosis; name, address, and phone number of doctor; tests performed; test results; medications or recommended treatment.)*

**Details** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

G. Does the Proposed Insured have any symptoms or knowledge of any other condition that is NOT disclosed above?  yes  no

*(If yes, provide details such as: date of first diagnosis; name, address, and phone number of doctor; tests performed; test results; medications or recommended treatment.)*

**Details** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**Physical Measurements**

**1. Proposed Insured**

- A. Name \_\_\_\_\_
- B. Build: Measured Height (*in shoes*) \_\_\_\_\_ ft. \_\_\_\_\_ in. Weight (*clothed*) \_\_\_\_\_ lbs (*Please weigh insured.*)
- C. Are you currently taking Blood Pressure Medication(s)?  yes  no  
 Medication(s) \_\_\_\_\_

Blood Pressure (*Record all readings.*) If blood pressure exceeds 140/90, repeat reading at end of examination.\*

	<b>1st Reading</b>	<b>2nd Reading</b>	<b>3rd Reading</b>	<b>*Repeat Reading</b>
Systolic BP				
Diastolic 5th Phase BP				
Pulse Rate				
Irregularities Per Min.				

- D. Did you weigh Proposed Insured?  yes  no
- E. Have any of the following been completed in conjunction with this exam?  
 Blood  Urine  EKG  Stress Test  Chest x-ray
- F. Is appearance unhealthy or older than stated age?  yes  no
- G. Do you have any pertinent information not disclosed previously?  
 (*Details of yes answers to questions F and G*)  yes  no

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- H. Are you related to the Proposed Insured by blood or marriage or do you have any business or professional relationship with the Proposed Insured? (*If yes, explain.*)  yes  no

\_\_\_\_\_

\_\_\_\_\_

**Report By Examining Medical Doctor**

**Instructions to doctor:**

To be completed in private by doctor only. Examination of heart and lungs must be with stethoscope against bare skin.

1) Heart

- a. Is there any cyanosis, edema, or evidence of peripheral vascular disease, arteriosclerosis or other cardiovascular disorder?  yes  no
- b. Is heart enlarged? (*If yes, describe.*) \_\_\_\_\_  yes  no
- c. Is murmur present? (*If yes, complete 1d.*) \_\_\_\_\_  yes  no
- d. Before exercise, murmur is:  
 Constant Transmitted to where? \_\_\_\_\_  
 Inconstant Localized at:  Apex  Base  Elsewhere  
 Systolic (*Give details.*) \_\_\_\_\_  
 Diastolic Murmur grade: (*Please circle*) 1/6 2/6 3/6 4/6 5/6 6/6  
 After valsalva, murmur is:  
 Unchanged  Decreased  Increased  Absent

Your impression \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Report by Examining Medical Doctor (continued)**

2) Has this examination revealed any abnormality of the following: *(Provide details to yes answers below.)*

a) Eyes, ears, nose, mouth and throat? *(If vision or hearing is markedly impaired, indicate degree and correction.)*  yes  no

**Details** \_\_\_\_\_  
\_\_\_\_\_

b) Endocrine system *(including thyroid)?*  yes  no

**Details** \_\_\_\_\_  
\_\_\_\_\_

c) Nervous system *(including reflexes, gait, paralysis)?*  yes  no

**Details** \_\_\_\_\_  
\_\_\_\_\_

d) Respiratory system?  yes  no

**Details** \_\_\_\_\_  
\_\_\_\_\_

e) Abdomen *(including scars)?*  yes  no

**Details** \_\_\_\_\_  
\_\_\_\_\_

f) Genito-urinary system?  yes  no

**Details** \_\_\_\_\_  
\_\_\_\_\_

g) Skin *(including scars), lymph nodes, blood vessels (including varicose veins)?*  yes  no

**Details** \_\_\_\_\_  
\_\_\_\_\_

h) Musculoskeletal system *(including spine, joints, amputations, deformities)?*  yes  no

**Details** \_\_\_\_\_  
\_\_\_\_\_

**Signature**

**Paramedical Examiner/Medical Doctor Signature**

I certify that this exam was conducted the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_  am  pm

Location of Exam \_\_\_\_\_ **Paramed: Use company stamp below.**

Examiner's Address \_\_\_\_\_

Examiner's Phone # ( ) \_\_\_\_\_

Examiner's Name \_\_\_\_\_

Examiner's Signature **X** \_\_\_\_\_

*(Agent should inform Paramedical Examiner/Medical Doctor of proper location to send form upon completion.)*

**American General Life Insurance Company**

The following addresses and telephone numbers are furnished for your information:

The name, address, and phone number of your agent is:

---

Name

---

Address

---

---

Phone Number

The name, address, and phone number of the company is:

American General Life Insurance Company  
P.O. Box 1931  
Houston, Texas 77251  
(713) 522-1111

You may contact the State Insurance Department, Consumer Services Division, at 1200 West Third Street, Little Rock, Arkansas 72201-1904, or call them at (501) 371-2640 or toll free at (800) 852-5494.

The notice is for information only and does not become a part or condition of your policy or contract.

**AMERICAN GENERAL LIFE INSURANCE COMPANY**  
**NAIC No. 012-60488**  
**Policy Form 08327**

**Illustration Actuary's Certification of Compliance**

The undersigned, in his capacity as the Illustration Actuary for American General Life Insurance Company, certifies the following:

- 1) The disciplined current scale used for the illustration of forms designated by the Company is in conformity with the Actuarial Standard of Practice for Compliance with the NAIC Model Regulation on Life Insurance Illustrations promulgated by the Actuarial Standards Board.
- 2) The illustrated scales used in the illustration of forms designated by the Company are in compliance with the illustration regulations for your state.
- 3) Nonguaranteed elements for new policies are consistent with those illustrated for similar in force policies.
- 4) Nonguaranteed elements for both new and in force policies are consistent with the nonguaranteed elements actually being paid, charged or credited to the same or similar forms.
- 5) The method used to allocate overhead expenses for all illustrations is the fully allocated expenses method.
- 6) There are no other matters which require disclosure at this time.

**EXECUTED THIS 14th day of July, 2008**

By:   
\_\_\_\_\_  
**Wayne Barnard, FSA, MAAA**  
**Illustration Actuary**

# AMERICAN GENERAL LIFE INSURANCE COMPANY

## ACTUARIAL DESCRIPTION OF JOINT AND LAST SURVIVOR FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY POLICY FORM NUMBER 08327

### I. DESCRIPTION OF POLICY CHARACTERISTICS

#### A. Death Benefits

The policy provides last survivor adjustable life insurance coverage on two Contingent Insureds. There is no death benefit payable at the time of the first death of the Contingent Insureds, nor is the method of determining the Accumulation Value changed at the time of the first death.

This policy offers 3 death benefit options. The amount of death benefit payable upon death depends upon the option chosen.

1. Death Benefit Option 1. The death benefit is the specified amount on the date of the second death, or if greater, a specified percentage of the accumulation value.
2. Death Benefit Option 2. The death benefit is the sum of the specified amount and the accumulation value on the date of the second death, or if greater, a specified percentage of the accumulation value.
3. Death Benefit Option 3. The death benefit is the specified amount on the date of the second death, plus
  - (1) the sum of all premium paid, less
  - (2) the amount of premiums paid after a partial withdrawal until the amount of such premium exceeds the amount of the withdrawal, less
  - (3) any waived premium paid as a result of disability under a waiver of premium benefit or the premium paid by the company to cover the monthly deduction while the waiver of monthly deduction benefit is in effect.

The specified percentages of the accumulation value are shown in the policy.

#### B. Account Values

The account values are determined by using the formula described in the contract and shown in Section III. A comparison table showing the Guaranteed Accumulation Values, Guaranteed Cash Surrender Values, Guaranteed Death Benefits, Statutory Reserves, and Standard Nonforfeiture Law Minimum Cash Values are shown in Exhibit I. A month-by-month numerical example of the values in the comparison table for the first and fiftieth policy years is shown in Exhibit II.

#### C. Cash Surrender Values

The cash surrender value is equal to the accumulation value less any surrender charge less any outstanding loans, and accrued interest on such loans.

It will be shown in Section IV that the cash surrender value will always exceed the minimum nonforfeiture amount as prescribed by the NAIC Universal Life Insurance Model Regulation.

D. Continuation of Benefits (Nonforfeiture)

For any month in which no premium is received, benefits provided under the policy will be continued, and the accumulation value will continue to be determined as described in Section III. Costs of insurance during such continuation will be determined using the same cost of insurance rates as those which would otherwise be used. Benefits will be so continued until the policy terminates in accordance with the grace period provision or until the maturity date, whichever is sooner. Thus, the paid-up nonforfeiture benefit is extended term insurance.

E. Flexibility

At issue the owner selects a Specified Amount of insurance and one of the 3 types of coverage options. At any time, the Specified Amount of insurance may be changed and/or the type of coverage option may be changed. However, a decrease in Specified Amount may not become effective prior to the end of the first policy year. The Specified Amount may not be decreased below the minimum permitted by Company rules. Evidence of insurability is required for any increases in the Specified Amount.

Flexible premium payments are allowed. An initial premium is payable upon delivery of the policy. Subsequent premiums may be paid at any time and in any amount, subject to Company rules.

F. Monthly Guarantee Premium Provision

There are two Monthly Guaranteed Premium (MGP) provisions. Each MGP provision has its own Guaranteed Period and MGP. The Guaranteed Period are 10-year (5-year for ages 71+) and 14-year (9-year for ages 71+).

For each MGP provision, it states that the policy will not terminate on a Monthly Deduction Day within the Guarantee Period if, on such day the sum of premiums paid equals or exceeds:

- a) the sum of the Monthly Guarantee Premiums from the start of the Guaranteed Period, including the current month; plus
- b) any partial surrenders and any increase in the loan amount since the start of the period.

The MGP will be recalculated for increase, decrease, option change, addition or removal of riders. However, the Guaranteed Period will not change.

G. Underwriting Classes

The following underwriting classes are available with this policy:

Preferred Plus No-tobacco  
Preferred No-tobacco  
Standard No-tobacco  
Preferred Tobacco  
Standard Tobacco  
Special (Substandard)

Policy charges and consequently policy values will differ by Underwriting Class.

## II. BASIS OF VALUES

### A. Interest

The guaranteed minimum interest rate applied in the determination of the accumulation value is 3.0% per annum. However, the company may apply a rate of interest greater than 3.0%. Currently, the company intends to apply an interest rate greater than 3.0% to the policy accumulation value.

Because of the retrospective approach used for the calculation of accumulation values, the use of an increased rate of interest produces increased accumulation values. Therefore, such use is not in conflict with the maximum interest rate defined in the Standard Nonforfeiture Law.

### B. Cost of Insurance

The guaranteed maximum cost of insurance rates applied in the determination of accumulation values for Contingent Insureds with a standard underwriting rating class are based on the 2001 Commissioners' Standard Ordinary Male/Female/Unisex (Table 80), Smoker/Nonsmoker, Ultimate Mortality Tables, age nearest birthday, adjusted to a Joint and Last Survivor basis. The formula to adjust a single life status to a Joint and Last Survivor status is outlined in Table 1. In this formula the mortality rates for the age, sex, and smoking status of each Contingent Insured are blended to produce a Joint and Last Survivor cost of insurance rate based on the true age, sex, and smoking status of each insured. The guaranteed rates for substandard lives reflect appropriate additions for medical impairments, and special hazards.

The company may use cost of insurance rates lower than such guaranteed maximums, thus producing lower costs of insurance and higher accumulation values than those generated by the guaranteed cost of insurance rates.

### C. Basis of Values

The same basis of values applies whether or not the policy is currently in a premium paying status.

### D. Monthly Basis

The policy provides for the determination of accumulation values on a monthly basis, using the retrospective approach described in Section III. The policy also provides for a cash value, applicable only upon surrender of the policy prior to the maturity date. The

cash value provided is the accumulation value less the surrender charge. The surrender charge declines to zero by the twentieth policy year, or sooner at older issue ages.

### III. POLICY VALUE FORMULAS

The following formulas are used to develop the guaranteed cash values for this policy form:

$t$  = policy month as measured from original issue date.

$z$  = policy year as measured from original issue date.

$i_t$  = interest rate applied to cash value for month  $t$ . This is the monthly equivalent of the guaranteed minimum interest rate of 3.0% annual rate, or  $((1.03)^{1/12} - 1) = 0.2466\%$ .

$COI_z$  = is the cost of insurance rate for policy year  $z$ . See Table 1 for a description of Joint and Last Survivor cost of insurance calculations.

${}_tF$  = Total death benefit at the beginning of month  $t$ .

${}_tAF$  = Monthly administration fee = \$10.00.

${}_tECPT$  = Monthly Expense Charge per \$1,000 of Specified Amount for the first five policy years calculated by summing the rate for the individual Contingent Insureds. The Monthly Expense Charge is based on the issue age, underwriting, and smoking classification of each individual Contingent Insured. (see Table 2).

${}_tG$  = Gross premium collected in month  $t$ .

${}_tPPL$  = Percentage of Premium charge for month  $t = 8\%$

${}_tP$  = Net premium credited to the accumulation value in month  $t$ .  
 $= (1 - 0.08) * G_t$

${}_tC$  = monthly cost of insurance for month  $t$ , calculated as:

$$= COI_z * \left( \frac{{}_tF}{1 + i_t} - ({}_{t-1}AV_{xy} + {}_tP - {}_tAF - {}_tECPT) \right)$$

${}_tAV$  = accumulation value at end of month  $t$

$$= ({}_{t-1}AV + {}_tP - {}_tAF - {}_tECPT - {}_tC) * (1 + i_t)$$

${}_tSC$  = Surrender Charge for policy year  $t$ .

= the per 1,000 amount calculated by the method shown in Section IV

${}_tCV$  = Cash value at the end of policy month  $t$

$$= {}_tAV - {}_tSC$$

### IV. DEMONSTRATION OF STANDARD NONFORFEITURE LAW COMPLIANCE

The premium expense charge load of 8.0% of premium and the monthly administration fee of \$10.00 are level charges throughout the lifetime of the policy. In order to demonstrate compliance with the Standard Nonforfeiture Law we must demonstrate that the surrender charge plus the first year expense charge is not greater than the unamortized initial expense allowance.

The formula for the SNFL maximum expense allowance is:

$$E = (.01 * AAI) + 1.25 * \min \left\{ \begin{array}{l} P_x * AAI \\ .04 * AAI \end{array} \right\}$$

Where  $P_x$  is based on Joint and Last Survivor functions and AAI is the average amount of insurance for the first ten policy years.

The formula for the unamortized expense allowance for year t is:

$$(E - (ECPT * 12)) * \frac{\ddot{a}_{[x]+t:[y]+t}}{\ddot{a}_{x:y}}$$

Where  $\ddot{a}_{[x]+t:[y]+t}$  is based on Joint and Last Survivor functions

The formula for the surrender charge for year t is:

$$(E - (ECPT * 12)) * \frac{\ddot{a}_{[x]+t:[y]+t}}{\ddot{a}_{x:y}} * SCAF_t$$

Where  $\ddot{a}_{[x]+t:[y]+t}$  is based on Joint and Last Survivor functions and

$SCAF_t$  is a factor that varies based on the younger Contingent Insured's issue age (see Table 3)

The calculations use the 2001 CSO Male/Female/Unisex (Table 80), Smoker/Nonsmoker, Ultimate, Age-nearest-birthday Mortality Tables and 3% interest. Note that the application of the surrender charge adjustment factor ( $SCAF_t$ ), which are all less than 100%, in the surrender charge formula ensures that the surrender charge in each year is always less than the unamortized unused expense allowance for such year.

### Sample Calculation

Male, Age 35, Preferred Plus; Female, Age 35, Preferred Plus  
Mortality Table: 2001 CSO ANB, Male, Nonsmoker; 2001 CSO ANB, Female, Nonsmoker,  
Curtate Commutation functions

Interest rate: 3.0%

$E$  = SNFL expense allowance

$$\begin{aligned} E &= 10 + 1.25 * P_{35:35} - (ECPT * 12) \\ &= 10 + 1.25 * 8.0110522 - (0.109 * 12) \\ &= 18.70582 \end{aligned}$$

Unamortized expense allowance in year 5

$$= E * \frac{\ddot{a}_{[35]+5:[35]+5}}{\ddot{a}_{35:35}}$$

$$= 18.70582 * \frac{25.74834}{26.92713}$$

$$= 17.88693$$

Surrender charge in year 5

$$= E * \frac{\ddot{a}_{[35]+5:[35]+5}}{\ddot{a}_{35:35}} * SCAF_5$$

$$= 17.88693 * 0.95$$

$$= 16.99$$

Surrender Charge in year 5 < unamortized expense allowance at end of year 5  
 16.99 < 17.88693

The table below shows the surrender charges per thousand of specified amount for this example compared to the unamortized unused expense allowance at all durations.

<b>Policy Year</b>	<b>Unamortized Unused Expense Allowance at end of year</b>	<b>Surrender Charge per \$1000 of Specified Amount</b>
1	18.55	17.62
2	18.39	17.47
3	18.23	17.31
4	18.06	17.15
5	17.89	16.99
6	17.71	15.93
7	17.52	14.01
8	17.34	12.13
9	17.14	10.28
10	16.94	8.46
11	16.73	6.69
12	16.52	4.95
13	16.30	3.26
14	16.08	1.60
15	15.85	0.00

**V. STATUTORY RESERVES.**

The statutory reserves are defined by the Standard Valuation Law and the regulations for Universal Life Insurance that interpret the Standard Valuation Law. The prescribed method for reserves is the Commissioners Reserve Valuation Method (CRVM). The valuation interest rate will not be greater than the maximum allowed on the date of issue. The valuation

interest rate for this demonstration is assumed to be 4.0%. The valuation mortality table is the appropriate 2001 CSO Male/Female, Smoker/Nonsmoker Ultimate table.

Additionally, reserves for the MGP provisions will be calculated in accordance with Model #830 and Actuarial Guideline 38.

Basic Reserves for the MGP provisions are calculated using the 2001 CSO Male/Female, Smoker/Nonsmoker, Select and Ultimate Tables and 4.0% interest.

Deficiency Reserves for the MGP provisions are calculated using the 2001 CSO Male/Female, Smoker/Nonsmoker, Select and Ultimate Tables, the appropriate x factors and 4.0% interest.

### Definition of terms

Unless otherwise noted, all values are calculated using Joint and Last Survivor functions.

$PVFB_0$  = Present Value of future guaranteed benefits at issue assuming the future Guaranteed Maturity Premiums are paid.

$PVFB_t$  = Present Value of future guaranteed benefits at the end of policy year t.

$AV_t$  = Accumulation value of the policy at the end of policy year t.

GMP = Guaranteed Maturity Premiums as defined in the regulations. GMP is the level gross premium that will mature the policy based on guarantees at issue.

$GMF_t$  = Guaranteed Maturity Fund at the end of policy year t as defined in the regulations.

$r_t$  = Multiplier used in calculating the reserve at the end of year t as defined in the regulations.

$$r_t = \min \left\{ \frac{AV_t}{GMF_t} ; 1 \right\}$$

$\beta_{x:y}$  = CRVM renewal net premium

If  $\beta_{x:y} \leq {}_{19}\bar{P}_{[x]+1:[y]+1} * ELA_{x:y}$  where  $ELA_{x:y} = \frac{PVFB_0}{A_{x:y}}$ , then

$$\alpha_{x:y} = \bar{c}_{x:y}$$

$$\beta_{x:y} = ELA_{x:y} * \frac{\bar{A}_{[x]+1:[y]+1}}{a_{[x]+1:[y]+1}}$$

If  $\beta_{x:y} > {}_{19}P_{[x]+1:[y]+1} * ELA_{x:y}$ , then

$$\alpha_{x:y} = \beta_{x:y} - \left( ({}_{19}\bar{P}_{[x]+1:[y]+1} * ELA_{x:y}) - \bar{c}_{x:y} \right)$$

$$\beta_{x:y} = ELA_{x:y} * P_{x:y} + \frac{\left( ({}_{19}P_{[x]+1:[y]+1} * ELA_{x:y}) - \bar{c}_{x:y} \right)}{\bar{a}_{x:y}}$$

$$\begin{aligned}
{}_t\bar{V}_{x:y} &= \text{Reserve at the end of policy year } t \\
&= \left( \text{PVFB}_t - \left( \beta_{x:y} * \bar{a}_{[x]+t:[y]+t} \right) \right) * r_t \quad \text{for GMP} \geq \beta_{x:y} \\
&= \left( \text{PVFB}_t - \left( \text{GMP} * \bar{a}_{[x]+t:[y]+t} \right) \right) * r_t \quad \text{for GMP} < \beta_{x:y}
\end{aligned}$$

### Sample Reserve Calculation

\$250,000 Specified Amount

Male, Age 35, Preferred Plus: Female, Age 35, Preferred Plus

Planned Periodic Premium paid annually: \$2,376.82

Statutory Reserve Basis: 2001 CSO ANB, Male Nonsmoker / 2001 CSO ANB, Female, Nonsmoker; Continuous Commutation functions, 4.0% interest

5<sup>th</sup> year terminal reserve calculation

GMP is calculated recursively (i.e. trial and error).

GMP for this policy is: 2,376.82

GMF<sub>5</sub> = 9,538.20

AV<sub>5</sub> = 9,538.20

<sub>5</sub>CV<sub>35:35</sub> = 5,290.70

PVFB<sub>5</sub> is based on the greater of AV<sub>5</sub> and GMF<sub>5</sub>, policy guarantees, and payment of GMP whenever a premium is due. Because the GMP matures the policy for \$250,000, the death benefit in policy years 1 to 86 is \$250,000.

$${}_{19}\bar{P}_{35+1:35+1} = \frac{250,000 * \bar{M}_{[35]+1:[35]+1}}{\bar{N}_{[35]+1:[35]+1} - \bar{N}_{[35]+20:[35]+20}} = \frac{250,000 * 1,353,468.80}{210,651,613.08 - 81,897,371.06} = 2,628.00818$$

Assume  $\beta_{35:35} < {}_{19}\bar{P}_{35+1:35+1}$ . Then

$$\beta_{35:35} = \frac{250,000 * \bar{M}_{[35]+1:[35]+1}}{\bar{N}_{[35]+1:[35]+1}} = \frac{250,000 * 1,353,468.80}{210,651,613.08} = 1,606.2882$$

$\beta_{35:35}$  is less than  ${}_{19}\bar{P}_{[35]+1:[35]+1}$ , and so  $\beta_{35:35} = 1,606.2882$

$$\begin{aligned}
\text{PVFB}_5 &= 250,000 * \frac{\bar{M}_{[35]+5:[35]+5}}{D_{[35]+5:[35]+5}} \\
&= 250,000 * \frac{1,353,208.69}{8,219,018.00} \\
&= 41,160.89933
\end{aligned}$$

$$\bar{a}_{[35]+5:[35]+5} = \frac{\bar{N}_{[35]+5:[35]+5}}{D_{[35]+5:[35]+5}} = \frac{175,055,697.82}{8,219,018.00} = 21.29886$$

$$r_5 = \frac{AV_5}{GMF_5} = \frac{9,538.20}{9,538.20} = 1.0$$

$$\begin{aligned} {}_5V_{35:35} &= \left( PVFB_5 - \left( \beta_{35:35} * \bar{a}_{[35]+5:[35]+5} \right) \right) * r_5 \\ &= (41,160.89933 - (1606.2882 * 21.29886)) * 1.0 \\ &= 6,948.80 \end{aligned}$$

Since  ${}_5CV_{35:35} = 5,290.70$  the base reserve is 6,948.80.

## VI. RESERVE METHOD FOR INDEX INTEREST OPTION.

Reserves for index interest option will follow Actuarial Guideline (AG) 36 – The Application of the Commissioners’ Reserve Valuation Method (CRVM) to Equity Indexed Life Insurance Policies. Under AG 36, we will follow the Type 2 methodology.

## VII. INVESTMENT PLAN AND HEDGING POLICY FOR INDEX OPTION.

### A. Investment Plan

For amounts allocated to the Excess Interest Account, the expected investment strategy calls for liabilities to be supported by a mix of fixed income assets, selected and managed by applying the Company’s general fixed universal life investment guidelines to this product.

For amounts allocated to the indexing strategies, it is expected that call options will be purchased and sold to hedge the potential equity returns available under the interest crediting formulas, with the aforementioned fixed income assets comprising the remainder of supporting investment. In particular, call options will be purchased as a hedge for each indexing term. Distinct option positions will be maintained for each indexing interest crediting strategy, with their option payoff formulas and parameters such as strike price and maturity selected such that their payoff effectively hedges the corresponding interest credited. For the 1-year index, the hedging method is Asian since the index participation formula calculates a single payoff based on average index values during the option period. For the 5-year index, the hedging method is European since the index participation formula calculates a payoff based on closing index values on the option maturity date. Call option notional amounts will be determined by aggregating contracts with similar prospective indexing interest credited characteristics.

The fair value pricing method used for the index option is the Black-Scholes method.

Cash flow testing, which will be done at least annually on this block of business, will be an integral part of the ongoing examination and revision of the investment plan supporting this product.

### B. Hedging Responsibilities

The hedging strategy is determined and approved by the Investment Committee of the Company's Board of Directors. The hedging policy cannot be changed without Investment Committee approval.

The day-to-day decision to implement a particular hedge is made by the actuarial department. The actuarial department will monitor the process to ensure that hedges are implemented appropriately.

Counterparties are approved by the credit risk committee of the Company. The criteria for approving the counterparties involves the credit rating of the counterparty as well as the Company overall exposure to the counterparty and their affiliates. In addition to approval, exposure limits are set for each counterparty.

The following eight counterparties have been approved by the credit risk committee:

Barclays Bank PLC  
Bank of America N.A.  
Bear Stearns International Limited  
BNP Paribus  
Lehman Brothers OTC Derivatives, Inc.  
Merrill Lynch International  
UBS AG London  
Wachovia Bank, N.A.

Other counterparties may be added that go through the approval process. In addition, ISDA agreements must be in place before we execute trades with any counterparty.

Suitability of assets is analyzed using cash flow testing. Option terms are structured to mimic the liability.

### C. Hedging Policy

#### Hedging Instruments

See the aforementioned investment plan for a description of the hedging instruments.

#### Liquidity Risk

The contract provides the Company with the right to discontinue indexing interest crediting. In addition, the Company has several choices if it wishes to close out a hedging call option position:

- Sell it for the best available price. Possible purchasers include investment banks or other retail companies wishing to offer a similar indexing product feature
- Redirect the call options to hedge other contracts
- Use other instruments to modify the existing hedge portfolio so that it better matches the liability of remaining contracts

### Credit Risk

Current Company practice is to only enter into call option contracts with highly rated counterparties.

### Market Risk

The equity indexing portions of both assets and liabilities will both be valued using current market conditions, so any changes in their market values should be of the same order of magnitude. Hence hedge effectiveness should not be impacted by changes in the hedge's market value. There will be some fluctuations in earnings to the extent that market value changes are not identical, but they are not expected to be significant.

### Pricing Risk

The Company maintains the right to adjust participation rates, as applicable, at the beginning of each indexing term. Participation rates, as applicable, will be periodically reviewed and evaluated as to their need for adjustment to reflect current option prices.

Nonetheless, there will be some pricing risk to the extent option costs vary between the date that participation, as applicable, are set and the date that the hedge is purchased. This risk is akin to that which the Company would assume when setting credited rates on fixed interest universal life. The net effect on earnings may be favorable or unfavorable, but is not expected to be significant.

### Legal Risk

The Company executes a contract when purchasing a new hedge. The contract uses standard investment industry terminology, so that each party's responsibilities are clear. In addition, the Company is large, has extensive experience with derivative dealers, and sufficient legal staff to support any necessary legal actions.

### Operational Risk

There will be clearly documented rules regarding the amount, parameters and dates for hedge purchases.

Staff will be adequately trained. The actuarial department will continuously monitor inforce hedges to ensure that they continue to appropriately hedge the block of business, and if necessary effect additional transactions to better match the hedged contract liabilities.



Tim Donovan, FSA, MAAA  
Vice President, Product Development

**AMERICAN GENERAL LIFE INSURANCE COMPANY**  
**Table 1**

Joint Universal Life Calculation of  
Guaranteed Cost of Insurance Rates

All guaranteed cost of insurance rates will be calculated using the 2001 CSO Male/Female/Unisex (table 80), Smoker/Nonsmoker, Age-nearest-birthday Mortality Tables.

The Frasier method is used to convert 2001 CSO single life mortality rates to joint mortality rates; the following formulas are used:

$$q_{[x]+t:[y]+t} = 1 - \frac{1 - (1 - {}_tP_x) * (1 - {}_tP_y)}{1 - (1 - {}_{t-1}P_x) * (1 - {}_{t-1}P_y)} \quad \text{where}$$

$q_{[x]+t:[y]+t}$  = joint mortality rate for duration t

$${}_tP_x = \prod_0^t (1 - q_{[x]+s})$$

$${}_tP_y = \prod_0^t (1 - q_{[y]+s})$$

$q_{[x]+s}$  = single life 2001 CSO mortality rate

$q_{[y]+s}$  = single life 2001 CSO mortality rate

t denotes policy year

To convert the annual joint mortality rate to a monthly cost of insurance rate per \$1,000 of net amount at risk the following formula is used:

$$COI_{[x]+t:[y]+t} = \text{lesser of } \frac{1,000 * q_{[x]+t:[y]+t}}{12} \text{ or } 83.33,$$

where  $COI_{[x]+t:[y]+t}$  = joint monthly COI rate per \$1,000 of net amount at risk for duration t

# AMERICAN GENERAL LIFE INSURANCE COMPANY

Table 1 (cont.)

**2001 CSO Male/Female/Unisex (table 80), Smoker/Nonsmoker, Age Nearest  
Birthday, Mortality Table  
(1000 qx)**

Age	Nonsmoker			Smoker			Age	Nonsmoker			Smoker		
	Male	Female	Unisex	Male	Female	Unisex		Male	Female	Unisex	Male	Female	Unisex
20	0.95	0.45	0.85	1.27	0.58	1.13	72	29.56	20.21	27.59	44.71	35.31	42.68
21	0.95	0.46	0.85	1.33	0.61	1.19	73	32.83	22.15	30.56	48.66	38.41	46.43
22	0.95	0.48	0.86	1.40	0.65	1.25	74	36.27	24.28	33.70	52.65	41.81	50.27
23	0.96	0.48	0.86	1.46	0.67	1.30	75	40.03	26.64	37.13	57.29	45.23	54.62
24	0.97	0.50	0.88	1.54	0.72	1.38	76	44.13	29.23	40.87	62.23	48.96	59.27
25	0.98	0.50	0.88	1.63	0.77	1.46	77	48.89	32.08	45.16	67.94	52.97	64.56
26	1.02	0.53	0.92	1.71	0.81	1.53	78	54.45	35.23	50.13	74.54	57.29	70.60
27	1.07	0.57	0.97	1.81	0.87	1.62	79	60.87	38.63	55.80	82.05	61.96	77.39
28	1.05	0.58	0.96	1.82	0.92	1.64	80	67.87	42.43	61.96	90.07	66.99	84.63
29	1.03	0.62	0.95	1.81	0.99	1.65	81	75.84	47.59	69.14	99.05	74.07	93.05
30	1.02	0.64	0.94	1.80	1.03	1.65	82	84.14	53.41	76.68	108.11	81.76	101.65
31	1.01	0.68	0.94	1.80	1.12	1.67	83	93.09	59.21	84.66	117.61	89.25	110.50
32	1.01	0.72	0.95	1.82	1.19	1.69	84	103.00	65.62	93.44	127.94	97.30	120.08
33	1.04	0.76	0.98	1.87	1.28	1.75	85	114.07	72.84	103.20	140.09	105.41	130.96
34	1.06	0.82	1.01	1.94	1.39	1.83	86	126.34	79.39	113.55	153.39	112.17	142.22
35	1.09	0.89	1.05	2.00	1.53	1.91	87	139.74	89.25	125.45	167.69	122.89	155.12
36	1.15	0.95	1.11	2.11	1.65	2.02	88	154.10	99.55	138.03	182.72	133.59	168.41
37	1.20	1.03	1.17	2.23	1.79	2.14	89	169.25	110.53	151.17	198.27	144.35	181.91
38	1.29	1.07	1.25	2.40	1.88	2.30	90	185.06	120.65	164.28	214.13	153.05	194.75
39	1.37	1.13	1.32	2.57	2.00	2.46	91	199.93	125.77	174.76	228.43	154.94	203.90
40	1.46	1.20	1.41	2.77	2.12	2.64	92	215.43	135.84	186.81	243.02	162.66	214.55
41	1.58	1.27	1.52	3.03	2.26	2.88	93	231.78	150.78	200.83	258.10	175.10	226.75
42	1.73	1.35	1.65	3.33	2.43	3.15	94	249.05	169.64	216.81	273.74	190.97	240.39
43	1.90	1.45	1.81	3.69	2.63	3.48	95	267.19	192.92	235.22	291.05	214.97	258.40
44	2.10	1.57	1.99	4.12	2.86	3.87	96	283.79	215.03	252.55	306.33	236.91	274.79
45	2.33	1.71	2.21	4.57	3.13	4.28	97	301.49	237.79	271.10	322.44	258.95	292.09
46	2.55	1.87	2.41	4.99	3.43	4.68	98	320.38	241.69	281.12	339.45	260.01	299.70
47	2.79	2.07	2.65	5.46	3.81	5.13	99	340.54	254.74	295.32	357.42	270.77	311.60
48	2.93	2.29	2.80	5.72	4.28	5.43	100	362.10	275.46	313.54	376.40	289.27	327.60
49	3.09	2.53	2.98	6.02	4.81	5.78	101	379.21	297.55	330.82	390.77	309.03	342.38
50	3.32	2.81	3.22	6.45	5.39	6.24	102	397.44	322.19	350.39	405.92	330.78	359.18
51	3.59	3.12	3.50	6.96	6.02	6.77	103	416.84	349.04	372.52	421.83	354.11	377.84
52	3.96	3.47	3.86	7.66	6.71	7.47	104	437.48	378.60	397.46	438.57	379.41	398.67
53	4.36	3.85	4.26	8.45	7.44	8.25	105	459.13	410.56	425.09	460.15	411.32	426.16
54	4.87	4.25	4.75	9.44	8.24	9.20	106	482.15	443.32	454.25	483.10	444.02	455.20
55	5.50	4.68	5.34	10.56	9.08	10.26	107	506.62	476.88	484.83	507.51	477.53	485.66
56	6.14	5.18	5.95	11.70	9.98	11.35	108	532.63	510.64	516.27	533.44	511.24	517.01
57	6.83	5.70	6.60	12.91	10.94	12.51	109	560.26	545.80	549.38	561.01	546.35	550.03
58	7.42	6.26	7.19	13.86	11.87	13.46	110	589.59	581.76	583.66	590.27	582.26	584.22
59	8.10	6.82	7.84	14.96	12.90	14.54	111	620.74	616.32	617.39	621.35	616.78	617.88
60	8.92	7.40	8.61	16.29	13.97	15.82	112	653.80	649.84	650.79	654.35	650.25	651.23
61	9.92	8.03	9.54	17.94	15.08	17.36	113	688.91	680.36	682.37	689.38	680.72	682.77
62	11.14	8.72	10.65	19.93	16.33	19.19	114	726.15	723.38	724.03	726.56	723.69	724.36
63	12.51	9.43	11.89	22.14	17.58	21.21	115	765.67	763.40	763.93	766.01	763.66	764.20
64	13.95	10.20	13.19	24.40	18.90	23.27	116	807.59	804.92	805.53	807.86	805.12	805.75
65	15.47	11.05	14.57	26.63	20.34	25.33	117	852.05	850.44	850.80	852.26	850.59	850.97
66	17.01	11.99	15.98	28.78	21.87	27.34	118	899.22	892.44	893.94	899.35	892.54	894.06
67	18.57	13.02	17.43	30.87	23.59	29.35	119	949.22	935.11	938.06	949.29	935.16	938.19
68	20.25	14.17	19.00	33.07	25.48	31.48	120	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
69	21.99	15.43	20.63	35.25	27.53	33.62							
70	24.10	16.82	22.58	37.89	29.82	36.17							
71	26.46	18.42	24.77	40.78	32.43	38.99							

**American General Life and Accident Insurance Company**  
**Form 08327**  
**Exhibit I - Comparison Table of Values**

Sample Policy      Male, age 35, Preferred Plus / Female, age 35, Preferred Plus

Maturity Value:            250,001  
Specified Amount:        250,000  
Premium:                    2,376.82

Minimum Cash Value Basis: 2001 CSO Male/Female, Non-smoker/Smoker, Age-nearest-birthday Mortality Table at 4.00%

Reserve Basis: 2001 CSO Male/Female, Non-smoker/Smoker, Age-nearest-birthday Mortality Table at 4.00%

Account Value Basis: Calculated based on the maximum guaranteed expense and cost of insurance charges and the minimum guaranteed interest rate for the form

Year	Guaranteed Death Benefit	Guaranteed Accumulation Value	Guaranteed Cash Surrender Value	Statutory Reserve	Statutory Minimum Cash Value	Statutory Minimum Reserve
1	250,000.00	1,797.80	0.00	0.00	0.00	0.00
2	250,000.00	3,648.99	0.00	1,637.41	0.00	1,637.41
3	250,000.00	5,555.07	1,227.57	3,339.66	487.70	3,339.66
4	250,000.00	7,517.61	3,230.11	5,109.26	2,244.10	5,109.26
5	250,000.00	9,538.20	5,290.70	6,948.80	4,060.50	6,948.80
6	250,000.00	11,950.73	7,968.23	8,860.92	5,936.90	8,860.92
7	250,000.00	14,434.51	10,932.01	10,932.01	7,911.60	10,848.34
8	250,000.00	16,991.41	13,958.91	13,958.91	9,951.30	12,913.83
9	250,000.00	19,623.31	17,053.31	17,053.31	12,077.65	15,060.19
10	250,000.00	22,332.11	20,217.11	20,217.11	14,271.50	17,290.23
11	250,000.00	25,119.61	23,447.11	23,447.11	16,573.65	19,606.81
12	250,000.00	27,987.74	26,750.24	26,750.24	18,950.80	22,012.91
13	250,000.00	30,938.22	30,123.22	30,123.22	21,422.10	24,511.38
14	250,000.00	33,973.31	33,573.31	33,573.31	23,973.40	27,105.66
15	250,000.00	37,094.89	37,094.89	37,094.89	26,643.00	29,798.89
16	250,000.00	40,304.43	40,304.43	40,304.43	29,395.10	32,593.82
17	250,000.00	43,603.44	43,603.44	43,603.44	32,273.00	35,493.29
18	250,000.00	46,992.85	46,992.85	46,992.85	35,238.40	38,499.60
19	250,000.00	50,473.81	50,473.81	50,473.81	38,312.95	41,615.34
20	250,000.00	54,046.82	54,046.82	54,046.82	41,513.30	44,842.44
21	250,000.00	57,711.85	57,711.85	57,711.85	44,811.15	48,182.31
22	250,000.00	61,468.91	61,468.91	61,468.91	48,220.65	51,636.46
23	250,000.00	65,317.91	65,317.91	65,317.91	51,760.95	55,206.32
24	250,000.00	69,259.84	69,259.84	69,259.84	55,401.25	58,894.51
25	250,000.00	73,294.39	73,294.39	73,294.39	59,158.20	62,702.29
26	250,000.00	77,420.12	77,420.12	77,420.12	63,050.95	66,629.75
27	250,000.00	81,634.18	81,634.18	81,634.18	67,041.20	70,675.48
28	250,000.00	85,932.27	85,932.27	85,932.27	71,162.25	74,836.45
29	250,000.00	90,310.84	90,310.84	90,310.84	75,380.80	79,110.44
30	250,000.00	94,766.42	94,766.42	94,766.42	79,706.00	83,495.29
31	250,000.00	99,294.79	99,294.79	99,294.79	84,157.00	87,987.95
32	250,000.00	103,892.25	103,892.25	103,892.25	88,698.00	92,585.93
33	250,000.00	108,555.11	108,555.11	108,555.11	93,340.65	97,286.73
34	250,000.00	113,277.43	113,277.43	113,277.43	98,082.45	102,085.29
35	250,000.00	118,054.40	118,054.40	118,054.40	102,920.90	106,977.78
36	250,000.00	122,875.13	122,875.13	122,875.13	107,846.00	111,953.54
37	250,000.00	127,728.29	127,728.29	127,728.29	112,831.10	117,001.24
38	250,000.00	132,592.95	132,592.95	132,592.95	117,875.35	122,098.68
39	250,000.00	137,459.51	137,459.51	137,459.51	122,952.10	127,235.89
40	250,000.00	142,318.22	142,318.22	142,318.22	128,053.85	132,402.59
41	250,000.00	147,156.23	147,156.23	147,156.23	133,168.10	137,584.89
42	250,000.00	151,961.45	151,961.45	151,961.45	138,304.00	142,769.46

**American General Life and Accident Insurance Company**  
**Form 08327**  
**Exhibit I - Comparison Table of Values**

Sample Policy      Male, age 35, Preferred Plus / Female, age 35, Preferred Plus

Maturity Value:            250,001  
Specified Amount:        250,000  
Premium:                    2,376.82

Minimum Cash Value Basis: 2001 CSO Male/Female, Non-smoker/Smoker, Age-nearest-birthday Mortality Table at 4.00%  
Reserve Basis: 2001 CSO Male/Female, Non-smoker/Smoker, Age-nearest-birthday Mortality Table at 4.00%  
Account Value Basis: Calculated based on the maximum guaranteed expense and cost of insurance charges and the minimum guaranteed interest rate for the form

Year	Guaranteed Death Benefit	Guaranteed Accumulation Value	Guaranteed Cash Surrender Value	Statutory Reserve	Statutory Minimum Cash Value	Statutory Minimum Reserve
43	250,000.00	156,715.85	156,715.85	156,715.85	143,405.75	147,936.06
44	250,000.00	161,398.82	161,398.82	161,398.82	148,472.50	153,061.07
45	250,000.00	165,992.14	165,992.14	165,992.14	153,470.10	158,123.21
46	250,000.00	170,481.54	170,481.54	170,481.54	158,400.20	163,105.36
47	250,000.00	174,817.19	174,817.19	174,817.19	163,179.50	167,948.74
48	250,000.00	178,984.40	178,984.40	178,984.40	167,809.65	172,634.13
49	250,000.00	182,988.18	182,988.18	182,988.18	172,293.15	177,165.20
50	250,000.00	186,814.01	186,814.01	186,814.01	176,595.85	181,522.63
51	250,000.00	190,442.00	190,442.00	190,442.00	180,716.90	185,680.14
52	250,000.00	193,903.07	193,903.07	193,903.07	184,662.15	189,672.05
53	250,000.00	197,113.78	197,113.78	197,113.78	188,329.95	193,394.54
54	250,000.00	200,077.51	200,077.51	200,077.51	191,753.60	196,846.27
55	250,000.00	202,796.13	202,796.13	202,796.13	194,880.65	200,023.52
56	250,000.00	205,321.64	205,321.64	205,321.64	197,808.55	202,985.17
57	250,000.00	207,858.18	207,858.18	207,858.18	200,788.10	205,987.13
58	250,000.00	210,330.62	210,330.62	210,330.62	203,708.50	208,938.49
59	250,000.00	212,657.06	212,657.06	212,657.06	206,463.10	211,736.49
60	250,000.00	214,771.37	214,771.37	214,771.37	208,984.40	214,293.66
61	250,000.00	216,581.36	216,581.36	216,581.36	211,159.90	216,480.02
62	250,000.00	218,135.00	218,135.00	218,343.71	212,996.30	218,343.71
63	250,000.00	219,406.12	219,406.12	219,827.39	214,462.75	219,827.39
64	250,000.00	220,851.54	220,851.54	221,555.40	216,167.50	221,555.40
65	250,000.00	222,342.98	222,342.98	223,361.58	217,956.40	223,361.58
66	250,000.00	223,764.82	223,764.82	225,088.09	219,661.15	225,088.09
67	250,000.00	225,147.53	225,147.53	226,778.57	221,335.90	226,778.57
68	250,000.00	226,475.81	226,475.81	228,413.52	222,946.50	228,413.52
69	250,000.00	227,741.63	227,741.63	229,983.69	224,502.10	229,983.69
70	250,000.00	228,926.99	228,926.99	231,464.13	225,966.05	231,464.13
71	250,000.00	230,015.91	230,015.91	232,829.48	227,315.85	232,829.48
72	250,000.00	231,015.14	231,015.14	234,087.06	228,559.00	234,087.06
73	250,000.00	231,930.01	231,930.01	235,241.75	229,698.00	235,241.75
74	250,000.00	232,774.47	232,774.47	236,314.25	230,750.35	236,314.25
75	250,000.00	233,543.35	233,543.35	237,293.71	231,725.20	237,293.71
76	250,000.00	234,233.08	234,233.08	238,164.63	232,593.40	238,164.63
77	250,000.00	234,866.48	234,866.48	238,951.37	233,372.45	238,951.37
78	250,000.00	235,468.94	235,468.94	239,679.35	234,084.85	239,679.35
79	250,000.00	236,113.73	236,113.73	240,495.23	234,888.90	240,495.23
80	250,000.00	236,705.53	236,705.53	241,209.73	235,591.30	241,209.73
81	250,000.00	237,303.44	237,303.44	241,888.47	236,263.70	241,888.47
82	250,000.00	237,962.15	237,962.15	242,548.83	236,918.60	242,548.83
83	250,000.00	238,784.01	238,784.01	243,120.61	237,484.35	243,120.61
84	250,000.00	240,148.01	240,148.01	243,666.08	238,027.60	243,666.08
85	250,000.00	243,012.23	243,012.23	244,368.14	238,717.50	244,368.14
86	250,000.00	250,000.97	250,000.97	250,000.97	250,000.00	250,000.00

Table 1 end yr: 1  
 Table 2 end yr: 50

**American General Life and Accident Insurance Company  
 Form 08327  
 EXHIBIT II - UNIVERSAL LIFE CALCULATIONS**

**END OF YEAR 1** Calculations for a Universal Life Policy

DB OPTION:	1	DB = FACE AMOUNT:	\$250,000	Monthly Interest Fact	1.002466
BEGINNING AGE (younger)	35	ENDING AGE:	36	CORRIDOR PERCENTA	250.00%
MIN FACE AMOUNT	\$250,000.00	SURRENDER CHARGE:	\$4,405.00		
PREMIUM:	\$2,376.82	MONTHLY EXPENSE CHARGE:	\$27.25		
ANNUAL INTERES	3.00%	% PREMIUM LOAD:	8.00%		
COI RATE PER \$:	0.00000008	MONTHLY ADMIN FEE:	\$10.00		
PREVIOUS ACCUM. V/	\$0.00	PREMIUMS PER YEAR:	1		

End of Month	Gross Scheduled Premium	Net Scheduled Premium	Net Amount at Risk	Cost of Insurance	Monthly Expense Charge	Beginning Accumulation Value	Credited Interest	Ending Accumulation Value	Cash Surrender Value	Ending Death Benefit
1	\$2,376.82	\$2,186.67	\$247,235.53	\$0.01978	\$37.25	\$2,149.40	\$5.30	\$2,154.70	\$0.00	\$250,000.00
2	\$0.00	\$0.00	\$247,267.50	\$0.01978	\$37.25	\$2,117.43	\$5.22	\$2,122.65	\$0.00	\$250,000.00
3	\$0.00	\$0.00	\$247,299.55	\$0.01978	\$37.25	\$2,085.38	\$5.14	\$2,090.53	\$0.00	\$250,000.00
4	\$0.00	\$0.00	\$247,331.67	\$0.01979	\$37.25	\$2,053.26	\$5.06	\$2,058.32	\$0.00	\$250,000.00
5	\$0.00	\$0.00	\$247,363.88	\$0.01979	\$37.25	\$2,021.05	\$4.98	\$2,026.04	\$0.00	\$250,000.00
6	\$0.00	\$0.00	\$247,396.16	\$0.01979	\$37.25	\$1,988.77	\$4.90	\$1,993.67	\$0.00	\$250,000.00
7	\$0.00	\$0.00	\$247,428.53	\$0.01979	\$37.25	\$1,956.40	\$4.83	\$1,961.23	\$0.00	\$250,000.00
8	\$0.00	\$0.00	\$247,460.97	\$0.01980	\$37.25	\$1,923.96	\$4.74	\$1,928.70	\$0.00	\$250,000.00
9	\$0.00	\$0.00	\$247,493.50	\$0.01980	\$37.25	\$1,891.43	\$4.66	\$1,896.10	\$0.00	\$250,000.00
10	\$0.00	\$0.00	\$247,526.10	\$0.01980	\$37.25	\$1,858.83	\$4.58	\$1,863.41	\$0.00	\$250,000.00
11	\$0.00	\$0.00	\$247,558.79	\$0.01980	\$37.25	\$1,826.14	\$4.50	\$1,830.64	\$0.00	\$250,000.00
12	\$0.00	\$0.00	\$247,591.55	\$0.01981	\$37.25	\$1,793.37	\$4.42	\$1,797.80	\$0.00	\$250,000.00

**END OF YEAR 50** Calculations for a Universal Life Policy

DB OPTION:	1	DB = FACE AMOUNT:	\$250,000	Monthly Interest Fact	1.002466
BEGINNING AGE	84	ENDING AGE:	85	CORRIDOR PERCENTA	105.00%
MIN FACE AMOUNT	\$250,000.00	SURRENDER CHARGE:	\$0.00		
PREMIUM:	\$2,376.82	MONTHLY EXPENSE:	\$0.00		
ANNUAL INTERES	3.00%	% PREMIUM LOAD:	8.00%		
COI RATE PER \$:	0.0049011	MONTHLY ADMIN FEE:	\$10.00		
PREVIOUS ACCUM. V/	\$182,988.18	PREMIUMS PER YEAR:	1		

End of Month	Gross Scheduled Premium	Net Scheduled Premium	Net Amount at Risk	Cost of Insurance	Monthly Expense Charge	Beginning Accumulation Value	Credited Interest	Ending Accumulation Value	Cash Surrender Value	Ending Death Benefit
1	\$2,376.82	\$2,186.67	\$64,220.10	\$314.74915	\$10.00	\$184,850.10	\$455.89	\$182,988.18	\$182,988.18	\$250,000.00
2	\$0.00	\$0.00	\$64,088.96	\$314.10641	\$10.00	\$184,981.88	\$456.22	\$185,305.99	\$185,305.99	\$250,000.00
3	\$0.00	\$0.00	\$63,956.85	\$313.45894	\$10.00	\$185,114.64	\$456.54	\$185,438.10	\$185,438.10	\$250,000.00
4	\$0.00	\$0.00	\$63,823.77	\$312.80668	\$10.00	\$185,248.37	\$456.87	\$185,571.18	\$185,571.18	\$250,000.00
5	\$0.00	\$0.00	\$63,689.70	\$312.14961	\$10.00	\$185,383.10	\$457.20	\$185,705.25	\$185,705.25	\$250,000.00
6	\$0.00	\$0.00	\$63,554.65	\$311.48769	\$10.00	\$185,518.81	\$457.54	\$185,840.30	\$185,840.30	\$250,000.00
7	\$0.00	\$0.00	\$63,418.60	\$310.82089	\$10.00	\$185,655.53	\$457.88	\$185,976.35	\$185,976.35	\$250,000.00
8	\$0.00	\$0.00	\$63,281.54	\$310.14916	\$10.00	\$185,793.26	\$458.22	\$186,113.41	\$186,113.41	\$250,000.00
9	\$0.00	\$0.00	\$63,143.47	\$309.47248	\$10.00	\$185,932.00	\$458.56	\$186,251.48	\$186,251.48	\$250,000.00
10	\$0.00	\$0.00	\$63,004.39	\$308.79081	\$10.00	\$186,071.77	\$458.90	\$186,390.56	\$186,390.56	\$250,000.00
11	\$0.00	\$0.00	\$62,864.28	\$308.10410	\$10.00	\$186,212.57	\$459.25	\$186,530.67	\$186,530.67	\$250,000.00
12	\$0.00	\$0.00	\$62,723.13	\$307.41233	\$10.00	\$186,354.41	\$459.60	\$186,671.82	\$186,671.82	\$250,000.00

**AMERICAN GENERAL LIFE INSURANCE COMPANY**

**ACTUARIAL DESCRIPTION OF  
TERM LIFE INSURANCE BENEFIT RIDER  
POLICY FORM NUMBER 08692**

**I. DESCRIPTION OF RIDER CHARACTERISTICS**

This rider provides term insurance coverage on the policy to which the rider is attached until age 121. The Death Benefit of this rider is paid to the beneficiary of the policy upon the second death of the contingent insured's while both the policy and the rider are in force.

**II. CASH VALUES**

This rider has no cash values. However, the net premiums associated with this rider are placed in the accumulation value of the policy to which the rider is attached; therefore, any surplus of rider net premiums over rider charges will increase the policy cash values.

**III. RIDER TERMINATION**

This rider will terminate on the earliest of the following:

- a) On termination of the policy to which this rider is attached; or
- b) When any monthly deduction for this rider and the policy is in default beyond the end of the grace period; or
- c) On the policy anniversary nearest the younger contingent insured's age 121; or
- d) On the first monthly deduction date following receipt of the Owner's written request for termination.

**IV. CONVERTABILITY**

The rider Death Benefit is converted to the specified amount of the base policy on the policy anniversary nearest the younger contingent insured's age 121.

**V. COST OF RIDER**

The guaranteed maximum cost of insurance rate for each \$1000 of rider coverage is the same as the guaranteed cost of insurance rate per \$1000 of the specified amount of the policy to which the rider is attached. The guaranteed rider cost of insurance for substandard lives reflect appropriate additions for medical impairments, and special hazards.

A monthly expense charge will be deducted from the accumulation value of the policy. The charge will apply to the initial rider death benefit and any increase. The duration and the amount of the charge for the initial rider death benefit is shown on the policy schedule

page. The maximum monthly expense charge for the rider is the same as the monthly expense charge for the policy to which the rider is attached.

The company may use cost of rider charges lower than such guaranteed maximums, thus producing lower rider costs and higher accumulation values than those generated by the guaranteed rider costs.

#### **VI. STANDARD NONFORFEITURE LAW COMPLIANCE**

The rider monthly expense charge per \$1000 is always less than or equal to the monthly expense charge for the base policy. Therefore, addition of this rider will never result in cash values less than those for a base policy with a death benefit equal to the sum of the base policy plus rider. Thus the addition of the rider will never result in cash values less than those required by the Standard Nonforfeiture Law.

#### **VII. RESERVES**

The prescribed method for reserves is the Commissioners Reserve Valuation Method (CRVM) based on 2001 CSO Male\Female, Aggregate (Unismoke) Mortality Tables, Age Near Birthday, 4.0% annual interest rate. The statutory reserves are equal to the greater of the CRVM reserves and the cash values.

The rider is not subject to the Valuation of Life Insurance Policies Model Regulation (XXX) as adopted by the NAIC since there is no secondary guarantee period provided by the rider.

Date: \_\_\_\_\_

7/30/08



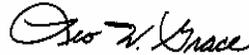
\_\_\_\_\_  
Tim Donovan, FSA, MAAA  
Product Development

AMERICAN GENERAL LIFE INSURANCE COMPANY

FORMS – 08327, 08692

We are in compliance with the Arkansas' External-Indexed Contract Guidelines and further certify the following:

1. The contract summary disclosure has been reviewed and complies with the Disclosure and Advertising requirements;
2. The contract will not be solicited by any person who is not trained and qualified;
3. The company will address external-indexed contracts separately in the annual (Section 8) actuarial opinion and memorandum addressing each year the amount and type of assets held and the level of reserves and how developed.
4. The company will establish and maintain a detailed file defining the system for hedging.



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Leo W. Grace, FLMI  
Assistant Secretary

August 1, 2008  
Date