AIG Life Insurance
Product Bulletin
September 2, 2021 21-029-PG

Reminder for Policies with "MGP" Guarantees

QoL Max Accumulator+ products are accumulation-focused IULs which perform the best when overfunded to leverage the cash value growth potential on the product. It also comes with a valuable guarantee feature, the Monthly Guarantee Premium (MGP) provision that is automatically included on all QoL Max Accumulator+ and QoL Max Accumulator+ II policies to help prevent the policy from lapsing from poor index performance during the guarantee period.

The MGP premium is the minimum premium to keep the policy inforce during the guaranteed period. In order to keep the MGP provision inforce, total premium paid into the policy less loans and partial surrenders must exceed the cumulative MGP premium needed. MGP premium is shown on the policy schedule and was recently added to QoL Max Accumulator+ II new business and QoL Max Accumulator+ inforce illustrations.

Please note if a policy with MGP lapses, the guarantee will terminate and cannot be reinstated. Significant "catch-up" premium would be required as part of the policy reinstatement, assuming reinstatement is available. Please see frequently asked questions for MGP details and reminders.

FAQs

Q: What is required to maintain the MGP?
A: The policy will not terminate during the guarantee period if the total premium paid less any partial surrenders and any outstanding loan amount equals or exceeds the sum of the Monthly Guarantee Premiums from the date of issue.

Q: How can I identify the guarantee duration provided by the MGP?
A: The guarantee period is shown on the policy schedule.

Q: Is there any grace period provided for MGP?
A: Yes, if the MGP requirement is not met during the Guarantee Period, the guarantee will remain inforce during the 61-day period that follows. If the amount required to keep the guarantee inforce is not paid by the end of the 61-day period, the guarantee will terminate and cannot be reinstated.

Helpful Hints

- Encourage clients to use Automatic Bank Draft to ensure policy payment is received on time as scheduled.
- Consider leveraging WinFlex web for self-service inforce illustrations. See Bulletin 19-072 for instructions.
- Encourage clients to enroll in eService to receive updates in the event of grace or lapse. www.aig.com/eService

Policies issued by American General Life Insurance Company (AGL), Houston, TX. Issuing company AGL is responsible for financial obligations of insurance products and is a member of American International Group, Inc. (AIG). AGL does not solicit business in the state of New York. Guarantees are backed by the claims-paying ability of the issuing insurance company. Products may not be available in all states and product features may vary by state. © AIG 2021. All rights reserved.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional.

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR PUBLIC DISTRIBUTION.

Continued – Reminder for Policies with "MGP" Guarantees

Please Note: MGP reminder information will soon be included in Grace Notice letters mailed to applicable Policy owners to help increase awareness of this important feature. Please see sample language below.

Sample Grace Notice

Your policy cash value is not sufficient to meet the current monthly deductions. As provided by the grace period provision of your policy, coverage will remain in force until May 19, 2021, on which date your policy will terminate.

If you have one or more policies subject to a Company premium discount, the termination of this policy may affect the premium discount for those other policies.

To continue your valuable coverage, you must remit $408.70 before your termination date. Unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or non-forfeiture benefit.

- Please note: Your policy includes a Monthly Guarantee Premium feature which can protect it from lapsing. If the above amount required to keep the guarantee in force is not paid by the end of the 61-day grace period, then the guarantee will terminate and cannot be reinstated, and you will likely face a significantly higher cost to reinstate the policy after the grace period ends.

Your current mode of billing, your chosen frequency and amount of payment, may not be sufficient to satisfy monthly charges for your policy. You may wish to increase your current premium amount in order to keep your policy in force. Keep in mind that your policy value may be affected by loan interest or a recent returned payment. Loan interest accrues on a daily basis and depletes policy values. You must send in additional money to cover any returned payment or loan interest due.

If we do not receive the requested amount before the end of the grace period, your policy will lapse without value and your valuable insurance coverage will end.

We appreciate the confidence you have shown in us, and we thank you for your business. If you have any questions or need additional assistance, please contact your Service Representative, or the Customer Service Center at 844-452-3832.

Indices are unmanaged, have no identifiable objectives and cannot be purchased. Performance of indices do not reflect the deduction of any fees and charges. Past performance is not indicative of future results.

AIG

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR PUBLIC DISTRIBUTION