

PRODUCT UPDATE

AG Select-a-TermSM New Pricing Enhances Competitive Position

The industry's longstanding term insurance leader – American General Life Companies (American General) – announces a substantial rate reduction on its flagship term product: AG Select-a-Term, issued by American General Life Insurance Company and The United States Life Insurance Company in the City of New York.

The pricing changes improve our competitive position significantly, most notably in the Nontobacco underwriting classes and the top two bands (\$250,000 +). We have also reduced the policy fee from \$65 to \$64 and the fee remains commissionable in band 1 (\$100,000-\$249,999). Rates in some cells increased and some remain unchanged, but overall, the new rates are lower – substantially in many cases.

Consider these sample pricing improvements.

| Sex | Issue Age | Class | Duration | Face Amount | Old Premium | New Premium | Percentage Change |
|-----|-----------|-----------|----------|-------------|-------------|-------------|-------------------|
| M | 40 | SNT | 20 yr. | \$100,000 | \$315.00 | \$224.00 | -28.9% |
| F | 50 | SNT | 15 yr. | \$100,000 | \$460.00 | \$314.00 | -31.7% |
| M | 45 | PPNT | 10 yr. | \$250,000 | \$250.00 | \$216.50 | -13.4% |
| F | 45 | PNT | 20 yr. | \$250,000 | \$425.00 | \$336.50 | -20.8% |
| M | 35 | PPNT | 10 yr. | \$500,000 | \$275.00 | \$194.00 | -29.5% |
| F | 55 | Std. Plus | 15 yr. | \$500,000 | \$1,620.00 | \$1,304.00 | -19.5% |
| M | 50 | SNT | 20 yr. | \$1 million | \$3,865.00 | \$3,364.00 | -13.0% |
| F | 40 | SNT | 10 yr. | \$1 million | \$1,085.00 | \$804.00 | -25.9% |

SNT: standard nontobacco; PPNT: Preferred Plus nontobacco; PNT: preferred nontobacco; Std. Plus: standard plus. Premium rates current as of November 16, 2009; rates may vary by state. Premiums available for other rates classes, ages and payment plans. Premium charges depend on evidence of insurability. Premiums increase at the end of the guaranteed term if policy is renewed. Death benefit remains level. The policy may be contested for two years from date of issue for material misstatements or omissions on the application. Policy is limited to return of premium paid in the event of suicide within the first two years.

Compensation

There are no changes to first-year compensation. Renewal commissions in years six through 10 are eliminated in conjunction with the pricing changes.

Product Highlights

- ▶ What hasn't changed is the unique flexibility and reach of AG Select-a-Term: guaranteed, level-term coverage for 17 durations – 10-year and 15–30 years – with three premium bands:
 - ▼ Band 1: \$100,000–\$249,999 (commissionable policy fee)
 - ▼ Band 2: \$250,000–\$499,999 (non-commissionable policy fee)
 - ▼ Band 3: \$500,000+ (non-commissionable policy fee)
- ▶ Issue ages and durations that make coverage available into the mid-80s for older clients
- ▶ Convertibility to fixed, index and variable universal life policies (including ContinUL Extend PlusSM for the first five policy years)
- ▶ Convertibility in the first two policy years to AG ROP Select-a-TermSM

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Transition Rules

- ▶ AG Select-a-Term applications received in the home office prior to November 16, 2009, will automatically receive the old July 2009 rates and features unless the new version is specifically requested.
- ▶ AG Select-a-Term applications received on or after November 16, 2009, will automatically receive the new product rates and features unless the old version is specifically requested.
- ▶ AG Select-a-Term applications received after December 26, 2009, will receive the new product rates and features.
- ▶ Any state not currently approved will receive a minimum transition period of 30 days.
- ▶ Reissue requests to new plan **will not** be honored.
- ▶ New applications submitted to replace existing inforce coverage with the new rates **will not** be honored within 90 days of the existing coverage going inforce.

State Approvals

As of November 16, the new rates for AG Select-a-Term are approved in all states except: CT, MS, OR, PA and WA.

Illustrations

AG Select-a-Term is now available on WinFlex and eConnections for approved states through an Internet update on November 16, 2009. The new rates are also available on third-party quote engines.

Rapid Rater

Instant rate quotes for all classes and durations are available on our updated Rapid Rater. You'll find Rapid Rater at <http://eStation.aglife.com>.

Marketing Materials

Marketing materials are available for immediate download through Forms Depot; in addition, materials are warehoused and available to order beginning November 16, 2009.

- ▶ AG Select-a-Term Producer Guide, AGLC102405 REV1109
- ▶ AG Select-a-Term Consumer Guide, AGLC102406 REV1109

Promotional Materials

Promotional flyers have been developed to help you promote the AG Select-a-Term's new lower rates to the producers in your downline. They contain a customizable area for your contact information, and are available now for download at eStation, our secure Web site for producers. Stay tuned to our weekly newsletter for notice of additional promotional materials as they become available.

- ▶ New Lower Rates Agent Flyer, AGLC103904
- ▶ Competitive, Customizable, Convertible Agent Flyer, AGLC103606 REV1009
- ▶ Happy Baby Agent Flyer, AGLC103066 REV1109
- ▶ Happy Baby Consumer Flyer, AGLC103321 REV1109

Why AG Select-a-Term?

Long-term guarantees, top compensation, a choice of conversion options and a small-case solution make AG Select-a-Term the compelling choice for your term business. And our new lower rates make it more competitive than ever. We appreciate your business and the trust you continue to place in American General. Please contact your regional sales team with any questions.

Policies issued by:

American General Life Insurance Company, 2727-A Allen Parkway, Houston, Texas 77019

AG Select-a-Term Policy Form Number 07007

The United States Life Insurance Company in The City of New York, 70 Pine Street, New York, New York, 10270

AG Select-a-term Policy Form Number 09007N

The underwriting risks, financial and contractual obligations and support functions associated with products issued by American General Life Insurance Company (AGL) and The United States Life Insurance Company in The City of New York (USL) are the issuing insurer's responsibility. USL is authorized to conduct business in New York. Policies and riders not available in all states. Guarantees are subject to the claims-paying ability of the issuing insurance company. American General Life Companies, www.americangeneral.com, is the marketing name for the insurance companies and affiliates comprising the domestic life operations of American International Group, Inc., including AGL and USL. **Important:** Prior to soliciting business, be certain that you are appropriately licensed and appointed with the insurer and that the product has been approved for sale by the insurer in that state. If uncertain, contact your American General Life Companies representative for assistance.