

**American
General**
Life Companies

Introducing Long Term Care Insurance from American General Life!



As a financial professional, you have built a career on recognizing and protecting your clients against financial risk.

Now, you can help your clients understand how an extended need for care could threaten their financial security and—more importantly—jeopardize their ability to receive the care they deserve.

To meet this important financial need, American General Life Insurance Company (American General Life) is proud to introduce a long term care insurance policy created to help preserve your clients' hard-earned assets and—something even more important—their independence.

What sets American General LTCSM Insurance apart from the crowd? It's all about the "Three Ps" — Product, Process and Payment.

Product

American General LTC offers a base of valuable features included with every policy, plus optional benefits that let you tailor coverage to each client's unique needs.

- **Lifetime maximum dollar benefit.** With the maximum lifetime dollar benefit, you and your clients have a clearer understanding of how much risk is being covered and the amount of assets that are being protected by insurance. Similar to life insurance, your clients know the exact amount of their potential benefits.
- **Monthly maximums.** American General LTC provides monthly—not daily—maximum benefits, giving clients more flexibility to schedule the care they need over the course of a month without worrying about whether they're exceeding a daily benefit limit that would require them to pay a daily overage out of their own pocket.



The need is great. And so is the opportunity.

Fact: Of 100 individuals turning 65 years old, 69 will have a need for long term care services in their lifetimes.¹

Fact: 40 percent of people receiving long term care services are between the ages of 18 and 64.²

Fact: In 2008, the average monthly cost for care in a nursing home was \$6,357.³

Fact: 65-year-olds will require an average three years of long term care over their lifetime.³

Fact: Contrary to popular belief, Medicare provides only limited coverage for long term care.

Fact: Medicaid only provides coverage after clients have depleted most of their financial assets.

Fact: Less than 10 percent of those age 50 and older own a long term care insurance policy.⁴

It all adds up to an extraordinary opportunity to serve your clients and expand your business.

1 Kemper, Peter, Harriet L. Komisar, Lisa Alecxih, "Long-Term Care Over an Uncertain Future: What Can Current Retirees Expect?" *Inquiry Journal* 42 (Winter 2005/2006): 335-350.

2 American's Health Insurance Plans, "AHIP Guide to Long Term Care Insurance," www.ahip.org (2004).

3 U.S. Department of Health and Human Services, National Clearinghouse for Long Term Care Information, www.longtermcare.gov (accessed December 31, 2009). Monthly home care calculation based on 2008 national average hourly rate of \$29 and 17 hours of care per week for 4 weeks per National Claimant Study. Monthly nursing home calculation based on 2008 national average daily rate of \$209 for 365 days divided by 12 months.

4 Alecxih, Lisa, "A Dozen Long Term Care Myths and their Implications for Medicaid Reform," Presentation to the Medicaid Commission, May 18, 2006.

Product, cont.

- **Choice of cash or reimbursement.** The Home and Community Care Benefit and the Facility Care Benefit reimburse 100 percent of the monthly maximum benefit for covered home health care, assisted living or nursing home expenses. With American General LTC's built-in Flexible Care Benefit, clients who qualify to receive benefits can choose to receive monthly cash equal to 40 percent of the monthly maximum. This cash benefit can be used to pay for care not otherwise covered under the policy, such as care provided by a family member.
- **Benefits that help clients stay at home.** Most clients want to continue living at home as long as possible, and American General LTC offers three benefits that help them do just that. The Home and Community Care Benefit covers services like home health aides, while the Flexible Care Benefit gives clients the option of receiving cash to pay for expenses not otherwise covered by the policy, such as care from a family member. A Stay at Home Support Benefit covers respite care, hospice care, medical equipment, caregiver training and home modifications.
- **Extra benefits for spouses and partners.** The optional Shared Care Benefit Rider creates a separate fund—equal to the lifetime benefit—which can be used by either spouse or partner after their own individual benefits have been exhausted.
- **Inflation protection.** American General LTC offers inflation riders that guarantee policy benefits grow by 3 percent or 5 percent compounded each year—for life. In addition to the traditional level premium option (our Standard Option), clients choosing inflation protection can also select from two other innovative options to pay for this rider:
 - A lower initial premium that increases annually over the life of the contract
 - A lower initial premium that increases annually before leveling out at age 65
- **Calendar day elimination period.** To decide when the elimination period ends and benefits begin, some policies only count days on which care is actually received. *There is a better way.* With American General LTC, once the elimination period "clock" starts ticking, every day counts—whether your client receives covered services or not.
- **And more.** These benefits are just the beginning of what American General LTC has to offer.

Process

American General Life's streamlined, electronic application process—LTC LaunchPad—frees you from red tape and lets you focus on your clients' needs—instead of piles of paper.

LTC LaunchPad lets you seamlessly move from illustrating the product using eConnections to presenting your client with online documents they can sign electronically. No more worrying if you remembered all the forms. LaunchPad takes care of that for you. Curious about the status of the application? You can track the status 24 hours a day on our producer Website. It's that simple.

Of course, you also always have the option to submit business using the traditional application process.

Payment

With the popularity of credit card reward programs, many clients prefer to pay with plastic. American General LTC lets them do just that—premiums can be paid using American Express®, MasterCard® or Visa®. Clients can also pay via automatic draft from their bank account or through direct billing. Clients have the option of paying monthly, quarterly, semi-annually or annually (direct billing not available on a monthly basis).

In addition to the many payment options for your clients, we also have an innovative commission option for you. Commissions will default to a "heaped" structure, meaning the bulk of your commission is paid in the first year with smaller renewals after that.

Of course, you can always choose to receive the traditional, "non-heaped" commission structure, which pays a lower first-year commission and larger renewals. (Please note that commission structures may be subject to state variations and the business practice of your Independent Marketing Organization or Managing General Agency.)

Available Discounts

- 15% discount for having a spouse (spouse includes a legally recognized domestic partner). Also applies if both apply, but only one spouse qualified.
- 30% discount on each policy if both spouses apply and are issued a policy
- 10% preferred health discount

Ready to learn more?

Visit our producer Website at

<http://eStation.aglife.com>

or contact us at

1-877-399-7747 or

A&H.marketing@aglife.com.

About American General Life Insurance Company

American General Life Insurance Company began doing business in 1926 and has been protecting the lives and dreams of American families and businesses ever since. Our company is solid and solvent with ample reserves and capital to meet our long-term obligations to policy holders.

Here are some facts about American General Life Insurance Company:

- Founded in 1926
- 3 million customers¹
- Recognized for financial strength by prominent independent ratings agencies. Visit www.americangeneral.com/ratings to view the ratings for American General Life Insurance Company.
- Over the past five years, American General Life Insurance Company has paid out more than \$12 billion in claims and benefits to our customers¹

You can be confident that no one will work harder to help you protect your family and your dreams.

¹ Source: Statutory annual statements for American General Life Insurance Company, 2004-2008.

Policies issued by:

American General Life Insurance Company

2727-A Allen Parkway, Houston, Texas 77019

American General Long Term Care Insurance Policy Form Number 08000

The underwriting risks, financial and contractual obligations, and support functions associated with the products issued by American General Life Insurance Company (AGL) are its responsibility. AGL does not solicit business in the state of New York. Policies and riders not available in all states. Guarantees are subject to the claims-paying ability of the issuing insurance company. These product specifications are not intended to be all-inclusive of product information. State variations may apply. Please refer to the policy and riders for complete details.

Important Note: All benefits payable are subject to the terms and conditions of the policy, including benefit durations, limitations and exclusions. Not all benefits and exclusions are covered in every state. Please consult the policy form and outline of coverage for details. There may be a charge for each rider selected. See the rider for details regarding the benefit descriptions, limitations and exclusions. Comprehensive medical coverage may be required in some states in order to apply for or maintain the policy.

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.

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.

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