

# Addition of enhanced index account options on the Power Protector Index Annuities and GLB Rate Increases

Effective June 27, 2022

We are excited to introduce new enhanced index account options to the line-up of index account options available on Power 5 Protector and Power 7 Protector products, **effective June 27, 2022**. We will also streamline the existing lineup by closing some options.

Along with these changes, we are pleased to inform you that rates will be increasing on the Lifetime Income Choice guaranteed living benefit on the Power 7 Protector Plus Income and Power 10 Protector Plus Income products **effective June 27, 2022**. We invite you to review the details below and contact us with any questions.

## What is an enhanced index account?

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Enhanced index accounts offer enhanced potential upside return in the form of higher index interest crediting rates, for an **additional fee**. These new enhanced index accounts are optional.

## New index account options

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As of June 27, 2022, the following new index accounts will be available for election on the Power 5 Protector, Power 7 Protector and Power 7 Protector Plus Income products:

### AQR DynamiQ Allocation Index

- Annual Point-to-Point with enhanced Participation Rate
- 2-Year Point-to-Point with enhanced Participation Rate

### ML Strategic Balanced Index

- Annual Point-to-Point with enhanced Participation Rate
- 2-Year Point-to-Point with enhanced Participation Rate

### PIMCO Global Optima Index

- Annual Point-to-Point with enhanced Participation Rate
- 2-Year Point-to-Point with enhanced Participation Rate

### S&P 500 Index

- Annual Point-to-Point with enhanced Participation Rate

## Client Protection

If a client elects an enhanced index account option, a strategy fee credit may automatically apply at the end of the withdrawal charge period. This one-time “true up” is intended to ensure that the client will not have paid more in fees than the benefit derived from interest credited to any enhanced index options. This fee credit, if applicable, will increase the contract value by an amount equal to the greater of:

- a) zero; or
- b) the sum of all strategy fees deducted from the contract value since the contract issue date, minus the sum of all enhanced option index interest credited to the contract value since the contract issue date.

## Index account closures

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In conjunction with the launch of the enhanced index crediting accounts, we will be closing the following index accounts on the Power 5 Protector, Power 7 Protector and Power 7 Protector Plus Income Products.

### AQR DynamiQ Allocation Index

- Annual Participation Rate with Spread
- 2-Year Participation Rate with Spread

**Russell 2000 Index**

- Annual Point-to-Point with Rate Cap

**MSCI EAFE Index:**

- Annual Point-to-Point with Rate Cap

These index accounts will not be available for new sales initiated on or after the launch date. However, the index accounts will remain available for contracts issued prior to June 27, 2022.

**New Withdrawal Rates**

As of June 27, 2022, for newly issued contracts of the Power 7 Protector Plus Income and Power 10 Protector Plus Income with the **Lifetime Income Choice** living benefit feature, the following new Maximum Annual Withdrawal Percentages (MAWP) and Protected Income Payment Percentages (PIPP) will apply (changes shown in blue):

<b>Lifetime Income Choice - <u>Level Income</u></b>								
Maximum Annual Withdrawal Percentage (MAWP) & Protected Income Payment Percentage (PIPP) (as a percentage of the Income Base)								
Age of covered person(s) at income activation	Current Rates – <i>Lifetime Income Choice – Level Income</i>				New Rates – <i>Lifetime Income Choice – Level Income</i>			
	One covered person (Single Life)		Two covered persons (Joint Life)		One covered person (Single Life)		Two covered persons (Joint Life)	
	MAWP	PIPP	MAWP	PIPP	MAWP	PIPP	MAWP	PIPP
50 to 59	3.75%	3.75%	3.35%	3.35%	4.00%	4.00%	3.60%	3.60%
60 to 64	4.25%	4.25%	3.85%	3.85%	4.50%	4.50%	4.10%	4.10%
65 to 71	5.50%	5.50%	5.10%	5.10%	5.60%	5.60%	5.20%	5.20%
72 and older	6.25%	6.25%	5.85%	5.85%	6.60%	6.60%	6.20%	6.20%

<b>Lifetime Income Choice - <u>Max Income</u></b>								
Maximum Annual Withdrawal Percentage (MAWP) & Protected Income Payment Percentage (PIPP) (as a percentage of the Income Base)								
Age of covered person(s) at income activation	Current Rates <i>Lifetime Income Choice – Max Income</i>				New Rates <i>Lifetime Income Choice – Max Income</i>			
	One covered person (Single Life)		Two covered persons (Joint Life)		One covered person (Single Life)		Two covered persons (Joint Life)	
	MAWP	PIPP	MAWP	PIPP	MAWP	PIPP	MAWP	PIPP
50 to 59	4.25%	3.25%	3.85%	2.85%	4.50%	3.75%	4.10%	3.35%
60 to 64	5.25%	3.25%	4.85%	2.85%	5.50%	3.75%	5.10%	3.35%
65 to 71	7.00%	4.00%	6.60%	3.60%	7.25%	4.50%	6.85%	4.10%
72 and older	8.00%	4.00%	7.60%	3.60%	8.25%	4.50%	7.85%	4.10%

## Income Credit Rate

As of June 27, 2022, for newly issued Power 7 Protector Plus Income and Power 10 Protector Plus Income contracts with the **Lifetime Income Choice** living benefit feature elected, the following Income Credit Rate change will apply (change shown in blue):

Income Credit Rate - Lifetime Income Max Only	
Current Income Credit Rate	New Income Credit Rate
6.50%	7.50%

## GLB Transition Rules

All contracts issued on or after June 27, 2022, with guaranteed living benefit feature **Lifetime Income Choice**, will receive the new Withdrawal Rate and Income Credit Rate (if applicable), regardless of application signature dates or when applications are received.

## Transition rules for index account closures

- *Cash with Application:* To receive the current index accounts, the application or the order submission date must be signed/submitted no later than Sunday, June 26, 2022. The application and initial premium must be received in good order by the Annuity Service Center no later than Monday, July 11, 2022.
- *1035 or Transfer Business:* To receive the current index accounts, the application and transfer paperwork or the order submission date and transfer paperwork must be signed no later than Sunday, June 26, 2022, and must be received in good order by the AIG Annuity Service Center no later than Monday, July 11, 2022. The initial premium must be received, and the contract must be issued, no later than Monday, September 12, 2022.

**Important Notes:** Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be suitable or appropriate for all clients. 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. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

Early withdrawals may be subject to withdrawal charges. Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax may apply.

Index interest accounts are not a permanent part of the contract and may be removed due to circumstances beyond the control of American General Life Insurance Company. Such circumstances include, but are not limited to, the discontinuation of an index, which may occur at the end of an index term, a change in the composition or calculation of an index, the inability to license the use of an index and the inability to hedge risks associated with these index interest accounts. Special rules govern how assets in a discontinued index interest account may be reallocated. These rules may differ by state. Please see your contract for more information.

The Power Series of Index Annuities are issued by **American General Life Insurance Company (AGL)**, 2727-A Allen Parkway, Houston, Texas 77019. Power Series Modified Single Premium Deferred Fixed Index Annuity (Single Premium Only in Oregon), Contract numbers: AG-800 (12/12) and AG-801 (12/12). The Power Index Elite Index Annuity is issued by The Variable Annuity Life Insurance Company (VALIC), 2727-A Allen Parkway, Houston, Texas 77019. Power Index Elite Modified Single Premium Deferred Fixed Index Annuity (Single Premium Only in Oregon), Contract number: V-800 (12/14). AGL and VALIC are member companies of American International Group, Inc. (AIG). The underwriting risks, financial and contractual obligations and support functions associated with the annuities issued by AGL or VALIC are its responsibility. Guarantees are backed by the claims-paying ability of AGL or VALIC. AGL does not solicit, issue, or deliver contracts in the state of New York. Annuities and riders may vary by state and are not available in all states.

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