

# **HOT** AIG 71+ UNDERWRITING

THE ADVANTAGE IS THE RELATIONSHIP.

AIG has reduced rates **3%-7%**  
on clients aged 71 and over!

Innovative new senior market  
underwriting processes are  
enabling AIG to lower rates for this  
**critical market.**



**AIG**

AIG has released **NEW** rates for applicants  
age 71+ on 2 popular UL products :  
**ContinUL Extend** and **Platinum  
Provider Ultra.**

**Brokers  
Alliance**  
Inc.

16921 E. Palisades Blvd. Suite 103  
Fountain Hills, Arizona 85268  
1 (800) 290-7226 x 103

[www.BrokersAlliance.com](http://www.BrokersAlliance.com)

# NEW BUSINESS UPDATE

O.NB/U.OT.P/BR.H

## New Age 71 and Over Underwriting Program to Launch August 1, 2007

American General Life Insurance Company and The United States Life Insurance Company in the City of New York are pleased to announce a groundbreaking new underwriting program. Effective August 1, 2007, we are implementing new underwriting requirements for all applicants age 71 and over for fully underwritten life insurance products. American General Life and United States Life have been committed to finding the best way to re-enter the critical 71 and over market - and we've developed the right program to do that.

### Why it's news: The story behind our underwriting innovation

Our new 71 and over underwriting requirements are a result of *cutting-edge research that directly reflects what you already know*: What is considered a good indicator of health for a 75-year-old is different from that of a 25-year-old, or even a 45-year-old. In other words, when it comes to underwriting, *one size doesn't fit all*.

Is it a good business decision? Absolutely! *The new requirements will immediately improve American General Life's and United States Life's competitive position in two ways*:

- ◆ **First** - we've lowered the price on ContinUL Extend and Platinum Provider Ultra for our clients age 71 and over. Over the long term you will see *improved pricing on our entire product portfolio*.
- ◆ **Second** - the new requirements could directly figure into the assignment of the rate class offered. We expect to see situations where you will be able to offer clients a more favorable rate class. (Note that all situations are different, and certain cases may receive a less favorable rate class offer.)

**Minimal process impact:** These new underwriting tests don't change the submission process, are simple, and are performed as part of our normal underwriting process (when the paramed visit occurs or when the inspection report is performed).

### Important notes

- ◆ The new underwriting program will apply to all applicants age 71 and over, for both American General Life and United States Life policies, regardless of case size.
- ◆ While the pricing of our products will be more competitive and we expect some offers to improve, we are not changing our position on IOLI/SOLI.

### The new requirements: What's changing?

The changes below are designed to allow us to more accurately evaluate cognitive impairment and frailty - the two biggest indicators of health for the 71 and over market.

**Two new functional tests:** The Gait Test assesses the applicant's ability to walk at their normal pace within a specific distance and time frame. The Chair Stand Test assesses the applicant's ability to rise from a seated position five times, without using their arms for support. Both tests are quick and easy to administer by our trained paramed professionals.

Continued on next page

**Revised Inspection Report:** The revised Inspection Report will include an Enhanced Mental Skills Test (EMST) to help assess the applicant's cognitive skills. Applicants are asked a series of questions that test recall. The revised Inspection Report will be conducted via telephone, by trained specialists from our existing vendors. The EMST will add approximately 15 minutes to the inspection report as currently administered.

### Approved Paramed Vendors

All American General Life and United States Life approved paramed vendors have been trained to complete the new functional tests for clients age 71 and over.

- ◆ This includes:
  - APPS
  - EMSI
  - ExamOne
  - Hooper Holmes (Portamedic)
- ◆ Both ExamOne and Hooper Holmes will be able to complete the necessary 71+ Inspection Report including the new cognitive test for those applicants 71 and over.
- ◆ If you would like to schedule this Inspection for your client directly you can contact either vendor; otherwise the Home Office will order it with ExamOne.
- ◆ Non-approved vendors will be unable to complete these tests for you.

### Transition rules, illustrations and applications

- ◆ Applications **received** August 1, 2007, or after will be subject to the new underwriting requirements.
- ◆ All underwriting requirements **requested** by American General Life or United States Life or the agent on or after August 1, 2007, will be performed using the new requirements.

Policies issued by:  
 American General Life Insurance Company  
*A member company of American International Group, Inc.*  
 2727-A Allen Parkway, Houston, Texas 77019

ContinUL Extend Policy Form Number 05337  
 Platinum Provider Ultra Policy Form Number 00325

The United States Life Insurance Company in the City of New York  
*A member company of American International Group, Inc.*  
 New York, New York

ContinUL Extend Policy Form Number 05337N  
 Platinum Provider Ultra Policy Form Number 00325N

The underwriting risks, financial obligations and support functions associated with the products issued by American General Life Insurance Company (American General Life) and The United States Life Insurance Company in the City of New York (United States Life) are their responsibility. American General Life and United States Life are responsible for their own financial condition and contractual obligations. American General Life does not solicit business in the state of New York. Policies and riders not available in all states.

**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 profit center for assistance.

**PRODUCT UPDATE**

S.L.OT.B/PR.H

## New Rate Reductions for Ages 71+ for ContinUL Extend and Platinum Provider Ultra

American General Life Insurance Company and The United States Life Insurance Company in the City of New York are pleased to announce rate reductions for applicants age 71 and over on ContinUL Extend insurance and Platinum Provider Ultra insurance. Innovative new senior market underwriting processes are, in part, enabling us to lower rates for this critical market.

For example, a 75-year-old male in the standard risk class would pay a \$48,020 premium for a \$1 million ContinUL Extend policy on a level pay scenario, with a lifetime guarantee - a 5 percent reduction. This marks a strong competitive move within 4 percent of the leading company in our peer group for this example.

In another example, a 75-year-old male in the preferred class would pay a \$38,021 premium for the same policy - a 7 percent premium reduction - putting our lower ContinUL Extend rates within 2 percent of the peer leader!

**Important:**

For more information on this new 71+ Underwriting Program, please refer to bulletin #07-063 ("New Age 71 and Over Underwriting Program"). The new underwriting requirements will apply to applicants age 71 and over for all fully underwritten life insurance policies and could directly impact the underwriting offer.

**Stay tuned!** Rate reductions for applicants age 71 and over will follow for many of our other products.

**Illustrations and Applications:**

The new rates for ContinUL Extend and Platinum Provider Ultra will be available on Connections and WinFlex July 18, 2007.

- ◆ Policies issued with an effective date *prior* to August 1, 2007, will receive the old rates.
- ◆ Policies issued with an effective date of August 1, 2007, or *after* will receive the new rates.
- ◆ Applications **received** August 1, 2007, or after will be subject to the new underwriting requirements.
- ◆ All underwriting requirements **requested** by American General Life, United States Life or the agent on or after August 1, 2007, will be completed using the new requirements.

**Important:** Policies backdated prior to August 1 will receive the current higher rates. Reissue requests will not be honored.

Policies issued by:  
American General Life Insurance Company  
*A member company of American International Group, Inc.*  
2727-A Allen Parkway, Houston, Texas 77019  
ContinUL Extend Policy Form Number 05337  
Platinum Provider Ultra Policy Form Number 00325  
  
The United States Life Insurance Company in the City of New York  
*A member company of American International Group, Inc.*  
New York, New York  
ContinUL Extend Policy Form Number 05337N  
Platinum Provider Ultra Policy Form Number 00325N

The underwriting risks, financial obligations and support functions associated with the products issued by American General Life Insurance Company (American General Life) and The United States Life Insurance Company in the City of New York (United States Life) are their responsibility. American General Life and United States Life are responsible for their own financial condition and contractual obligations. American General Life does not solicit business in the state of New York. Policies and riders not available in all states.

**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 profit center for assistance.