

"Quality of Life...Insurance" How Does it Work?

The following are hypothetical examples of AGLAFlex ProPlus for a male, age 40, SNT.

Scenario	Critical Illness	Chronic Illness	Terminal Illness	Completion	No Acceleration
Age	50	60	70	72	65
Base Life Insurance Benefit	\$250,000	\$200,000	\$150,000	\$100,000	\$250,000
Event	Insured suffers a heart attack and needs financial help during recovery	Insured suffers from a qualifying chronic condition and needs help covering expenses	Insured is certified by a physician to have less than 24 months to live and needs money to help provide comfort during final months	Insured dies	Owner retires – no accelerated benefit riders have been elected and there are no loans outstanding
Action	Owner files a claim on the Critical Illness Accelerated Benefit Rider to accelerate♦ \$50,000 of the base life insurance benefit	Owner files a claim on the Chronic Illness Accelerated Benefit Rider to accelerate♦ \$50,000 of the base life insurance benefit	Owner files a claim on the Terminal Illness Accelerated Benefit Rider to accelerate♦ \$50,000 of the base life insurance benefit	Claim is submitted for the remaining \$100,000 base life insurance benefit	Owner remodels home after youngest child moves out. Chooses to access policy's cash surrender value to help pay costs
Result	Owner receives necessary documents from AGLA to assist in choosing acceleration or other alternatives	Owner receives necessary documents from AGLA to assist in choosing acceleration or other alternatives	Owner receives necessary documents from AGLA to assist in choosing acceleration or other alternatives	Beneficiary receives \$100,000 claim payment	Owner receives \$43,604 in accumulated funds** through a partial surrender
Accelerated Benefit Amount (Based on non-guaranteed elements)	\$1,964-\$38,540* depending on severity of event as determined by AGLA	\$6,888-\$38,930* depending on severity of event as determined by AGLA	\$44,950*	N/A	N/A
Effect on Policy	If acceleration accepted, base life insurance benefit reduced 20% to \$200,000. Cash and accumulation values also reduced by 20%	If acceleration accepted, base life insurance benefit reduced 25% to \$150,000. Cash and accumulation values also reduced by 25%	If acceleration accepted, base life insurance benefit reduced 33% to \$100,000. Cash and accumulation values also reduced by 33%	Base life insurance benefit of \$100,000 is paid and policy is terminated	Base life insurance benefit reduced to \$206,396. Cash and accumulation values reduced to \$250.00

Please note: The life insurance offered with accelerated benefit riders is not long term care insurance, disability income insurance or other insurance designed to cover specific costs associated with an illness or condition. Receiving benefits under any one of the Accelerated Benefit Riders will reduce the amounts available for future acceleration under it and any of the others. It will also reduce the base life insurance benefit and the funds available to supplement retirement or other needs. The amount received after acceleration may be less than what is needed to cover all of the costs associated with an illness or condition. Even though accumulated funds may be available to supplement retirement, they should not be relied upon as a significant source of retirement income. AGLA also offers a stand-alone critical illness policy that provides separate benefits without affecting your life insurance. Your AGLA agent can provide you with details.

♦ "Accelerate" means to receive a portion of the base life insurance benefit early – while the insured is still alive – in the event of a covered illness or condition. There are several factors to consider before deciding if insurance that can be accelerated is right for you:

- Acceleration will reduce the insured's base life insurance benefit and policy values. This means there will be less benefit paid when the insured dies.
- The actual payment received will be less than the portion of base life insurance benefit accelerated. This means you will not get the full amount you accelerate, because:
 - It is paid prior to death.
 - It is subject to the following deductions: an actuarial discount, administrative charge, payment of any unpaid but due policy premiums and payment of a pro rata amount of policy loans.
- The actual benefit payable under an Accelerated Benefit Rider for any given occurrence of a covered illness or condition will not be known until the time of claim. You can choose to accept or reject the offer at that time.
- If you are eligible, you will be offered the opportunity, when you receive your benefit election form, to purchase coverage to replace the amount accelerated. However, the costs of that coverage may be significantly higher.

Your policy contract will have more information about how accelerated benefits are calculated. Please read it carefully.

* Assumes payment of premiums necessary to keep policy in force.

**Assumes monthly premium of \$177.50 and no acceleration of benefits.

} These values were calculated using non-guaranteed interest and cost of insurance rates, monthly administration fees, and premium expense charge percentages as of January 2005. Therefore, they are not guaranteed and may be changed at any time and for any reason. Your results may be more or less favorable.

Benefits paid under an accelerated benefits rider may cause the owner to incur a tax obligation. Neither the company nor its agents are authorized to offer you tax advice. You should consult your accountant, attorney or other qualified tax professional to assess the impact of a benefit.