



American Pathway[®] Fixed 5 and Fixed 7 annuities Product updates 06/25/18

Effective Monday, June 25, 2018, the American Pathway Fixed 5 and American Pathway Fixed 7 annuities will be updated with the following changes for new policy purchases.

Guaranteed minimum interest rate (GMIR)

There will be one GMIR during the withdrawal charge period and a second after the withdrawal charge period expires. The guaranteed minimum interest rate applicable during the withdrawal charge period may be higher than the guaranteed minimum interest rate applicable in subsequent years. Currently, the GMIR is level with one rate guaranteed for the life of the contract. Please note that New York contracts will maintain a level GMIR.

Form changes

We have simplified the applications and Owner Acknowledgement by removing several fillable fields to help ensure In Good Order (IGO) paperwork. We have also created an [Understanding the Annuity Paperwork flyer](#) to highlight the changes

Please note that any sales made on or after June 25, 2018, must include the new application and Owner Acknowledgement form (see transition rules below).

- Joint ownership - if a joint owner is selected, each must list the other as the primary beneficiary on the new application.
- Joint annuitants - clients will have the ability to select a joint annuitant which allows for Joint and Survivor Life annuity income options and guarantees income payments (under the annuitization options) for the lives of two persons.

Rate term simplification

We are simplifying the American Pathway Fixed 5 and Fixed 7 annuities by reducing the following rate terms:

- The one-year qualified option on the one-year premium bonus option will be discontinued on both the American Pathway Fixed 5 and Fixed 7 annuities.
- The one-year interest rate bonus option will be discontinued on both the American Pathway Fixed 5 and Fixed 7 annuities.
- The five-year rate term will be discontinued for the American Pathway Fixed 7 annuity.

Following these changes, the only one-year rate option available on both the

Fixed 5 and 7 annuities will be the one-year premium bonus option which will apply to both qualified and non-qualified funds.

NAIC product training

Agents who have completed the American Pathway Fixed 5 and 7 product training are not required to take any additional action.

Agents who have not completed the product training must do so prior to submitting an application; otherwise we must reject the application and return the funds.

Transition rules

Beginning June 25, 2018, please submit all business using the new application and new Owner Acknowledgement. However, we are implementing a four-week transition period to process in-progress business using the old forms. ***All business submitted on or after July 23, 2018, must use the new forms to avoid Not In Good Order (NIGO) business.***

Important note for 1035 Exchanges/Transfers:

All business submitted with old forms must be In Good Order (IGO) by September 24, 2018. Otherwise, the case will be considered NIGO and a new application and new Owner Acknowledgement form will be required. Once received, the new contract parameters along with current rates as of the IGO date will be applicable.

Rate lock:

Standard rate lock rules will be applicable during this transition period.

Marketing Material will be updated and available for download and/or order via Forms Depot located on eStation at launch.

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Annuities are long-term retirement saving vehicles.

Annuities issued by American General Life Insurance Company (AGL) except in New York, where issued by The United States Life Insurance Company in the City of New York (US Life). Issuing companies AGL and US Life are responsible for financial obligations of insurance products and are members of American International Group, Inc. (AIG).

Guarantees are backed by the claims-paying ability of the issuing insurance company.

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products and other financial services to customers in more than 80 countries and jurisdictions.

May not be available in all states and product features may vary by state. Please refer to the contract.

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