

GROUP LONG-TERM DISABILITY INSURANCE

Help protect your savings in case of disability



EMPLOYEE
BROCHURE



Ethan's Story¹

Imagine that when a serious accident left Ethan unable to work for 10 months, the loss of income could have been devastating. Since the injury occurred off the job, it wasn't covered by his workers' compensation plan, and several of his medical expenses weren't covered by his health policy. Fortunately, Ethan's Group Long-Term Disability coverage provided a monthly benefit of \$1,500, allowing him to continue meeting his financial obligations until he was able to return to work.

Why Long-Term Disability Insurance?

If an illness or injury left you unable to work for an extended period of time, it could become extremely difficult to cover even your most basic expenses. Although you may have enough money in the bank to meet your short-term needs, what would happen if you were unable to work for months, or even years? The real value of disability insurance lies in the ability to protect you over the long haul.

Did You Know?

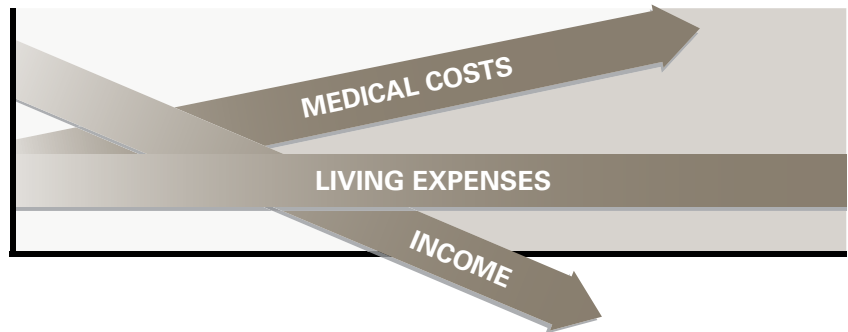
One in seven workers can expect to be disabled for five or more years before retirement.

Life and Health Insurance Foundation, lifehappens.org, March 2010.

How Does Long-Term Disability (LTD) Insurance Work?

If an illness or injury prevented you from working for several months or more:

- Keeping up with important payments for rent or mortgage, utilities, food, tuition and other expenses could be a struggle without your paycheck — and you may face additional out-of-pocket medical costs for ongoing treatment and care.
- The benefit from your Group Long-Term Disability (LTD) insurance can give you the income you need to help maintain your lifestyle.



Group LTD insurance helps replace income you relied on to meet everyday needs.

What Can This LTD Plan Offer Me?

Added Security

- Pays a monthly benefit to you, based on a percentage of your earnings.
- Covers both injuries and illnesses that do not occur at work.
- Includes a series of compelling return-to-work features and programs to provide you with support when you need it most:
 - Rehabilitation program includes rehabilitation benefits and child care expenses.
 - Workplace modifications include customizing tools or equipment (e.g., raising or lowering desks) or making ergonomic changes.
- Should you pass away while receiving long-term disability benefits, your benefits will be provided to your eligible survivor for a period of time after your death.

Financial Advantages

- Priced to fit your budget. Typically, group insurance rates are lower than the rates of individual insurance plans, and provide coverage at a lower cost.
- Your premium for your long-term disability coverage will be waived while you are out on disability and receiving benefits.

Convenience and Flexibility

- Premiums are deducted directly from your paycheck — no checks to write.
- Dedicated claims operation assists you with successful recovery and re-entry to the workplace.
- Experienced vocational rehabilitation professionals provide you with an individually tailored program designed to fit your needs.

How Much Do I Need?

Sample Case

Jane Doe's family was living comfortably on a combined income of \$55,000 per year until she was diagnosed with cancer. When ongoing therapy meant she was unable to work, her family suffered additionally because of the loss of her income.

Monthly Income Available (After Taxes)

Spouse/domestic partner income	\$2,500
Total Monthly Income Available (After-Taxes)	\$2,500

Monthly Expenses

Rent/Mortgage/Taxes	\$1,200
Homeowners insurance	\$ 50
Transportation (auto payments/insurance/gas)	\$ 500
Medical expenses/health insurance	\$ 300
Credit cards or bank loans	\$ 250
Utilities (electric, etc.)	\$ 250
Food and clothing	\$ 350
Other expenses	\$ 250
Total Monthly Expenses	\$3,150

Monthly Income minus Monthly Expenses

– \$ 650

Complete the following worksheet for an estimate of how much disability income insurance you would need to maintain your current standard of living should you become disabled.

Monthly Income Available (After Taxes)

Existing group disability coverage (coverage through your employer)	\$ _____
Existing individual disability coverage (additional coverage obtained on your own)	\$ _____
Spouse/domestic partner income	\$ _____
Other income (investments)	\$ _____
Total Monthly Income Available (After-Taxes)	\$ _____

Monthly Expenses

Rent/Mortgage/Taxes	\$ _____
Homeowners/Renters insurance	\$ _____
Transportation (auto payments/insurance/gas)	\$ _____
Medical expenses/health insurance	\$ _____
Credit cards or bank loans	\$ _____
Utilities (electric, etc.)	\$ _____
Food and clothing	\$ _____
Child/elder care	\$ _____
Education	\$ _____
Other expenses (insurance, entertainment, etc.)	\$ _____
Total Monthly Expenses	\$ _____

Monthly Income minus Monthly Expenses

\$ _____

Without your paycheck, this is the amount your expenses would exceed your income every month.

Note: Your long-term disability benefits are provided to you on a monthly basis.

About American General Life Companies (American General¹)

Just as your family turns to you for security and peace of mind, millions of Americans turn to American General for help protecting their families against financial hardship.

- American General's companies are collectively the top issuers of insurance by face amount in the U.S. and an industry leader in its core businesses.
- American General's companies are closely regulated by state insurance departments, with ample reserves and capital to meet the long-term obligations to policy holders.
- American General's companies have more than 11.6 million policies in force, as of 12/31/07.²
- American General stands ready to pay claims, making on average \$24 million in claim payments every single business day.³
- Over the past five years, American General's companies have paid out \$17.5 billion in benefits to 1.6 million families and businesses.⁴
- The general account of each insurer is primarily invested in high-quality, investment-grade bonds, in accordance with state insurance requirements and investment guidelines.
- The most prominent independent ratings agencies continue to recognize American General insurers in terms of insurer financial strength. For detailed information on specific insurer ratings, visit www.americangeneral.com/ratings.

Pre-Existing Conditions and Exclusions (state variations may apply)

Pre-existing condition means an injury or sickness that occurred within three months just before the effective date of coverage, or the effective date of any individually elected increase under the group policy, or the effective date of an increase due to a policy amendment for which the insured:

- Incurred charges.
- Received medical treatment, consultation, care or services, including diagnostic measures.
- Took prescribed drugs or medicines.

If a disability is due to, caused by or contributed to by a pre-existing condition, and it begins in the first 12 months after the effective date of coverage, or the effective date of any individually elected increase under the group policy, or the effective date of an increase due to a policy amendment, no benefits will be paid.

Exclusions and Assumptions

- Evidence of insurability is required for all late entrants.

- The group policy does not cover any disability caused by, contributed to by or resulting from:
 - Loss of professional license, occupational license or certification.
 - Intentionally self-inflicted injuries, while sane or insane.
 - Active participation in a riot.
 - Attempting to commit a crime, or commission of a crime for which the insured has been convicted under federal or state law.
 - Insurrection, war, declared or undeclared, or any act of war.
- The company will not pay a benefit for any period of disability during which the insured is incarcerated as a result of a conviction.

Monthly benefit based on a percentage of employee earnings or a flat amount, if elected. The Certificate of Insurance will provide details on benefit percentages, rates, effective date of coverage and other important coverage information. The monthly benefit will be reduced by the amount of any income the insured received or is entitled to receive that month from sources including Federal Social Security Act or the Railroad Retirement Act, the disability sickness laws of any state, workers' compensation, or a mandatory state auto reparation or indemnity act (no-fault insurance, where allowed by law). Please see the Certificate of Insurance for additional reduction sources.

² Information regarding American General is for informational purposes only.

³ Source: Statutory Annual Statements for the Domestic Life Companies, 2007.

⁴ Source: Statutory Annual Statements for the Domestic Life Companies, as of June 30, 2008.

⁵ Source: Statutory Annual Statements for the Domestic Life Companies, 2003 – 2007.

Policies issued by:

American General Life Insurance Company of Delaware

Wilmington, Delaware

Policy Form Number G-DIS-41000

American International Life Assurance Company of New York

New York, New York

Policy Form Number G-DIS-31000

www.americangeneral.com/employeebenefits

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 American General Life Insurance Company of Delaware and American International Life Assurance Company of New York.

American General Life Companies insurers offer a broad spectrum of life insurance, fixed annuities, accident and health products and worksite benefits to serve the financial and estate planning needs of customers throughout the United States.

The underwriting risks, financial and contractual obligations and support functions associated with products issued by American General Life Insurance Company of Delaware and American International Life Assurance Company of New York are each insurer's own responsibility. American International Life Assurance Company of New York is authorized to do an insurance business in New York. Policies are not available in all states.

This is a summary only of products and services offered. Actual offerings may vary by group size and are subject to state insurance law, and the benefits/provisions as described may vary due to such law. All products are subject to the terms, conditions, limitations and exclusions of the policy. Please see policy and certificate for details.

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