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12 *Class Counsel*

13 **UNITED STATES DISTRICT COURT**  
14 **CENTRAL DISTRICT OF CALIFORNIA**  
15 **WESTERN DIVISION**

17 LSIMC, LLC, on behalf of itself and all  
18 others similarly situated,  
19 Plaintiff,  
20 vs.  
21 AMERICAN GENERAL LIFE  
INSURANCE COMPANY,  
22 Defendant.

Case No. 2:20-cv-11518-SVW-PVC

**DECLARATION OF GLENN C.  
BRIDGMAN IN SUPPORT OF  
PLAINTIFF'S MOTION FOR FINAL  
APPROVAL OF CLASS ACTION  
SETTLEMENT**

Date: June 26, 2023  
Time: 1:30 p.m.  
Ctrm: 10A  
Judge: Stephen V. Wilson

1 I, Glenn C. Bridgman, hereby declare as follows:

2 1. I submit this declaration in support of Plaintiff’s motion for final  
3 approval of the proposed class action settlement between (i) Plaintiff LSIMC, LLC,  
4 individually and on behalf of the Settlement Class; and (ii) Defendant American  
5 General Life Insurance Company (“AmGen”).

6 2. I am a member in good standing of the State Bar of California. I am a  
7 partner of the law firm of Susman Godfrey L.L.P., and counsel of record for Plaintiff  
8 in the above-captioned action. I have personal knowledge of the facts set forth herein  
9 and, if called to testify as a witness, could and would testify competently thereto.  
10 Susman Godfrey has significant experience with insurance litigation and class  
11 actions, including cost of insurance actions and settlements thereof.

12 3. I was among the principal negotiators of the proposed Settlement,  
13 which was reached after months of negotiations and with the assistance of the Hon.  
14 Gary A. Feess (Ret.) as mediator. A true and correct copy of the long-form  
15 Settlement Agreement entered into by the parties is attached as **Exhibit 1**. It is Class  
16 Counsel’s opinion that this settlement is fair, adequate, and reasonable.

17 4. I previously submitted a declaration in support of Plaintiff’s Motion for  
18 Preliminary Approval. Dkt. 215-2. I also submitted a declaration in support of Class  
19 Counsel’s Motion for Attorneys’ Fees, Reimbursement of Litigation Expenses, and  
20 Service Award (“Fee Motion”). Dkt. 221-2. I submit this additional declaration to  
21 update the Court on developments following the close of the class opt-out period on  
22 April 24, 2023.

### 23 THE LITIGATION

24 5. Plaintiff LSIMC, LLC is the owner of a universal life insurance policy  
25 issued by AmGen. Plaintiff’s policy includes the following provision:

26 “This policy does not participate in our profits or surplus. . . . Any  
27 redetermination of interest rates will be based only on expectations of  
28 future investment earnings. We will not change these rates or charges in  
order to recoup any prior losses.”

1 Attached as **Exhibit 2** is a true and correct copy of the at-issue policy issued by  
2 AmGen and owned by Plaintiff.

3 6. Plaintiff filed this case on December 21, 2020 on behalf of a class of  
4 current and former owners of policies AmGen issued in California that included the  
5 same provision governing the redetermination of interest rates. The complaint alleged  
6 a claim for breach of contract for AmGen failing to redetermine interest rates “based  
7 only on expectations of future investment earnings” as the policies required.

8 7. Over the next seven months, AmGen filed three separate motions to  
9 dismiss Plaintiff’s Complaint, First Amended Complaint, and Second Amended  
10 Complaint. Dkts 22, 28, 40. After the Court granted AmGen’s motion to dismiss  
11 Plaintiff’s First Amended Complaint on June 7, 2021 (Dkt. 34), the Court granted  
12 Plaintiff just 14 days to plead additional facts to plausibly support the inference that  
13 AmGen’s investment returns were higher than the interest rates it was crediting  
14 policyholders. This required Class Counsel to hire experts to further analyze  
15 additional paywalled data concerning AmGen’s investment returns to meet the  
16 Court’s request. Plaintiff was ultimately able to add over eight pages of additional  
17 factual allegations to its Second Amended Complaint. Dkt. 35.

18 8. In total, the parties spent over 140 pages of briefing on AmGen’s three  
19 motions to dismiss.

20 9. After the Court denied AmGen’s motion to dismiss Plaintiff’s Second  
21 Amended Complaint, Dkt. 45, the parties engaged in extensive discovery in  
22 preparation for both class certification and summary judgment. During discovery,  
23 Class Counsel:

- 24 • Obtained and reviewed more than 6,000 documents and data sets  
25 produced by AmGen, totaling more than 163,000 pages;
- 26 • Issued a third-party subpoena to AmGen’s external auditor, obtaining  
27 and reviewing an additional 419 documents and data sets, totaling more  
28 than 3,500 pages;

- 1 • Deposed AmGen’s corporate representative pursuant to Federal Rule
- 2 of Civil Procedure 30(b)(6);
- 3 • Defended the deposition of LSIMC, LLC’s corporate representative,
- 4 taken by AmGen pursuant to Federal Rule of Civil Procedure 30(b)(6);
- 5 • Served and reviewed responses to 16 interrogatories, 60 requests for
- 6 admission, and 37 requests for production of documents;
- 7 • Responded to 12 interrogatories and 40 requests for production of
- 8 documents;
- 9 • Produced six total expert reports (inclusive of supplemental reports),
- 10 totaling more than 600 pages of statements and exhibits;
- 11 • Received and reviewed two expert reports from AmGen;
- 12 • Took the deposition of AmGen’s insurance expert witness, Mr. Craig
- 13 Reynolds;
- 14 • Defended the depositions of Plaintiff’s three expert witnesses: Mr.
- 15 Robert Mills, Mr. Kevin Fry, and Ms. Linley Baker.

16 10. On February 10, 2022, Plaintiff moved to certify a class of current and  
17 former owners of certain AmGen policies issued in California. Plaintiff submitted  
18 twenty exhibits in support of the motion, totaling over 400 pages of exhibits. Dkt. 85.  
19 AmGen filed an opposition to the motion for class certification on March 25, 2022  
20 along with a request for the Court to take judicial notice of over 150 pages of  
21 documents. Dkts. 100, 101. Plaintiff replied on April 25, 2022. Dkt. 107.

22 11. The Court granted in part and denied in part Plaintiff’s motion for class  
23 certification on August 4, 2022. The Court certified, pursuant to Rule 23(c)(4), a class  
24 on the issue of AmGen’s liability for breach of contract. The Court denied  
25 certification of a Rule 23(b)(3) damages class. Dkt. 113.

26 12. On August 9, 2022, the Court set trial for November 29, 2022, with a  
27 final pretrial conference scheduled for November 21, 2022. Dkt. 114.

28



1 the parties reached an agreement-in-principle on November 10, 2022, and entered  
2 into a fully executed Term Sheet on November 14, 2022.

3 18. The parties first conducted a mediation session on September 29, 2022,  
4 before Judge Feess. While this mediation did not result in any settlement, the parties  
5 continued negotiating in the following months with Judge Feess's assistance. As part  
6 of the negotiations, AmGen provided additional data that permitted Plaintiff and  
7 Class Counsel to evaluate a potential nationwide settlement. By the time the  
8 Settlement Agreement was reached, Class Counsel were well informed of material  
9 facts, and the negotiations were hard-fought and non-collusive.

10 19. The negotiations involved several rounds of proposals and  
11 counterproposals involving the structure of the settlement relief, which were  
12 complicated at least in part because the case would be proceeding to an issues-only  
13 class trial. The negotiations also involved several offers and counteroffers on the  
14 amount of the monetary relief to the Settlement Class. Throughout negotiations,  
15 Class Counsel analyzed all of the contested legal and factual issues to thoroughly  
16 evaluate AmGen's contentions, and advocated for a settlement that serves the  
17 Settlement Class's best interests.

18 20. The Settlement ultimately agreed to has the strong support of Judge  
19 Feess, who filed a declaration in support of preliminary approval of the Settlement.  
20 Dkt. 215-4.

### 21 SETTLEMENT

22 21. The specific terms and conditions of the settlement are set forth in the  
23 Settlement Agreement, attached as **Exhibit 1**. The Settlement Agreement provides  
24 significant relief to Settlement Class Members worth approximately \$55.5 million in  
25 cash and additional accumulation value for In Force Policies. These benefits are non-  
26 reversionary, and Settlement Class Members will not need to file claims to receive  
27 relief.  
28

22. The Settlement provides that, for four years, AmGen will credit Settlement Class Members’ In Force Policies’ accumulation values with an interest bonus each month, additional to any other bonuses provided for by the Policies that will effectively increase the annual interest rate in line with the below (the “Interest Rate Bonus”):

Time Period After Redetermination Date	Bonus Amount
Year 1	0.80%
Year 2	0.70%
Year 3	0.60%
Year 4	0.50%

AmGen also agrees that, for four years, when it redetermines the declared annual credited Portfolio interest rate for the products listed below, the changed rate shall be no less than American General’s benchmark Portfolio earned rates for that product as of the date the rate is redetermined minus the Spread Temporary amount set forth in the table below (the “Portfolio Rate Benefit”):

Marketing Name	Spread Temporary amount (bps)
ContinUL	110
Elite Survivor G	60
Elite Universal Life G	60
Elite Universal Life G 2003	60
Platinum Survivor Ultra G	75
Elite Transition UL	46
Elite UL	81
Elite Universal Life 2003	56
Platinum Provider Ultra 2003	71

23. AmGen has also agreed that this Settlement will not influence its decision to increase or adjust the cost of insurance for any of the Policies in the Settlement Class, and that it will not change or adjust its methodology for calculating the benchmark New Money earned rates or benchmark Portfolio earned rates for the Policies to recoup any cost to American General of this Settlement. This means that



1 Settlement Class Members need not worry about the risk of increased cost-of-  
2 insurance rates due to this Settlement.

3 24. AmGen has also agreed that it will not seek to challenge or void any  
4 Policy that is part of the Settlement Class because of an alleged lack of insurable  
5 interest (the “Non-Contestability Benefit”). Plaintiff’s actuarial expert, Mr. Philip  
6 Bieluch, has submitted a declaration in support of Class Counsel’s Fee Motion in  
7 which he has independently quantified the value of the Non-Contestability Benefit  
8 as approximately to \$9.24 million. Dkt. 221-3. When accounting for the value of  
9 the Non-Contestability Benefit, the total combined benefits of the monetary and non-  
10 monetary relief provided by the Settlement is approximately \$64.74 million.

11 25. In exchange, the Settlement provides that the Settlement Class and  
12 certain related parties will release AmGen and certain related parties from claims  
13 arising out of or relating to the redetermination of credited interest rates on the  
14 Policies or any claims or causes of action that were or could have been alleged in the  
15 Action that arise from the same factual predicate. The Settlement Class, however,  
16 will not release AmGen from (a) any claims that arise more than 4 years after the  
17 Redetermination Date related to the redetermination of interest rates, (b) any claim  
18 for payment of a death benefit, or (c) any claims or rights to otherwise enforce the  
19 terms of a Policy unrelated to crediting of interest.

20 26. It is the opinion of Class Counsel that the relief for the Class is  
21 outstanding.

22 27. The Plan of Allocation is attached as **Exhibit 3**. The Plan of Allocation  
23 will distribute a *pro-rata* share of the Final Settlement Fund (after reductions for opt  
24 outs, attorneys’ fees, expenses, and service awards) to Settlement Class Members  
25 automatically, without them needing to file a claim. Each Settlement Class Member’s  
26 *pro-rata* share is as follows: (1) the Settlement Class Member’s alleged under-  
27 credited interest is calculated in accordance with the methodology set forth in the  
28 February 10, 2022 Declaration of Robert Mills; (2) the resultant under-credited



1 interest amount for each Settlement Class Member will be divided by the total  
2 amount of alleged under-credited interest on Settlement Class Member Policies to  
3 obtain a percentage; and (3) that percentage will be multiplied by the Final Settlement  
4 Fund to obtain the amount owed to each Settlement Class Member.

5 28. Within one year plus 30 days after the Settlement Administrator mails  
6 the first disbursement checks, and to the extent feasible, any funds remaining in the  
7 Final Settlement Fund will be re-distributed *pro rata* to Settlement Class Members  
8 who previously cashed their checks.

9 29. This method of distribution ensures that all Settlement Class Members  
10 are equitably compensated and is designed to maximize the number of Settlement  
11 Class Members who will receive proceeds from the Final Settlement Fund. It is Class  
12 Counsel’s opinion that this Plan of Allocation is fair, reasonable, and equitable.

13 **PRELIMINARY APPROVAL, FEE MOTION, AND NOTICE**

14 30. On January 20, 2023, Plaintiff filed an unopposed Motion for  
15 Preliminary Approval of the Class Action Settlement (“Preliminary Approval  
16 Motion”), for which I submitted a similar declaration in support. Dkt. 215.

17 31. The Court held a hearing on the Preliminary Approval Motion on  
18 February 13, 2023. During the hearing, the Court asked about the “potential payout”  
19 of the Interest Rate Bonus and Portfolio Rate Benefit. Counsel for AmGen stated  
20 that:

21 “It’s pretty definitive that, given the way the bonus is structured and  
22 locking in the spread, that these amounts will be paid into the cash value  
23 of the policies. As long as these policies are in force, there’s no reason  
24 to believe we’re going to have some kind of mass termination of the  
policies. There is a 100% likelihood that the accumulation value of the  
policies will be impacted positively by the settlement.” (Dkt. 221-6)

25 I fully agree. The Interest Rate Bonus and Portfolio Rate Benefit are not conditional  
26 or illusory benefits; they are very real additional payments that will be made to  
27 Settlement Class Members’ accounts over the next four years.

1           32.     The Court granted preliminary approval of the Settlement on February  
2 16, 2023. Dkt. 217.

3           33.     Following preliminary approval, the Settlement Administrator  
4 (“JND”) disseminated notice to the Settlement Class in accordance with the  
5 procedures set forth in the Settlement Agreement and approved by the Court. JND  
6 has submitted a declaration regarding the notice disseminated following preliminary  
7 approval.

8           34.     On March 23, 2023, JND mailed the Court-approved Class Notice via  
9 U.S. Postal Service mail to the 40,569 addresses provided by AmGen as belonging  
10 to potential Settlement Class Members. That same day, JND updated the Settlement  
11 Website: [www.AmGenCreditedRateLitigation.com](http://www.AmGenCreditedRateLitigation.com) with key information regarding  
12 the Settlement. That same day, JND also updated the toll-free telephone line  
13 regarding information about the Settlement with script language approved by Class  
14 Counsel and counsel for AmGen, so as to be able to provide information to anyone  
15 who wanted to obtain information about the Settlement by phone.

16           35.     The required Class Action Fairness Act Notice was sent to the  
17 applicable Attorneys’ General on January 30, 2023. JND has not received any  
18 questions or objections to the Settlement from any Attorney General.

19           36.     On April 3, 2023, Class Counsel filed its Fee Motion, which requested  
20 attorneys’ fees in the amount of \$8 million, reimbursement of \$363,445.27, and a  
21 \$25,000 service award for LSIMC, LLC. JND posted the Fee Motion and supporting  
22 documents onto the Settlement Website on April 4, 2023.

23           **THERE HAVE BEEN NO OBJECTIONS AND TWO OPT OUTS**

24           37.     The Court’s preliminary approval order approving the proposed notice  
25 plan included an opt-out period pursuant to Federal Rule of Civil Procedure 23(e).  
26 This opt-out period ended on April 24, 2023.

27           38.     JND received two timely opt-out requests. One of the opt-out requests  
28 identified a policy number that is not part of the proposed Settlement Class.

1 However, JND identified that individual as the owner of record for only one policy  
2 in the proposed Settlement Class. Accordingly, the parties agreed that her policy  
3 should be excluded from the Settlement. Two opt outs out of 40,569 notices mailed  
4 represent ~0.00493% of the potential Settlement Class.

5 39. Plaintiff's expert, economist Robert Mills, applied the formula set forth  
6 in the Plan of Allocation to determine the proportion of the Settlement Fund that will  
7 be reduced due to the two opt outs. He has determined that the two opt-out policies  
8 will reduce the Settlement Fund by approximately 0.000175% and 0.000677%,  
9 respectively. Thus, in total, the Settlement Fund will be reduced by ~0.000852% (or  
10 \$111) due to the two opt-outs.

11 40. The Court's approved notice procedure also provided that potential  
12 Settlement Class Members could object to the Settlement by filing a written objection  
13 with the Court and serving such written objection on counsel for the respective  
14 parties. The deadline to do so was April 24, 2023. No potential Settlement Class  
15 Member filed an objection by April 24, 2023, and there have been no untimely  
16 objections filed as of May 29, 2023, nor is Class Counsel aware of any objections to  
17 the Settlement.

18 I declare under penalty of perjury under the laws of the State of California that  
19 the foregoing is true and correct.

20  
21 Executed this 29<sup>th</sup> day of May 2023, in Los Angeles, California.

22 /s/ Glenn C. Bridgman  
23 Glenn C. Bridgman

# EXHIBIT 1

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

LSIMC, LLC, on behalf of itself and all  
others similarly situated,

Plaintiff,

v.

AMERICAN GENERAL LIFE  
INSURANCE COMPANY,

Defendant.

Case No. 2:20-cv-11518-SVW-PVC

**JOINT STIPULATION AND  
SETTLEMENT AGREEMENT**

Hon. Stephen V. Wilson

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IT IS HEREBY STIPULATED AND AGREED, subject to the Court’s approval and pursuant to Rule 23 of the Federal Rules of Civil Procedure, by and between: (i) Plaintiff LSIMC, LLC, individually and on behalf of the proposed Settlement Class (collectively “Plaintiffs”), and (ii) Defendant American General Life Insurance Company (“American General” as defined in Section II), that the cause of action and matters raised by and related to this lawsuit, as captioned above, are hereby settled and compromised on the terms and conditions set forth in this Joint Stipulation and Settlement Agreement.

This Agreement is made and entered into by and between Plaintiff and American General and is intended to fully, finally, and forever resolve, discharge, and settle the Action and Released Claims (as both terms are defined below) upon and subject to the terms and conditions hereof.

#### **I. RECITALS**

1. Plaintiff LSIMC, LLC filed a putative class action against American General on December 21, 2020 in the United States District Court for the Central District of California entitled *LSIMC, LLC v. American General Life Insurance Company*, Case No 2:20-cv-11518-SVW-PVC. Following two full rounds of motion to dismiss briefing and amended complaints filed by Plaintiff, the case proceeded on Plaintiff’s breach-of-contract claim.

2. On August 4, 2022, the Court certified the following class as to liability only:

All current and former owners of life insurance policies who have received credited interest on policies issued by American General Life Insurance Company, or its predecessors, in the State of California on policy forms that provide that any redetermination of interest rates will be based only on expectations of future investment earnings and that have a guaranteed minimum annual effective interest rate of 3.00%.

The Court’s order appointed LSIMC, LLC as the Class Representative and Susman Godfrey L.L.P. as Class Counsel. (ECF No. 113). By Stipulation and Order, notice was provided to the members of the certified liability class.



3. The Parties have investigated the facts and have analyzed the relevant legal issues regarding the claims and defenses asserted in the Action. In addition to extensive motion practice, the Parties engaged in discovery regarding certification and merits. The parties briefed American General's Motion for Summary Judgment and both Parties' *Daubert* Motions. The parties also filed motions *in limine* in preparation for trial.

4. Plaintiff and its counsel believe that the claims asserted have merit. American General and its counsel believe that the claims asserted are without merit and that American General has complete defenses thereto. The Parties have each looked at the uncertainties of trial and the benefits to be obtained under the proposed settlement and have considered the costs, risks, and delays associated with the continued prosecution of this potentially time-consuming litigation and the likely appeals of any rulings in favor of either Party.

5. The Parties participated in mediation with the Hon. Gary A. Feess (Ret.) on September 29, 2022. Although the Parties did not resolve the case at that mediation, their settlement discussions continued with the assistance of Judge Feess. Because American General faces the prospect of similar lawsuits in other states in which the same policies were issued, those discussions expanded to include the prospect of a nationwide settlement. In connection with those discussions, Plaintiff sought and American General provided discovery on the non-California Policies sufficient for Plaintiff to analyze potential damages for a nationwide class. On November 10, 2022, the Parties ultimately reached a settlement in principle as set forth in a Term Sheet signed by both Parties. The Parties subsequently negotiated the terms resulting in this Settlement Agreement, which controls.

6. Accordingly, it is now the intention of the Parties and the objective of this Agreement to avoid the costs of trial and settle and dispose of the claims released herein and described below.

## II. DEFINITIONS AND CONSTRUCTION

Capitalized terms in this Agreement shall have the meaning set forth below:

1. “Action” means the above-captioned action, styled *LSIMC, LLC v. American General Life Insurance Company*, Case No. 2:20-cv-11518-SVW-PVC, currently pending in the United States District Court for the Central District of California.

2. “Agreement” means, collectively, the terms and conditions set forth in this Joint Stipulation and Settlement Agreement, including the exhibits hereto.

3. “American General” means Defendant American General Life Insurance Company and its respective predecessor and successor entities.

4. “American General’s Counsel” means, collectively, the law firms of and lawyers at McDowell Hetherington LLP and Morrison Foerster LLP.

5. “American General Released Claims” has the meaning set forth in Section VIII.

6. “American General Releasees” means, individually and collectively, American General, American General’s current and former parents (including intermediate and ultimate parents), direct and indirect subsidiaries, affiliates, predecessors, joint ventures, successors, and assigns—including American International Group, Inc. and Corebridge Financial, Inc.—together with each of their current and former officers, directors, shareholders, employees, representatives, insurers, attorneys, general agents, agents and producers (including, but not limited to, those acting on behalf of American General and within the scope of their agency), and all of such Releasees’

heirs, administrators, executors, insurers, reinsurers, predecessors, successors and assigns, or any of them, and including any person or entity acting on behalf or at the direction of any of them.

7. “Class Notice” means the notice of the Settlement approved by the Court to be sent by the Settlement Administrator to the Settlement Class. The Class Notice will be substantially similar to the Notice attached as Exhibit 1.

8. “Class Counsel” means the law firm of and lawyers at Susman Godfrey L.L.P.

9. “Class Counsel Fees and Expenses” means the amount of the award approved by the Court to be paid to Class Counsel from the Final Settlement Fund for attorneys’ fees and reimbursement of Class Counsel’s costs and expenses in accordance with Section IX.

10. “Class Fee and Expense Order” means the Court’s ruling on the contemplated Class Fee and Expense Application, as described in Section IX.

11. “Confidential Information” means material designated as “Confidential” or “Highly Confidential – Attorneys’ Eyes Only” in accordance with the terms of the Stipulated Protective Order entered in the Action (ECF No. 49).

12. “Court” means the United States District Court for the Central District of California.

13. “Effective Date” means the date on which the Final Approval Order and Judgment becomes final, which shall be the latest of (i) the date of final affirmance on any appeal of the Order and Judgment, including petitions for rehearing or re-argument, petitions for rehearing *en banc*, and petitions for *certiorari* or any other form of review; (ii) the date of final dismissal with prejudice of the last pending appeal from the Final Approval Order and Judgment; or (iii) if no appeal is filed, the expiration of the time for filing or noticing any form of valid appeal from the Order and Judgment.

14. “Fairness Hearing” means the hearing at or after which the Court will make a final decision whether (a) to approve the Settlement as fair, reasonable, and adequate; (b) to certify the Settlement Class pursuant to Federal Rule of Civil Procedure 23; (c) to enter the Final Approval Order and Judgment approving the Settlement and dismissing the Action with prejudice; (d) to award Class Counsel Fees and Expenses and any Incentive Award; (e) to permanently enjoin all Settlement Class Members who do not execute and timely file a Request for Exclusion from the Settlement Class from filing, prosecuting, maintaining, or continuing litigation based upon or related to the claims or facts alleged in the Action; and (f) rule on any other matters as may be raised before the Court.

15. “Final Approval Date” means the date on which the Court enters its Order and Judgment approving the Settlement.

16. “Final Approval Order and Judgment” means the Court’s order finally certifying the Class for settlement purposes only, approving the Settlement and entering final judgment. The judgment will include a provision for the retention of the Court’s jurisdiction over the Parties to enforce the terms of the judgment and for a bar order, prohibiting claims by the Releasing Parties against Released Parties for their respective Released Claims, as described in Section X. The Final Approval Order and Judgment will be substantially similar to the form of the proposed order attached as Exhibit 2.

17. “Final Settlement Fund” means a non-reversionary cash fund consisting of the cash consideration paid by American General for the benefit of the Settlement Class in the amount of \$13,000,000, less any reductions in the amount of the Settlement Fund pursuant to Section III. The Final Settlement Fund will be a single qualified settlement fund pursuant to 26 U.S.C. § 468B that will be used to pay: (i) Settlement Administration Expenses; (ii) any Incentive Award; (iii) Class

Counsel Fees and Expenses; (iv) all payments to the Settlement Class; and (v) any other payments provided for under this Settlement or the Final Approval Order and Judgment. There will be no reversion of any portion of the Final Settlement Fund to American General. All funds held in the Final Settlement Fund and all earnings thereon, shall be deemed to be *in custodia legis* of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall have been disbursed pursuant to the terms of this Agreement or further order of the Court.

18. “Incentive Award” means the amount of an award approved by the Court to be paid to Plaintiff from the Final Settlement Fund to compensate Plaintiff for efforts undertaken by it on behalf of the Settlement Class.

19. “In-Force Policy” or “In-Force Policies” means a Policy (or Policies) that is not a Terminated Policy as of January 13, 2023.

20. “In-Force Policyowner” means the owner of an In-Force Policy.

21. “Interest Rate Benefit” means the interest bonus as described in Section III.

22. “New Money Rate” means the credited interest rate that American General applies to new premiums paid on the Policies for an approximate 36-month period.

23. “Parties” means, collectively, Plaintiff and American General.

24. “Parties’ Counsel” means, collectively, Class Counsel and American General’s Counsel.

25. “Plaintiff” means LSIMC, LLC.

26. “Plaintiff and Settlement Class Released Claims” has the meaning set forth in Section VIII.

27. “Plaintiff and Settlement Class Member Releasors” means the Plaintiff and Settlement Class Members, on behalf of themselves, their heirs, assigns, executors, beneficiaries,

beneficiaries designated under Policies, administrators, predecessors, and successors, and any other person or entity purporting to claim on their behalf.

28. “Plan of Allocation” means a plan or formula of allocation of the Final Settlement Fund, to be proposed by Class Counsel and approved by the Court, whereby the Final Settlement Fund shall be distributed to Settlement Class Members. American General will not oppose any such proposed plan of allocation.

29. “Policy” or “Policies” means one or more insurance policies issued by American General, or its predecessors, anywhere in the United States, on policy forms that provide that any redetermination of interest rates will be based only on expectations of future investment earnings, that have a guaranteed minimum annual effective interest rate of 3.00%, and for which American General has credited interest to the policy’s accumulation value.

30. “Policyowner” means the current owner of an In-Force Policy or the most recent owner of a Policy that is no longer in force as of January 13, 2023, whether a person or entity.

31. “Portfolio Rate” means the credited interest rate that American General applies to a premium paid on the Policies beginning approximately 36 months after the receipt of that premium.

32. “Portfolio Rate Benefit” means the calculation of the Portfolio Rate for the Policies as described in Section III.

33. “Preliminary Approval Date” means the date on which the Court enters the Preliminary Approval Order.

34. “Preliminary Approval Order” means the order: (1) provisionally certifying the Settlement Class for settlement purposes only; (2) determining that Plaintiff adequately represents the Settlement Class and shall be its class representative; (3) appointing Plaintiff’s counsel as

counsel for the Settlement Class; (4) approving the proposed Class Notice; (5) preliminarily enjoining all Settlement Class Members from filing, prosecuting, maintaining, or continuing litigation based upon or related to the claims or facts alleged in the Action; and (5) setting a date for a Fairness Hearing, as described in Section V. The proposed Preliminary Approval Order shall be substantially similar to the form of the proposed order attached as Exhibit 3.

35. "Released Claims" is inclusive of the "American General Released Claims" and the "Plaintiff and Settlement Class Released Claims."

36. "Request for Exclusion" means a properly completed and timely postmarked request from a Policyowner to be excluded from the Settlement Class, as described in Section VI.

37. "Settlement" means the settlement set forth in this Agreement.

38. "Settlement Administration Expenses" means all Class Notice and administrative fees, costs, or expenses incurred in administering the Settlement, including those fees incurred by the Settlement Administrator. Settlement Administration Expenses shall be paid from the Settlement Fund.

39. "Settlement Administrator" means JND Legal Administration.

40. "Settlement Class" means the following class to be certified by the Court pursuant to Federal Rule of Civil Procedure Rule 23(b)(3) for purposes of Settlement: all Policyowners as of January 13, 2023. Excluded from the Settlement Class are: (a) officers or directors of American General; (b) any judicial officer presiding over the Action and the members of his or her immediate family and judicial staff; and (c) Policyowners who submitted a timely and valid opt out in response to the notice regarding the Court's order granting class certification in part or who submit a valid and timely Request for Exclusion. The Parties stipulate to this Settlement Class for settlement purposes only.



41. “Settlement Class Members” means all Policyowners included in the Settlement Class.

42. “Settlement Fund” means the common fund described in Section III.

43. “Settlement Fund Account” means the escrow account from which all payments out of the Final Settlement Fund will be made. The Settlement Fund Account shall be established under terms acceptable to the Parties at a depository institution and such funds shall be invested in instruments backed by the full faith and credit of the United States Government (or a mutual fund or funds invested solely in such instruments), or shall be deposited in non-interest-bearing transaction accounts that are fully insured by the Federal Deposit Insurance Corporation in the amounts that are up to the limit of FDIC insurance. Plaintiff, Class Counsel, American General and American General’s Counsel shall have no responsibility for or liability whatsoever with respect to investment decisions made for the Settlement Fund Account. All risks related to the investment of the Settlement Fund shall be borne solely by the Settlement Class.

44. “Statement of Objection” means a written objection by a Settlement Class Member timely filed with the Court (regardless of postmark date if sent by mail), as described in Section VII.

45. “STOLI” means stranger originated life insurance or any other similar term, including stranger owned life insurance.

46. “Terminated Policy” means a Policy that lapsed, matured, or was surrendered or for which a death benefit was paid prior to January 13, 2023.

### III. SETTLEMENT RELIEF

47. **Settlement Fund:** Within 15 business days following the Preliminary Approval Date, American General shall fully fund by wire transfer into the Settlement Fund Account \$13,000,000 to be distributed to Settlement Class Members.

- a. In no event will American General's cash payment obligation to the Settlement Class exceed \$13,000,000. American General shall have no responsibility for any taxes related to the Settlement Fund Account.
- b. The \$13,000,000 Settlement Fund will be reduced proportionally for Policyowners who submit a valid Request for Exclusion based upon the proportion of the Settlement Fund that would have been allocated to those class members under the Plan of Allocation and the reduced amount returned to American General by wire transfer no later than 5 business days after the Court issues the Final Approval Order and Judgment. The Parties agree that the opt-out reduction methodology set forth in this paragraph is proposed solely for settlement purposes and may not be used as an admission or evidence of the validity of any damages model regarding any alleged wrongdoing by American General
- c. The Final Settlement Fund shall be distributed to the Settlement Class pursuant to the Plan of Allocation approved by the Court.

48. **Interest Bonus Benefit:** For In-Force Policies, for a period of four (4) years, American General will credit Settlement Class Members' accumulation value with an interest bonus each month, additional to any persistency bonuses provided for by the Policies. The interest bonus will increase the declared annual interest rate applied to the accumulation value not offset

by a policy loan for the below time period and specified amount after the Redetermination Date (defined below):

Time Period After Redetermination Date	Bonus Amount
Year 1	0.80%
Year 2	0.70%
Year 3	0.60%
Year 4	0.50%

49. **Portfolio Rate Benefit:** Commencing on the Redetermination Date and continuing for four (4) years thereafter, American General agrees that when redetermining the Portfolio Rate for the products listed below, the changed rate shall be calculated as follows: no less than American General’s benchmark Portfolio earned rates for that product as of the date the rate is redetermined minus the Spread Temporary amount set forth in the table below:

Marketing Name	Spread Temporary amount (bps)
ContinUL	110
Elite Survivor G	60
Elite Universal Life G	60
Elite Universal Life G 2003	60
Platinum Survivor Ultra G	75
Elite Transition UL	46
Elite UL	81
Elite Universal Life 2003	56
Platinum Provider Ultra 2003	71

Within 90 days of the Effective Date, American General will redetermine the Portfolio Rate for the products listed in this paragraph. The date of those redeterminations (the “Redetermination Date”) will commence the four (4)-year period for crediting of the Interest Bonus Benefit and the Portfolio Rate Benefit.

50. **Total Estimated Value of the Interest Bonus Benefit and the Portfolio Rate Benefit:** American General represents that the total estimated value of the benefits described in paragraphs 48 and 49, above, on a non-discounted basis, is approximately \$42.5 million as of November 2022.

51. **Non-Contestability Benefit:** American General agrees it will not seek to void, rescind, cancel, have declared void, or otherwise deny coverage of death claims submitted by Settlement Class Members because of STOLI or any alleged lack of insurable interest (the “Non-Contestability Benefit”). The Non-Contestability Benefit does not apply to any alleged STOLI or lack of insurable interest made in connection with an application to reinstate coverage after the Effective Date.

52. **COI Benefit:** American General will not base any cost of insurance increase on the cost to American General of this Settlement or otherwise have the Settlement cost influence the magnitude of a cost of insurance increase.

53. **Benchmark Earned Rate Calculation:** American General will not change or adjust its methodology for calculating the benchmark New Money earned rates or benchmark Portfolio earned rates for the Policies to recoup any cost to American General of this Settlement.

54. **Attorneys’ Fees and Expenses.** Within 45 days after the Preliminary Approval Date, Class Counsel shall apply to the Court for an award of attorneys’ fees and expenses incurred in prosecuting this Action on behalf of Plaintiff and the Class, to be paid from the Final Settlement Fund.

55. **Incentive Award to Plaintiff.** Within 45 days after the Preliminary Approval Date, Plaintiff may apply to the Court for an Incentive Award, in recognition of the efforts

expended by Plaintiff in commencing this Action and serving as Class Representative, to be paid from the Final Settlement Fund.

#### **IV. SETTLEMENT ADMINISTRATOR**

56. The Settlement Administrator's fees, costs, and expenses, including the costs of notice, will be paid from the Settlement Fund Account. The Settlement Administrator will carry out the duties specified in this Agreement.

#### **V. PRELIMINARY APPROVAL, CLASS NOTICE, AND CAFA NOTICE**

##### **A. Amended Complaint, Provisional Certification of Settlement Class, and Preliminary Approval by the Court**

57. **Filing of Fourth Amended Complaint.** Unless otherwise agreed by the Parties and approved by the Court, by no later than January 20, 2023, Plaintiff will file a proposed Fourth Amended Complaint, substantially similar to the Third Amended Complaint, but expanding the class definition to allege a nationwide Settlement Class as defined in the Agreement. American General provides written consent to the filing of the Fourth Amended Complaint pursuant to Federal Rule of Civil Procedure 15(a)(2).

58. **Provisional Certification of the Settlement Class.** For the purposes of settlement and the proceedings contemplated by this Agreement, the Parties stipulate and agree that the Settlement Class shall be provisionally certified pursuant to Rule 23, that Plaintiff shall represent the Settlement Class for settlement purposes and shall be the Class Representative, and that Plaintiff's Counsel shall be appointed as counsel for the Settlement Class. Plaintiff shall apply to the Court for entry of the Preliminary Approval Order

59. **Motion for Preliminary Approval.** Unless otherwise agreed by the Parties and approved by the Court, by no later than January 20, 2023 Plaintiff will submit the proposed

Settlement to the Court and request the entry of the Preliminary Approval Order (a) preliminarily certifying the Settlement Class, (b) preliminarily approving the proposed Settlement as fair, reasonable and adequate, (c) appointing JND as Settlement Administrator; (d) preliminarily approving the form, method of providing notice, and content of the Class Notice described in paragraph VI.B; (e) staying all proceedings in the Action; (f) preliminarily enjoining all Settlement Class Members who do not execute and timely file a Request for Exclusion from the Settlement Class from filing or prosecuting litigation related to the claims or facts alleged in the Action; and (g) setting the date and time of the Fairness Hearing approximately 120 calendar days after the Preliminary Approval Date. Plaintiff will share a draft of the motion seeking approval of the Settlement (and all other settlement related filings (excluding Class Counsel's motion for Plaintiff's Incentive Award and Class Counsel's Fees and Expenses)) with American General no fewer than three business days before it is filed. To the extent the Court finds that the Settlement does not meet the standard for preliminary approval, the Parties will negotiate in good faith to modify the Settlement and endeavor to resolve the issue(s) to the satisfaction of the Court.

**B. Class Notice**

60. Subject to the requirements of any orders entered by the Court, and no later than 35 days after the Preliminary Approval Date, the Settlement Administrator will provide the Settlement Class with notice of the Agreement by the following methods.

- a. **Class Notice.** Within 14 days of the Preliminary Approval Date, American General will provide to the Settlement Administrator a class list that includes Settlement Class Member's full names and last known addresses. Within 35 days of the Preliminary Approval Date, the Settlement Administrator will mail the Class Notice to Class Members, subject to the address verification provision below.

- b. **Settlement Website.** No later than 35 calendar days after the Preliminary Approval Date, the Settlement Administrator will create and operate a website to provide notice to Settlement Class Members. The Settlement Website will contain the Long-Form Notice, Frequently Asked Questions regarding the Settlement Agreement and approval process, and other documents filed with the Court, including the proposed Fourth Amended Complaint, the Preliminary Approval motion and supporting papers; the Preliminary Approval Order, and Class Counsel's Motion for Fees and Costs and for a Service Award. The Parties will jointly approve the website content.
- c. **Toll-Free Telephone Support.** No later than 35 calendar days after the Preliminary Approval Date, the Settlement Administrator will operate a toll-free telephone support system whereby Settlement Class Members can access information about the Settlement. The Parties will jointly approve the scripts for the content and menu of automated and live operator calls.

61. The mere mailing of the Class Notice to a person or entity that is not in the Settlement Class, as defined herein, will not render such person or entity a part of the Settlement Class or otherwise entitle such person to participate in this Settlement.

**C. Address Verification; Re-mailing**

62. Prior to the mailing of the Class Notice, the Settlement Administrator will run the mailing list for the Class Notice through the U.S. Postal Service's National Change of Address Database for verification and correction of addresses to attempt to reduce the number of returned mail items. In the case of Class Notices undelivered and returned by the U.S. Postal Service, the Settlement Administrator will: (a) re-mail any Class Notice so returned with a forwarding address,



and (b) retain a commercial address verification service to attempt to find an address for any returned Class Notice that does not include a forwarding address. The Settlement Administrator will re-mail the Class Notice to each person and entity in the Settlement Class for which it or the address research service provides an updated address.

**D. Notice Under the Class Action Fairness Act**

63. Within 10 days following the filing of a motion for preliminary approval of the Settlement by the Court, American General will serve notices of the proposed Settlement upon the appropriate officials in compliance with the requirements of the Class Action Fairness Act (“CAFA”), 28 U.S.C. § 1715. The cost of any CAFA notice is the sole responsibility of American General and will not be paid from the Final Settlement Fund.

**E. Communication with Settlement Class Members**

64. American General reserves the right to communicate with, and to respond to inquiries directed to it from or on behalf of, insureds, beneficiaries, Policyowners, and Settlement Class Members, orally and/or in writing, regarding matters not involving the Action or the proposed Settlement in the normal course of administering the Policies or otherwise in the ordinary course of business, and may do so through any appropriate agents or agencies. If, however, American General receives any inquiry from a Settlement Class Member specifically relating to the Action or the Settlement, American General will refer the Settlement Class Member to Class Counsel. Nothing in this Paragraph will preclude American General or American General’s Counsel from communicating with an attorney representing any Policyowner.

**VI. REQUESTS FOR EXCLUSION**

65. Any Policyowner may be excluded from the Settlement by submitting to the Settlement Administrator a Request for Exclusion which complies with the requirements set forth

in the Class Notice and is postmarked no later than 30 days after the deadline for the Settlement Administrator to mail the Class Notice. Any Policyowner who submits a valid and timely Request for Exclusion shall have no rights under the Settlement, shall not share in the distribution of the Final Settlement Fund, and shall not be bound by the Settlement (including the releases herein) or the Final Approval Order and Judgment.

66. Policyowners that own multiple Policies in their own name or on behalf of different principals (including as a securities intermediary or trustee) can opt out for some or all those Policies. If an exclusion letter does not specify particular Policies by Policy number, the Settlement Administrator will treat the letter as applying to all Policies owned by the Policyowner. If an exclusion letter specifies particular Policies by Policy number, the Settlement Administrator will treat the Policyowner as having opted out only for the specified Policies.

67. Every Settlement Class Member that does not file a timely and proper written Request for Exclusion in accordance with this Section VI will be bound by all subsequent proceedings, orders, and judgments in the Action.

## **VII. OBJECTIONS TO THE SETTLEMENT**

68. Any Settlement Class Member that has not filed a timely and proper written Request for Exclusion and that wishes to object to the fairness, reasonableness, or adequacy of the proposed Settlement must file with the Court a Statement of Objection no later than 30 days after the deadline for the Settlement Administrator to mail the Class Notice. Each such Statement of Objection must: (a) state the Settlement Class Member's full name, current address, telephone number, and applicable Policy number(s); (b) set forth a statement of the legal and factual basis for the objection; and (c) be accompanied by copies of any and all documents upon which the objection is based. A Settlement Class Member who does not submit a timely and proper Statement

of Objection in accordance with this Agreement and the Class Notice, or as otherwise ordered by the Court, will not be treated as having filed a valid objection to the Settlement. Settlement Class Members may so object either on their own or through an attorney hired at their own expense.

### **VIII. RELEASES AND WAIVER**

69. Upon the Effective Date, in consideration of the promises and covenants of settlement between and among the Parties and as further contained in this Agreement (including, but not limited to, the consideration to the Settlement Class Members), the Plaintiff and Settlement Class Releasers hereby expressly release and discharge the American General Releasees from and against any and all claims, causes of action, debts, liabilities, damages, restitution, equitable, legal, and administrative relief, known and unknown, at law or in equity, whether brought directly or indirectly, including any further claim to recovery or relief as a result of action by any state or federal government agencies, arising out of or relating to the redetermination of credited interest rates on the Policies or any claims or causes of action that were or could have been alleged in the Action that are based upon the same factual predicate, including but not limited to (a) the redetermination of New Money or Portfolio Rates, including the use of a spread when redetermining any New Money or Portfolio Rates and the amount of any such spread; and (b) any under-crediting of interest on the Policies (collectively the “Plaintiff and Settlement Class Released Claims”). Plaintiff and Settlement Class Releasers hereby expressly further agree that they will not now or hereafter institute, maintain, assert, join, or participate in, either directly or indirectly, on their own behalf, on behalf of a class, or on behalf of any other person or entity, any action or proceeding of any kind against American General Releasees asserting the Plaintiff and Settlement Class Released Claims. Notwithstanding the foregoing, Plaintiff and Settlement Class Releasers are not releasing, and the term “Plaintiff and Settlement Class Release Claims” does not

include, (a) any claims that arise more than 4 years after the Redetermination Date related to the redetermination of interest rates, (b) any claim for payment of a death benefit, or (c) any claims or rights to otherwise enforce the terms of a Policy unrelated to crediting of interest. Further, for purposes of clarification only, to the extent that a Settlement Class Member owns insurance policies issued by American General (or any other insurer) other than the Policies, this release, and the terms of this Settlement Agreement, shall not limit or otherwise affect in any way the rights of that Settlement Class Member with respect to such policies.

70. Upon the Effective Date, in consideration of the promises and covenants of settlement between and among the Parties and as further contained in this Agreement (including but not limited to, the Plaintiff and Settlement Class Released Claims), American General hereby expressly releases and discharges Plaintiff, Settlement Class Members, and Class Counsel, from and against any and all claims, causes of action, debts, liabilities, damages, restitution, equitable, legal and administrative relief, known and unknown, at law or in equity, whether brought directly or indirectly, arising out of or relating to the filing, prosecution, or resolution of claims against American General alleged in the Action (collectively the “American General Released Claims”).

71. In connection with the forgoing releases, all Releasers acknowledge that they are aware that they may hereafter discover claims or damages presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true, with respect to their respective Released Claims. Nevertheless, all Releasers understand and agree that this release will fully, finally, and forever settle and release all of their respective Released Claims, known or unknown, and which now exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) with regard to their respective Released Claims.

72. **Waiver of California Civil Code Section 1542 and Similar Laws.** All Releasors expressly understand that section 1542 of the Civil Code of the State of California provides:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

To the extent that California or other similar federal or state law may apply (because of or notwithstanding the parties’ choice of law in this agreement), all Releasors hereby agree that the provisions of section 1542 and all similar federal or state laws, rights, rules, or legal principles, to the extent they are found to be applicable herein, are hereby knowingly and voluntarily waived and relinquished by releasors. All releasors hereby agree that this is an essential term of the release.

73. The Parties agree and acknowledge that the release provisions of this Section VIII together constitute an essential term of this Agreement.

74. Nothing in the foregoing releases will preclude any action to enforce the terms of this Agreement.

75. Nothing in this Agreement will be deemed to release American General from paying any future death benefits that may be owed.

76. The Parties expressly agree that the provisions of this Section VIII shall be, and may be raised as, a complete defense to and will preclude any action or proceeding encompassed by their respective Released Claims.

**IX. ATTORNEYS’ FEES, LITIGATION EXPENSES, AND INCENTIVE AWARD**

77. Class Counsel intends to file an application to the Court seeking approval of a common fund award of attorneys’ fees to Plaintiffs’ Counsel, plus reimbursement of litigation expenses, and for an Incentive Award, all to be paid solely from the Final Settlement Fund.

78. The Class Counsel Fees and Expenses and Incentive Award approved by the Court will be set forth in the Class Fee and Expense Order, so that any appeal of one will not constitute an appeal of the other. No order or proceedings relating to Class Counsel's attorneys' fees and expense application, nor any appeal from the Class Fee and Expense Order, or reversal or modification thereof, will operate to terminate or cancel this Agreement or otherwise delay the Final Approval Date or the Effective Date.

**X. FINAL APPROVAL AND STATUS IF SETTLEMENT AGREEMENT IS NOT APPROVED**

79. At or after the Fairness Hearing, and upon the Court's final approval of this Settlement, the Parties will request from the Court entry of the Final Approval Order and Judgment and Plaintiff will request entry of the Class Fee and Expense Order.

80. Prior to the Fairness Hearing and consistent with the rules imposed by the Court and applicable law, Plaintiff will move the Court for entry of the Final Approval Order and Judgment. The Parties shall take all reasonable efforts to secure entry of the Final Approval Order and Judgment, and Plaintiff shall send American General a copy of the Final Approval papers no fewer than three business days before filing.

81. This Agreement is being entered into for settlement purposes only. American General does not consent to certification of the Settlement Class for any purpose other than to effectuate the Settlement. If the Court does not enter final approval of the settlement reflected in this Agreement, conditions its approval on any modifications of this Agreement that are not acceptable to the Parties, or if for any other reason the Effective Date does not occur, then this Agreement will be deemed null and void *ab initio*. In that event: (a) any certification of any Settlement Class will be vacated and the Parties will be returned to their positions with respect to the Action as if the Agreement and the Term Sheet between the Parties had not been entered into;

(b) any Court orders preliminarily or finally approving the Settlement shall be vacated by their own terms; and (c) the terms of this Agreement, the fact that American General did not oppose the provisional certification of the Settlement Class, or that the Court preliminarily approved certification of the Settlement Class, shall not be admissible in evidence for any purpose in the Action or any other proceeding.

## **XI. MODIFICATION OR TERMINATION OF THIS AGREEMENT**

82. The terms and provisions of this Agreement may be amended by written agreement of the Parties and approval of the Court; provided however, the Parties may by agreement effect such amendments and its implementing documents (including the exhibits hereto) without notice to or approval by the Court if such changes (a) are consistent with the Court's Preliminary Approval Order, the Court's Final Approval Order and Judgment, and/or the Court's Class Fee and Expenses Order as applicable, and (b) do not unreasonably limit the rights of Settlement Class Members.

83. Notwithstanding anything in this Agreement, if the total accumulation value for the Policies of Settlement Class Members for which a Request for Exclusion is submitted exceeds 5% of the total accumulation value of all Policies as of December 30, 202, American General will have the option, in its sole and absolute discretion, to withdraw from the Settlement and terminate this Agreement in writing no later than seven (7) days prior to the Fairness Hearing.

## **XII. ADDITIONAL PROVISIONS**

84. **Confidential Documents and Information.** The Parties agree to comply with paragraph 13 of the Stipulated Protective Order within 60 days of the Effective Date.

85. **No Admission of Liability.** This Agreement shall not constitute an admission by American General of any form of liability or the accuracy of any allegation made in the Action.

86. **Authority to Sign.** The undersigned representative of Plaintiff represents that he (a) is authorized to enter into this Agreement on behalf of Plaintiff and (b) is doing so to protect the best interests of the Settlement Class. The undersigned American General representative represents that he or she is authorized to enter into this Agreement on behalf of American General.

87. **Entire Agreement.** This Agreement, including the exhibits hereto, which are an integral part of this Agreement, sets forth the entire agreement among the Parties with respect to its subject matter, and may not be altered or modified except by written instrument executed by all Parties' Counsel or authorized representatives. The Parties expressly acknowledge that no other agreements, arrangements, or understandings not expressed or referred to in this Agreement exist among or between them.

88. **Applicable Law.** This Agreement and any ancillary agreements will be governed by and interpreted in accordance with the laws of the State of California, without reference to its choice of law or conflict of laws rules.

89. **Notice.** Whenever this Agreement requires or contemplates that one Party will or may give notice to the other, notice will be provided by email as follows:

If to American General, then to:

David McDowell  
Email: david.mcdowell@mhl1p.com

and

Dan Marmalefsky  
Email: dmarmalefsky@mof0.com



If to Plaintiffs, then to:

Steven Sklaver  
Email: [ssklaver@susmangodfrey.com](mailto:ssklaver@susmangodfrey.com)

and

Ryan Kirkpatrick  
Email: [rkirkpatrick@susmangodfrey.com](mailto:rkirkpatrick@susmangodfrey.com)

90. **Change of Time Periods.** The time periods and dates in this Agreement may be changed by the Court or the Parties' written agreement without notice to the Class. The Parties reserve the right to make any reasonable extensions of time that might be necessary to carry out any of the provisions of this Agreement.

91. **Construction and Interpretation.** The Parties agree that (a) this Agreement is clear and unambiguous, has been drafted and negotiated by the Parties' Counsel at arm's length, and will not be construed more strictly against any of the Parties; and (b) no parol or other evidence may be offered to explain, construe, contradict, or clarify the terms of this Agreement, the intent of the Parties or the Parties' Counsel, or the circumstances under which this Agreement was made or executed.

92. **No Tax Opinion.** No opinion concerning the tax consequences of the proposed Settlement to any person or entity in the Settlement Class is given or will be given by American General, counsel for American General, or Class Counsel, nor are any representations or warranties in this regard made by virtue of this Agreement. The Class Notice will direct persons and entities in the Settlement Class to consult their own tax advisors regarding the tax consequences of the proposed Settlement, including the tax consequences of any payments, credits, and payment periods provided for hereunder, and any tax reporting obligations they may have with respect thereto. The tax obligations of each Settlement Class Member, and the determination

thereof, are the sole responsibility of each such person and entity, and it is understood that the tax consequences of the Settlement may vary depending on the particular circumstances of each such person and entity.

93. **Good Faith.** The Parties, their successors and assigns, and their attorneys undertake to implement the terms of this Agreement in good faith, and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Agreement.

94. **Cooperation.** The Parties, their successors and assigns, and their attorneys agree to cooperate fully with one another in seeking court approval of this Agreement and in preparing all final approval papers and to use their commercially reasonable best efforts to effect the prompt consummation of this Agreement and the proposed Settlement.

95. **Publicity.** The Parties will negotiate any media releases or statements to the media or any other publication regarding this Action or the Settlement.

96. **Counterparts and Form of Signature.** This Agreement may be signed in counterparts, each of which will constitute a duplicate original. A signature in electronic format shall constitute an original.

AGREED TO BY:

**LSIMC, LLC**

By: Andrew Plewin

Name: Andrew Plewin

Title: MANAGER

Dated: January 18, 2023

**American General Life Insurance Company:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: January \_\_, 2023

**Approved as to Form and Content and Agreed as to Publicity Provision (Paragraph \_\_)**

**SUSMAN GODFREY L.L.P.**

Steven G. Sklaver

Steven G. Sklaver  
Class Counsel

AGREED TO BY:

**LSIMC, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: January \_\_, 2023

**American General Life Insurance Company:**

By: \_\_\_\_\_  \_\_\_\_\_

Name: Elias Habayeb

Title: Chief Financial Officer, Corebridge Financial, Inc.

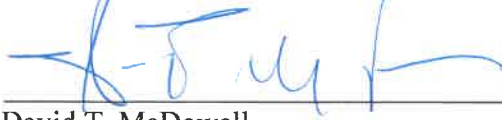
Dated: January 20, 2023

**Approved as to Form and Content and Agreed as to Publicity Provision (Paragraph 95)**

SUSMAN GODFREY L.L.P.

\_\_\_\_\_  
Steven G. Sklaver  
Class Counsel

MCDOWELL HETHERINGTON LLP



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David T. McDowell  
Counsel for American General Life Insurance Company

MORRISON FOERSTER LLP

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Dan Marmalefsky  
Counsel for American General Life Insurance Company

MCDOWELL HETHERINGTON LLP

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David T. McDowell  
Counsel for American General Life Insurance Company

MORRISON FOERSTER LLP



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Dan Marmalefsky  
Counsel for American General Life Insurance Company

# **EXHIBIT 1**

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

**NOTICE OF PROPOSED SETTLEMENT,  
MOTION FOR ATTORNEYS' FEES AND SETTLEMENT HEARING**

**IF YOU OWN OR OWNED ANY OF THE FOLLOWING LIFE INSURANCE POLICIES  
ISSUED BY AMERICAN GENERAL LIFE INSURANCE COMPANY, YOU COULD  
RECEIVE A PAYMENT AND/OR OTHER BENEFITS FROM A CLASS ACTION  
SETTLEMENT:**

**Platinum Survivor Ultra G, Elite Survivor G, Elite Universal Life 2003, Elite Transition UL,  
Elite Universal Life G 2003, Elite Universal Life G, Elite UL, Platinum Provider Ultra 2003,  
ContinUL**

*A court authorized this notice. This is not a solicitation from a lawyer.*

- The proposed settlement resolves a federal class action lawsuit claiming that American General Life Insurance Company (“American General”) breached the terms of certain universal life insurance policies because its redetermination of credited interest rates was allegedly not based only on expectations of future investment earnings (the “Settlement”).
- On **DATE**, the Court provisionally certified for settlement purposes a class of owners of certain universal life insurance policies that provide that redetermination of credited interest rates may be based only on expectations of future investment earnings, regardless of where the policy was issued (the “Settlement Class”). You may have received notice previously that the Court had certified a class of owners of such policies that were issued in California (the “California Litigation Class”). You have a choice to make now about the Settlement Class, regardless of any choices you previously made about the California Litigation Class.
- American General denies all material allegations and claims in the lawsuit and specifically denies that any redetermination of credited interest rates failed to comply with policy provisions. It is entering into this Settlement to avoid the costs, risks, and delays associated with continued litigation. The Court has not made any determination as to the merits of Plaintiff’s claims or American General’s defenses.
- If the Court approves the Settlement, Settlement Class Members will be eligible to receive payment from a Settlement Fund of \$13 million, as well as other benefits, as further detailed in Question 8.
- Your rights may be affected, and you have a choice to make now. These rights and options—**and the deadlines to exercise them**—are explained in this notice. **Please read this notice carefully.**

QUESTIONS? CALL 1-877-917-0158 OR VISIT [www.AmGenCreditedRateLitigation.com](http://www.AmGenCreditedRateLitigation.com)



<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION</b>	
<b>DO NOTHING</b>	<ul style="list-style-type: none"><li>• Stay in the Settlement Class</li><li>• Get certain benefits from the Settlement.</li><li>• Be bound by the Settlement.</li><li>• Give up any rights to sue American General separately about the claim resolved in the Settlement.</li></ul>
<b>ASK TO BE EXCLUDED (OPT-OUT)</b>	<ul style="list-style-type: none"><li>• Remove yourself from the Settlement Class.</li><li>• Get no benefits from the Settlement.</li><li>• Keep your right to sue American General separately about the claim resolved in the Settlement.</li><li>• Your request to exclude yourself must be postmarked by [DATE].</li></ul>
<b>OBJECT</b>	<ul style="list-style-type: none"><li>• Write to the Court about why you don't approve of the Settlement.</li><li>• If you wish to object to the Settlement, you cannot exclude yourself from the Settlement.</li><li>• To object, you must file a written objection with the Court and serve copies on Class Counsel and Counsel for American General by [DATE].</li></ul>

**WHAT THIS NOTICE CONTAINS**

**BASIC INFORMATION**.....PAGE xx

1. Why was this notice issued?
2. What is this lawsuit about?
3. What is a class action?
4. Why is there a Settlement?

**WHO IS IN THE SETTLEMENT CLASS** .....PAGES xx

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## BASIC INFORMATION

### 1. Why was this notice issued?

Judge Stephen V. Wilson of the United States District Court for the Central District of California authorized this notice because you have a right to know about the proposed Settlement of a class action lawsuit titled *LSIMC, LLC v. American General Life Insurance Company*, Case No. 2:20-cv-11518-SVW, and about all of your options before the Court decides whether to approve the Settlement.

### 2. What is this lawsuit about?

Plaintiff LSIMC, LLC claims that American General breached the terms of certain universal life insurance policies issued by American General because its redetermination of credited interest rates was not based only on expectations of future investment earnings.

American General denies all material allegations and claims and specifically denies that any redetermination of credited interest rates failed to comply with policy provisions. It is entering into this Settlement to avoid the costs, risks, and delays associated with continued litigation. The Settlement is not an admission of wrongdoing.

### 3. What is a class action?

In a class action, one person or entity called a “Plaintiff” sues on behalf of all individuals and entities who have a similar claim. Together, Plaintiff and these policy owners with similar claims are called the “Class” or “Class Members.” One court resolves the issues for all Class Members, except for those who validly exclude themselves from the Class.

### 4. Why is there a Settlement?

The Court has not decided in favor of either party. Instead, both sides have agreed to the Settlement. By agreeing to the Settlement, the parties avoid the costs and uncertainty of a trial. If the Settlement is finally approved by the Court, Settlement Class Members will receive the benefits described in this notice. The proposed Settlement does not mean that any law was broken or that American General did anything wrong. Plaintiff and Class Counsel think that the Settlement is in the best interests of the Settlement Class and is fair, reasonable, and adequate.

## WHO IS IN THE SETTLEMENT CLASS

### 5. Am I part of the Settlement Class?

Unless you request to be excluded, you are a member of the Settlement Class if you are the current owner of an in force life insurance policy or the most recent owner of a policy that is no longer in force as of January 13, 2023, on which American General Life Insurance Company credited interest to the accumulation value, and the policy provides that any redetermination of interest rates will be based “only

on expectations of future investment earnings” and that have a guaranteed minimum annual effective interest rate of 3.00%.

These policies have the following product names: Platinum Survivor Ultra G, Elite Survivor G, Elite Universal Life 2003, Elite Transition UL, Elite Universal Life G 2003, Elite Universal Life G, Elite UL, Platinum Provider Ultra 2003, and ContinUL.

On August 4, 2022, the Court certified the “California Litigation Class.” If you are a member of the California Litigation Class, you may make a separate choice with respect to this Settlement Class, regardless of what decisions you made relating to the California Litigation Class. For example, you may request exclusion from this Settlement Class even if you had an earlier opportunity to request exclusion from the California Litigation Class but did not do so. Similarly, you may elect to do nothing and participate in this Settlement Class even if you requested exclusion from the California Litigation Class.

#### 6. Are there exceptions to being included?

Yes. The Settlement Class excludes American General, its officers and directors, members of their immediate families, and the heirs, successors or assigns of any of the foregoing; the judge presiding over this case and court staff; and all counsel of record in this case. The Settlement Class will also exclude anyone who properly requests to be excluded (see Section 10 below).

#### 7. I am still not sure if I am a Settlement Class Member.

You are receiving this notice because American General’s records indicate that you own or owned a policy that is included in the Settlement Class definition. If you are still not sure whether you are included in the Settlement Class, please visit [www.AmGenCreditedRateLitigation.com](http://www.AmGenCreditedRateLitigation.com), call the Settlement Administrator toll-free at 1-877-917-0158, or contact Class Counsel at the phone number or address listed in Section 14, below.

### SETTLEMENT BENEFITS

#### 8. What does the Settlement provide?

Settlement Class Members will receive the following benefits:

- A. **Settlement Fund:** A Settlement Fund of \$13 million will be established for the benefit of all Settlement Class Members. The Settlement Fund will be reduced proportionally by the percentage of Policies, if any, owned by Settlement Class Members who opt-out from the Settlement Class. The cost to administer the Final Settlement Fund (i.e., after reductions due to any opt-outs from the Settlement Class), Class Counsel’s attorney’s fees and costs, and an incentive award to the Class Representative, Plaintiff LSIMC, LLC (see Question 15 below), will be deducted from the Settlement Fund. The Settlement Administrator will distribute the remaining amounts in the Final Settlement Fund to Settlement Class Members pursuant to the terms of a Plan of Allocation. The Plan of Allocation distributes the Final Settlement Fund in amounts approximately proportional to the historical under-credits of interest alleged by Plaintiff. You can review the Plan of Allocation at <https://www.AmGenCreditedRateLitigation.com> or you

can call the Settlement Administrator toll-free at 1-877-917-0158 to request a copy. No portion of the Final Settlement Fund will be returned to American General if the Settlement is approved.

In addition to a payment from the Final Settlement Fund, American General will provide the following prospective relief for Settlement Class Members who own Policies that are currently In-Force:

- B. **Interest Bonus Benefit:** Within ninety (90) days after the Settlement becomes effective, American General will redetermine interest crediting rates applied to premiums paid more than three years earlier (the “Redetermination Date”). For a period of four (4) years after the Redetermination Date, American General will credit Settlement Class Members’ accumulation value with an interest bonus each month, on top of any interest rate bonus provided for in the policy contracts, which will increase the credited interest rate applied to the Accumulation Value not offset by a policy loan for the following time period and specified amount:

Time Period After Redetermination Date	Bonus Amount
Year 1	0.80%
Year 2	0.70%
Year 3	0.60%
Year 4	0.50%

- C. **Portfolio Rate Benefit:** Commencing on the Redetermination Date and for a period of four (4) years thereafter, American General agrees that when redetermining the credited Portfolio interest rate for the products listed below, the changed rate shall be calculated as follows: no less than American General’s benchmark Portfolio earned rates for that product as of the date the rate is redetermined minus the Spread Temporary amount set forth in the table below:

Marketing Name	SPREAD - Temporary (bps)
ContinUL	110
Elite Survivor G	60
Elite Universal Life G	60
Elite Universal Life G 2003	60
Platinum Survivor Ultra G	75
Elite Transition UL	46
Elite UL	81
Elite Universal Life 2003	56
Platinum Provider Ultra 2003	71

American General represents that the Total Estimated Value of the benefits described in B and C above, on a non-discounted basis, is approximately \$42.5 million as of November 2022.

- D. **Non-Contestability Benefit:** American General will not seek to void, rescind, cancel, have declared void, or otherwise deny coverage of death claims submitted by Settlement Class Members based on any alleged lack of insurable interest (the “Non-Contestability Benefit”). The

Non-Contestability Benefit does not apply to any alleged lack of insurable interest made in connection with an application to reinstate coverage after the Effective Date of the Settlement.

- E. **COI Benefit:** American General will not base any cost of insurance increase on the cost to American General of this Settlement or otherwise have the Settlement cost influence the magnitude of a cost of insurance increase.
- F. **Benchmark Earned Rate Calculation:** American General will not change or adjust its methodology for calculating the benchmark New Money earned rates or benchmark Portfolio earned rates for the Policies to recoup any cost to American General of this Settlement.

## YOUR RIGHTS AND OPTIONS

**You have to decide whether to participate in the Settlement, ask to be excluded from the Settlement, or object to the Settlement. The deadline to ask to be excluded or to object is [DATE].**

### 9. What happens if I do nothing?

You don't have to do anything if you want to participate in the Settlement. By doing nothing, you are staying in the Settlement Class and you give up your right to sue American General as part of any other lawsuit about the claim resolved in this Settlement or the facts alleged in this lawsuit. This means that upon the Effective Date of the Settlement, you will relinquish all Plaintiff and Settlement Class Released Claims against the American General Releasees. These terms are defined as follows:

**Plaintiff and Settlement Class Released Claims** means: any and all claims, causes of action, debts, liabilities, damages, restitution, equitable, legal, and administrative relief, known and unknown, at law or in equity, whether brought directly or indirectly, including any further claim to recovery or relief as a result of action by any state or federal government agencies, arising out of or relating to the setting of credited interest rates on the Policies or any claims or causes of action that were or could have been alleged in the Action that are based on the same factual predicate, including but not limited to (a) the determination or redetermination of New Money or Portfolio credited interest rates, including the use of a spread when redetermining any New Money or Portfolio credited interest rates and the amount of any such spread; and (b) any under-crediting of interest on the Policies. Plaintiff and the Settlement Class are not releasing claims that arise more than 4 years after the Redetermination Date related to redetermining interest rates, any claim for payment of a death benefit, or otherwise to enforce the terms of a Policy unrelated to crediting of interest.

**American General Releasees** means: American General, American General's current and former parents (including intermediate and ultimate parents), direct and indirect subsidiaries, affiliates, predecessors, joint ventures, successors, and assigns—including American International Group, Inc. and Corebridge Financial, Inc.—together with each of their current and former officers, directors, shareholders, employees, representatives, insurers, attorneys, general agents, agents and producers (including, but not limited to, those acting on behalf of American General and within the scope of their agency), and all of such Releasees' heirs, administrators, executors, insurers, reinsurers, predecessors, successors and assigns, or any of them, and including any person or entity acting on behalf or at the direction of any of them. American General Releasees shall exclude any individual that is a Settlement Class Member.

QUESTIONS? CALL 1-877-917-0158 OR VISIT [www.AmGenCreditedRateLitigation.com](http://www.AmGenCreditedRateLitigation.com)

In addition, section 1542 of the Civil Code of the State of California provides:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

To the extent that California or other similar federal or state law may apply (because of or notwithstanding the parties’ choice of law in this agreement), you will be agreeing that the provisions of section 1542 and all similar federal or state laws, rights, rules, or legal principles, to the extent they are found to be applicable herein, are hereby knowingly and voluntarily waived and that this is an essential term of the release.

#### 10. How do I exclude myself from the Settlement Class?

If you do not want to be a member of the Settlement Class, you can exclude yourself (or “opt-out”) by sending a letter to the Settlement Administrator.

The exclusion letter must include:

- Your name and address;
- The name of this case, *LSIMC v. American General*;
- Your policy number; and
- A statement that you want to be excluded from or opt out of the Settlement Class.

Your exclusion letter must be signed, dated, and postmarked no later than **[EXCLUSION DEADLINE]**. Send your exclusion request to:

LSIMC v. American General Life Insurance Co.  
c/o JND Legal Administration  
PO Box 91348  
Seattle, WA 98111

If you own multiple policies in your own name or on behalf of different principals (including as a securities intermediary or trustee), we will treat your exclusion letter as applying to all policies you own, unless you specify otherwise by policy number.

#### 11. What happens if I exclude myself from the Settlement Class?

If you exclude yourself from the Settlement Class, you will not receive any Settlement payment or any other benefits from the Settlement. You will retain any rights you may have to sue or continue to sue American General for the same legal claims that are the subject of this lawsuit at your own expense.

**12. How do I tell the Court if I do not like the Settlement?**

Any Settlement Class Member who does not timely and properly opt out of the Settlement may object to the fairness, reasonableness, or adequacy of the proposed Settlement. Settlement Class Members who wish to object to any term of the Settlement must do so, in writing, by filing a written objection with the Court, and serving copies on Class Counsel and Counsel for American General. The written objection must include:

- Your name, address, telephone number, and email address;
- The policy number(s);
- A statement that your objection applies to *LSIMC v. American General Life Insurance Company*, Case No. 2:20-cv-11518-SVW-PVC;
- A written statement of the grounds for the objection, including any legal support for the objection;
- Copies of any papers, briefs, or other documents on which the objection is based; and
- If you are represented by an attorney concerning your objection, include your attorney's name, address, telephone number, and email address.

You must file your written objection with the Court and serve it on Class Counsel and Counsel for American General by **DATE** at the following addresses:

<b>Clerk of the Court</b>	
Clerk of the Court U.S. District Court Central District of California 350 W. First Street, Suite 4311 Los Angeles, CA 90012	
<b>Class Counsel</b>	
Steven G. Sklaver Glenn C. Bridgman Lear Jiang SUSMAN GODFREY LLP 1900 Avenue of the Stars, Suite 1400 Los Angeles, CA 90067-6029 <a href="mailto:ssklaver@susmangodfrey.com">ssklaver@susmangodfrey.com</a> <a href="mailto:gbridgman@susmangodfrey.com">gbridgman@susmangodfrey.com</a> <a href="mailto:ljiang@susmangodfrey.com">ljiang@susmangodfrey.com</a> Telephone: 310-789-3100	Seth Ard Ryan Kirkpatrick SUSMAN GODFREY LLP 1301 Avenue of the Americas, 32nd Floor New York, NY 10019 <a href="mailto:sard@susmangodfrey.com">sard@susmangodfrey.com</a> <a href="mailto:rkirkpatrick@susmangodfrey.com">rkirkpatrick@susmangodfrey.com</a> Telephone: 212-336-8330
<b>American General’s Counsel</b>	
Dan Marmalefsky Nancy R. Thomas MORRISON & FOERSTER LLP 707 Wilshire Boulevard	David T. McDowell Andrew Kasner Hutson Smelley MCDOWELL HETHERINGTON LLP 1001 Fannin Street, Suite 2700

QUESTIONS? CALL 1-877-917-0158 OR VISIT [www.AmGenCreditedRateLitigation.com](http://www.AmGenCreditedRateLitigation.com)



Los Angeles, California 90017-3543 <a href="mailto:DMarmalefsky@mofo.com">DMarmalefsky@mofo.com</a> <a href="mailto:NThomas@mofo.com">NThomas@mofo.com</a> Telephone: 213.892.5200	Houston, Texas 77002 <a href="mailto:David.mcdowell@mhlpl.com">David.mcdowell@mhlpl.com</a> <a href="mailto:Andrew.kastner@mhlpl.com">Andrew.kastner@mhlpl.com</a> <a href="mailto:Hutson.smelley@mhlpl.com">Hutson.smelley@mhlpl.com</a> Telephone: 713.337.5580
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**13. What is the difference between objecting and asking to be excluded?**

Objecting is telling the Court that you do not want the Settlement to go through for the Settlement Class because you do not like something about it. You can object to the Settlement only if you do not exclude yourself. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer affects you.

**THE LAWYERS REPRESENTING YOU**

**14. Do I have a lawyer in this case?**

Yes. The Court has appointed the following lawyers as “Class Counsel” to represent you and other Settlement Class Members:

Steven G. Sklaver  
Glenn C. Bridgman  
Lear Jiang  
SUSMAN GODFREY LLP  
1900 Avenue of the Stars, Suite 1400  
Los Angeles, CA 90067-6029  
[ssklaver@susmangodfrey.com](mailto:ssklaver@susmangodfrey.com)  
[gbridgman@susmangodfrey.com](mailto:gbridgman@susmangodfrey.com)  
[ljiang@susmangodfrey.com](mailto:ljiang@susmangodfrey.com)  
Telephone: 310-789-3100

Seth Ard  
Ryan Kirkpatrick  
SUSMAN GODFREY LLP  
1301 Avenue of the Americas, 32nd Floor  
New York, NY 10019  
[sard@susmangodfrey.com](mailto:sard@susmangodfrey.com)  
[rkirkpatrick@susmangodfrey.com](mailto:rkirkpatrick@susmangodfrey.com)  
Telephone: 212-336-8330

**15. How will the lawyers be paid?**

Class Counsel represents the Class on a contingency-fee basis, which means that Settlement Class Members do not incur any legal fees or out-of-pocket expenses. The Court will determine how much Class Counsel will be paid for fees and expenses. Class Counsel will file a motion seeking an award of attorney’s fees not to exceed the lesser of \$8 million or 33.3% of the combined value of the cash and increased accumulation value components of the settlement relief, plus reimbursement of litigation expenses.

In addition to seeking an award for attorney’s fees and costs, Class Counsel will seek an incentive award of up to \$25,000 for Plaintiff LSIMC for its service as a Class Representative to be paid from the Final Settlement Fund.

## THE COURT'S FINAL FAIRNESS HEARING

### 16. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on **DATE** at **TIME**, at the United States Courthouse, 350 W. First Street, Los Angeles, CA 90012, Courtroom 10A. The hearing may be moved to a different date or time without additional notice. You can check the Settlement website, [www.AmGenCreditedRateLitigation.com](http://www.AmGenCreditedRateLitigation.com), for updates.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider the requests by Class Counsel for reasonable attorney's fees and expenses and for the incentive award to the Plaintiff. If there are objections, the Court will consider them at that time. At or after the hearing, the Court will decide whether to approve the Settlement. It is unknown how long these decisions will take.

### 17. Do I have to attend the hearing?

No. Class Counsel will answer any questions the Court may have. You or your own lawyer are welcome to attend and speak at the hearing at your own expense.

## GETTING MORE INFORMATION

### 18. How do I get more information?

Key Dates and Important Documents related to the lawsuit can be found at [www.AmGenCreditedRateLitigation.com](http://www.AmGenCreditedRateLitigation.com). More details are in the Settlement Agreement, also available at [www.AmGenCreditedRateLitigation.com](http://www.AmGenCreditedRateLitigation.com). You can also call the Settlement Administrator toll-free at 1-877-917-0158, or write to:

LSIMC v. American General Life Insurance Co.  
c/o JND Legal Administration  
PO Box 91348  
Seattle, WA 98111

**PLEASE DO NOT CONTACT THE COURT, AMERICAN GENERAL, OR AMERICAN GENERAL'S ATTORNEYS CONCERNING THIS LAWSUIT.**

# **EXHIBIT 2**

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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

LSIMC, LLC, on behalf of itself and  
all others similarly situated,

Plaintiff,

v.

AMERICAN GENERAL LIFE  
INSURANCE COMPANY,

Defendant.

Case No. 2:20-cv-11518-SVW-PVC

**CLASS ACTION**

**[PROPOSED] ORDER APPROVING  
CLASS ACTION SETTLEMENT  
AND ENTERING FINAL  
JUDGMENT**

Court: Courtroom 10A  
Judge: Stephen V. Wilson

1 Before the Court is Plaintiff’s unopposed motion to certify a settlement class,  
2 grant final approval of a proposed class action settlement, and enter final judgment  
3 in this action (Plaintiff’s Motion”) (ECF No. \_\_\_), the terms of which are set forth in  
4 a Joint Stipulation and Settlement Agreement with accompanying exhibits (the  
5 “Agreement”).<sup>1</sup>

6 On \_\_\_\_\_, 2023, the Court granted preliminary approval of the proposed  
7 settlement. (ECF \_\_ (the “Preliminary Approval Order”).). Among other things,  
8 the Preliminary Approval Order directed that notice be provided to class members  
9 and approved the proposed method for providing notice.

10 The Court has considered the Agreement, Plaintiff’s Motion, and all papers  
11 filed in support of the Motion and the entire docket in this matter. Having fully  
12 considered the matter, pursuant to Federal Rule of Civil Procedure 23(e), Plaintiff’s  
13 Motion is GRANTED as follows:

14 1. **Class Certification for Settlement Purposes Only.** The Court  
15 reaffirms its earlier findings that class certification is appropriate for settlement  
16 purposes and hereby certifies the following Settlement Class for purposes of  
17 judgment on the proposed Settlement only:

18 The current or the most recent owner as of January 13, 2022, of one  
19 or more life insurance policies issued by American General Life  
20 Insurance Company, or its predecessors, on which American General  
21 Life Insurance Company credited interest to the accumulation value,  
22 and that provide that any redetermination of interest rates will be  
23 based “only on expectations of future investment earnings” and that  
24 have a guaranteed minimum annual effective interest rate of 3.00%.  
25 Excluded from the Settlement Class are: (a) officers or directors of  
26 American General; (b) any judicial officer presiding over the Action  
and the members of his or her immediate family and judicial staff; and  
(c) Policyowners who submitted a timely and valid opt out in response

27 <sup>1</sup> All defined terms have the same meaning as set forth in the Agreement,  
28 which is attached to the Declaration of \_\_\_\_\_ as Exhibit \_\_ (ECF No. \_\_\_).

1 to the notice regarding the Court’s order granting class certification in  
2 part or who submitted a valid and timely Request for Exclusion.

3 2. **Final Settlement Approval**, The Court fully and finally approves the  
4 Settlement as set forth in the Agreement, including the releases contained therein,  
5 and the proposed plan of allocation described in Exhibit \_\_ to the \_\_\_\_\_  
6 Declaration, because its terms are fair, reasonable, and adequate under Rule 23.  
7 The Court makes final its preliminary findings that, for purposes of settlement only,  
8 the Settlement satisfies the applicable prerequisites for class treatment under Rule  
9 23.

10 3. In reaching this conclusion, the Court considered the complexity,  
11 expense, and duration of the litigation, the Settlement Class’s reaction to the  
12 Settlement, and the result achieved. The Agreement was entered into at arm’s  
13 length by highly experienced counsel with the assistance of former United States  
14 District Court Judge Gary A. Feess. The case was thoroughly litigated by  
15 experienced counsel and settled on the eve of trial, after the filing of three amended  
16 complaints, extensive discovery, class certification briefing and a hearing, expert  
17 discovery, and filing and briefing of a motion for summary judgment and  
18 challenges to each side’s respective experts.

19 4. The Settlement provides substantial cash payments and/or other  
20 benefits to Settlement Class Members, including valuable prospective relief. The  
21 Settlement value is well within a range of reasonableness, especially considering  
22 the Court’s prior certification of a class with respect to the issue of Defendant’s  
23 liability only and determination that Plaintiff could not show that damages are  
24 capable of measurement on a class-wide basis. (ECF 113) [In addition, no  
25 objections to the Settlement or the plan of distribution were received or timely  
26 filed.]

1           5.     **Releases.** Upon the Effective Date, all of the Releasors shall be  
2 deemed to have, and by operation of this Judgment shall have, fully, finally, and  
3 forever released, relinquished, and discharged all Released Claims (including  
4 Unknown Claims) as against the Releasees.

5           6.     **Class Notice.** The Preliminary Approval Order authorized the form,  
6 content, and method by which the Class Plaintiff would provide notice to the Class.  
7 Proof that Class Notice complied with the Preliminary Approval Order has been  
8 filed with the Court.

9           7.     The Court finds that the Settlement Administrator completed the  
10 delivery of the Class Notice to Settlement Class Members according to the  
11 Agreement terms. The Class Notice complied in all respects with the requirements  
12 of Rule 23 and the due process requirements of the United States Constitution and  
13 provided due and adequate notice to the Settlement Class. Through the mailing of  
14 the Class Notice in the form and manner ordered by this Court, the Settlement Class  
15 has received the best practicable notice of the pendency of this Action, of the  
16 Settlement, of the Fairness Hearing, and of Settlement Class Members' rights and  
17 options, including their rights to opt out, to object to the Settlement, and/or to  
18 appear at the Fairness Hearing in support of a properly submitted objection, and of  
19 the binding effect of the orders and Judgment in this Action on all Settlement Class  
20 Members.

21           8.     **Class Action Fairness Act Notice.** The Court finds that all notices  
22 and requirements of the Class Action Fairness Act ("CAFA") have been satisfied.  
23 The Attorney General of the United States and appropriate state officials have  
24 received notice of the Agreement in accordance with the terms of CAFA, 28 U.S.C.  
25 § 1715(b). [No written objection or response to the Settlement was filed by any  
26 federal or state official, including any recipient of the foregoing notices. No federal  
27 or state official, including any recipient of the foregoing notices, appeared or  
28 requested to appear at the Fairness Hearing.]

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9. **Implementation of Settlement.** The Parties are directed to implement the Settlement according to the Agreement terms.

10. **Final Judgment.** In accordance with, and for the reasons stated in this Order, Final Judgment is hereby entered in this action. Pursuant to the Agreement, the Court retains jurisdiction for the limited purpose of addressing any issues that arise in the administration and enforcement of the Agreement.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Hon. Stephen V. Wilson  
United States District Judge



# **EXHIBIT 3**

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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

LSIMC, LLC, on behalf of itself and  
all others similarly situated,

Plaintiffs,

v.

AMERICAN GENERAL LIFE  
INSURANCE COMPANY,

Defendant.

Case No. 2:20-cv-11518-SVW-PVC

**CLASS ACTION**

**[PROPOSED] PRELIMINARY  
APPROVAL ORDER**

Court: Courtroom 10A  
Judge: Stephen V. Wilson

1 Before the Court is Plaintiff’s unopposed motion to direct class notice and  
2 grant preliminary approval of a proposed class action settlement in this action (ECF  
3 No. \_\_\_), the terms of which are set forth in a Joint Stipulation and Settlement  
4 Agreement with accompanying exhibits (the “Agreement”).<sup>1</sup>

5 The Court has considered the Agreement, Class Plaintiff’s Motion for  
6 Preliminary Approval of Class Action Settlement and exhibits thereto, and all  
7 papers filed in support of the motion and the entire docket in this matter. Having  
8 fully considered the matter, pursuant to Federal Rule of Civil Procedure 23(e), it is  
9 hereby ORDERED that:

10 1. **Class Certification for Settlement Purposes Only**. The Court finds  
11 that it will likely be able to certify the following Settlement Class for purposes of  
12 judgment on the proposed Settlement:

13 The current or the most recent owner as of January 13, 2023, of one or  
14 more life insurance policies issued by American General Life  
15 Insurance Company, or its predecessors, on which American General  
16 Life Insurance Company credited interest to the accumulation value,  
17 and that provide that any redetermination of interest rates will be  
18 based “only on expectations of future investment earnings” and that  
19 have a guaranteed minimum annual effective interest rate of 3.00%.  
20 Excluded from the Settlement Class are: (a) officers or directors of  
21 American General; (b) any judicial officer presiding over the Action  
22 and the members of his or her immediate family and judicial staff; and  
23 (c) Policyowners who submitted a timely and valid opt out in response  
24 to the notice regarding the Court’s order granting class certification in  
25 part or who submit a valid and timely Request for Exclusion.

26  
27 \_\_\_\_\_  
28 <sup>1</sup> All defined terms have the same meaning as set forth in the Agreement,  
which is attached to the Declaration of Steven Sklaver as Exhibit 3 (ECF No. \_\_\_).

1           2. Pursuant to Rule 23(e)(1) of the Federal Rules of Civil Procedure, the  
2 Court finds that giving notice is justified. The Court will direct notice to Settlement  
3 Class Members, as specified below, because it finds that it likely will be able to  
4 approve the proposed Settlement as fair, reasonable, and adequate. The Court also  
5 finds that: (i) the Settlement Class is so numerous that joinder is impracticable; (ii)  
6 Plaintiff's claim presents common issues that are typical of the Class; (iii) Plaintiff  
7 and Class Counsel will fairly and adequately represent the Class; and (iv) common  
8 issues predominate over any individual issues affecting the Settlement Class  
9 Members. The Court further finds that Plaintiff's interests are aligned with the  
10 interests of all other Settlement Class Members. The Court also finds that  
11 resolution of this action on a class basis for purposes of the Settlement is superior to  
12 other means of resolution.

13           3. **Preliminary Settlement Approval.** The Court preliminarily approves  
14 the Settlement as set forth in the Agreement, including the releases contained  
15 therein, and the proposed Plan of Allocation described in Exhibit 4 to the Sklaver  
16 Declaration, because the Court likely will be able to find that the Settlement is fair,  
17 reasonable, and adequate under Rule 23(e)(2). The Court's preliminary approval is  
18 subject to the right of any Settlement Class Member to challenge the fairness,  
19 reasonableness, or adequacy of the Agreement and to show cause, if any exists,  
20 why a final judgment dismissing the Action against American General, and  
21 ordering the release of the Released Claims against the Released Parties, should not  
22 be entered after due and adequate notice to the Settlement Class as set forth in the  
23 Agreement and after a hearing on final approval.

24           4. The Court finds that the Agreement was entered into at arm's length  
25 by highly experienced counsel with the assistance of former United States District  
26 Court Judge Gary A. Feess and is sufficiently within the range of reasonableness  
27 that notice of the Agreement should be given as provided in the Agreement. The  
28 case was thoroughly litigated by experienced counsel and settled on the eve of trial,

1 after the filing of three amended complaints, extensive discovery, class certification  
2 briefing and a hearing, expert discovery, and filing and briefing of a motion for  
3 summary judgment and challenges to each side’s respective experts.

4 **5. Settlement Class Representatives and Settlement Class Counsel.**

5 Including for the reasons specified in its Order Granting Plaintiff’s Motion for  
6 Class Certification in Part and Denying Class Certification in Part (the “Class  
7 Certification Order”), the Court preliminarily finds that Plaintiff LSIMC, LLC  
8 satisfies the requirements of Rule 23(e)(2)(A) and therefore appoints it to serve as  
9 Settlement Class Representative. Additionally, including for the reasons specified  
10 in the Class Certification Order, the Court preliminarily finds that Susman Godfrey  
11 L.L.P. satisfies the requirements of Rule 23(e)(2)(A) and is appointed as Class  
12 Counsel pursuant to Rule 23(g).

13 **6. Settlement Administrator.** The Court appoints JND Legal  
14 Administration LLC (“JND”) as the Settlement Administrator, with responsibility  
15 for class notice and claims administration. The Settlement Administrator is  
16 directed to perform all tasks the Agreement requires. The Settlement  
17 Administrator’s fees will be paid from the Settlement Fund as they become due as  
18 set forth in the Agreement.

19 **7. Notice.** Pursuant to Rule 23(e)(1)(B), the Court directs that notice be  
20 provided to class members and approves the proposed method for providing notice  
21 set forth in the Agreement and the Class Notice attached to the Settlement  
22 Agreement as Exhibit 1. Non-material modifications may be made with approval  
23 by the parties but without further order of the Court.

24 **8. Findings Concerning Notice.** The Court finds that the proposed  
25 form, content, and method of giving notice to the Settlement Class as described in  
26 the Agreement and exhibits: a) constitute the best practicable notice to the  
27 Settlement Class; b) are reasonably calculated, under the circumstances, to apprise  
28 Settlement Class Members of the pendency of the action, the terms of the

1 Settlement, and their rights under the Settlement; c) are reasonable, and constitute  
2 due, adequate, and sufficient notice to Settlement Class Members; and d) comply  
3 fully with the requirements of Rule 23(c) and (e), and the due process requirements  
4 of the United States Constitution.

5 9. **Class Action Fairness Act Notice.** Within 10 days after the filing of  
6 the Motion for Preliminary Approval of the Settlement, American General shall  
7 serve a notice of the proposed Settlement on appropriate officials in compliance  
8 with the requirements of the Class Action Fairness Act, 28 U.S.C. § 1715. The cost  
9 of any CAFA notice is the sole responsibility of American General and will not be  
10 paid from the Final Settlement Fund.

11 10. **Exclusion from Class.** Any Settlement Class Member who wishes to  
12 be excluded from the Settlement Class must mail a written Request for Exclusion to  
13 the Settlement Administrator at the address and in the manner provided in the Class  
14 Notice. Such Requests for Exclusion must meet the opt-out deadline established by  
15 this Order and stated in the Notice.

16 11. Settlement Class Members that own multiple Policies in their own  
17 name or on behalf of different principals (including as a securities intermediary or  
18 trustee) can opt out for some or all those Policies. If a Request for Exclusion does  
19 not specify particular Policies by Policy number, the Settlement Administrator shall  
20 treat the Request as applying to all Policies owned by the Policyowner. If a  
21 Request for Exclusion specifies particular Policies by Policy number, the  
22 Settlement Administrator shall treat the Policyowner as having opted out only for  
23 the specified Policies.

24 12. Any Settlement Class Member that does not file a timely and proper  
25 written Request for Exclusion will be bound by all subsequent proceedings, orders,  
26 and judgments in the Action. Class Counsel shall file a list reflecting all valid  
27 Requests for Exclusion with the Court prior to the Fairness Hearing.  
28

1           13.    **Objections and Appearances.** Any Settlement Class Member that  
2 has not filed a timely and proper written Request for Exclusion and that wishes to  
3 file a written objection to the fairness, reasonableness, or adequacy of the proposed  
4 Settlement must file with the Court a Statement of Objection no later than 30 days  
5 after the deadline for the Settlement Administrator to mail the Class Notice. Each  
6 such Statement of Objection must: (a) state the Settlement Class Member’s full  
7 name, current address, telephone number, and applicable Policy number(s); (b) set  
8 forth a statement of the legal and factual basis for the objection; and (c) be  
9 accompanied by copies of documents upon which the objection is based. A  
10 Settlement Class Member who does not submit a timely and proper Statement of  
11 Objection in accordance with this Paragraph, will not be treated as having filed a  
12 valid objection to the Settlement. Settlement Class Members may so object either  
13 on their own or through an attorney hired at their own expense.

14           14.    **Fairness Hearing.** The Court hereby schedules a Final Fairness  
15 Hearing to occur on \_\_\_\_\_, 2023 at \_\_\_\_\_ before the Honorable Stephen  
16 V. Wilson in Courtroom No. 10A, United States District Court, Central District of  
17 California, 350 W. 1st Street, Los Angeles, California 90012, to determine, among  
18 other things, whether (i) the proposed Settlement as set forth in the Agreement,  
19 should be finally approved as fair, reasonable, and adequate pursuant to the Federal  
20 Rule of Civil Procedure 23(e); (ii) the Settlement Class shall be certified for  
21 purposes of judgment on the proposal; (iii) an order approving the Agreement and a  
22 Final Judgment should be entered; (iv) an order approving the proposed Plan of  
23 Allocation; (v) Settlement Class Members and American General should be bound  
24 by the releases in the Agreement; and (vi) the application of Class Counsel for an  
25 award of attorneys’ fees, expense reimbursements, and incentive awards (“Fee and  
26 Expense Request”) in this matter should be approved.

27           15.    Plaintiff’s motion for final approval of the settlement must be filed at  
28 least 28 days before the date of the Final Fairness Hearing. All papers in

1 connection with final approval must be filed at least 14 days before the Final  
2 Fairness Hearing.

3 16. All papers in support of any Fee and Expense Request shall be filed  
4 within 45 days after the Preliminary Approval Date.

5 17. **Use of Order.** Neither this Order, the Agreement, the Settlement  
6 contained therein, nor any act performed or document executed pursuant to or in  
7 furtherance of the Agreement or Settlement is or may be construed or used as an  
8 admission or evidence of (i) the validity of any claims, alleged wrongdoing or  
9 liability of American General or (ii) any fault or omission of American General in  
10 any civil, criminal or administrative proceeding in any court, administrative agency  
11 or other tribunal.

12 18. Neither this Order, the Agreement, the Settlement contained therein,  
13 nor any act performed or document executed pursuant to or in furtherance of the  
14 Settlement is or may be used as an admission or evidence that Plaintiff's claims  
15 lack merit in any proceeding.

16 19. **Termination of Settlement.** This Order shall become null and void  
17 and shall be without prejudice to the rights of the Parties, all of whom shall be  
18 restored to their respective positions existing immediately before the Court entered  
19 this Order, if: a) the Settlement is not finally approved by the Court or is  
20 terminated in accordance with the Settlement Agreement; or b) there is no Effective  
21 Date. In such event, the Settlement and Agreement shall be null and void and be of  
22 no further force and effect, and neither the Agreement nor the Court's orders  
23 relating to the Settlement, including this Order, shall be used or referred to for any  
24 purpose.



1           20.    **Schedule and Deadlines.** The Court orders the following schedule of  
 2 dates for the specified actions/further proceedings:

Event	Timing
Deadline for American General to send CAFA notices	January 30, 2023 or 10 days after filing of the motion for preliminary approval, whichever is later.
Deadline for American General to provide a class list that includes Settlement Class Member’s full names and last known addresses to Settlement Administrator	[14 days after Preliminary Approval Date]
Deadline for Settlement Administrator to mail Class Notice to Settlement Class Members	[35 days after Preliminary Approval Date]
Deadline for Class Counsel to file motion for attorneys’ fees, costs, expenses and service awards	[45 days after Preliminary Approval Date]
Deadline to: a) request exclusion from the Settlement Class; or b) object to the Settlement	[30 days after the deadline for the Settlement Administrator to mail the Class Notice]
Deadline for Plaintiffs’ Counsel to file motion for final approval of settlement and responses to any timely submitted Settlement Class Member objections, which shall include a declaration from the Settlement Administrator confirming execution of and compliance with its obligations in the Settlement Agreement as of the date of the declaration and identifying all Settlement Class Members who submitted timely requests for exclusion	[28 days prior to Final Approval Hearing]
Final Approval Hearing	No earlier than 120 days after the Preliminary Approval Date

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For the reasons set forth above, the Court **GRANTS** Plaintiff’s motion.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Hon. Stephen V. Wilson  
United States District Judge

## EXHIBIT 2

UM0066177L

GENEVIEVE HORTON  
3520 GRANDVIEW BLVD  
LOS ANGELES CA 90066

HOMAYOUN NEKOORAD  
4546 CORPORATE DR STE 155  
WEST DES MOINES IA 50266-5911



**AMERICAN GENERAL LIFE**  
**Insurance Company**  
A Stock Company

Home Office:  
Houston, Texas

**GENEVIEVE HORTON**  
**POLICY NUMBER: UM0066177L**

2727-A Allen Parkway  
P.O. Box 1931  
Houston, Texas 77251

(713) 522-1111

**WE WILL PAY THE DEATH BENEFIT PROCEEDS** to the Beneficiary if the Insured dies prior to the Maturity Date and while this policy is in force. Payment will be made after We receive due proof of the Insured's death, and will be subject to the terms of this policy.

**WE WILL PAY THE CASH SURRENDER VALUE** of this policy to the Owner on the Maturity Date if the Insured is living on that date.

The consideration for this contract is the application and payment of the first premium. The first premium must be paid on or before delivery of this policy.

This is a FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY. Adjustable Death Benefit is payable upon the Insured's death prior to the Maturity Date. Premium payments are flexible and payable to the Maturity Date. ACCUMULATION VALUES and CASH VALUES are flexible and will be based on the amount and frequency of premiums paid, and the amount of interest credited. Policy contains a current interest bonus. NONPARTICIPATING - NOT ELIGIBLE FOR DIVIDENDS.

**IMPORTANT**

**YOU HAVE PURCHASED A LIFE INSURANCE POLICY. CAREFULLY REVIEW IT FOR LIMITATIONS.**

**THIS POLICY MAY BE RETURNED WITHIN 20 DAYS\* FROM THE DATE YOU RECEIVED IT FOR A REFUND BY RETURNING IT TO THE INSURANCE COMPANY OR AGENT WHO SOLD YOU THIS POLICY. AFTER 20 DAYS\* CANCELLATION MAY RESULT IN A SUBSTANTIAL PENALTY, KNOWN AS A SURRENDER CHARGE.**

**\*30 DAYS IF YOU WERE AGE 60 OR ABOVE ON THE DATE OF ISSUE.**

**Full or partial surrenders will be subject to a charge as shown on pages 20-22. There is also a charge not to exceed \$50.00 for partial surrenders.**

SIGNED AT THE HOME OFFICE ON THE DATE OF ISSUE.



Secretary



President

**FLEXIBLE PREMIUM ADJUSTABLE LIFE**  
**READ YOUR POLICY CAREFULLY**

03325-5



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**Company Reference.** "We", "Our", "Us", or "Company" means American General Life Insurance Company.

**"You", "Your."** The words "You" or "Your" mean the Owner of this policy.

**Home Office.** Our office at 2727-A Allen Parkway, Houston, Texas 77251; Mailing Address P.O. Box 1931, Houston, Texas 77251.

**Written, In Writing.** A written request or notice in acceptable form and content, which is signed and dated, and received at Our Home Office.

**Premium Class.** The Premium Class of this policy is shown on the Policy Schedule as one or a combination of the following terms:

**Preferred Plus.** The term "Preferred Plus" means the cost of insurance is based on the Insured being an exceptional mortality risk and a non-user of tobacco.

**Preferred.** The term "Preferred" means the cost of insurance is based on the Insured being a better than average mortality risk.

**Standard.** The term "Standard" means the cost of insurance is based on the Insured being an average mortality risk.

**Tobacco.** The term "Tobacco" means the cost of insurance is based on the Insured being a user of tobacco.

**Non-Tobacco.** The term "Non-Tobacco" means the cost of insurance is based on the Insured being a non-user of tobacco.

**Juvenile.** The term "Juvenile" means the Insured's age was 17 or less on the Date of Issue. Cost of insurance rates stated in Juvenile policies for insurance ages 18 and above are rates for tobacco users. (Rates are not classified on the basis of the Insured being a user or non-user of tobacco at ages 0 through 17.)

**Special.** The term "Special" means "Sub-standard" or "Rated". This means an extra amount is being charged due to the health, occupation or avocation of the Insured.

**Rates on Policy Anniversary Nearest Insured's 18<sup>th</sup> Birthday (For Insured's age 17 or Less on Date of Issue) provision – See Page 17.**

**NOTICE**

This Policy Is A Legal Contract Between  
The Policy Owner And The Company.





POLICY SCHEDULE

BASIC POLICY MONTHLY COST YEARS PAYABLE  
ADJUSTABLE LIFE SEE PAGE 18 48

ADDITIONAL BENEFITS PROVIDED BY RIDERS:  
SEE PAGE 3 (CONT'D)

SCHEDULE OF PREMIUMS

PREMIUM CLASS:	PREFERRED NON-TOBACCO	
INITIAL PREMIUM:	\$1,238.32	
PLANNED PERIODIC PREMIUM:	\$1,238.32 PAYABLE MONTHLY	
DEDUCTION DAY:	20TH DAY OF EACH MONTH	
MINIMUM DEATH BENEFIT AMOUNT (AFTER A DECREASE IN SPECIFIED AMOUNT)	\$100,000.00	
MONTHLY GUARANTEE PREMIUM:	\$1,024.80	
MONTHLY EXPENSE CHARGE FOR FIRST 5 YEARS:	\$441.91	
GUARANTEED INTEREST RATE FACTOR:	1.002466	
GUARANTEED INTEREST RATE:	ANNUAL EFFECTIVE 3.00%	MONTHLY 0.2466%
DEATH BENEFIT COMPLIANCE TEST:	GUIDELINE PREMIUM	
MORTALITY TABLE:	2001 COMMISSIONERS STANDARD ORDINARY MALE OR FEMALE, SMOKER OR NONSMOKER ULTIMATE MORTALITY TABLE	
PREMIUM EXPENSE CHARGE PERCENTAGE:	GUARANTEED 7.00%	INITIAL 6.50%
MONTHLY ADMINISTRATION FEE:	\$7.00	\$5.00

COVERAGE MAY EXPIRE PRIOR TO THE MATURITY DATE SHOWN WHERE EITHER NO PREMIUMS ARE PAID FOLLOWING PAYMENT OF THE INITIAL PREMIUM, OR SUBSEQUENT PREMIUMS ARE INSUFFICIENT TO CONTINUE COVERAGE TO SUCH DATE.

POLICY DATA

INSURED:	GENEVIEVE HORTON	POLICY NUMBER:	UM0066177L
INSURANCE AGE:	73	DATE OF ISSUE:	February 20, 2010
BASE COVERAGE:	\$499,900.00	DEATH BENEFIT OPTION:	1
SUPPLEMENTAL COVERAGE:	\$ .00		
INITIAL SPECIFIED AMOUNT:	\$499,900.00	MATURITY DATE:	February 20, 2058

THIS IS A SEX DISTINCT POLICY

THIS IS A CALIFORNIA POLICY



**POLICY SCHEDULE CONTINUED – POLICY NUMBER UM0066177L**

ADDITIONAL BENEFITS PROVIDED BY RIDERS	MONTHLY COST	YEARS PAYABLE
OVERLOAN PROTECTION RIDER	NA	NA
EXTENSION OF MATURITY DATE RIDER	SEE RIDER	SEE RIDER
TERMINAL ILLNESS BENEFIT (TIB) RIDER PROVIDING FOR PAYMENT OF ACCELERATED BENEFITS INITIAL TIB FACE AMOUNT: \$249,950 RIDER DATE OF ISSUE: February 20, 2010	NONE	---



**Contract.** Your policy is a legal contract that You have entered into with Us. You have paid the first premium and have submitted an application, a copy of which is attached. In return, We promise to provide the insurance coverage described in this policy.

The entire contract consists of:

1. The basic policy;
2. The riders that add benefits to the basic policy, if any;
3. Endorsements, if any; and
4. The attached copy of Your application, and any amendments or supplemental applications.

**Date of Issue.** The Date of Issue of this policy is the date on which the first premium is due. The Date of Issue is also the date from which all policy years, anniversaries, and Monthly Deduction dates are determined.

**Owner.** The Owner is as stated in the application unless later changed. During the Insured's lifetime, the Owner may exercise every right the policy confers or We allow (subject to the rights of any assignee of record). You may have multiple Owners of the policy. In that case, the authorizations of all Owners are required for all policy changes. The Owner and the Insured may be the same person but do not have to be. If an Owner dies while the policy is in force and the Insured is living, ownership rights pass on to a successor Owner, if any, or to the estate of the Owner.

## PREMIUM PAYMENTS

All premiums after the first are payable in advance. Premium payments are flexible. This means You may choose the amount and frequency of payments.

The actual amount and frequency of premium payments will affect the Cash Values and the amount and duration of insurance. Please refer to the Policy Values Provision for a detailed explanation.

**Planned Periodic Premiums.** The amount and frequency of the Planned Periodic Premiums You selected are shown on the Policy Schedule. You may request a change in the amount and frequency. We may limit the amount of any increase. (See "Maximum Premium").

**Unscheduled Additional Premiums.** You may pay additional premiums at any time before the Maturity Date shown on the Policy Schedule. We may limit the number and amount of additional premiums. (See "Maximum Premium" and "Maximum Net Amount at Risk").

**Maximum Premium.** We reserve the right to refund any premium that would cause this policy to fail to qualify as life insurance under the Death Benefit Compliance Test selected, and under applicable tax laws. The test selected is shown on the Policy Schedule.

**Maximum Net Amount at Risk.** We reserve the right to refund any premium that would cause an

immediate increase in the Net Amount at Risk unless the Insured is living and provides evidence of insurability satisfactory to Us. We may automatically effect a partial surrender or reduce the Death Benefit, both of which may have federal tax consequences, if the Net Amount at Risk exceeds Our limitations. (We determine the "Net Amount at Risk" as shown in the provision entitled "How We Calculate the Cost of Insurance for the Basic Policy").

**Where to Pay.** You may make Your payments to Us at Our Home Office or to an authorized agent. A receipt signed by an officer of the Company will be furnished upon request.

**Premium Expense Charge.** The Premium Expense Charge is calculated by multiplying the premium paid by the Premium Expense Charge Percentage. The Premium Expense Charge Percentage is adjustable, but will never be more than the guaranteed Premium Expense Charge Percentage shown on the Policy Schedule.

**Net Premium.** The term Net Premium as used in this policy means "The premium paid, less the Premium Expense Charge" except as follows: No Premium Expense Charge will be deducted if the source of the premium is Cash Surrender Values applied from another policy issued by the Company. (We refer to this as an internal rollover).

## DEATH BENEFIT AND DEATH BENEFIT OPTIONS

**Death Benefit Proceeds.** If the Insured dies prior to the Maturity Date and while this policy is in force, We will pay the Death Benefit Proceeds to the Beneficiary. The Death Benefit Proceeds will be subject to:

1. The Death Benefit Option in effect on the date of death; and
2. Any increases or decreases made to the Specified Amount. The Initial Specified Amount is shown on the Policy Schedule.

Guidelines for changing the Death Benefit Option or the Specified Amount will be found in the section entitled "Changing Your Insurance Policy."

Any premium received after the date of death will be refunded and will not be included in the Accumulation Value for purposes of calculating the Death Benefit Amount.

The Death Benefit Proceeds will be the Death Benefit Amount, after reversing any premium received after the date of death, less any outstanding policy loan and will be subject to the other provisions of the Beneficiary and Proceeds section.

**Death Benefit Compliance Test.** Death Benefit Compliance Tests are used to determine if a policy will qualify as life insurance under applicable tax laws. There are two compliance tests which may be used: The Guideline Premium Test and the Cash Value Accumulation Test. The test which You selected when this policy was issued is shown on the Policy Schedule. You cannot change Your election of the Death Benefit Compliance Test after the Date of Issue.

**Death Benefit Option.** The Death Benefit Option which You have chosen is shown on the Policy Schedule as either Option 1, 2 or 3.

**Option 1.** If You have chosen Option 1, the Death Benefit Amount will be the greater of:

1. The Specified Amount on the date of death;  
or

2. The Accumulation Value on the date of death multiplied by the applicable Death Benefit Corridor Rate.

**Option 2.** If You have chosen Option 2, the Death Benefit Amount will be the greater of:

1. The Specified Amount plus the Accumulation Value on the date of death; or
2. The Accumulation Value on the date of death multiplied by the applicable Death Benefit Corridor Rate.

**Option 3.** If You have chosen Option 3, the Death Benefit Amount will be the amount payable under Option 1 plus the sum of all premiums paid for this policy, including premiums for any riders, less any amounts waived by the Company under a waiver of monthly deduction benefit, except as follows:

Premium payments after a partial surrender will not increase the Death Benefit Amount until the sum of premiums paid from the date of the partial surrender exceeds the amount of the partial surrender.

Death Benefit Corridor Rates are shown in the table for the Death Benefit Compliance Test which You selected.

**Specified Amount.** The Specified Amount is the total of two types of coverage: Base Coverage and Supplemental Coverage. Base Coverage is subject to surrender charges and a five year Monthly Expense Charge, but Supplemental Coverage is not. If Supplemental Coverage is made a part of the Specified Amount, policy costs will be lower (during the first 5 policy years, and the first 5 years of an increase) than if the same Specified Amount is issued without Supplemental Coverage. However, realizing the benefits of the Monthly Guarantee Premium provision will require a higher Monthly Guarantee Premium if Supplemental Coverage is included. The amounts of Base Coverage, Supplemental Coverage (if any) and Specified Amount are shown on the Policy Schedule.



## CHANGING YOUR INSURANCE POLICY

You may request a change in the Specified Amount or Death Benefit Option at any time except that a decrease in the Specified Amount may not become effective prior to the end of the first policy year. Your request must be submitted to Our Home Office In Writing.

**Increasing the Specified Amount.** We will require a supplemental application and evidence of insurability satisfactory to Us for any increase in the Specified Amount. The proportion of Base to Supplemental Coverage following an increase may be in any proportion as long as Base Coverage is at least 10% of the total Specified Amount. An increase will be effective on the Monthly Deduction Day on or next following the date the application for increase is approved by Us. The effective date will appear in an endorsement to this policy.

**Decreasing the Specified Amount.** Any decrease will go into effect on the Monthly Deduction Day following the day We receive the request. The Death Benefit Amount remaining in effect after any decrease cannot be less than the greater of:

1. The Minimum Death Benefit Amount shown on the Policy Schedule; and
2. Any Death Benefit Amount required to qualify this policy as life insurance under applicable tax laws.

Any such decrease will be applied in the following order:

1. Against the Specified Amount provided by the most recent increase, with the decrease applying first to the entire Supplemental Coverage portion of such increase, if any, followed by the Base Coverage portion;
2. Against the next most recent increases successively, with the decrease of each prior increase applying first to the entire Supplemental Coverage portion of such increase, if any, followed by the Base Coverage portion;

3. Against the Specified Amount provided under the original application, with the decrease applying first to the entire Supplemental Coverage portion of such amount, if any, followed by the Base Coverage portion.

Any reduction in Base Coverage will be subject to any applicable Surrender Charges on a pro-rata basis with the Surrender Charge prior to the reduction in Base Coverage being reduced proportionately. However, if such charge is greater than the Accumulation Value, the Specified Amount decrease will not be allowed.

**Changing the Death Benefit Option.** You may request a change from Option 1 to Option 2, from Option 2 to Option 1, or from Option 3 to Option 1.

1. If You request a change from Option 1 to Option 2: The new Specified Amount will be the Specified Amount, prior to change, less the Accumulation Value as of the effective date of the change, but not less than zero. Any such decrease in Specified Amount will be subject to the same guidelines and restrictions as outlined in the Decreasing the Specified Amount provision.
2. If You request a change from Option 2 to Option 1: The new Specified Amount will be the Specified Amount prior to the change plus the Accumulation Value as of the effective date of the change. The entire increase in the Specified Amount will be applied to the last coverage added (either Base or Supplemental) which has not been removed. For the purpose of this calculation, if the Base and Supplemental Coverages were issued on the same date, We will consider the Supplemental Coverage to have been issued later.



### CHANGING YOUR INSURANCE POLICY (Cont'd)

3. If You request a change from Option 3 to Option 1: The Specified Amount will remain unchanged.

We will not require evidence of insurability for a change in the Death Benefit Option. The change will go into effect on the Monthly Deduction Day following the date We receive Your request for change.

**Changing the Terms of Your Policy.** Any change in Your policy must be approved by the President, a Vice President, an Administrative Officer or Secretary of the Company. No agent has the authority to make any changes or waive any of the terms of Your policy.

### POLICY VALUES PROVISION

#### Accumulation Value

**On the Date of Issue.** The Accumulation Value on the Date of Issue will be:

1. The Net Premium received; less
2. The Monthly Deduction for the first policy month; (See "How We Calculate a Monthly Deduction.")

The first Deduction Day is the Date of Issue. The Monthly Deduction Day is shown on the Policy Schedule.

**On Each Monthly Deduction Day.** On each Monthly Deduction Day after the Date of Issue, We will determine the Accumulation Value as follows:

1. We will take the Accumulation Value as of the last Monthly Deduction Day; and
2. Add all Net Premiums received since the last Monthly Deduction Day; and
3. Add the interest earned for the month:
  - A. Interest will be applied for the entire month on the excess of the Accumulation Value on the last Monthly Deduction Day over any partial surrenders made since the last Monthly Deduction Day;

B. If a Net Premium has been received since the last Monthly Deduction Day, interest on such amount will be added on a pro-rata basis from the date received to the end of the policy month;

C. If a partial surrender has been made since the last Monthly Deduction Day, interest on the amount of such partial surrender will be added on a pro-rata basis from the last Monthly Deduction Day to the day of such partial surrender; and

4. Subtract any partial surrender made and any charges for partial surrenders since the last Monthly Deduction Day; and
5. Subtract the Monthly Deduction for the policy month following the Monthly Deduction Day. (See "How We Calculate a Monthly Deduction.")

**On Any Day Other Than a Monthly Deduction Day.** The Accumulation Value on any day other than a Monthly Deduction Day will be:

1. The Accumulation Value as of the last Monthly Deduction Day;
2. Less any partial surrenders paid and any charges for partial surrenders since the last Monthly Deduction Day;
3. Plus all Net Premiums received since the last Monthly Deduction Day.

### POLICY VALUES PROVISION (Cont'd)

**Cash Value.** The Cash Value of this policy will be equal to the Accumulation Value less the Surrender Charge, if any.

**Cash Surrender Value.** The Cash Surrender Value of this policy will be equal to the Cash Value less any indebtedness.

**Monthly Deductions May Be Made Only if There Is Sufficient Cash Surrender Value (Unless Policy is Being Continued Under the Monthly Guarantee Premium Provision).**

Unless this policy is being continued in force under the Monthly Guarantee Premium provision, a Monthly Deduction from the Accumulation Value may be made only if the Cash Surrender Value is equal to or greater than the Monthly Deduction. The Accumulation Value will be reduced by the amount of each Monthly Deduction. If the Cash Surrender Value on a Monthly Deduction Day is not sufficient to meet the Monthly Deduction for the current month, this policy will be subject to the "Grace Period" and "Monthly Guarantee Premium" provisions.

**Surrender Charge.** The Surrender Charge applies only to the Base Coverage portion of the Specified Amount. The Surrender Charge for the amount of Base Coverage on the Date of Issue will apply if such Base Coverage is surrendered or reduced during the Surrender Charge Period. Surrender Charges for any increases in Base Coverage will apply if such increases are surrendered or reduced during the Surrender Charge Period of each increase. The Surrender Charge Period will vary according to the age at issue (or age on the date of an increase) as shown in the Table of Surrender Charges per \$1,000 of Base Coverage.

You may make a request for surrender at any time during the Insured's lifetime before the Maturity Date.

A full surrender, partial surrender or reduction in Specified Amount due to a requested partial surrender will be calculated as of the day We receive Your request.

**How We Calculate a Monthly Deduction.** Each Monthly Deduction includes:

1. The cost of insurance provided by the basic policy; and
2. The cost of insurance for benefits provided by riders; and
3. The Monthly Administration Fee; and
4. During the first five policy years, a Monthly Expense Charge. (A Monthly Expense Charge also applies to the amount of any increase in Base Coverage during the first five years of such increase.)

**How We Calculate the Cost of Insurance for the Basic Policy.** We calculate the cost of insurance at the beginning of each policy month. The cost of insurance is determined on the Monthly Deduction Day by multiplying the Net Amount at Risk by the cost of insurance rate per \$1,000 and dividing the result by 1000.

To determine the Net Amount at Risk, We:

1. Divide the Death Benefit Amount under the basic policy by the Guaranteed Interest Rate Factor shown on the Policy Schedule; and
2. Reduce the result by the amount of Accumulation Value:
  - a. Before the cost of insurance deduction is taken; and
  - b. After the applicable rider charges, the Monthly Expense Charge, if any, and the Monthly Administration Fee are deducted.

**Cost of Insurance for Benefits Provided by Riders.** The cost of insurance for benefits provided by riders will be as stated on the Policy Schedule or in an endorsement.

### POLICY VALUES PROVISION (Cont'd)

**Monthly Administration Fee.** An administration fee will be deducted monthly. The amount of the Monthly Administration Fee may be adjusted, but will never be greater than the guaranteed Monthly Administration Fee shown on the Policy Schedule.

**Monthly Expense Charge.** A Monthly Expense Charge will be deducted during the first five policy years, and during the first five years of any increase in Base Coverage. The Monthly Expense Charge for the first five years for the initial amount of Base Coverage is shown on the Policy Schedule. The Monthly Expense Charge for the first five years for any increase in Base Coverage will be provided in an endorsement to this policy. Any decrease in Base Coverage will not change the Monthly Expense Charge then in effect.

**Cost of Insurance Rate.** The cost of insurance rate for the Initial Specified Amount, and for each Specified Amount increase, is based on the Insured's:

1. Gender (if issued on a Sex Distinct basis);
2. Age nearest birthday on each policy anniversary; and
3. Premium class shown on the Policy Schedule, associated with the Initial Specified Amount and each increase in the Specified Amount.

A table of guaranteed monthly cost of insurance rates is included in this policy. We can use cost of insurance rates that are lower than the guaranteed rates. Any change in rates will apply to all policies in the same rate class as this policy. The rate class of this policy is determined on its Date of Issue according to:

1. The calendar year of issue and policy year;
2. The plan of insurance;
3. The amount of insurance; and

4. The age, gender and premium class of the Insured if issued on a Sex Distinct basis or the age and premium class if issued on a Gender Neutral basis.

**Changes in Rates, Charges and Fees.** This policy does not participate in our profits or surplus. Any redetermination of the cost of insurance rates, Premium Expense Charge Percentage or Monthly Administration Fee will be based on our future expectations as to mortality, persistency, expenses, reinsurance costs, and state and federal taxes. Any redetermination of interest rates will be based only on expectations of future investment earnings. We will not change these rates or charges in order to recoup any prior losses.

**Interest Rate.** The guaranteed interest rate used in calculating Accumulation Values is shown on the Policy Schedule. We can use interest rates greater than the guaranteed rates to calculate Accumulation Values. We will apply a different rate of interest to that portion of the Accumulation Value which equals the amount of a policy loan. The rate applied to amounts offset by policy loans will be at an annual effective rate of not less than 3.0% nor more than 4.0%.

At the end of the first month following the fifth policy anniversary, and at the end of each month thereafter, this policy will be eligible for a current interest bonus. The bonus will be credited monthly to the Accumulation Value subject to the following guidelines:

1. The declared annual interest rate at the end of each month must be greater than the guaranteed annual interest rate; and
2. The bonus credited each month will increase the declared annual interest rate applied to the Accumulation Value not offset by a policy loan by .25% (one quarter of one percent).

## POLICY VALUES PROVISION (Cont'd)

**Grace Period.** If the Cash Surrender Value on a Monthly Deduction Day is not enough to meet the Monthly Deduction for the current month, this policy will remain in force during the 61-day period that follows. If the Cash Surrender Value on a policy anniversary is not enough to pay any loan interest due, this policy will remain in force during the 61-day period that follows. Such 61-day period is referred to in this policy as the "Grace Period." There is no Grace Period for the initial Monthly Deduction.

If the amount required to keep Your policy in force is not paid by the end of the Grace Period, and if this policy is not being continued under the Monthly Guarantee Premium provision, this policy will terminate without value. However, We will give You at least 31 days notice prior to termination that Your policy is in the Grace Period and advise You of the amount of premium required to keep Your policy in force. Such 31 days prior notice will be sent to You at Your last known address, and to the assignee of record, if any. If death occurs during the Grace Period, Monthly Deductions through the policy month in which death occurred will be deducted from the proceeds.

If a surrender request is received within 31 days after the Grace Period commences, the Cash Surrender Value payable will not be less than the Cash Surrender Value on the Monthly Deduction Day the Grace Period commenced. The Monthly Deduction for the policy month following such Monthly Deduction Day will not be subtracted in the calculation of such Cash Surrender Value.

**Monthly Guarantee Premium.** The Monthly Guarantee Premium for the Initial Specified Amount and any benefit riders in force on the Date of Issue is shown on the Policy Schedule. The Monthly Guarantee Premium Period (Guarantee Period) on the Date of Issue will be 10 years if the Issue Age is 70 or less. If the Issue Age is greater than 70, the Guarantee Period will be 5 years. This policy will not terminate on a Monthly Deduction Day within the Guarantee Period if, on such Monthly Deduction Day the sum of premiums paid equals or exceeds:

1. The sum of the Monthly Guarantee Premiums from the Date of Issue, including the current month; plus
2. Any partial surrenders and any increase in the loan amount since the Date of Issue.

If on a Monthly Deduction Day, this policy does not meet the Monthly Guarantee Premium requirements, guarantees under the Monthly Guarantee Premium provision will not be in effect.

During the Guarantee Period the Monthly Guarantee Premium will be recalculated if:

1. The Specified Amount is increased or decreased;
2. A benefit rider is increased, decreased, added or removed; or
3. A change in Death Benefit Option occurs.

These changes will not affect the Guarantee Period then in effect, if any.

If a policy is reinstated with no change to the Specified Amount, Death Benefit Option, Premium Class or benefit riders, if any, the Monthly Guarantee Premium upon reinstatement will be the same as it was when the policy lapsed. Reinstatement will not extend or otherwise change the Guarantee Period that was in effect when the policy lapsed.

The policy value at the end of the Guarantee Period may be insufficient to keep the policy in force unless an additional payment is made at that time.

**Full Surrender.** You may return Your policy to Us and request its Cash Surrender Value at any time during the Insured's lifetime before the Maturity Date. The Cash Surrender Value will be calculated as of the day We receive Your request. If surrender takes place within 31 days after a policy anniversary, the Cash Value will not be less than on that anniversary.



**Partial Surrender.** At any time after the first policy year, You may request withdrawal of a portion of the Cash Surrender Value of the policy. Your request must be made In Writing prior to the Maturity Date during the Insured's lifetime.

A partial surrender will result in a reduction of the Cash Value, Accumulation Value and the Death Benefit Amount. The Cash and Accumulation Values will be reduced by the amount of partial surrender. The reduced Death Benefit Amount will be determined in accordance with the Death Benefit Option provision. If Your Death Benefit Option is Option 1 or Option 3, the Specified Amount will be reduced by the amount of the partial surrender. The reduction in Specified Amount will be subject to the same guidelines and restrictions as outlined in the Decreasing the Specified Amount provision. (The reduced amount will not be less than zero.) The Death Benefit Amount remaining after this reduction must be no less than the Minimum Death Benefit Amount shown on the Policy Schedule.

There will be a charge not to exceed \$50.00 for each partial surrender in addition to the amounts shown in the Table of Surrender Charges. Any partial surrender that causes a reduction in Base Coverage will be subject to any applicable surrender charges on a pro-rata basis, and the remaining surrender charge will be reduced proportionately.

**Payment of Cash Value Benefit.** We can delay payment of Cash Surrender Values for up to 6 months, or the period allowed by law, whichever is less. However, We cannot delay payment of a partial surrender if the amount is to be used to pay a premium to Us.

**Continuation of Insurance Coverage if Amount or Frequency of Premium Payments Is Reduced or if Premium Payments Are Discontinued.** If You reduce the amount or frequency of premium payments, or if You discontinue payment of premiums and do not surrender this policy, We will continue making Monthly Deductions (as long as there is sufficient Cash Surrender Value to make such deductions) until the Maturity Date. During the Guarantee Period, this policy will remain in force as long as the Monthly Guarantee Premium requirements are met. This policy will remain in force until the earlier of the following dates:

1. The Maturity Date (if there is sufficient Cash Surrender Value to make Monthly Deductions to that date);
2. Full surrender of the policy;
3. The end of the Grace Period; or
4. Death of the Insured.

## POLICY LOANS

You may borrow from Us at any time while this policy is in force, an amount which is equal to or less than the policy's loan value. The loan value will be the Cash Value less:

1. Any prior outstanding loan; and
2. Interest on the amount to be borrowed to the next policy anniversary.

**Loan Interest.** Except for Preferred Loans, the Annual Policy Loan Interest Rate is 3.85%. On each policy anniversary, loan interest for the next

year is due in advance. Interest not paid when due will be added to the loan.

**How You May Repay a Policy Loan.** You may repay all or part of a policy loan at any time, except that:

1. Repayment may be made only while this policy is in force and prior to the death of the Insured; and
2. A partial repayment must be at least \$10.00.

## POLICY LOANS (Cont'd)

Except as provided in the Grace Period provision, this policy will lapse at any time Your policy loan exceeds the Cash Value. However, at least 31 days prior notice must be mailed by Us to Your last known address and to the assignee of record, if any.

**We Can Delay Payment.** We can delay lending You money for up to 6 months, or the period allowed by law, whichever is less. However, We cannot delay lending You money if the amount is to be used to pay a premium to Us.

**Obtaining a Loan.** You may obtain a policy loan by Written request and assignment of the policy as sole security for the loan.

**Preferred Loans.** A "Preferred Loan" is a policy loan that is made at a net cost to the Owner that is less than the net cost of other policy loans. By "net cost" We mean the amount of interest charged for the loan less interest credited to the amount of the Accumulation Value offset by a loan. Starting on

the tenth policy anniversary, this policy will be eligible for "Preferred Loans" subject to the following guidelines:

1. The maximum amount of the loan value eligible for Preferred Loans during a policy year is restricted to policy earnings, defined as:
  - (a) The Cash Surrender Value at the beginning of the policy year; less
  - (b) The sum of premiums paid in excess of partial surrenders since the Date of Issue.
2. When a Preferred Loan is made, loan interest to the next policy anniversary will accrue daily at an annual effective rate of not less than 2.91% nor more than 3.15%. (This is equivalent to an annual effective rate of not less than 3.0% nor more than 3.25% respectively, paid in arrears.)

## BENEFICIARY AND PROCEEDS

**Beneficiary.** The Beneficiary as named in the application, or later changed by You, will receive the proceeds upon the death of the Insured. Unless You have stated otherwise, proceeds will be paid as follows:

1. If any Beneficiary dies before the Insured, that Beneficiary's interest will pass to any other Beneficiaries according to their respective interests.
2. If no Beneficiary survives the Insured, proceeds will be paid to You, as Owner, if You are then living; otherwise proceeds will be paid to Your estate.

**Common Disaster.** If We cannot determine whether a Beneficiary or the Insured died first in a common disaster, We will assume that the Beneficiary died first. Proceeds will be paid on this

basis unless an endorsement to this policy provides otherwise.

**Proceeds.** Proceeds means the amount payable on:

1. The Maturity Date;
2. Exercise of the full surrender benefit; or
3. The Insured's death.

The proceeds on the Maturity Date will be the Cash Surrender Value. The proceeds on the Insured's death will be the Death Benefit Amount less any outstanding policy loan.

All proceeds and partial surrender benefits are subject to the provisions of the Payment Options section and the other provisions of this policy.

## CHANGE OF OWNERSHIP OR BENEFICIARY

You may change the Owner or the Beneficiary at any time during the lifetime of the Insured unless the previous designation provides otherwise. To do so, send a Written request to Our Home Office. The change will go into effect when We have

recorded the change. However, after the change is recorded, it will be deemed effective as of the date of Your Written request for change. The change will be subject to any payment made or action taken by Us before the request is recorded.

## PAYMENT OPTIONS

Instead of being paid in one sum, all or part of the proceeds may be applied under any of the Payment Options described below. In addition to these options, other methods of payment may be chosen with Our consent.

**Payment Contract.** When proceeds become payable under a Payment Option, a Payment Contract will be issued to each payee. The Payment Contract will state the rights and benefits of the payee. It will also name those who are to receive any balance unpaid at the death of the payee.

**Election of Options.** The Owner may elect or change any Payment Option while the Insured is living, subject to the provisions of this policy. This election or change must be In Writing. Within 60 days after the Insured's death, a payee entitled to proceeds in one sum may elect to receive proceeds under any option (subject to the limitations stated in the "Availability of Options" provision).

**Option 1. Payments for a Specified Period:** Equal monthly payments will be made for a specified period. The Option 1 Table in this policy shows the monthly income for each \$1,000 of proceeds applied.

**Option 2. Payments of a Specified Amount:** Equal monthly payments of a specified amount will be made. Each payment must be at least \$60 a year for each \$1,000 of proceeds applied. Payments will continue until the amount applied, with interest, has been paid in full.

**Option 3. Monthly Payments for Life with Period Certain:** Equal monthly payments will be made for a specified period, and will continue after that period for as long as the payee lives. The

specified period may be 10, 15 or 20 years. The Option 3 Table in this policy shows the monthly income for each \$1,000 of proceeds applied. If issued on a Sex Distinct basis, tables are based on the Annuity 2000 Male or Female Tables adjusted by projection scale G (adjusted by 50% of projection scale G for females and 100% of projection scale G for males) for 20 years, with interest at the rate of 2% per year. If issued on a Gender Neutral basis, tables are based on the Annuity 2000 Male and Female Tables adjusted by projection scale G (adjusted by 50% of projection scale G for females and 100% of projection scale G for males) for 20 years, with Gender Neutral rates based on 60% female and 40% male, and interest at the rate of 2% per year.

At the time payments are to begin under this option, the payee may choose one of the following:

1. Monthly payments based on the Option 3 Table; or
2. Monthly payments equal to a monthly annuity based on Our single premium immediate annuity rates then in use.

**Option 4. Proceeds Left at Interest:** Proceeds may be left on deposit with Us for any period up to 30 years. Interest earned on the proceeds may be:

1. Left on deposit to accumulate at the rate of 2% compounded annually; or
2. Paid in installments at the rate for each \$1,000 of proceeds of \$20 annually, \$9.95 semiannually, \$4.96 quarterly or \$1.65 monthly.

## PAYMENT OPTIONS (Cont'd)

Upon the death of the payee, or at the end of the specified period, any balance left on deposit will be paid in a lump sum or under Options 1, 2 or 3.

**Interest Rates.** The guaranteed rate of interest for proceeds held under Payment Options 1, 2, 3 and 4 is 2% compounded annually. We may credit interest at a higher rate. The amount of any increase will be determined by Us.

**Payments.** The first payment under Options 1, 2 and 3 will be made when the claim for settlement has been approved. Payments after the first will be made according to the manner of payment chosen. Interest under Option 4 will be credited from the date of death and paid or added to the proceeds as provided in the Payment Contract.

**Availability of Options.** If the proposed payee is not a natural person, payment options may be chosen only with Our consent.

If this policy is assigned, We will have the right to pay the assignee in one sum the amount to which the assignee is entitled. Any balance will be applied according to the option chosen.

The amount to be applied under any one option must be at least \$2,000. The payment elected under any one option must be at least \$20. If the total policy proceeds are less than \$2,000 payment will be made in one lump sum.

**Evidence That Payee is Alive.** Before making any payment under a Payment Option, We may ask for proof that the payee is alive. If proof is requested, no payment will be made or considered due until We receive proof.

**Death of a Payee.** If a payee dies, any unpaid balance will be paid as stated in the Payment Contract. If there is no surviving payee named in the Payment Contract, We will pay the estate of the payee:

1. Under Options 1 and 3: The value of the remaining payments for the specified period as of the date We receive Written notification of death, discounted at the rate of interest used in determining the amount of the monthly payment.
2. Under Options 2 and 4, the balance of any proceeds remaining unpaid with accrued interest, if any.

**Withdrawal of Proceeds Under Options 1 or 2.** If provided in the Payment Contract, a payee will have the right to withdraw the entire unpaid balance under Options 1 or 2. Under Option 1, the amount will be the value of the remaining payments for the specified period discounted at the rate of interest used in determining monthly income. Under Option 2, the amount will be the entire unpaid balance.

**Withdrawal of Proceeds Under Option 4.** A payee will have the right to withdraw proceeds left under Option 4 subject to the following rules:

1. The amount to be withdrawn must be \$500 or more;
2. A partial withdrawal must leave a balance on deposit of \$1,000 or more.

**Withdrawals May Be Deferred.** We may defer payment of any withdrawal for up to 6 months from the date We receive a withdrawal request.

**Assignment.** Payment Contracts may not be assigned.

**Change in Payment.** The right to make any change in payment is available only if the Payment Contract provides for a change in payment.

**Claims of Creditors.** To the extent permitted by law, proceeds will not be subject to any claims of a Beneficiary's creditors.



## GENERAL PROVISIONS

**Assigning Your Policy.** During the lifetime of the Insured, You may assign this policy as security for an obligation. We will not be bound by an assignment unless it is received In Writing at Our Home Office. Two copies of the assignment must be submitted. We will retain one copy and return the other. We will not be responsible for the validity of any assignment.

**Incontestability.** We rely on the statements made in the application for the policy and applications for any reinstatements or increases in Specified Amount. These statements, in the absence of fraud, are considered representations and not warranties. No statement may be used in defense of a claim under the policy unless it is in such applications.

Except as stated below, We cannot contest this policy after it has been in force during the Insured's lifetime for 2 years from the Date of Issue.

Exceptions: We cannot contest any claim related to an increase in Specified Amount after such increase has been in effect during the Insured's lifetime for 2 years.

If this policy is reinstated, We cannot contest this policy after it has been in force during the Insured's lifetime for 2 years from the date of reinstatement.

We can contest a reinstatement or an increase in Specified Amount for a 2-year period following the date of an increase or reinstatement solely on the basis of the information furnished in the application for such reinstatement or increase.

This 2-year limitation does not apply to benefits provided by any Disability or Accidental Death Benefit rider, or to the nonpayment of premium.

**Suicide Exclusion.** If the Insured takes his or her own life, while sane or insane, within 2 years from the Date of Issue, We will limit the Death Benefit Proceeds to the premiums paid less any policy loans and less any partial cash surrenders paid.

If there are any increases in the Specified Amount (See the section entitled "Changing Your Insurance Policy") a new 2-year period shall apply to each increase beginning on the date of each increase. The Death Benefit Proceeds will be the costs of insurance associated with each increase.

When the laws of the state in which this policy is delivered require less than this 2-year period, the period will be as stated in such laws.

**Age or Gender Incorrectly Stated (Age Incorrectly Stated if Issued on a Gender Neutral Basis).** If the: (1) age or gender of the Insured (if this policy was issued on a Sex Distinct basis); or (2) age of the Insured (if this policy was issued on a Gender Neutral basis) has been misstated to Us, We will adjust the excess of the Death Benefit Amount over the Accumulation Value on the date of death to that which would have been purchased by the Monthly Deduction for the policy month of death at the correct cost of insurance rate. By age, We mean age nearest birthday as of the Date of Issue.

**Statutory Basis of Policy Values.** The Cash Values of the policy are not less than the minimum values required by the law of the state where this policy is delivered. The calculation of the Cash Values includes interest at the guaranteed annual interest rate shown on the Policy Schedule and a charge for the cost of insurance, as shown in the Table of Guaranteed Monthly Cost of Insurance Rates.

Calculation of minimum Cash Values, nonforfeiture benefits and Guaranteed Cost of Insurance rates are based on the Mortality Table shown on the Policy Schedule for the appropriate gender (if this policy was issued on a Sex Distinct basis) and age nearest birthday.

### GENERAL PROVISIONS (Cont'd)

A detailed statement of the method of computing values has been filed with the state insurance department where required.

**No Dividends.** This policy will not pay dividends. It will not participate in any of Our surplus or earnings.

**Annual Report.** We will send You at least once a year, without charge, an annual report which shows the following:

1. Premiums paid;
2. Expense charges deducted;
3. Interest credited to Your Accumulation Value;
4. The cost of insurance deducted;
5. Partial surrender benefits paid to You;
6. The amount of any outstanding policy loan;
7. The current Cash Surrender and Accumulation Values.

**Illustrative Report.** At any time while this policy is in force, the Owner may request from Us an illustration of contract values for the future. The values will be based on both guaranteed and then current assumptions. A reasonable fee, not to exceed \$50.00, may be charged for additional reports requested in a policy year.

**When This Policy Terminates.** This policy will terminate if:

1. You request that this policy be terminated;
2. The Insured dies;
3. The policy matures;
4. The Grace Period ends; and
  - a. There is not sufficient Cash Surrender Value to cover a Monthly Deduction; or

- b. The necessary Monthly Guarantee Premiums to keep the policy in force have not been paid.

**Reinstatement.** "Reinstating" means placing Your policy in force after it has terminated at the end of the grace period. We will reinstate this policy if We receive:

1. Your Written request within five years after the end of the Grace Period and before the Maturity Date; and
2. Evidence of insurability satisfactory to Us; and
3. Payment of enough premium to keep the policy in force for two months or, if less, an amount equal to all past due Monthly Guarantee Premiums; and
4. Payment or reinstatement of any indebtedness.

The reinstated policy will be in force from the Monthly Deduction Day on or following the date We approve the reinstatement application.

The original surrender charge schedule will apply to a reinstated policy. The Accumulation Value at the time of reinstatement will be:

1. The Surrender Charge deducted at the time of lapse (such charge not being greater than the Accumulation Value at the time of lapse before the Surrender Charge was applied); plus
2. The Net Premium paid at reinstatement; plus
3. Any loan repaid or reinstated; less
4. The Monthly Deduction for one month.

If a person other than the Insured is covered by an attached rider, coverage will be reinstated according to that rider.

### GENERAL PROVISIONS (Cont'd)

**Rights Reserved By Us.** Upon notice to You, this policy may be modified by Us, but only if such modification is necessary to make any changes as required by the Internal Revenue Code or by any other applicable law, regulation or interpretation in order to continue treatment of this policy as life insurance.

When required by law, We will obtain Your approval of changes and We will gain approval from any appropriate regulatory authority.

**Rates on Policy Anniversary Nearest Insured's 18th Birthday (For Insured's age 17 or Less on Date of Issue).**• If the Insured's age, nearest birthday, is 17 or less on the Date of Issue of this policy, Tobacco rates will be used starting on the policy anniversary nearest the Insured's 18th

birthday, except as follows. Prior to the anniversary nearest the Insured's 18th birthday, a Written statement, signed by the Insured, may be submitted to the Company requesting that Non-Tobacco rates be made effective. The statement must include the date the Insured last used tobacco, or state that the Insured has never used tobacco, whichever applies. If the request is approved, Non-Tobacco rates will be made effective on the policy anniversary nearest the Insured's 18th birthday. Otherwise, Tobacco rates will apply. We will send a notice to the Owner at least 30 days prior to the policy anniversary nearest the Insured's 18th birthday that an application for Non-Tobacco rates may be submitted.

**TABLE OF GUARANTEE MONTHLY COST OF INSURANCE RATES  
PER \$1,000 OF NET AMOUNT AT RISK**

<b>ATTAINED AGE Nearest Birthday (On Each Policy Anniversary)</b>	<b>MALE</b>	<b>FEMALE</b>	<b>ATTAINED AGE Nearest Birthday (On Each Policy Anniversary)</b>	<b>MALE</b>	<b>FEMALE</b>
18	\$0.07670	\$0.03500	70	\$2.03499	\$1.41458
19	0.07837	0.03750	71	2.23719	1.55051
20	0.07920	0.03750	72	2.50360	1.70286
21	0.07920	0.03834	73	2.78562	1.86832
22	0.07920	0.04001	74	3.08341	2.05040
23	0.08004	0.04001	75	3.41023	2.25263
24	0.08087	0.04167	76	3.76819	2.47520
25	0.08171	0.04167	77	4.18586	2.72084
26	0.08504	0.04417	78	4.67661	2.99326
27	0.08921	0.04751	79	5.24716	3.28838
28	0.08754	0.04834	80	5.87410	3.61957
29	0.08588	0.05168	81	6.59415	4.07157
30	0.08504	0.05335	82	7.35120	4.58457
31	0.08421	0.05668	83	8.17591	5.09923
32	0.08421	0.06002	84	9.09943	5.67203
33	0.08671	0.06335	85	10.14421	6.32232
34	0.08838	0.06836	86	11.31891	6.91704
35	0.09088	0.07420	87	12.62238	7.82099
36	0.09589	0.07920	88	14.04387	8.77667
37	0.10006	0.08588	89	15.57220	9.80858
38	0.10757	0.08921	90	17.19963	10.77196
39	0.11425	0.09422	91	18.76183	11.26394
40	0.12176	0.10006	92	20.42406	12.24075
41	0.13177	0.10590	93	22.21645	13.71292
42	0.14430	0.11258	94	24.15513	15.61194
43	0.15849	0.12092	95	26.24420	18.02150
44	0.17519	0.13094	96	28.20560	20.38072
45	0.19441	0.14263	97	30.35199	22.88571
46	0.21279	0.15599	98	32.70866	23.32307
47	0.23285	0.17269	99	35.30337	24.80448
48	0.24455	0.19107	100	38.17511	27.21527
49	0.25793	0.21112	101	40.53000	29.86914
50	0.27716	0.23452	102	43.11768	32.93819
51	0.29974	0.26044	103	45.96629	36.42323
52	0.33070	0.28971	104	49.11195	40.44484
53	0.36419	0.32150	105	52.54884	45.03306
54	0.40690	0.35498	106	56.37067	50.02474
55	0.45970	0.39099	107	60.64049	55.47971
56	0.51337	0.43288	108	65.43820	61.36385
57	0.57128	0.47647	109	70.86239	67.97906
58	0.62083	0.52344	110	77.04001	75.34512
59	0.67797	0.57044	111	77.63548	76.08958
60	0.74694	0.61915	112	78.23803	76.84528
61	0.83113	0.67209	113	78.84780	77.61249
62	0.93397	0.73011	114	79.46491	78.39150
63	1.04962	0.78987	115	80.08952	79.18259
64	1.17137	0.85472	116	80.72176	79.98606
65	1.30008	0.92638	117	81.36180	80.80223
66	1.43071	1.00571	118	82.00977	81.63142
67	1.56326	1.09272	119	82.66585	82.47396
68	1.70627	1.18998	120	83.33000	83.33000
69	1.85466	1.29669			

The rates shown above represent the guaranteed (maximum) monthly cost of insurance for each \$1,000 of net amount at risk. If this policy has been issued in a special (rated) premium class, the guaranteed monthly cost will be calculated as shown on the Policy Schedule.

**DEATH BENEFIT CORRIDOR RATES  
BASED ON GUIDELINE PREMIUM**

<b>ATTAINED AGE</b>	<b>RATE</b>	<b>ATTAINED AGE</b>	<b>RATE</b>
0-40	2.50	60	1.30
41	2.43	61	1.28
42	2.36	62	1.26
43	2.29	63	1.24
44	2.22	64	1.22
45	2.15	65	1.20
46	2.09	66	1.19
47	2.03	67	1.18
48	1.97	68	1.17
49	1.91	69	1.16
50	1.85	70	1.15
51	1.78	71	1.13
52	1.71	72	1.11
53	1.64	73	1.09
54	1.57	74	1.07
55	1.50	75-90	1.05
56	1.46	91	1.04
57	1.42	92	1.03
58	1.38	93	1.02
59	1.34	94	1.01
		95+	1.00



**TABLE OF SURRENDER CHARGES PER \$1,000 OF BASE COVERAGE**

The following charges apply to each \$1,000 of initial Base Coverage surrendered during the Surrender Charge Period. The charges also apply to each \$1,000 of increase in Base Coverage surrendered during the Surrender Charge Period of each increase. The word "surrender" as used in this provision means Full Surrender, or reduction in Base Coverage at the request of the Owner, or due to a partial surrender. The charge for the surrender of all or any portion of the initial Base Coverage will be equal to the rate shown below for the age at issue and the year of surrender, multiplied by the number of thousands of initial Base Coverage being surrendered. The charges for surrender of all or any portion of any increase in Base Coverage will be equal to the rates shown below for the age at issue of such increase and year of surrender, multiplied by the number of thousands of such increase being surrendered. In addition, there will be a charge for each partial surrender as described in the Partial Surrender provision.

Issue Age	Policy Years																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Female 18	10.00	10.00	10.00	9.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	1.00	0.00
19	11.00	11.00	11.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	5.00	4.00	3.00	2.00	2.00	1.00	0.00
20	12.00	12.00	12.00	10.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	6.00	5.00	4.00	3.00	2.00	2.00	1.00	0.00
21	12.00	12.00	12.00	11.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	6.00	5.00	4.00	3.00	3.00	2.00	1.00	0.00
22	13.00	13.00	13.00	12.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00	7.00	6.00	5.00	4.00	4.00	3.00	2.00	1.00	0.00
23	13.00	13.00	13.00	12.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00	7.00	6.00	5.00	4.00	4.00	3.00	2.00	1.00	0.00
24	14.00	14.00	13.00	13.00	10.00	10.00	10.00	10.00	9.00	9.00	8.00	7.00	6.00	5.00	5.00	4.00	3.00	2.00	1.00	0.00
25	14.00	14.00	14.00	13.00	10.00	10.00	10.00	10.00	10.00	9.00	8.00	7.00	6.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
26	14.00	14.00	14.00	13.00	10.00	10.00	10.00	10.00	10.00	9.00	8.00	7.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
27	15.00	15.00	14.00	13.00	11.00	11.00	11.00	11.00	10.00	9.00	8.00	8.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
28	15.00	15.00	14.00	14.00	11.00	11.00	11.00	11.00	10.00	9.00	8.00	8.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
29	15.00	15.00	14.00	14.00	11.00	11.00	11.00	11.00	10.00	9.00	9.00	8.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
30	16.00	15.00	15.00	14.00	12.00	12.00	12.00	11.00	10.00	10.00	9.00	8.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
31	16.00	16.00	15.00	14.00	12.00	12.00	12.00	11.00	11.00	10.00	9.00	8.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
32	16.00	16.00	15.00	15.00	12.00	12.00	12.00	12.00	11.00	10.00	9.00	8.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
33	16.00	16.00	16.00	15.00	13.00	13.00	13.00	12.00	11.00	10.00	9.00	8.00	7.00	6.00	5.00	4.00	3.00	2.00	1.00	0.00
34	16.00	16.00	16.00	15.00	13.00	13.00	13.00	12.00	11.00	10.00	10.00	9.00	8.00	7.00	6.00	4.00	3.00	2.00	1.00	0.00
35	16.00	16.00	16.00	15.00	13.00	13.00	13.00	12.00	12.00	11.00	10.00	9.00	8.00	7.00	6.00	5.00	3.00	2.00	1.00	0.00
36	17.00	17.00	16.00	16.00	15.00	14.00	13.00	13.00	12.00	11.00	10.00	9.00	8.00	7.00	6.00	5.00	3.00	2.00	1.00	0.00
37	18.00	18.00	17.00	16.00	15.00	15.00	14.00	13.00	12.00	11.00	10.00	9.00	8.00	7.00	6.00	5.00	3.00	2.00	1.00	0.00
38	19.00	18.00	17.00	16.00	16.00	15.00	14.00	13.00	12.00	11.00	10.00	9.00	8.00	7.00	6.00	5.00	4.00	2.00	1.00	0.00
39	19.00	18.00	18.00	17.00	16.00	15.00	14.00	13.00	13.00	12.00	11.00	10.00	8.00	7.00	6.00	5.00	4.00	2.00	1.00	0.00
40	19.00	19.00	18.00	17.00	16.00	16.00	15.00	14.00	13.00	12.00	11.00	10.00	9.00	8.00	6.00	5.00	4.00	2.00	1.00	0.00
41	20.00	19.00	18.00	18.00	17.00	16.00	15.00	14.00	13.00	12.00	11.00	10.00	9.00	8.00	6.00	5.00	4.00	2.00	1.00	0.00
42	20.00	20.00	19.00	18.00	17.00	16.00	15.00	14.00	13.00	12.00	11.00	10.00	9.00	8.00	7.00	5.00	4.00	3.00	1.00	0.00
43	21.00	20.00	19.00	18.00	18.00	17.00	16.00	15.00	14.00	13.00	12.00	11.00	9.00	8.00	7.00	5.00	4.00	3.00	1.00	0.00
44	21.00	21.00	20.00	19.00	18.00	17.00	16.00	15.00	14.00	13.00	12.00	11.00	10.00	8.00	7.00	6.00	4.00	3.00	1.00	0.00
45	22.00	21.00	20.00	19.00	19.00	18.00	17.00	16.00	15.00	13.00	12.00	11.00	10.00	9.00	7.00	6.00	4.00	3.00	1.00	0.00
46	23.00	22.00	21.00	20.00	19.00	18.00	17.00	16.00	15.00	14.00	13.00	11.00	10.00	9.00	7.00	6.00	4.00	3.00	1.00	0.00
47	23.00	22.00	21.00	21.00	20.00	19.00	18.00	16.00	15.00	14.00	13.00	12.00	10.00	9.00	8.00	6.00	5.00	3.00	1.00	0.00
48	24.00	23.00	24.00	21.00	20.00	19.00	18.00	17.00	16.00	15.00	13.00	12.00	11.00	9.00	8.00	6.00	5.00	3.00	1.00	0.00
49	25.00	24.00	25.00	22.00	21.00	20.00	19.00	17.00	16.00	15.00	14.00	12.00	11.00	10.00	8.00	7.00	5.00	3.00	1.00	0.00

**TABLE OF SURRENDER CHARGES PER \$1,000 OF BASE COVERAGE**

**Policy Years**

Issue Age	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Female																				
50	25.00	24.00	23.00	22.00	21.00	20.00	19.00	18.00	17.00	16.00	14.00	13.00	11.00	10.00	8.00	7.00	5.00	3.00	1.00	0.00
51	26.00	25.00	24.00	23.00	22.00	21.00	20.00	19.00	17.00	16.00	15.00	13.00	12.00	10.00	9.00	7.00	5.00	3.00	2.00	0.00
52	27.00	26.00	25.00	24.00	23.00	22.00	20.00	19.00	18.00	17.00	15.00	14.00	12.00	11.00	9.00	7.00	5.00	4.00	2.00	0.00
53	27.00	27.00	26.00	25.00	23.00	22.00	21.00	20.00	18.00	17.00	16.00	14.00	13.00	11.00	9.00	8.00	6.00	4.00	2.00	0.00
54	28.00	28.00	26.00	25.00	24.00	23.00	22.00	20.00	19.00	18.00	16.00	15.00	13.00	11.00	10.00	8.00	6.00	4.00	2.00	0.00
55	29.00	28.00	27.00	26.00	25.00	24.00	22.00	21.00	19.00	18.00	17.00	15.00	13.00	12.00	10.00	8.00	6.00	4.00	2.00	0.00
56	30.00	29.00	28.00	27.00	26.00	24.00	23.00	21.00	19.00	18.00	17.00	16.00	14.00	12.00	10.00	8.00	6.00	4.00	2.00	0.00
57	31.00	30.00	29.00	28.00	27.00	25.00	24.00	22.00	20.00	18.00	17.00	16.00	14.00	13.00	11.00	9.00	7.00	4.00	2.00	0.00
58	32.00	31.00	30.00	29.00	28.00	26.00	25.00	22.00	20.00	19.00	18.00	16.00	15.00	13.00	11.00	9.00	7.00	5.00	2.00	0.00
59	33.00	32.00	31.00	30.00	28.00	27.00	25.00	23.00	21.00	19.00	18.00	16.00	15.00	14.00	12.00	9.00	7.00	5.00	2.00	0.00
60	34.00	34.00	32.00	31.00	30.00	28.00	26.00	24.00	21.00	20.00	18.00	16.00	15.00	14.00	12.00	10.00	8.00	5.00	2.00	0.00
61	36.00	35.00	34.00	32.00	31.00	29.00	28.00	25.00	22.00	21.00	19.00	17.00	15.00	14.00	13.00	10.00	8.00	5.00	3.00	0.00
62	37.00	36.00	35.00	33.00	32.00	30.00	29.00	26.00	23.00	21.00	19.00	17.00	15.00	14.00	13.00	10.00	8.00	6.00	3.00	0.00
63	39.00	38.00	36.00	35.00	33.00	31.00	30.00	28.00	25.00	22.00	20.00	17.00	15.00	14.00	13.00	10.00	8.00	6.00	3.00	0.00
64	40.00	39.00	37.00	35.00	34.00	32.00	30.00	28.00	26.00	24.00	21.00	18.00	15.00	14.00	13.00	10.00	8.00	6.00	3.00	0.00
65	40.00	38.00	37.00	35.00	33.00	32.00	30.00	28.00	26.00	24.00	22.00	18.00	15.00	14.00	13.00	10.00	8.00	6.00	3.00	0.00
66	39.00	38.00	36.00	34.00	33.00	31.00	29.00	27.00	26.00	24.00	22.00	18.00	15.00	14.00	12.00	9.00	7.00	5.00	3.00	0.00
67	39.00	37.00	35.00	34.00	32.00	30.00	29.00	27.00	25.00	23.00	22.00	18.00	15.00	13.00	12.00	8.00	7.00	4.00	3.00	0.00
68	38.00	36.00	35.00	33.00	31.00	30.00	28.00	26.00	25.00	23.00	21.00	18.00	15.00	13.00	11.00	8.00	6.00	3.00	2.00	0.00
69	37.00	36.00	34.00	32.00	31.00	29.00	28.00	26.00	24.00	23.00	21.00	18.00	15.00	13.00	10.00	7.00	5.00	3.00	2.00	0.00
70	37.00	35.00	34.00	32.00	30.00	29.00	27.00	25.00	24.00	22.00	20.00	17.00	14.00	12.00	9.00	6.00	5.00	2.00	1.00	0.00
71	36.00	35.00	33.00	31.00	30.00	28.00	26.00	25.00	23.00	22.00	20.00	17.00	14.00	11.00	9.00	6.00	4.00	1.00	1.00	0.00
72	36.00	34.00	32.00	31.00	29.00	28.00	26.00	24.00	23.00	21.00	19.00	16.00	13.00	11.00	8.00	5.00	4.00	1.00	1.00	0.00
73	35.00	33.00	32.00	30.00	29.00	27.00	25.00	24.00	22.00	21.00	19.00	16.00	13.00	10.00	7.00	4.00	3.00	1.00	1.00	0.00
74	35.00	33.00	31.00	30.00	28.00	26.00	25.00	23.00	22.00	20.00	18.00	15.00	12.00	9.00	6.00	4.00	2.00	1.00	1.00	0.00
75	34.00	32.00	31.00	29.00	27.00	26.00	24.00	23.00	21.00	20.00	17.00	14.00	11.00	8.00	5.00	3.00	2.00	1.00	1.00	0.00
76	33.00	32.00	30.00	28.00	27.00	25.00	24.00	22.00	21.00	19.00	16.00	13.00	10.00	7.00	4.00	2.00	2.00	1.00	1.00	0.00
77	32.00	31.00	29.00	28.00	26.00	25.00	23.00	22.00	20.00	18.00	15.00	12.00	9.00	6.00	3.00	2.00	1.00	1.00	1.00	0.00
78	31.00	30.00	29.00	27.00	25.00	24.00	22.00	21.00	19.00	17.00	14.00	11.00	8.00	5.00	2.00	1.00	1.00	1.00	1.00	0.00
79	30.00	29.00	28.00	26.00	25.00	23.00	21.00	19.00	17.00	16.00	12.00	9.00	6.00	3.00	1.00	1.00	1.00	1.00	1.00	0.00
80	28.00	28.00	27.00	25.00	24.00	22.00	20.00	18.00	16.00	15.00	11.00	8.00	5.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00
81	28.00	28.00	26.00	25.00	23.00	22.00	20.00	18.00	16.00	15.00	11.00	8.00	5.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00
82	28.00	27.00	25.00	24.00	22.00	21.00	20.00	18.00	16.00	15.00	11.00	8.00	5.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00
83	28.00	26.00	25.00	23.00	22.00	20.00	19.00	18.00	16.00	15.00	11.00	8.00	5.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00
84	27.00	25.00	24.00	22.00	21.00	20.00	18.00	17.00	15.00	14.00	11.00	8.00	5.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00
85	26.00	25.00	23.00	22.00	20.00	19.00	17.00	16.00	14.00	13.00	11.00	8.00	5.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00
86	25.00	24.00	22.00	21.00	19.00	18.00	16.00	15.00	13.00	11.00	9.00	7.00	5.00	4.00	3.00	2.00	1.00	1.00	1.00	0.00
87	24.00	23.00	21.00	20.00	18.00	17.00	15.00	13.00	11.00	9.00	7.00	5.00	4.00	3.00	2.00	1.00	1.00	1.00	1.00	0.00
88	23.00	22.00	20.00	19.00	17.00	16.00	14.00	12.00	10.00	8.00	6.00	5.00	4.00	3.00	2.00	1.00	1.00	1.00	1.00	0.00
89	23.00	21.00	19.00	18.00	16.00	14.00	12.00	10.00	8.00	6.00	5.00	4.00	3.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00
90	22.00	20.00	19.00	17.00	15.00	13.00	11.00	8.00	6.00	5.00	4.00	3.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00

**TABLES OF MONTHLY INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS**

<b>OPTION 1 TABLE</b>							
<b>INSTALLMENTS FOR A SPECIFIED PERIOD</b>							
<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>
1	\$84.09	11	\$8.42	21	\$4.85	31	\$3.59
2	42.46	12	7.80	22	4.67	32	3.51
3	28.59	13	7.26	23	4.51	33	3.44
4	21.65	14	6.81	24	4.36	34	3.37
5	17.49	15	6.42	25	4.22	35	3.30
6	14.72	16	6.07	26	4.10	36	3.23
7	12.74	17	5.77	27	3.98	37	3.17
8	11.25	18	5.50	28	3.87	38	3.12
9	10.10	19	5.26	29	3.77	39	3.06
10	9.18	20	5.04	30	3.68	40	3.01

<b>OPTION 3 TABLE</b>							
<b>INSTALLMENTS FOR LIFE WITH SPECIFIED MINIMUM PERIOD</b>							
<b>AGE OF PAYEE</b>	<b>GUARANTEED PERIOD</b>			<b>AGE OF PAYEE</b>	<b>GUARANTEED PERIOD</b>		
<b>Female</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>	<b>Female</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>
10	\$2.11	\$2.11	\$2.11	50	\$3.12	\$3.11	\$3.09
11	2.13	2.13	2.12	51	3.18	3.16	3.14
12	2.14	2.14	2.14	52	3.23	3.22	3.19
13	2.15	2.15	2.15	53	3.29	3.27	3.24
14	2.16	2.16	2.16	54	3.35	3.33	3.30
15	2.18	2.18	2.17	55	3.41	3.39	3.36
16	2.19	2.19	2.19	56	3.48	3.46	3.41
17	2.20	2.20	2.20	57	3.55	3.52	3.48
18	2.22	2.22	2.22	58	3.63	3.59	3.54
19	2.23	2.23	2.23	59	3.70	3.67	3.60
20	2.25	2.25	2.25	60	3.79	3.74	3.67
21	2.27	2.26	2.26	61	3.87	3.82	3.74
22	2.28	2.28	2.28	62	3.97	3.91	3.81
23	2.30	2.30	2.30	63	4.06	4.00	3.88
24	2.32	2.32	2.31	64	4.17	4.09	3.96
25	2.33	2.33	2.33	65	4.28	4.18	4.03
26	2.35	2.35	2.35	66	4.39	4.28	4.11
27	2.37	2.37	2.37	67	4.51	4.39	4.18
28	2.39	2.39	2.39	68	4.64	4.49	4.26
29	2.41	2.41	2.41	69	4.77	4.60	4.33
30	2.44	2.43	2.43	70	4.92	4.71	4.41
31	2.46	2.46	2.46	71	5.07	4.83	4.48
32	2.48	2.48	2.48	72	5.22	4.94	4.54
33	2.51	2.50	2.50	73	5.39	5.06	4.61
34	2.53	2.53	2.53	74	5.56	5.18	4.67
35	2.56	2.56	2.55	75	5.74	5.29	4.72
36	2.59	2.58	2.58	76	5.92	5.40	4.77
37	2.61	2.61	2.61	77	6.11	5.51	4.81
38	2.64	2.64	2.64	78	6.31	5.62	4.85
39	2.68	2.67	2.67	79	6.51	5.72	4.89
40	2.71	2.70	2.70	80	6.71	5.81	4.92
41	2.74	2.74	2.73	81	6.91	5.89	4.94
42	2.78	2.77	2.77	82	7.11	5.97	4.96
43	2.81	2.81	2.80	83	7.31	6.04	4.98
44	2.85	2.85	2.84	84	7.50	6.10	5.00
45	2.89	2.89	2.88	85	7.68	6.16	5.01
46	2.93	2.93	2.92	86	7.85	6.21	5.02
47	2.98	2.97	2.96	87	8.01	6.25	5.03
48	3.02	3.02	3.00	88	8.16	6.28	5.03
49	3.07	3.06	3.05	89	8.30	6.31	5.04
				90	8.42	6.34	5.04

Payments are based upon the age, nearest birthday, of the Payee on the date the first payment is due. If monthly installments for two or more specified periods for a given age are the same, the specified period of longer duration will apply.



**TABLES OF MONTHLY INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS**

<b>OPTION 1 TABLE</b>							
<b>INSTALLMENTS FOR A SPECIFIED PERIOD</b>							
<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>	<b>Number of Years Payable</b>	<b>Amount of Monthly Installments</b>
1	\$84.09	11	\$8.42	21	\$4.85	31	\$3.59
2	42.46	12	7.80	22	4.67	32	3.51
3	28.59	13	7.26	23	4.51	33	3.44
4	21.65	14	6.81	24	4.36	34	3.37
5	17.49	15	6.42	25	4.22	35	3.30
6	14.72	16	6.07	26	4.10	36	3.23
7	12.74	17	5.77	27	3.98	37	3.17
8	11.25	18	5.50	28	3.87	38	3.12
9	10.10	19	5.26	29	3.77	39	3.06
10	9.18	20	5.04	30	3.68	40	3.01

<b>OPTION 3 TABLE</b>							
<b>INSTALLMENTS FOR LIFE WITH SPECIFIED MINIMUM PERIOD</b>							
<b>AGE OF PAYEE</b>	<b>GUARANTEED PERIOD</b>			<b>AGE OF PAYEE</b>	<b>GUARANTEED PERIOD</b>		
<b>Male</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>	<b>Male</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>
10	\$2.17	\$2.17	\$2.16	50	\$3.31	\$3.29	\$3.25
11	2.18	2.18	2.18	51	3.37	3.35	3.31
12	2.19	2.19	2.19	52	3.43	3.41	3.36
13	2.21	2.21	2.20	53	3.50	3.47	3.42
14	2.22	2.22	2.22	54	3.57	3.53	3.47
15	2.24	2.23	2.23	55	3.64	3.60	3.53
16	2.25	2.25	2.25	56	3.72	3.67	3.60
17	2.27	2.26	2.26	57	3.80	3.74	3.66
18	2.28	2.28	2.28	58	3.88	3.82	3.72
19	2.30	2.30	2.29	59	3.97	3.90	3.79
20	2.32	2.31	2.31	60	4.06	3.98	3.86
21	2.33	2.33	2.33	61	4.16	4.07	3.92
22	2.35	2.35	2.35	62	4.26	4.16	3.99
23	2.37	2.37	2.37	63	4.37	4.25	4.06
24	2.39	2.39	2.39	64	4.49	4.34	4.13
25	2.41	2.41	2.41	65	4.61	4.44	4.20
26	2.43	2.43	2.43	66	4.73	4.54	4.27
27	2.45	2.45	2.45	67	4.86	4.64	4.34
28	2.48	2.47	2.47	68	5.00	4.75	4.40
29	2.50	2.50	2.49	69	5.14	4.85	4.47
30	2.52	2.52	2.52	70	5.29	4.95	4.53
31	2.55	2.55	2.54	71	5.44	5.06	4.59
32	2.58	2.57	2.57	72	5.60	5.16	4.64
33	2.60	2.60	2.60	73	5.76	5.27	4.69
34	2.63	2.63	2.62	74	5.92	5.37	4.74
35	2.66	2.66	2.65	75	6.09	5.47	4.78
36	2.69	2.69	2.68	76	6.27	5.56	4.82
37	2.73	2.72	2.72	77	6.44	5.66	4.86
38	2.76	2.76	2.75	78	6.62	5.74	4.89
39	2.80	2.79	2.78	79	6.80	5.82	4.92
40	2.84	2.83	2.82	80	6.98	5.90	4.94
41	2.87	2.87	2.86	81	7.16	5.97	4.96
42	2.92	2.91	2.89	82	7.34	6.04	4.98
43	2.96	2.95	2.93	83	7.51	6.10	5.00
44	3.00	2.99	2.97	84	7.67	6.15	5.01
45	3.05	3.04	3.02	85	7.83	6.20	5.02
46	3.10	3.08	3.06	86	7.98	6.24	5.02
47	3.15	3.13	3.11	87	8.12	6.27	5.03
48	3.20	3.18	3.15	88	8.26	6.30	5.03
49	3.25	3.23	3.20	89	8.38	6.33	5.04
				90	8.50	6.35	5.04

Payments are based upon the age, nearest birthday, of the Payee on the date the first payment is due. If monthly installments for two or more specified periods for a given age are the same, the specified period of longer duration will apply.

**AMERICAN GENERAL LIFE INSURANCE COMPANY**  
**ENDORSEMENT**

This endorsement has been added to and made a part of the policy to which it is attached.

The following Premium Class definition is hereby added to the policy:

**Standard Plus.** The term "Standard Plus" means the cost of insurance is based on the Insured\* being a better than average mortality risk and a non-user of tobacco and other products that contain nicotine.

The following Premium Class definition is hereby amended as follows:

**Preferred.** The term "Preferred" means the cost of insurance is based on the Insured\* being a significantly better than average mortality risk.

\*Contingent Insured if this endorsement is attached to a Joint and Last Survivor policy.

The effective date of this endorsement is the Date of Issue of the policy.



President



**AMERICAN GENERAL LIFE INSURANCE COMPANY**  
**OVERLOAN PROTECTION RIDER**

This rider has been added to and made a part of the policy to which it is attached.

**Rider Benefit.** Upon activation of this rider We guarantee that the policy to which this rider is attached will not lapse due to outstanding policy loans.

**When Activation is Available.** This rider may be activated when:

1. The outstanding policy loans equal or exceed 94% of the Cash Value; and
2. The policy has remained in force until the later of:
  - a) The policy anniversary nearest the Insured's age 75; or
  - b) The 15th policy anniversary.

**Rider Activation Terms and Conditions.** To activate this rider the following terms and conditions must be satisfied as of the Activation Date:

1. The policy's Death Benefit Option must be Option 1; and
2. The sum of all partial surrenders taken must be at least equal to the sum of all premiums paid; and
3. The policy must not be a Modified Endowment Contract under Section 7702A of the Internal Revenue Code; and
4. Both the guideline level premium and guideline single premium as defined by Section 7702 of the Internal Revenue Code must be greater than zero; and
5. The sum of all outstanding policy loans must equal or exceed the sum of the Specified Amount plus the death benefit amount of any term insurance rider issued on the life of the Insured; and
6. There must be no riders requiring charges after the Activation Date, other than an Extension of Maturity Date Rider which provides for a Death Benefit starting on the original Maturity Date equal to the base policy Death Benefit and any term insurance rider issued on the life of the Insured. Any such term rider must not have a change in its death benefit amount scheduled to take effect after the Activation Date.

**Activation Date.** Your request to activate this rider must be made in Writing. The Activation Date is the Monthly Deduction Day on or next following the date We receive Your Written request and all rider activation terms and conditions are satisfied.

On the Activation Date the portion of the Accumulation Value not offset by the outstanding policy loans will be transferred to, or will remain in, the Excess Interest Account or the General Account, depending on the policy to which this rider is attached.

**Rider Terms and Conditions as of the Activation Date.** The following terms and conditions will apply as of the Activation Date:

1. All future Monthly Deductions for the policy, any remaining Extension of Maturity Date Rider which provides for a Death Benefit starting on the original Maturity Date equal to the base policy Death Benefit and any remaining term insurance rider on the Insured will be waived; and
2. All loan repayments will be allocated to the Excess Interest Account or the General Account, depending on the policy to which this rider is attached; and
3. The policy must not be a Modified Endowment Contract under Section 7702A of the Internal Revenue Code; and
4. No additional premiums will be accepted; and
5. No changes will be allowed in the Specified Amount or Death Benefit Option; and
6. No new policy loans will be allowed; and
7. No new partial surrenders will be allowed; and
8. No transfers or allocations of Accumulation Value from the Excess Interest Account or the General Account, depending on the policy to which this rider is attached, will be allowed.

**Policy Death Benefit as of the Activation Date.** The policy's Death Benefit as of the Activation Date will be the applicable Death Benefit Corridor Rate times the greater of the Accumulation Value and the outstanding policy loan amount.

**One-Time Charge.** Upon activation, a one-time charge equal to a percentage of the Accumulation Value will be deducted from the Accumulation Value. There must be sufficient Cash Surrender Value to cover the one-time charge. The one-time charge will be declared on the Activation Date. Such charge will never exceed 5.0% of the Accumulation Value. There is no charge if the rider is never activated.

**Rider Termination.** This rider will terminate on the earlier of the following dates:

1. Upon Our receipt of Your Written request to terminate this rider; or
2. Upon the termination of the policy.

If the policy terminates other than by death of the Insured, any amount by which the outstanding policy loan exceeds the Accumulation Value is due and payable to Us.

**Policy Provisions Applicable.** This rider is subject to all the conditions and provisions of the policy to which it is attached except as provided herein.

**Consideration.** The consideration for this rider is the application for the policy and this rider, and payment of the first premium for the policy.

The effective date of this rider is the Date of Issue of the policy unless a later date is provided.



President

**AMERICAN GENERAL LIFE INSURANCE COMPANY**

**EXTENSION OF MATURITY DATE**

**RIDER**

This rider has been added to and made a part of the policy to which it is attached.

**Option to Extend Coverage.** You may elect to extend the Maturity Date stated on page 3 of the policy (Maturity Date), as follows:

If the Insured is living on the Maturity Date, coverage will be continued until the date of death of the Insured. (If this rider is attached to a Joint and Last Survivor policy, "death of the Insured" means "death of the last surviving Contingent Insured".)

To elect this option, You must submit a Written request to the Company on a form acceptable to Us, at least 30 days prior to the original Maturity Date.

Starting on the original Maturity Date:

1. The Death Benefit Amount will be equal to the Accumulation Value;
2. Coverage under any riders attached to the policy will not be extended;
3. No Monthly Deductions will be made;
4. New premium payments will not be accepted;
5. Interest on policy loans will continue to accrue in the same manner as stated in the policy and You may repay all or part of a loan at any time as stated in the policy; and
6. The Accumulation Value will continue to be determined as stated in the policy, subject to Item 3 above.

**Note.** Addition of this rider does not extend the Maturity Date of the policy. It gives the Owner the option to extend the Maturity Date. After this option is selected, it may not be revoked. However, the Owner may choose to surrender the policy at any time.

**The policy may be subject to tax consequences when continued beyond the Maturity Date. The policy may not qualify as "life insurance" under the Internal Revenue Code after age 100. You should consult Your tax advisor.**

The effective date of this rider is the Date of Issue of the policy unless a later date is shown here.



President





**AMERICAN GENERAL LIFE INSURANCE COMPANY**

**TERMINAL ILLNESS ACCELERATED BENEFIT RIDER**

**NOTICE: Benefits advanced under this Rider may or may not be taxable. As with all tax matters, the Owner should consult a personal tax advisor to assess the impact of this benefit.**

This rider has been added to and made a part of the policy to which it is attached.

**Right to Examine Rider.** You may return this rider within 20 days after receipt if you are not satisfied with it for any reason. The rider may be returned to us or to the agent through whom the policy was purchased. Upon return of this rider within the 20 day period, it will be void from the beginning.

**Terminal Illness Benefit: Accelerated Payment of a Portion of the Base Policy Death Benefit.** This is an accelerated death benefit rider. This rider provides for acceleration of payment of a portion of the base policy death benefit proceeds upon receipt of satisfactory evidence that the Insured under the base policy is terminally ill with 12 months or less to live.

**Entitlement to an Accelerated Benefit Under This Rider.** The benefit under this rider is payable to the Owner of the policy if:

1. The amount payable is \$2,500 or more;
2. The Owner elects to exercise the option while the policy and this rider are in force;
3. The Owner provides a written statement signed by a physician providing the following information:
  - a. The diagnosis; and
  - b. A statement that:
    - (1) The medical condition of the Insured is expected to result in death; and
    - (2) Because of the nature and severity of the medical condition, the Insured's life expectancy is not greater than 12 months;
4. The Owner provides consent of any irrevocable beneficiary or assignee that benefits may be paid to the Owner;
5. The Owner provides, if requested by us, a consent form from any of the following:
  - a. A spouse;
  - b. The insured under this rider;
  - c. Any beneficiary (other than as stated in paragraph 4); or
  - d. Any other person if, in our discretion, such person's consent is needed to protect our interests;

6. Our right to a second opinion by a physician of our choice has been exercised or waived.

Payment of a benefit under this rider will be made only once at which time this rider will terminate. (For example, if after a benefit has been paid under this rider, the Insured recovers from a condition which was considered "terminal", and the Insured is again diagnosed as having a terminal illness, no additional benefit will be payable.)

**Limitations.** No benefit will be provided by this rider if terminal illness results from intentionally self-inflicted injuries.

This rider provides for the advance of a portion of the death benefit proceeds of the base policy. This is not meant to cause involuntarily access to proceeds ultimately payable to the beneficiary. Therefore, this benefit is not available:

1. If either the Owner or the Insured under this rider is required by law to use this benefit to meet the claims of creditors, whether in bankruptcy or otherwise; or
2. If either the Owner or the Insured under this rider is required by a government agency to use this benefit in order to apply for, obtain, or otherwise keep a government benefit or entitlement.

**Terminal Illness Accelerated Benefit Insured.** Only the Insured under the base policy is covered by this rider. No coverage is provided for the spouse, any children, or any other person covered by riders attached to the base policy.

**Terminal Illness Benefit Amount.** The Terminal Illness Benefit is a one time acceleration of up to 50% of the death benefit proceeds payable under the base policy, not to exceed \$250,000.

The amount of coverage under this rider will change automatically with any change in the base policy benefit amount (subject to the \$250,000 maximum). No accelerated benefit will be payable on the basis of any other rider attached to the policy.



**Deferred Premiums.** After payment of the Terminal Illness Benefit and if the insured is not eligible for Waiver of Premium (or Waiver of Monthly Deduction), we will defer premiums on the policy and any attached riders. The total of any premiums deferred and interest thereon will be assigned to us and deducted from the death benefit.

The amount of premium deferred on universal life policies containing a "Monthly Guarantee Premium" provision will be equal to the Guarantee Premium necessary to keep the policy in force to the next policy anniversary. The amount of premium deferred on universal life policies without a Monthly Guarantee Premium Provision will be equal to the sum of Monthly Deductions to the next policy anniversary. (See the policy provision entitled "How we calculate a Monthly Deduction.")

**Lien.** When an accelerated benefit is paid under this rider, a lien against future policy benefits will be established. The lien at the time the accelerated benefit is paid will be equal to the amount of such benefit; plus:

1. Any deferred premiums; and
2. Loan interest to the next policy anniversary, if due but unpaid (deferred loan interest); and
3. An administrative fee not to exceed \$250; and
4. Interest to the next policy anniversary on the amount accelerated.

On each policy anniversary, any premiums, loan interest or interest on the lien that is due but unpaid will be added to the lien. The amount of the lien and any policy loan will be deducted from the Death Benefit prior to payment.

At any time the lien plus any policy loan equals or exceeds the death benefit that would be payable if there were no indebtedness, this policy will lapse. However, at least 31 days prior notice must be mailed by us to your last known address and to the assignee of record, if any.

**Interest.** After payment of the Terminal Illness Benefit, interest will accrue daily on paid out benefits and any deferred premiums at an annual effective interest rate. Interest on the lien will be payable in advance on each policy anniversary. The interest rate will be determined at the end of each calendar year. Such rate will be effective on the policy anniversary occurring in the following calendar year.

The maximum interest rate will not exceed the greater of:

1. The Moody's Corporate Bond Yield Average-Monthly Average Corporates (hereafter referred to as "Moody's Bond Yield Average") for the month of October preceding the calendar year for which the loan interest rate is determined; or
2. The interest rate used to calculate Cash Values under the policy during the period for which the interest rate is being determined, plus 1%.

If the Moody's Bond Yield Average is no longer published, the rate used in its place will be established by law or regulation of the insurance supervisory official of the jurisdiction in which the policy is delivered. Any change in the interest rate will be subject to the following:

1. No change in the interest rate will be made unless the difference in rates is 1/2% or more.
2. If the difference is 1/2% or more and the legal maximum interest rate is lower, we will lower the interest rate to be equal to or less than the legal maximum interest rate.
3. If the difference is 1/2% or more and the legal maximum interest rate is higher, we may increase the interest rate by at least 1/2% but not more than the legal maximum interest rate.

We will notify the Owner of the initial interest rate. If there is a benefit that has been paid on this policy, we will give the Owner advance notice of any increase in the interest rate.

**After the Terminal Illness Benefit is Paid: Effect on this Rider and the Base Policy.** After the Terminal Illness Benefit is paid, this rider will terminate. A lien will be established against future benefits payable under the base policy. There will be no reduction or lien against any term or accidental death benefit riders attached to the base policy. The cash surrender value available for withdrawal, surrender or loan will be only that amount in excess of the lien plus any policy loan plus any unpaid interest due. Once the lien has been established, it cannot be repaid except through policy surrender, maturity or as a death claim.

Payment of the Terminal Illness Benefit does not cause premiums or monthly deductions to be waived. Any waiver benefit will be considered only if a rider providing waiver benefits is attached to the policy and the Insured qualifies for waiver benefits on the basis of the provisions of such rider.

**Termination.** This rider will terminate on the earliest of the following dates:

1. On the date the base policy terminates for any reason;
2. On the date a benefit under this rider is paid;
3. Upon written request from the Owner that this rider be terminated.

**Physician.** Physician means an individual who is licensed to practice medicine and treat illness or injury in the state in which treatment is received and who is acting within the scope of that license. Physician does not include:

1. The Insured under this rider;
2. The Owner;
3. A person who lives with the Owner or the Insured under this rider;
4. A person who is a member of the immediate family of the Owner or the Insured under this rider.

**Immediate Family.** The term "Immediate Family" means a spouse, child, brother, sister, parent or grandparent of:

1. The Owner or the Insured under this rider; or
2. A spouse of the Owner or the Insured under this rider.

**Terminal Illness.** Terminal Illness is a non-correctable medical condition that:

1. With reasonable medical certainty, will result in the death of the Insured under this rider in 12 months or less from the date of a licensed physician's certification of such Insured's life expectancy; and
2. Was first diagnosed on or after the Effective Date of this Rider.

**Proof of Terminal Illness.** Before payment of an accelerated benefit, we will require you provide us with proof satisfactory to us that the Rider Insured's life expectancy is 12 months or less

from the date of application for the accelerated benefit. This proof will include the certification of a licensed physician. We reserve the right to obtain a second medical opinion at our expense, and to rely on such opinion if it differs.

**Reinstatement.** If the policy and this rider terminate at the same time, and the policy is reinstated, this rider will also be reinstated, subject to evidence of insurability satisfactory to the Company.

**Notice of Claim.** We must receive written notice of claim within 30 days after the date of diagnosis of the Terminal Illness or as soon as reasonably possible. The notice must be given to the Home Office. Notice should include the name of the Insured and the policy number.

**Time of Payment of Claims.** After we receive satisfactory written proof of terminal illness, and before the death of the Insured, we will pay the accelerated benefit then due.

**Payment of Claims.** The accelerated benefit will be paid to you. If the Insured dies before payment is made, this rider will terminate with no further value. We will pay the entire death benefit of the policy according to the beneficiary designation in effect at the time of payment.

**Legal Actions.** No legal action may be brought to recover on this rider within 60 days after written proof of terminal illness has been given.

**Policy Provisions Applicable.** This rider is subject to all the conditions and provisions of the policy, except as otherwise provided in this rider.

**Representations and Contestability.** All statements made in the application for this Rider by or on behalf of the Rider Insured will in the absence of fraud be deemed representations and not warranties. The validity of this Rider with respect to the Rider Insured will not be contestable after it has been in force for 2 years during the lifetime of the Rider Insured.

Any increase in coverage effective after the Rider Date of Issue or any reinstatement will not be contestable after such increase or reinstatement has been in force during the lifetime of the Rider Insured for 2 years from its effective date. A contest will be based only on the application for the increase or reinstatement.

**Non-Participating.** No dividends are payable under this rider.

**Consideration.** The consideration for this rider is the application for the policy and this rider, and payment of sufficient premium to keep the base

policy in force. There is no charge for this rider prior to the time application is made for acceleration of payment of a portion of base policy benefits due to terminal illness.

The effective date of this rider is the effective date of the policy unless a later date is shown on page 3 of the policy.

A handwritten signature in black ink that reads "Mary Jane Fortin". The signature is written in a cursive style with a large initial 'M' and 'F'.

President

**AMERICAN GENERAL LIFE INSURANCE COMPANY**

**ENDORSEMENT**

This Endorsement has been added to and made a part of the Policy to which it is attached.

The following provision is hereby added to the policy.

**Surrender.** You may surrender your policy at any time. The surrender will be effective on the date we receive all of the necessary requirements, as follows:

1. A written request for surrender must be submitted, which includes:
  - (a) The policy number;
  - (b) The name of the Insured;
  - (c) The signature of the Owner of the policy; and
  - (d) The signature of any collateral assignee, irrevocable beneficiary, or other person having an interest in the policy through a legally binding document.
2. The policy must be returned, or, in lieu of the policy, a written statement indicating the policy has been lost or destroyed.

The necessary forms to surrender a policy will be furnished upon request. You may request such forms in writing, or you may call our Policyowners Service Department or your agent.

Upon receipt of the necessary requirements for surrender, we will pay to the Owner any surrender value or other moneys due as quickly as possible. Such payment will be made within 45 days from the date the surrender is effective, unless:

1. A later surrender date is requested by the Owner; or
2. The Company exercises its right, as stated in the policy, to delay payment of any values for a period not exceeding 6 months if such delay is necessary to assure the solvency of the Company.

The effective date of this Endorsement is the Date of Issue of the Policy.



President





**Amendment of Application**

- American General Life Insurance Company, Houston TX
- The United States Life Insurance Company in the City of New York, New York, NY
- AIG Life Insurance Company, Wilmington, DE

*Member companies of American International Group, Inc.*

In this amendment, the "Company" refers to the insurance company whose name is checked above.

The insurance company shown above is **solely** responsible for the obligation and payment of benefits under any policy that it may issue. No other company is responsible for such obligations or payments.

Contract Number: UM0066177L  
Contract Owner: GENEVIEVE HORTON  
Insured: GENEVIEVE HORTON

The application to the company, dated January 04, 2010, is amended as follows:

- POLICY ISSUED WITH AN EFFECTIVE DATE OF FEBRUARY 20, 2010.

U37CT37



**American General**  
Life Companies

*Insurance Service Center for:*  
**American General Life  
Insurance Company**

February 03, 2010

GENEVIEVE HORTON  
3520 GRAND VIEW BLVD  
LOS ANGELES CA 90066-1904

Contract Number: UM0066177L  
Insured: GENEVIEVE HORTON  
Contract Owner: GENEVIEVE HORTON

Dear GENEVIEVE HORTON:

Thank you for contacting American General Life Insurance Company. Enclosed is the new policy you requested resulting from exercising your contractual right in your original policy.

Keep this new policy contract with your original policy and application as it represents our entire contract with you.

We are proud to be a part of your vital insurance program. Please visit [www.americangeneral.com](http://www.americangeneral.com) to access your account information, pay premiums, find a form and process transactions on-line through eService. If you have any questions, please contact your Servicing Agent or our Customer Service Center at 1.800.231.3655.

Thank You,

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# EXHIBIT 3

**PLAN OF ALLOCATION**<sup>1</sup>

1. Each Settlement Class Member who is the current or most recent owner of a policy according to Defendant's records ("Recipient") shall be issued a check for that policy equal to that Recipient's *pro-rata* share of the Net Settlement Fund. No claim form or claims process will be used. If there is more than one owner of a policy according to Defendant's records, the check will be issued to the first owner listed.
2. Each Recipient's *pro-rata* share of the Net Settlement Fund shall be computed as follows:
  - a. First, each Recipient's alleged under-credited interest shall be computed.
    - i. Each Recipient's alleged under-credited interest shall be calculated by applying (a) an under-credited interest percentage to (b) actual historical interest credited to Recipient's policy. The under-credited interest percentage shall be derived from the policies identified in and in accordance with the methodology set forth at pages 20–29 of the February 10, 2022 Declaration of Robert Mills in Support of Plaintiff's Motion for Class Certification, which generally determines under-credited interest for a policy as the difference between the interest that would have been credited using rates Plaintiff contends would have been in effect but for the alleged breach of contract and the interest actually credited.
  - b. Second, divide each Recipient's alleged under-credited interest by the total alleged under-credited interest for all Recipients, and
  - c. Third, multiply the resultant percentage for each Recipient by the Net Settlement Fund.
3. If a Settlement Class Member would receive multiple checks pursuant to paragraphs 1–2 above, such checks may be consolidated into a single check.
4. Within one year plus 30 days after the date the Settlement Administrator mails the first Settlement Fund Payments, any funds remaining in the Settlement Fund shall be redistributed on a *pro rata* basis to Settlement Class Members who previously cashed the checks they received, to the extent feasible and practical in light of the costs of administering such subsequent payments, unless the amounts involved are too small to make individual distributions economically viable or other specific reasons exist that would make such further distributions impossible or unfair. All costs associated with the disposition of residual funds — whether through additional distributions to Settlement

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<sup>1</sup> Unless otherwise noted, all Capitalized Terms mean the same as in the Settlement Agreement.

Class Members and/or through an alternative plan approved by the Court — shall be borne solely by the Settlement Fund.

5. The plan of allocation may be modified upon further order of the Court. Any updates to the plan of allocation will be published on the settlement administration website.