

NEW BUSINESS UPDATE

O.NB/U.OT.B/PR.H

Preferred Credits May Help Improve Underwriting Offers

Imagine this scenario: A male client, age 45, applies for a \$2 million universal life policy. The medical exam shows his height as 5 feet 10 inches, weight as 175 pounds, blood pressure as 130/80 and cholesterol as 180 with a ratio of 3.5. The client's mother is alive and well at age 70. However, the client's father died of coronary artery disease at age 59, so by the book, we are limited to a Standard NT offer, right? How about if we offer this case at Preferred NT and improve your chance to place this important sale?

Yes, your clients may now qualify for a better underwriting offer from AIG American General due to Preferred Credits, which allow underwriters to improve the offer on cases that would not normally qualify for a better class due to build (too heavy) or family history (death or disease of parent(s) from cardiovascular disease or cancer) if the client has very favorable results in other select class categories.

Eligibility for Preferred Credits

- Face amounts greater than \$1 million (\$1,000,001 and up)
- Ages 18-70
- Individual and joint-life cases
- Term and permanent business

Key Factors to Keep in Mind

- Preferred credits allow improvement of one class only – e.g., Standard NT to Preferred NT for universal life / indexed universal life / variable universal life and Standard NT to Standard Plus for term.
- Preferred credits apply to build and family history only. They will not be applied to improve cases with unfavorable blood pressure, lipids or any other preferred criteria. Following are additional details on preferred credits:
 - Build credit can only be given if proposed insured's weight is 90 percent or lower than the specific preferred class maximum according to our published build chart.
 - Family history must be better than the published limit for the specific preferred class. For example, the published limit for preferred NT is, "No history of CAD or cancer death in parents before age 60;" the preferred credit is, "No CAD or cancer death in parents before age 70."
 - Likewise, cholesterol and blood pressure credits incorporate stricter limits in order to allow a credit against family history or build.
- To offset unfavorable build or family history (not both), blood pressure, cholesterol and the favorable build or family history will be considered.
- Preferred credits do not apply regarding MVR, avocation/aviation or tobacco use (cannot change a tobacco rating to a non-tobacco rating).
- Preferred credits can apply to non-tobacco and tobacco classes.

Questions about AIG American General's preferred credits may be directed to your Underwriting Department at (866) 424-4524.

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