

Critical Illness Insurance

Frequently Asked Questions

TEXAS

Policies Issued by:
**American General Life
Insurance Company**



CriticalCare Plus® Insurance

Discover why the CriticalCare Plus insurance policy is vital for your family's financial security.

Q. What is CriticalCare Plus insurance?

A. CriticalCare Plus is critical illness insurance that provides a lump-sum payment upon diagnosis of a covered medical condition. This lump-sum payment can help you with expenses such as medical care, time away from work, travel to out-of-town specialists or care facilities, as well as other expenses that your major medical insurance may not cover such as deductibles and co-pays.

Q. I already have sufficient life insurance protection. Why do I need critical illness insurance?

A. What would happen if you suffered a heart attack or stroke, or were diagnosed with cancer — and survived? With the advances in modern medicine, the survival rates for these conditions have greatly improved over the last 10 to 20 years. For example:

- Over 66% of people diagnosed with cancer survive at least five years¹
- In 2007, about 1.2 million people suffered a heart attack and close to 62% survived²
- About 5.8 million stroke survivors are alive today²

When a critical illness such as cancer, heart attack or stroke occurs, it places a tremendous emotional strain on the family, often accompanied by an overwhelming financial burden. In fact, 62 percent of bankruptcies are due to medical causes,³ many of which are covered under a CriticalCare Plus policy.

¹ American Cancer Society, Cancer Facts & Figures, 2009.

² American Heart Association, Heart Disease and Stroke Statistics – 2008 Update.

³ "Medical Bankruptcy in the United States, 2007; Results of a National Study," *The American Journal of Medicine*, August 2009.

Policy Highlights

- Pays a lump-sum benefit directly to you
- Covers a broad range of conditions
- Available for 10-, 15-, 20- and 30-year terms as well as to age 75

Q. I understand that life expectancy has increased, but I already have comprehensive major medical coverage. Why do I need critical illness insurance too?

A. There are many expenses associated with a critical illness that may not be covered by major medical or other insurance. Major medical coverage provides reimbursement for covered medical expenses, but does not provide additional cash for expenses not covered by your plan. These expenses could include:

- Deductibles and co-pays for services covered by your plan
- Any experimental treatments not covered by your plan
- Charges incurred if you go outside the plan's preferred network for special treatment

Additionally, if your condition prevents you from working, you could also experience a loss of earnings, which would not be replaced by your major medical coverage.

CriticalCare Plus does not coordinate with any other insurance plan, which means your lump-sum payment would never be decreased because of benefits you have received from another insurance plan.

Q. I already have a disability insurance policy, so do I really need critical illness insurance?

A. First, congratulations on your decision to insure your income in the event that you become disabled. Most disability policies have an elimination period from 30 to 90 days; this is the period of time you must be disabled before you are eligible to collect benefits.

The money from a critical illness plan is paid upon initial diagnosis of a covered condition and will help get you through your disability policy's elimination period. In addition, as a result of a critical illness, you may incur higher living expenses, which the benefits from your CriticalCare Plus insurance policy can help cover.

Q. How much CriticalCare Plus coverage can I purchase?

A. Coverage is available from \$25,000 to \$500,000. As a general rule, the maximum amount that you can purchase is five times your annual earned income. Financial obligations such as mortgages or other outstanding loans will also be considered in the underwriting process.

Q. Do I need to take a medical exam to purchase this coverage?

A. For amounts up to and including \$100,000, there is no required medical exam. For amounts in excess of \$100,000, a full paramedical exam, a full blood profile and urinalysis are required.

Q. If I have a cancer in situ, coronary artery bypass, paraplegia or hemiplegia and receive a portion of the benefit amount, what happens to the remainder of the policy benefit?

A. Your maximum benefit is reduced by the amount paid to you and the policy remains in force. The remainder of the benefit becomes your new maximum benefit.

Q. If I suffer a heart attack or other critical illness and receive the maximum benefit, does my policy terminate?

A. Your policy terminates when the maximum benefit is paid.

Q. Will my benefits reduce at age 65?

A. No. With CriticalCare Plus, the full benefit is payable for any of the covered conditions to the end of the coverage term.

Q. I only need this protection until my youngest child is scheduled to graduate college 15 years from now. What plan would you recommend?

A. CriticalCare Plus is the only plan that offers coverage designed to fit this need. Our 15-year term plan will provide coverage for this period of time at a premium lower than the longer term plans. CriticalCare Plus is available for 10-, 15-, 20- and 30-year terms as well as to age 75.

Q. Can I apply to also have coverage for my spouse and children?

A. Yes, your spouse can apply for an amount equal to or less than the amount you have purchased, and you can cover all your children for up to \$50,000, not to exceed the amount of your own coverage.

This is important coverage because if your child or spouse is ever diagnosed with a critical illness, you may prefer to temporarily take time off from work. The CriticalCare Plus benefit can supplement your income for the time you take off from work without pay, as well as cover many of the out-of-pocket expenses that may not be covered by your major medical insurance plan.

Q. If I suffer a heart attack or other critical illness and die, will my spouse receive the benefits from the CriticalCare Plus policy?

A. As long as the heart attack or other critical illness meets the terms as described in the policy, benefits from the plan will be paid to the named beneficiary on the application. There is no requirement in the plan that you survive a period of time after diagnosis to receive benefits.

Q. Are benefits received from a critical illness policy income-tax-free?

A. As a general rule, if insurance premiums are paid with after-tax dollars, then the benefits from the plan are received income-tax-free (based on current federal income tax laws). However, you should consult your personal tax advisor for a definitive answer to any insurance-related tax questions.

Q. If I am issued a CriticalCare Plus policy, will I be covered for Human Immunodeficiency Virus (HIV)?

A. CriticalCare Plus offers an optional Medical Personnel HIV Rider⁴ for medical professionals. If a medical professional contracts HIV from an on-the-job accident and meets the terms as described in the rider, benefits will be paid in the same manner as any other covered condition in the policy.

Helping create a more secure future for you and your family.



⁴ There will be a charge for each rider you select. See the rider for details regarding benefits descriptions, limitations and exclusions.

Policies issued by:

American General Life Insurance Company

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CriticalCare Plus Policy Form Number 05130-TX

Medical Personnel HIV Rider Form Number 05139-44

Accidental Death and Dismemberment Rider Form Number 05138

Important Note: All benefits payable are subject to the terms and conditions of the policy, including benefit durations, limitations and exclusions. Please consult the policy form and outline of coverage for details. There may be a charge for each rider selected. See the rider for details regarding the benefit descriptions, limitations and exclusions.

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