

# CASE STUDY

## JACK



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## Annuities Strengthen Retirement<sup>®</sup> INDEX. TRADITIONAL FIXED. IMMEDIATE INCOME.

### JACK: 64 Year Old Widower

- Wary of market; wants guaranteed growth
- Looking for safe vehicle to place funds received from his recently deceased wife's life insurance policy
- Intends to leave these funds to their children.

### SOLUTION:

## AG HorizonSelect<sup>®</sup> 5

- Offers Jack a competitive interest rate guaranteed for 5 years that is significantly higher than what a CD<sup>1</sup> currently pays
- After 5 years he can withdraw<sup>2</sup> all funds without any charges or receive another 5 year interest rate guarantee
- Allows Jack to access 10% of his annuity value<sup>3</sup> each year if he needs to and still provides guaranteed growth.

**American General**  
Life Companies

<sup>1</sup> Fixed annuities offer tax deferral of interest earnings during the accumulation period and are guaranteed by the issuing insurance company, whereas interest income from CDs is reportable and taxable as it is earned, but they are guaranteed by the FDIC. As with any long-term investment, annuities typically impose a schedule of preset early withdrawal charges (though a portion of the annuity may be available penalty-free each year). CDs are generally for more short-term use and have preset early withdrawal penalties on any amounts accessed prior to end of the term; a CD's withdrawal penalties renew each time the CD is renewed

<sup>2</sup> Withdrawals may be subject to Federal and/or State income taxes. A 10% federal penalty tax may apply to the taxable portion if you make withdrawals or surrender your annuity before age 59½. If surrendered during the withdrawal charge period, amount received may be less than premium paid. Consult your tax advisor regarding your specific situation.

<sup>3</sup> In all contract years up to 10% of annuity value as of the previous contract anniversary (10% of the premium in the first contract year) may be withdrawn without a withdrawal charge.

NOT FDIC INSURED | MAY LOSE VALUE | NOT A DEPOSIT | NO BANK GUARANTEE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY