



VA/GMWB Buyout Strategy

Did you purchase a variable annuity with a 5% guaranteed minimum withdrawal benefit prior to 2009? If so, chances are good that your contract value is significantly lower than your initial investment, in some cases 40-50% lower or more. And if you are currently taking withdrawals under this feature, it may take years before you ever see an increase in your income. This is because your income typically can't increase until your contract value begins to exceed the initial value of your investment.

If you don't want to wait what could be years for your contract value to exceed your initial investment, and want an increase in your current income, there may be something you can do now.

**American
General**
Life Companies

Should you convert your Variable Annuity to an Income Annuity?

If you can say "yes" to the following four questions, you are a good candidate for this strategy.

- Are you currently taking 5% withdrawals from your variable annuity (VA), using the Guaranteed Minimum Withdrawal Benefit?
- Do you want more lifetime income, now?
- Do you think it is possible that your contract value may not grow enough to exceed your initial premium?
- Is your VA Surrender Value significantly lower than your benefit base?

Income Conversion Chart

The chart below shows a series of two numbers. One number is age, and the other number is the percentage of your initial VA investment that your current contract surrender value represents. This percentage number is a break even threshold. At this level your surrender value would purchase the same amount of guaranteed lifetime income in an income annuity that your VA is currently producing.

If your contract surrender value is worth MORE than the percentage on the chart but still less than 100% of your initial investment, a conversion may make sense for you. If on the other hand your contract surrender value is worth less than the percentage numbers on the chart, it makes more sense for you to remain in your contract.

Example where a conversion may make sense:

- Male, age 72
- Initial investment: \$100,000
- Current Surrender Value of contract : \$70,000 (70% of initial investment)
- Current 5% withdrawal income (annualized): \$5,000
- Annualized income if converted to income annuity: \$5,916
- Increase annualized income: 18%

Example where a conversion does not make sense:

- Male, age 64
- Initial investment: \$100,000
- Current Surrender Value of contract: \$60,000 (60% of initial investment)
- Current 5% withdrawal income (annualized): \$5,000
- Annualized income if converted to income annuity: \$4,528

AGE	% Initial Invest Value Remaining	AGE	% Initial Invest Value Remaining
60	71%	73	58%
61	70%	74	57%
62	68%	75	55%
63	67%	76	54%
64	66%	77	53%
65	65%	78	51%
66	64%	79	50%
67	63%	80	60%
68	62%	81	58%
69	60%	82	57%
70	62%	83	55%
71	61%	84	53%
72	59%	85	52%

Once you purchase an income annuity, your purchase decision is irrevocable as your principal is converted to an income stream.

CHART ASSUMPTIONS*

Income Annuity:

- Cash Refund, Single Life, Male \$5000 annual income from monthly payments

VA with 5% GMWB:

- Currently taking 5% withdrawals, of original \$100k, equals \$5000 a year, guaranteed for life

* Percentages rounded to the nearest whole number. All rates valid as of 6/25/09 and are subject to change.

These product specifications are not intended to be all-inclusive of product information. State variations may apply. Please refer to the annuity contract for complete details. This contract is not insured by the FDIC, the Federal Reserve Board or any similar agency. The contract is not a deposit or other obligation of, nor is it guaranteed or endorsed by any bank or depository institution.

Annuities issued by:

American General Life Insurance Company

2727-A Allen Parkway, Houston, Texas 77019

AGL Platinum Income AnnuitySM

Single-premium fixed immediate income annuity contract number 10161

The United States Life Insurance Company in the City of New York

830 Third Avenue, New York, New York 10022

USL Platinum Income AnnuitySM is only available in the state of New York

Contract Number 01016N

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