



Cover slide



Hello, and welcome to today's discussion about ***Four Life Insurance Accumulation Concepts***.

You'll hear four separate stories that can each be told separately, but they work especially well when told together, in sequence, to help people recognize ways they can potentially use life insurance to help provide additional financial security.

Important Notes

The information contained in this presentation is for educational purposes only and is not a comprehensive analysis of the topics presented. It is general in nature and is not intended to provide financial, legal, fiduciary, accounting or tax advice. Because applicable laws and regulations are complex and subject to change, this information should be verified with an appropriate legal, accounting, or tax professional for accuracy and reliability (e.g., federal income tax statutes, rulings, etc.) that may have changed since publication and are subject to differing legal interpretations before applying it in any particular situation. While the company has been diligent in attempting to provide accurate information, the accuracy of the information is not guaranteed. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. No representation or warranty, express or implied, is made by Corebridge Financial Distributors and its member companies as to the completeness of the information in this document.

The presenter is not a lawyer and does not provide tax or legal advice to clients. Examples used throughout this presentation are intended to be broad overviews designed to convey some basic financial planning concepts. Nothing contained herein should be construed as advice or a recommendation. All of the examples and outcomes are hypothetical and are not intended to represent any specific persons' situation or assure any particular outcome.

Life insurance is not an investment. The primary purpose of life insurance is death benefit protection. Values in this presentation are not guaranteed and are hypothetical only. Nothing in this presentation should be deemed as suggesting that one may directly or indirectly invest in an index.

Policies issued by American General Life Insurance Company (AGL), Houston, TX except in New York, where issued by The United States Life Insurance Company in The City of New York (US Life). AGL does not issue, solicit or deliver policies or contracts in the state of New York. Guarantees are backed by the claims-paying ability of the issuing insurance company and each company is responsible for financial obligations of its products. Products may not be available in all states and product features may vary by state.

All companies described above are wholly-owned subsidiaries of Corebridge Financial, Inc. Corebridge Financial and Corebridge are marketing names used by these companies.



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional.

See the "Important Notes" slide at the beginning and end of this presentation for more details.

For financial professional use only. Not for use with consumers.

3

Before we get into the main content of today's conversation, here are some important notes related to what we'll discuss.

Please read these notes carefully to understand important aspects of today's discussion.

The Rule Of 25

The \$5 - \$10 - \$20 Story

How Much Does Life Insurance Cost?

How Much Premium?

Based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a Modified Endowment Contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59½. Death Benefits are generally excludable from the beneficiary's federal taxable income under most circumstances and under current federal income tax law.



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details.

For financial professional use only. Not for use with consumers.

4

So what are the four stories that comprise this bigger message?

- The first one is a story I like to call **“The Rule Of 25.”** You’ll understand why in a minute. This rule helps people see if they’re on-track to save enough for their retirement goals. It’s not an in-depth analysis, but it’s a rule-of-thumb you can use when you don’t have your computer handy with a comprehensive financial planning software program in front of you. Interestingly, when walking through this overview, people may come to realize that they’re not saving enough, and they need to save more.
- The second story --- **“The \$5 - \$10 - \$20 Story”** --- shows them how the tax advantages of life insurance may make life insurance an attractive way to grow cash values.
- The third story discusses the cost of life insurance from a unique perspective. Many people have been led to believe that life insurance is too expensive to grow cash values. That’s where this third story --- **“How Much Does Life Insurance Cost?”** --- comes into play. This simple story shows how cost-effective appropriately funded life insurance can be for providing needed life insurance protection while creating cash values.

- The fourth and final story gives people some thoughts as to **how much premium** to consider paying into their policy. Although everyone's situation is unique, this simple formula can provide some thoughts about how much premium someone may want to consider paying. This formula is not designed to quantify a specific amount of premium, but it gives a starting point for a discussion that can help provide some broad direction.

When you put all four of these stories together, it creates a rather compelling argument for the benefits of life insurance...
benefits that go beyond the value of the death benefit...
that life insurance can also be attractive for creating cash values.

So let's begin our discussion with the first story, called **"The Rule Of 25."**

Let's see how that works.

Begin With "The 4% Rule"

- **William Bengen research = *The 4% Rule***
 - Article Title: "*Determining Withdrawal Rates Using Historical Data*"
 - October 1994, Journal for Financial Planning, p. 171
- **How does *The 4% Rule* work?**
 - In the first year of retirement, multiply the portfolio value by 4%
 - $\$1,000,000 \times 4\% = \$40,000$
 - Annually increase withdrawals for "cost of living," regardless of portfolio performance
- **Bengen's research suggests 90% chance of 30-year success**
 - For example, begin with 1,000 different portfolios
 - First withdrawal = 4%... increase withdrawals annually by 3%
 - At the end of 30 years, at least 900 of the 1,000 portfolios still have cash
- **A "rule-of-thumb" for retirees thinking about how much they might withdraw**



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details.
For financial professional use only. Not for use with consumers. 5

You might know of something that, in financial circles, has been referred-to as "***The 4% Rule.***"

What is it and where did it come from?

There was a landmark article published in 1994 by William Bengen titled "*Determining Withdrawal Rates Using Historical Data,*" published on page 171 of the October, 1994 Journal for Financial Planning.

So how does ***The 4% Rule*** work?

Bengen's article suggest that you begin by withdrawing 4% from your investment portfolio in the first year of retirement.

For example, if a portfolio was worth \$1 million at the beginning of retirement, 4% of \$1 million suggests a first-year withdrawal of \$40,000.

Then increase the withdrawals each year for inflation, regardless of portfolio performance.

No matter how much the portfolio value goes up or down in any particular year, increase your annual withdrawals by the amount of inflation, which Bengen assumed to be 3% annually.

His research used hundreds of different market scenarios and a process we call “**Monte Carlo Simulation.**”

His results suggested a 90% chance of 30-year success.

How did he arrive at that conclusion?

If, for example, you began with 1,000 different portfolios, you withdrew 4% in the first year, and increased the withdrawals by 3% annually, at the end of 30 years, at least 900 of the portfolios would still have cash remaining. In other words, 90% of the portfolios "succeeded" and, therefore, a 90% probability of success.

This approach would suggest a 90% probability of taking a typical investor from age 65 to age 95... a success rate that might be a reasonable starting-point for investors.

Obviously, when Bengen began with first-year withdrawals higher than 4%, his results generated a lower success rate than 90%.

Meanwhile, when he began with lower initial withdrawal rates, his results generated a higher success rate than 90%.

For those that have a penchant for math, you can delve into the details by reviewing Bengen's original article.

From that article came what's known as “**The 4% Rule,**” which turns-out to be a generally useful rule-of-thumb for people **at-or-near retirement** that want to know how much they might consider withdrawing from their retirement portfolios throughout their retirement.

The Rule of 25

- The **Rule Of 25** is **The 4% Rule in reverse!**
- It's a rule-of-thumb for **PRE-retirees**
- How many times does 4% go into 100%?
- 3 simple steps:
 1. Estimate expenses during first year of retirement (*assume it's \$60,000*)
 2. Subtract known sources of retirement income (*assume S.S. = \$20,000*)
 3. Multiply the "net" expenses by 25 ($\$40,000 \times 25 = \$1,000,000$)

$$\$1,000,000 \times 4\% = \$40,000$$

$$\$40,000 \times 25 = \$1,000,000$$

- Now **PRE-retirees** can have a ballpark retirement savings objective



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details. For financial professional use only. Not for use with consumers. 6

So how do we get from "The 4% Rule" to "The Rule of 25"?

You'll soon see that "The Rule of 25" is just "The 4% Rule" in reverse.

Whereas **The 4% Rule** is a potential rule-of-thumb for investors that are retiring, **The 4% Rule** is not very helpful to pre-retirees.

That's where **The Rule of 25** comes in... it can be helpful to **pre-retirees** that are trying to get a ball-park idea of how much money needs to be accumulated to achieve certain retirement goals.

The Rule of 25 is predicated on knowing how many times 4% goes into 100%... And the answer is: 25 times.

The **Rule Of 25** turns **The 4% Rule** backwards in three easy steps:

1. Estimate living expenses in the first year of retirement. In this example, let's assume that's \$60,000.
 - You'll see in a minute how assuming first-year expenses of \$60,000 ties this Rule of 25 example to the previous 4% Rule example, making it easier to see why **The Rule of 25** is nothing more than **The 4% Rule** in reverse.

2. Next, subtract known sources of retirement income. Although this could include pension income, let's anchor this part of our discussion around Social Security income. Let's assume that Social Security income is expected to be \$20,000 in the first year of retirement.
 - That leaves a shortfall of about \$40,000 necessary to pay the first year of retirement expenses.
3. Now multiply the \$40,000 "shortfall" by 25. The answer is \$1,000,000.

Here you can see how **The Rule of 25** is just **The 4% Rule** in reverse: You can see that, using **The 4% Rule**, $\$1 \text{ million} \times 4\% = \$40,000$. In the reverse, you can see that $\$40,000 \times 25 = \1 million .

Therefore, by using **The 4% Rule**, pre-retiree investors can have an approximate retirement savings target... at least a starting point for conversations about their retirement.

The Rule of 25

- If \$100,000 needs to be withdrawn from portfolio in year 1:
 - $\$100,000 \times 25 = \$2,500,000$
- Cut that in half:
 - $\$50,000 \times 25 = \$1,250,000$
- Double it:
 - $\$200,000 \times 25 = \$5,000,000$



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details. For financial professional use only. Not for use with consumers.

7

Now let's use a few examples to see how easy it is to apply ***The Rule of 25*** to some other hypothetical situations.

For example, if someone needed to withdraw \$100,000 from their portfolio in the first year of retirement, and continue increasing the annual distributions throughout retirement, ***The Rule of 25*** suggests that the portfolio should have about \$2.5 million in it to achieve Bengen's 90% chance of success.

All I did to arrive at \$2.5 million was multiply \$100,000 by 25.

For someone that might be considering a first-year withdrawal of half-that-amount... \$50,000... the ***Rule of 25*** formula suggests that the portfolio would only need \$1,250,000.

And if the first-year withdrawal was doubled from \$100,000 to \$200,000, the formula suggests a portfolio value of \$5 million at the beginning of retirement.

With these examples you can quickly see a ballpark estimate of what might be targeted as a portfolio value at the beginning of retirement, according to Bengen's research.

The Rule of 25

- Let's stick with the example of spending \$200,000 in the first year of retirement, suggesting a portfolio value of \$5,000,000
- Next ask: *"How much has currently been set-aside?"*
 - Let's assume they feel pretty good about having \$1,000,000 set aside
 - They appear to be about \$4,000,000 short!
- Next ask: *"Even if the maximum allowable contributions are made to your 401k, do you think it can grow from \$1,000,000 to \$5,000,000 before retirement?"*



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details. For financial professional use only. Not for use with consumers.

8

Let's carry our example forward one more step...
let's stick with the example of spending \$200,000 in the first year of retirement, suggesting a portfolio value of \$5,000,000.

Next ask:

"How much has currently been have set-aside for retirement?"

Let's assume they suggest that they have \$1,000,000 set aside...
they're technically a millionaire... and they're feeling pretty good about it.

But according to Bengen's research and ***The Rule of 25***,
you know intuitively that they could be somewhere in the neighborhood of \$4 million short of what may be needed.

Then ask: *"Even if the maximum allowable contributions are made to your 401k plan, do you think it can grow from \$1,000,000 to \$5,000,000 before you reach retirement age?"*

If they don't think so, then they may need to consider working to build savings somewhere else in addition to their 401k plan.

That takes us to the next part of our story.

The \$5 - \$10 - \$20 Story



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details. For financial professional use only. Not for use with consumers. 9

Now that we've gained an idea about whether someone may be on-track... or not on-track... to potentially achieve their retirement savings goals, let's talk about a simple story that can help people understand how they might be able to use life insurance to help bridge the gap.

I like to call this second story "***The \$5 - \$10 - \$20 Story***"

Let's see how it works.

The \$5 - \$10 - \$20 Story

If you had an opportunity that had this potential:

- Allocate a total of \$5...
- Over time it could hypothetically grow to \$10, and...
- During retirement it could potentially provide a total of \$20...

You could ask yourself: Would you consider it?

Notice that the \$5 doubled to \$10...

And the \$10 doubled to \$20



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details. For financial professional use only. Not for use with consumers.

10

Let me begin by asking you a question:

If you had an opportunity that had this potential:

- Over time you allocated a total of \$5...
- Over time the value hypothetically grew to \$10, and...
- During your retirement it could potentially provide a total of \$20...

You could ask yourself: ***Would you consider doing it?***

Notice in this hypothetical example that the \$5 doubled to \$10, and the \$10 doubled to \$20.

And notice that, overall, the \$5 quadrupled to \$20.

Let's put this "doubling effect" into different perspective:

Think of your house quadrupling in value.

Imagine if you paid \$500,000 for your house, and at some point in the future you were able to sell it for \$2 million...

would you consider ***that*** to be a pretty good deal?

Ask people, and see what they think.

The \$5 - \$10 - \$20 Story

If you had to pay tax on one of those numbers:

- The \$5 you that was allocated...
- The \$10 it hypothetically grew to...

OR

- The \$20 taken-out...

Which would you choose?



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details. For financial professional use only. Not for use with consumers.

11

So let's assume what you just saw could potentially happen...

- You allocate \$5...
- It hypothetically grew to \$10...
- And it could potentially provide \$20

But let's further assume that TAXES must be paid on one of those three numbers.

Would you have a preference as to which one would you choose to pay taxes on?

In my experience, people I talk-to tend to say they would prefer to pay tax on the \$5.

The \$5 - \$10 - \$20 Story

Corebridge's *Max Accumulator+ III* IUL

- Male, age 40, PNT
- \$1,000 Monthly Premium to A70 = **\$360,000**
- Age 70 hypothetical value @ 6.00% (MLSB) = **\$888,000**
- Hypothetical loans* ages 71 – 95 = **\$2,190,000**
 - (\$87,626 x 25 years)

Which would you choose to pay tax on?

This is a hypothetical example is for illustrative purposes only. Values as of 2/7/24.
* Based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a Modified Endowment Contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59½. Life insurance is not an investment.
Death Benefits, which are reduced by the loan balance, are generally excludable from the beneficiary's federal taxable income under most circumstances and under current federal income tax law.



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details.
For financial professional use only. Not for use with consumers.

12

(The values on this page were calculated on 2/7/2024.)

So let's look at values from a hypothetical scenario to get an idea of how permanent life insurance, like Index Universal Life insurance, might look in a hypothetical illustration. Just keep in mind that life insurance is not an investment.

This example illustrates Max Accumulator+ III for a male, age 40 in the preferred non-tobacco underwriting class.

We'll illustrate premiums of \$1,000 monthly to age 70... that's a total of \$360,000 of premiums

When I look at the illustration at age 70, it shows a hypothetical, non-guaranteed value, assuming a hypothetical 6.00% interest crediting rate, of more than \$888,000.

I concluded this illustration by having the software solve for the annual loans that could be taken from age 71 to age 95 *(that's 25 years of distributions)*.

Based on these non-guaranteed assumptions, the illustration solved for \$87,626 per year. When you multiply that by 25 years,

it's total loans of just over \$2,190,000.

(Assumes the use of policy loans. If the policy is classified as a modified endowment contract (see IRC section 7702A), loans are subject to ordinary income tax and an additional 10% tax penalty may apply if taken prior to age 59½.)

Notice the similarity to our \$5 - \$10 - \$20 example.

In this hypothetical scenario the \$360,000 of premiums more than doubled to the age 70 projected value of \$888,000;

And the \$888,000 hypothetical age-70 cash value more-than doubled to the \$2,190,000 of hypothetical policy loans.

You might be glad to know that, if this hypothetical scenario played out this way in real life, and assuming that the policy was funded and managed correctly, you would've paid tax on the income used to pay the \$360,000 of premiums, not on the hypothetical account value growth within the policy, and not on the \$2,190,000 of loans taken from the policy.

Max Accumulator+ III
MAGPNT Premiums To A70
Male, Age: 40, Preferred Non-Tobacco, TX
Initial Death Benefit: \$219,305, Increasing

ALLOCATION
Blend Participation Rate Act (Utilizing ML Strategic Balanced Index): 100.00%

corebridge
financial

Supplemental Illustration: Loans and Withdrawals

For guaranteed elements and other important information, please see the Basic Illustration.

Initial Annual Premium: \$12,000.00
Premium Mode: Monthly
Disbursement Mode: Monthly
Loan Type: Participating Loan
Loan Interest Type: Borrow from Policy
Current Loan Interest Charge: 5.50%
Current Loan Interest Credited: Varies by Year

Loans and Withdrawals ¹								
Year	Age	Premium Outlay ¹	Net Outlay	Loan Interest Charged	Net Annual Loan Interest Credited	Accumulated Loan Amount	Cash Surrender Value	Death Benefit
27	67	12,000	12,000	0	0	0	707,666	926,971
28	68	12,000	12,000	0	0	0	764,291	983,596
29	69	12,000	12,000	0	0	0		1,043,837
30	70	12,000	12,000	0	0	0	888,606	1,107,911
Subtotal		360,000						
31	71	0	-87,626	2,587	0	90,213	856,268	998,240
32	72	0	-87,626	7,546	0	185,385	823,591	954,758
33	73	0	-87,626	12,777	0	285,788	790,800	909,224
34	74	0	-87,626	18,295	0	391,709	758,044	861,522
35	75	0	-87,626	24,117	0	503,453	725,510	811,538
Subtotal		360,000						
36	76	0	-87,626	30,259	0	621,338	693,431	759,169
37	77	0	-87,626	36,738	0	745,702	661,578	731,942
38	78	0	-87,626	43,574	0	876,902	630,065	705,413
39	79	0	-87,626	50,785	0	1,015,313	599,014	679,730
40	80	0	-87,626	58,393	0	1,161,331	568,547	655,041
Subtotal		360,000						
41	81	0	-87,626	66,418	0	1,315,376	538,786	631,495
42	82	0	-87,626	74,885	0	1,477,887	509,792	609,176
43	83	0	-87,626	83,817	0	1,649,330	481,638	588,186
44	84	0	-87,626	93,241	0	1,830,197	454,385	568,614
45	85	0	-87,626	103,182	0	2,021,004	428,064	550,518
Subtotal		360,000						

This is a hypothetical example is for illustrative purposes only. Values are as of 2/7/24. Results are based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a Modified Endowment Contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59½. This policy is illustrated as a non-Modified Endowment Contract (non-MEC). Death Benefits are generally excludable from the beneficiary's federal taxable income under most circumstances and under current federal income tax law.

Max Accumulator+ III IUL
Values as of 2/7/2024

corebridge
financial

educational use only, and is not intended advice, nor is it intended to make any complex and subject to change. ate professional, nd of this presentation for more details. d for use with consumers.

13

This is a hypothetical example is for illustrative purposes only. Values are as of 2/7/24. Results are based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a Modified Endowment Contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59½. This policy is illustrated as a non-Modified Endowment Contract (non-MEC). Death Benefits are generally excludable from the beneficiary's federal taxable income under most circumstances and under current federal income tax law.

Illustrational use only, and is not intended advice, nor is it intended to make any complex and subject to change. Not for use with consumers.

To document where these values came from, here's a screen capture of a part of the illustration from age 67 through age 85 showing:

- The last 3 premiums of \$1,000-per-month, totaling \$12,000-per-year, for a grand total of \$360,000 of premiums over the 30-year period;
- The hypothetical non-guaranteed age-70 value of \$888,606; and,,, (continued on next slide)

(Values as of February 7, 2024)

Max Accumulator+ III
MSPNT Premium To A70
Male, Age: 40, Preferred Non-Tobacco, TX
Initial Death Benefit: \$219,305, increasing

ALLOCATION
Blend Participation Rate Act (Utilizing ML Strategic Balanced Index): 100.00%

corebridge
financial

Supplemental Illustration: Loans and Withdrawals

For guaranteed elements and other important information, please see the Basic Illustration.

Initial Annual Premium: \$12,000.00
Premium Mode: Monthly
Disbursement Mode: Monthly
Loan Type: Participating Loan

Loan Interest Type: Borrow from Policy
Current Loan Interest Charge: 5.50%
Current Loan Interest Credited: Varies by Year

Loans and Withdrawals ¹								
Year	Age	Premium Outlay ¹	Net Outlay	Loan Interest Charged	Net Annual Loan Interest Credited	Accumulated Loan Amount	Cash Surrender Value	Death Benefit
27	67	12,000	12,000	0	0	0	707,666	926,971
28	68	12,000	12,000	0	0	0	764,291	983,596
29	69	12,000	12,000	0	0	0		1,043,837
30	70	12,000	12,000	0	0	0	888,606	1,107,911
Subtotal		360,000						
31	71	0	-87,626	2,587	0	90,213	856,268	998,240
32	72	0	-87,626	7,546	0	185,385	823,591	954,758
33	73	0	-87,626	12,777	0	285,788	790,800	909,224
34	74	0	-87,626	18,295	0	391,709	758,044	861,522
35	75	0	-87,626	24,117	0	503,453	725,510	811,538
Subtotal		360,000						
36	76	0	-87,626	30,259	0	621,338	693,431	759,169
37	77	0	-87,626	36,738	0	745,702	661,578	731,942
38	78	0	-87,626	43,574	0	876,902	630,065	705,413
39	79	0	-87,626	50,785	0	1,015,313	599,014	679,730
40	80	0	-87,626	58,393	0	1,161,331	568,547	655,041
Subtotal		360,000						
41	81	0	-87,626	66,418	0	1,315,376	538,786	631,495
42	82	0	-87,626	74,885	0	1,477,887	509,792	609,176
43	83	0	-87,626	83,817	0	1,649,330	481,638	588,186
44	84	0	-87,626	93,241	0	1,830,197	454,385	568,614
45	85	0	-87,626	103,182	0	2,021,004	428,064	550,518
Subtotal		360,000						

Total Projected Policy Loans:

\$87,626
x 25 years
\$2,190,000

Max Accumulator+ III IUL
Values as of 2/7/2024

corebridge
financial

This is a hypothetical example for illustrative purposes only. Values are as of 2/7/24. Results are based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a Modified Endowment Contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59½. This policy is illustrated as a non-Modified Endowment Contract (non-MEC). Death Benefits are generally excludable from the beneficiary's federal taxable income under most circumstances and under current federal income tax law.

educational use only, and is not intended advice, nor is it intended to make any complex and subject to change. ate professional. d of this presentation for more details. t for use with consumers.

14

**Total Projected
Policy Loans:**

\$87,626
x 25 years
\$2,190,000

Max Accumulator+ III IUL
Values as of 2/7/2024

corebridge
financial

This is a hypothetical example is for illustrative purposes only. Values are as of 2/7/24. Results are based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a Modified Endowment Contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59½. This policy is illustrated as a non-Modified Endowment Contract (non-MEC). Death Benefits are generally excludable from the beneficiary's federal taxable income under most circumstances and under current federal income tax law.

Illustrational use only, and is not intended advice, nor is it intended to make any complex and subject to change. Not for use with consumers.

14

... the illustration shows hypothetical policy loans of \$87,626-per-year that continued for 25 years, totaling just over \$2,190,000.

This screen-capture only shows the distributions through age 85.

The remaining 10 years of policy loans are illustrated on the subsequent page, which is not shown here for the sake of brevity.

(Values as of February 7, 2024)

How Much Does Life Insurance Cost?



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details.

For financial professional use only. Not for use with consumers.

15

Now that we know a simple formula for estimating how much premium to consider paying into a life insurance policy to pay costs of insurance, policy fees and other policy costs, and potentially build supplemental cash value, some people will ask: "How much does one of those life insurance policies cost?"

Financial Advisors and investors generally know that every investment has a cost... taxes, commissions, asset management fees, etc. These costs can be clearly documented in a prospectus for many investments.

Most of these costs are percentages that remain constant within the investment, so they're easy to understand.

For example, a mutual fund might have a 1% asset management fee. If that mutual fund grew by 10%, you'd net 9% after paying the 1% asset management fee.

But with life insurance it's not so simple. Many of the costs of a life insurance policy change over time, and are different from one policy year to the next.

And, interestingly, in Universal Life Insurance policies, the premium does not necessarily directly equate to the actual "cost" of the policy. In any policy year the premium may be more-than or less-than the policy's actual costs.

As a result, many Advisors ask “But how much does a maximum-funded Life Insurance Policy actually cost?”

Today I’m going to put that answer into terms that financial professionals (*and many life insurance policy purchasers*) may be able to understand more easily.

How Much Does Life Insurance Cost?

Sample Assumptions:

- **Male 40 PNT**
- **Product: Corebridge's *Max Accumulator+ III IUL***
- **Hypothetical interest rate: 6.00%** (*.65% MLSB bonus in yrs. 6+*)
- **Premiums: \$1,000 per month to age 70**
- **Initial Death Benefit: \$220,000**
- **Participating loans for 25 years* (age 71 – 95): \$87,626**

This is a hypothetical example is for illustrative purposes only. Values as of 2/7/24.

* Based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a Modified Endowment Contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59½.

Death Benefits are generally excludable from the beneficiary's federal taxable income under most circumstances and under current federal income tax law.



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional.

See the "Important Notes" slide at the beginning and end of this presentation for more details.

For financial professional use only. Not for use with consumers.

16

Let me start with an example built around the same assumptions as our previous example.

- We'll look at a male, age 40 that qualifies for the Preferred Non-Tobacco underwriting class
- This example will use the Corebridge Financial ***Max Accumulator+ III IUL*** policy assuming a 6.00% hypothetical interest rate.
- The policy will be funded with premiums of \$1,000 per-month from age 40 to age 70... the same 30 years of funding as in our prior example.
- When I calculated the results, the initial death benefit was just \$220,000.
- Then, starting at age 71 and continuing for 25 years to age 95, I solved for the annual loans that could be illustrated based on these assumptions.
- As you'll recall, the illustration solved for hypothetical annual loans of \$87,626 per year for 25 years (*based on non-guaranteed elements*)... total illustrated loans of just over \$2,190,000.

Now let's look at one way you can interpret the cost of the policy.

Not an actual case.
This is a hypothetical example for illustrative purposes only.
Values as of 2/7/2024.
Past performance is not indicative of future results.

This is a hypothetical example for illustrative purposes only. Values as of 2/7/24. Results are based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a Modified Endowment Contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59½. This policy is illustrated as a non-Modified Endowment Contract (non-MEC). Death Benefits are generally excludable from the beneficiary's federal taxable income under most circumstances and under current federal income tax law.

corebridge financial

Max Accumulator+ III
MAGNY Prem: To A/U
Male, Age: 40, Preferred Non-Tobacco, TX
Initial Death Benefit: \$219,305; Increasing

ALLOCATION
Blend Participation Rate Acct (Utilizing ML Strategic Balanced Index): 100.00%

corebridge financial

Supplemental Illustration: Non-Guaranteed Policy Values Internal Rate of Return Report
For guaranteed elements and other important information, please see the Basic Illustration.

Initial Annual Premium: \$12,000.00 Monthly
Premium Mode: Monthly

Initial Non-Guaranteed Policy Value: Blend Participation Rate Account (Utilizing ML Strategic Balanced Index): 6.00%

Current Account Value Enhancement: Blend Participation Rate Account (Utilizing ML Strategic Balanced Index): 0.65%

For Current Non-Guaranteed Policy Values, see Illustration Assumptions. For Non-Guaranteed Interest Rates, see Illustration Assumptions.

Year	Age	Premium	Net Outlay	Accumulation Value	Cash Surrender Value	Death Benefit	Cash Surrender Value IRR	Death Benefit IRR
23	64	12,000	12,000	513,659	513,659	732,964	4.88%	4.7%
25	65	12,000	12,000	557,679	557,679	776,984	4.96%	4.7%
Subtotal		360,000						
26	66	12,000	12,000	654,445	654,445	873,750	5.11%	6.94%
27	67	12,000	12,000	707,666	707,666	926,971	5.17%	6.82%
28	68	12,000	12,000	764,291	764,291	983,596	5.23%	6.70%
29	69	12,000	12,000	824,532	824,532	1,038,837	5.28%	6.60%
30	70	12,000	12,000	888,606	888,606	1,100,911	5.32%	6.52%
Subtotal		360,000						
L 31	71	0	-87,626	946,481	856,268	988,200	5.40%	6.12%
L 32	72	0	-87,626	1,008,976	823,591	954,750	5.46%	6.07%
L 33	73	0	-87,626	1,076,588	790,800	909,224	5.53%	6.03%
L 34	74	0	-87,626	1,149,753	758,044	861,522	5.60%	5.99%
L 35	75	0	-87,626	1,228,963	725,510	811,538	5.66%	5.97%
Subtotal		360,000						
L 36	76	0	-87,626	1,314,768	693,431	759,169	5.73%	5.94%
L 37	77	0	-87,626	1,407,280	661,578	731,942	5.79%	6.00%
L 38	78	0	-87,626	1,506,967	630,065	705,413	5.85%	6.06%
L 39	79	0	-87,626	1,614,326	599,014	679,730	5.92%	6.12%
L 40	80	0	-87,626	1,729,879	568,547	655,041	5.98%	6.18%
Subtotal		360,000						
L 41	81	0	-87,626	1,854,162	538,786	631,495	6.04%	6.23%
L 42	82	0	-87,626	1,987,679	509,792	609,176	6.10%	6.29%
L 43	83	0	-87,626	2,130,968	481,638	588,186	6.16%	6.35%
L 44	84	0	-87,626	2,284,582	454,385	568,614	6.22%	6.40%

Before I get into the description using excerpts from an illustration, some commentary about this information is in-order.

This excerpt from the product illustration is intended to explain what the **Cash Surrender Value Internal Rate of Return** column means.

This information is often misinterpreted, and it has a specific financial meaning. This slide is intended to help the audience further their knowledge and understanding of the product illustration and, in particular, the meaning of the **Cash Surrender Value IRR**.

Here I've captured a portion of the illustration created by the hypothetical assumptions I just described.

In the second-last column you can see the "**Cash Surrender Value IRR**," or **Internal Rate of Return**.

That column lists the required growth rate on an alternative cash accumulation option, net of taxes and costs, in ALL PRIOR YEARS, to generate the same value shown in the illustration's cash surrender value.

For example, if I focus on year 23, in the fourth column you can see that the Premium "Net Outlay" of \$1,000 per month creates a total of \$12,000 per year.

That premium has been illustrated for 30 years, totaling \$360,000. By the end of the 23rd year, the total premiums are \$276,000. The illustrated cash surrender value in the 23rd year is \$732,964; and it has an **IRR** of 4.88%.

What does that mean?

It means that \$1,000-per-month would need to grow at a 4.88% compound annual growth rate each-and-every-year for 23 years to achieve the same \$732,964 value in the 23rd year.

Toward the bottom of the column – at age 80 – you can see that the IRR has increased to 5.98%.

Applying the same logic, this means that paying \$1,000 per month for 30 years, and taking out \$87,626 from age 71 through age 80, it would require a 5.98% compound annual rate of return every year for 40 consecutive years to still have \$568,547 of cash surrender value remaining.

So how do we use this information to estimate the cost of the life insurance policy?

In the header of the sample illustration you can see that I assumed a 6.00% interest rate.

Starting in year 6 the **Max Accumulator+ III IUL** policy, when illustrated using an index interest strategy that utilizes the Merrill Lynch Strategic Balanced Index, which we abbreviate as MLSB, automatically adds 0.65% of Account Value Enhancement, taking the total illustrated non-guaranteed interest rate to 6.65% in all years after year 5.

When I compare the illustrated non-guaranteed interest rate of 6.65% to the IRR of 5.98%, you can see that we've lost less than 1% of the hypothetical rate of return to the total costs of the policy. In fact, it's only about 67 basis points, or .67%.

So, using this information you could summarize the "overall 40-year cost" of the policy in terms Financial Advisors can understand... "If you were to keep this policy until age 80, based on these non-guaranteed assumptions, the approximate overall annual cost could be expressed as ***about seven-tenths of 1%.***"

Not an actual case.
This is a hypothetical example for illustrative purposes only.
Values as of 2/7/2024.
Past performance is not indicative of future results.

Where else can you get:

- ✓ tax-deferred-growth¹;
- ✓ income-tax-free distributions² that may supplement retirement income;
- ✓ income-tax-free to beneficiaries³; and
- ✓ upside market performance opportunity with...
- ✓ no downside market risk...
- ✓ for about 67 basis points, or .67%?

corebridge

financial

Max Accumulator+ III

MAGPNT Pmts To A70
Male Age 40; Preferred Non-Tobacco; TX
Initial Death Benefit: \$219,305; Increasing

ALLOCATION
Blend Participation Rate Acct (Utilizing ML Strategic Balanced Index): 100.00%

corebridge

financial

Supplemental Illustration: Non-Guaranteed Policy Values Internal Rate of Return Report

For guaranteed elements and other important information, please see the Basic Illustration.

Initial Annual Premium: \$12,000.00
Premium Mode: Monthly

Initial Non-Guaranteed Crediting Rate
Blend Participation Rate Account (Utilizing ML SB Index): **6.00%**

Current Account Value Enhancement¹
Blend Participation Rate Account (Utilizing ML SB Index): **0.65%**

For Current Non-Guaranteed Hypothetical Rates, see Illustration Assumptions for Non-Guaranteed Interest Rates section.

Year	Age	Premium Outlay ²	Net Outlay	Accumulation Value	Cash Surrender Value	Death Benefit	Cash Surrender Value IRR	Death Benefit IRR
23	63	12,000	12,000	513,659	513,659	732,964	4.88%	4.7%
24	64	12,000	12,000	557,679	557,679	776,984	4.96%	4.27%
25	65	12,000	12,000	604,505	604,505	823,810	5.03%	7.09%
Subtotal		360,000						
26	66	12,000	12,000	654,445	654,445	873,750	5.11%	6.94%
27	67	12,000	12,000	707,666	707,666	926,971	5.17%	6.82%
28	68	12,000	12,000	764,291	764,291	983,596	5.23%	6.70%
29	69	12,000	12,000	824,532	824,532	1,038,837	5.28%	6.60%
30	70	12,000	12,000	888,606	888,606	1,101,911	5.32%	6.52%
Subtotal		360,000						
L 31	71	0	-87,626	946,481	856,268	998,200	5.40%	6.12%
L 32	72	0	-87,626	1,008,976	823,591	954,750	5.46%	6.07%
L 33	73	0	-87,626	1,076,588	790,800	909,224	5.53%	6.03%
L 34	74	0	-87,626	1,149,753	758,044	861,522	5.60%	5.99%
L 35	75	0	-87,626	1,228,963	725,510	811,538	5.66%	5.97%
Subtotal		360,000						
L 36	76	0	-87,626	1,314,768	693,431	759,169	5.73%	5.94%
L 37	77	0	-87,626	1,407,280	661,578	731,942	5.79%	6.00%
L 38	78	0	-87,626	1,506,967	630,065	705,413	5.85%	6.06%
L 39	79	0	-87,626	1,614,326	599,014	679,730	5.92%	6.12%
L 40	80	0	-87,626	1,729,879	568,547	655,041	5.98%	6.18%
Subtotal		360,000						
L 41	81	0	-87,626	1,854,162	538,786	631,495	6.04%	6.23%
L 42	82	0	-87,626	1,987,679	509,792	609,176	6.10%	6.29%
L 43	83	0	-87,626	2,130,968	481,638	588,186	6.16%	6.35%
L 44	84	0	-87,626	2,284,582	454,385	568,614	6.22%	6.40%

So one might ask...

“What approach provides the potential for tax-deferred-growth; income-tax-free policy loans that could be used to supplement retirement income; an income-tax-free death benefit for heirs; plus upside market potential with no downside market risk... all for about 67 basis points?”

That could be difficult to find anywhere else.

How Much Premium?



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details.
For financial professional use only. Not for use with consumers. 19

This brings us to the last part of today's discussion. If someone is considering using life insurance to help accumulate additional cash surrender value ***in addition to*** providing needed life insurance protection, how much premium might they consider paying into the policy?

Let me walk you through a simple formula that might be helpful.

How Much Premium?

- Universal Life insurance policies have premium flexibility
- There's no *"hard-and-fast rule"* about what the premium should be
- It depends on the policy, and the policy owner's objectives
- Here are examples of things to consider:
 - How much life insurance is needed, and for how long?
 - Is the premium affordable for the policy owner?
 - How much cash value is desirable to accumulate?



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details. For financial professional use only. Not for use with consumers.

20

Remember that Universal Life Insurance policies have a fair amount of premium flexibility.

There's really no hard-and-fast-rule about what the policy's premium should be.

It depends on the policy and the policy owner's objectives.

Here are some things that should be considered first and foremost:

- Among other things, think about how much life insurance is needed, and for how long? There are many facets to consider in determining how much life insurance someone needs, but for purposes of today's conversation, let's assume that appropriate analysis has been done to determine the death benefit.
- Is the premium affordable for the policy owner? After all, purchasing a life insurance policy is typically a long-term commitment.
- Then consider how much cash value would be desirable in order to achieve the policy owner's objectives.

How Much Premium?

- **One option... a simple formula**
- **Consider a reasonable percentage of income to save every year... for example:**
 - Assume a hypothetical client with annual income of \$300,000
 - Assume overall savings objective of 15% of income per year
 - $\$300,000 \times 15\% = \$45,000$ per year = targeted savings
- **Subtract what's already being contributed to savings**
 - Assume \$23,000 per year contributed to 401k plan
- **Make-up the difference with life insurance premiums**
 - $\$45,000 - \$23,000 = \$22,000$ = almost \$2,000 per month
 - Premium of \$2,000 per month?



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details.
For financial professional use only. Not for use with consumers. 21

Once that part of the process is complete, one option for estimating the premium could be to use a simple formula that works like this:

Begin by considering a reasonable percentage of income to save every year.

Obviously "reasonable" is a vague term, and that's intentional. What might be deemed "reasonable" for one policy owner may not be "reasonable" for another policy owner.

But let's work with the following assumptions to reveal how this simple formula works:

- Assume a hypothetical client with an annual income of \$300,000
- Further assume that, for this hypothetical client, a "reasonable" savings objective is to set aside 15% of income every year.
- Then, using simple math, multiply the \$300,000 income by the 15% savings rate to estimate a target savings of \$45,000 per year.

Next, subtract what's already being contributed to savings.

In our example, let's use a nice round number, and assume annual contributions of \$23,000 per year to their 401k plan.

The difference could be paid as life insurance premiums with the intent of accumulating cash value inside of the policy.

In this example, begin with their targeted annual savings of \$45,000. Subtract the \$23,000 that's being contributed to a 401k plan. That leaves a balance... or a shortfall... of \$22,000 per year, which is almost \$2,000 per month.

Perhaps a starting point for conversation is a monthly life insurance premium of about \$2,000.

Now that you understand the concept, you can have this discussion with any client to formulate an estimate of premium to pay into a life insurance policy to achieve their overall goals.

A next logical step might be to create an illustration to see, based on that premium, what the hypothetical non-guaranteed cash value will be at the anticipated retirement age, and make adjustments to the premium based on those results.

The Rule Of 25

The \$5 - \$10 - \$20 Story

How Much Does Life Insurance Cost?

How Much Premium?



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional. See the "Important Notes" slide at the beginning and end of this presentation for more details.

For financial professional use only. Not for use with consumers.

22

So there are your four topics for today:

1. **The Rule Of 25**, which helps estimate the amount of money necessary at the beginning of retirement... and a way to estimate if someone is on-track to get there.
2. If it looks like more cash value needs to be accumulated, **the \$5 - \$10 - \$20 Story** can show how the tax advantages of life insurance may not only provide death benefits, but could also help provide additional cash value accumulation.
3. For those that would like to have a ballpark idea of how much a life insurance policy costs, in the aggregate, over the life of the policy, in general terms... the **How Much Does Life Insurance Cost?** story might be helpful.
4. The fourth part of the story can provide an estimated starting point for **How Much Premium** might be paid into the policy... adjusted, of course, depending on the projected hypothetical results and the policy owner's objectives.

Learn all four stories, and then learn how to tell them back-to-back to demonstrate the value of including life insurance as part of an overall goal to help achieve financial security.

Important Disclosures

Policies issued by **American General Life Insurance Company** (AGL), Houston, TX except in New York, where issued by **The United States Life Insurance Company in the City of New York** (US Life). Policy Form Numbers: ICC22-22191, 22191, 19646N, 19646NU. **AGL does not solicit, issue, or deliver policies or contracts in the state of New York.** Guarantees are backed by the claims-paying ability of the issuing insurance company and each company is responsible for the financial obligations of its products. Products may not be available in all states and features may vary by state.

All companies above are wholly owned subsidiaries of Corebridge Financial, Inc.
Corebridge Financial and Corebridge are marketing names used by these companies.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional.

© Corebridge Financial, Inc. All rights reserved.

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR PUBLIC DISTRIBUTION.

AGLC202297

Red Oak 3384884



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting, or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional.

See the "Important Notes" slide at the beginning and end of this presentation for more details.

For financial professional use only. Not for use with consumers.

23

Here are some important notes about today's discussion.

It's important to take time to familiarize yourself with this information.



Thanks for joining me for today's discussion. I hope you picked up a few ideas about Four Life Insurance Accumulation Concepts that you can discuss with your clients that might help them achieve their goals.

Here at Corebridge we'll continue to provide you with the products, the services and the people that have become the hallmark of the Corebridge reputation.

And I'd like to extend my thanks to all of you for everything you do, every day, to help your clients achieve and protect their lifetime of financial security.



Cover slide.