

July 6, 2021 21-048

Max Accumulator+ II IUL & 7702 Updates

We are pleased to announce that effective July 17th, 2021, Max Accumulator+ II IUL will be updated to meet the new 7702 requirements, including new CVAT Corridor Factor and Guideline/7-Pay Premium Test interest rates. As the result of the change, clients can now choose to pay more premium into the policy without creating a Modified Endowment Contract (MEC) violating life insurance tests, and therefore improve cash value accumulation and income distribution potential.

In addition to this 7702 update, we also made some changes and improved the ML Strategic Balanced Index Participation Rate from 110% to 115%. Max Accumulator+ II will continue to be a competitive cash accumulation IUL with innovative features. For more product information, click **here.**

Max Accumulator+ II Transition Rules

Paper Applications

- New Max Accumulator+ II product is effective July 17, 2021.
- Applications received on or after July 17, 2021 will receive the new product.
- Starting 4:00 PM CDT on July 16, 2021 only the new product will be available in Winflex.
- To receive the old product applications must be received on or before July 16, 2021.
 - A new 7702 compliant illustration is required and must be requested from the Sales Support Desk (access code required).
 Please contact the Sales Support Desk to request a new 7702 compliant illustration.
 - Applications for the **old product** must be issued by **September** 16, 2021; otherwise, an illustration for the **new product** will be required.
 - For 1035 exchanges, funding must be received from the transferring carrier no later than September 16, 2021. Or alternatively, the insured may pay the minimum initial out-ofpocket premium by September 16, 2021 to continue toward issuance of the prior version of the Max Accumulator+ II product. Otherwise an illustration for the new product will be required. Continued on page 2 >>

State Availability

All states, including NY

Resources

Bulletin 21-017:

IRC Section 7702 Year-end Updates

Other products affected by the 7702 change:

Value+ Protector II,
Protection Extend IUL
(conversion only IUL) and
Secure Lifetime GUL 3 will
also use new 7-Pay and
Guideline Premium Test
calculations in the illustration
software and administrative
Systems effective July 17th

>> <u>click here</u> for transition rules.

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Policies issued by American General Life Insurance Company (AGL), Houston, TX. Policy Form Numbers: ICC19-19646 19646; Rider Form Numbers: ICC15-15994, 15994, 15994N, ICC15-15600, ICC13-13601, ICC18-18012, ICC16-16420, ICC14-14002, 14306, 07620, ICC15-15997, ICC15-15996, ICCC18-18004, ICC15-15271, ICC15-15274, ICC15-15273, ICC18-18276, except in New York, where issued by The United States Life Insurance Company in the City of New York (US Life), Policy Form Number: 19646N, 19646NU; Rider Form Numbers: 17600N, 13601N, 14012N, 16420N, 14002N, 07620N, 15996N, 15274N, 15272N. Issuing companies AGL and US Life are responsible for financial obligations of insurance products and are members of American International Group, Inc. (AIG). All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Products may not be available in all states and product features including rates may vary by state. Please refer to your policy. © AIG 2021. All rights reserved.

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Max Accumulator+ II Transition Rules - Continued

- For applications received prior to **July 17, 2021**, the new Max Accumulator+ II product can be requested with a new product illustration provided.
- Reissue requests will not be honored.

Quick Ticket

- The new Max Accumulator+ II product is effective July 17, 2021.
- Applications submitted via Quick Ticket by July 16, 2021 will receive the old product if AIG receives the application in good order by August 2, 2021.
 - A new 7702 compliant illustration for the old product will be required and must be requested from the Sales Support Desk (access code required). Please Contact the Sales Support Desk to request a new 7702 compliant illustration.
- Applications submitted via Quick Ticket by July 16, 2021 will receive the new product if AIG receives the application in good order after August 2, 2021.
 - A new Max Accumulator+ II illustration will be required.
- Applications for the old product must be issued by September 16, 2021. Otherwise, a new Max Accumulator+ II illustration will be required.
- Applications submitted to AIG via Quick Ticket on or after July 17, 2021 will automatically receive the new product.
- Reissue requests will not be honored.

iGo Full eApp

- New 7702 rates are applied for Max Accumulator+ II product.
- Please start a new case from the Case information screen and attach a new illustration.

PDF Retrieval for older cases:

- For IUL cases started before July 17-you will get a blocker message and as a reference you can view the older case PDF from "My Cases" screen
- For IUL cases unlocked after July 16-you will get a blocker message and as a reference you can view the older cases PDF from "My Cases" screen
- For IUL cases locked before **July 17**-you will be able to complete signatures and submit the case to AIG within 15 business days.

Value+ Protector II, Protection Extend IUL and Secure Lifetime GUL 3 Transition Rules

- New IRC 7702 rates are effective July 17, 2021.
- Starting 4:00 PM CDT on July 16, 2021 the new 7702 compliant illustration will be available in Winflex.
- Applications received but not issued and with an effective date on or after **July 17**, **2021** will require a new 7702 compliant illustration prior to issue.
 - A new 7702 compliant illustration can be rerun on Winflex after 4PM on 7/16/2021.
 - Please submit the revised illustration to the Home Office.
- Applications pending with a prior version of the illustration and an effective date prior to July 17, 2021 must be issued by September 16, 2021.
- If not issued by **September 16, 2021** a new 7702 compliant illustration will be required with a new effective date on or after **July 17, 2021**.
- Reissue requests will not be honored.

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