



AG HorizonIndex Highlights

- **Three Accounts in Which to Allocate Funds**
 - Fixed Interest Account
 - 1-Year Term Account
 - 2-Year Term Account
- **Two Product Options:** The 9-Year Plan provides a fixed account initial credited interest rate that is guaranteed for six years; the 12-Year Plan guarantees an initial credited interest rate for nine years
- **First-Year Premium Bonus** added to the entire single premium
- **Annual Reallocation of Funds** without withdrawal charges or market value adjustment (MVA)
- **Interest Protection:** Once interest is credited to your account, these gains cannot be lost, even in years of negative market returns
- **Guaranteed Minimum Withdrawal Value** equal to 90.0 percent of your premium, accumulated at 2.0 percent (or higher if required in some states) per year
- **Free Withdrawals:** One withdrawal per contract year, for up to 10.0 percent of the annuity value as of the previous contract anniversary, is allowed after the first contract year without a withdrawal charge or an MVA
- **Income for Life** can be obtained using one of the many great income plan options. Annuity value (without withdrawal charges or MVA) may be applied if certain conditions are met. (See contract for details.)
- **Death Benefit** on the death of the owner is equal to the annuity value or withdrawal value without MVA, depending on the way that the funds are distributed, but will never be less than the premium paid



Annuities issued by:
American General Life Insurance Company
A member company of American International Group, Inc.
 2727-A Allen Parkway, Houston, Texas 77019

Annuity Contract Number 04367

The underwriting risks, financial obligations and support functions associated with the annuities issued by American General Life Insurance Company (American General Life) are solely its responsibility. American General Life is responsible for its own financial condition and contractual obligations.

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Discover the Advantages

When it comes to planning your retirement, it's important to find a financial product that's well suited to your needs and goals. Maybe you need one that provides not only tax-deferred growth but also income payments that cannot be outlived at a time when you need them most. Perhaps one that offers the possibility for growth while also protecting you from market downturns. If you want any or all of these advantages, consider the *AG HorizonIndex* single-premium deferred annuity from American General Life Insurance Company (American General Life).

From the security of guaranteed interest rates to a customizable choice of indexing accounts, the *AG HorizonIndex* annuity offers many of the options you need — all in one product. As a stand-alone product or as part of an overall financial plan, the *AG HorizonIndex* annuity delivers the performance you need now and for years to come.

About American General Life

The most prominent independent ratings agencies continue to recognize American General Life Insurance Company in terms of insurer financial strength and claims-paying ability. Both A.M. Best and Standard & Poor's Corp. have assigned their highest ratings to American General Life.

Clients have long been entrusting their hopes and dreams to American General Life, part of the American International Group, Inc. (AIG) global financial network. The key to our success is simple — a steadfast commitment to our clients and the advisors who safeguard their security. That commitment has been our highest priority for many years and continues to drive our business as we look to the future.

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Interest Crediting Strategies

The *AG HorizonIndex* annuity offers three interest crediting strategies — the Fixed Interest Account, the 1-Year Term Account and the 2-Year Term Account — which allow you to customize your account value allocation to fit your specific financial goals. Amounts may be allocated to any combination of the three strategies.

When the annuity is issued, you'll also select from one of two available options: the 9-Year Plan or the 12-Year Plan. The two options are functionally similar, except:

- Withdrawal charge schedule and MVA (percent charged and length of time; see "Withdrawals")
- Initial guaranteed credited rate and length of guaranteed period in the Fixed Interest Account (see below)
- Premium bonus rate

Your advisor can help you decide which plan is best for you.

Fixed Interest Account

Under the Fixed Interest Account, American General Life will declare an initial credited interest rate, which will be guaranteed for the annuity's multi-year guarantee period (six years under the 9-Year Plan, nine years under the 12-Year Plan; different credited rates will likely be declared for each plan). Interest is credited daily.

After the multi-year guarantee period ends, American General Life will declare interest rates in advance for each contract anniversary, which will be guaranteed for the next 12 months. The minimum guaranteed credited interest rate is 2.0 percent (in most states).

1-Year Term Account

Under this account, interest is credited annually at the end of each one-year indexing term, which coincides with each contract anniversary. The credited interest rate equals the sum of 12 monthly point-to-point Standard & Poor's 500 Composite Stock Price Index (S&P 500 Index)¹ value change percentages, with each month's positive percentage subject to a declared index cap. Monthly change percentages can be either positive or negative, but the annual interest credit will never be less than 0.0 percent.

Sample Scenario

An *AG HorizonIndex* annuity is issued with \$10,000 allocated to the 1-Year Term Account. The declared monthly index cap is 2.0 percent.²

Interest Rate Calculation for 1-Year Term Account			
Month	S&P 500 Index Value	S&P 500 Index Percent Change	Capped Percent Change
Date of Issue	1000	—	—
Month 1	1050	5.00%	2.00%
Month 2	1020	(2.86)	(2.86)
Month 3	1100	7.84	2.00
Month 4	1115	1.36	1.36
Month 5	1095	(1.79)	(1.79)
Month 6	1100	0.46	0.46
Month 7	1100	0.00	0.00
Month 8	1200	9.09	2.00
Month 9	1240	3.33	2.00
Month 10	1210	(2.42)	(2.42)
Month 11	1300	8.33	2.00
Month 12	1330	2.31	2.00
Total Capped Percent Change			6.75%

On the contract anniversary, the 1-Year Term Account is credited with **6.75 percent** interest, or **\$675**, raising the account value to **\$10,675**. Once interest is credited, these gains cannot be lost, even in years of negative market returns.

Had the total capped percent change at the end of the term been negative, a floor rate of 0.0 percent would have been applied and the account value would have remained unchanged. Also note that in months where the S&P 500 Index change exceeded the monthly index cap, the declared 2.0 percent cap rate was substituted for that month.

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² Assuming no partial withdrawals or transfers of value between accounts (which would reduce the balance on which interest is earned)

2-Year Term Account

Under the 2-Year Term Account, interest is credited at the end of each two-year indexing term. The credited rate equals the biennial percentage change in the Standard & Poor's 500 Index value, not to exceed the declared index cap or be less than zero.

Because you may reallocate account values into the 2-Year Term Account annually on the contract anniversary, but not out of the account until the end of the two-year period, a contract may have up to two account value "buckets." On each contract anniversary, interest is credited to the bucket whose indexing term ends on that date.

Sample Scenario

An *AG HorizonIndex* annuity is issued in 2004, with \$5,000 allocated to the 2-Year Term Account. On the first contract anniversary (2005), \$3,000 is reallocated to a second "bucket" under the same account. The declared two-year index caps are 12.0 percent for both buckets.³

Note that in 2009, the S&P 500 Index growth exceeds the index cap, therefore a 12.0 percent rate is credited. Conversely, in 2008, when the index sees negative returns, the floor rate of 0.0 percent is credited. Once interest is credited, these gains cannot be lost, even in years of negative market returns.

Interest Rate Calculations for 2-Year Term Account					
		2006	2007	2008	2009
S&P 500 2-Year Change		+5.5%	+10.0%	-6.8%	+13.8%
Bucket 1 (\$5,000 allocated)	Credited Interest Rate	5.5%	—	0.0%	—
	Interest Credited	\$275	—	\$0	—
	Account Value	\$5,275	—	\$5,275	—
Bucket 2 (\$3,000 allocated)	Credited Interest Rate	—	10.0%	—	12.0%
	Interest Credited	—	\$300	—	\$396
	Account Value	—	\$3,300	—	\$3,696

³ Assuming no partial withdrawals (which would reduce the balance on which interest is earned)

Annual Reallocations

You may reallocate account values among the interest crediting accounts on each contract anniversary. Withdrawal charges and MVAs are not assessed on reallocations. See the annuity contract for full details.

Withdrawals

Withdrawals may or may not be assessed a withdrawal charge or MVA. See annuity contract for details.

- **Free Withdrawal Provision:** After the first contract year, up to 10.0 percent of the annuity value as of the previous contract anniversary can be withdrawn once per year without assessment of a withdrawal charge or MVA
- **Systematic Withdrawals:** Available on a monthly, quarterly, semiannual or annual basis, beginning 30 days after issue. Interest-only systematic withdrawals are allowed from the Fixed Interest Account exclusively, as that is the only account that credits interest throughout the year. Withdrawal charge and MVA are assessed on systematic withdrawals that fall outside the free withdrawal provision.

- **Minimum Required Distributions** on tax-qualified contracts are available without a withdrawal charge or MVA at any time. The 10.0 percent free withdrawal amount is reduced by any such distributions since the previous contract anniversary.

Withdrawal Charges

Withdrawal charges are applied as a percentage of the annuity value (before application of the MVA) that exceeds a permitted free withdrawal.

Contract Year	1	2	3	4	5	6	7	8	9	10	11	12	13+
9-Yr Plan (%)	10	10	9	8	7	6	5	4	2	0	0	0	0
12-Yr Plan (%)	12	12	12	12	12	11	10	9	8	7	5	3	0

Market Value Adjustment (MVA)

MVA may be applied to certain withdrawals. MVAs may increase or decrease the withdrawal value, depending on interest rate fluctuations. If interest rates have declined, the withdrawal value could be higher; if interest rates have increased, the withdrawal value could be lower. MVAs are only applicable during the withdrawal charge period. See the annuity contract for a more detailed explanation.