

Lifetime Income Benefit Rider

Wellbeing Benefit and Enhanced Death Benefit

Frequently Asked Questions



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EstateShield Fixed Index Annuity



AMERICAN EQUITY
INVESTMENT LIFE INSURANCE COMPANY®

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Benefit Account Value (BAV)

What is the BAV?

The Benefits Account Value (BAV) is the value used to calculate income payments under this rider.

How is it calculated?

The initial BAV is the initial premium paid plus the BAV Bonus. The BAV will grow for the life of the contract based on the BAV growth rate calculation, which is determined each contract anniversary by multiplying the preceding year's contract value rate of return by the BAV Multiplier.

Can the payment decrease?

The income payment will decrease if an excess withdrawal¹ over and above the income payment is taken or if payments are stopped and restarted.

When can payments begin under the income rider?

Income payments are available after a 10-year waiting period. The income payments must begin on the day after a contract anniversary.

Can funds be withdrawn from the BAV?

No. The BAV is used to determine what income payments and/or the enhanced death benefit amount would be at a specific point in time. The BAV is not a part of the contract value and is not available for partial withdrawal or in a lump sum.

Are partial withdrawals available?

Yes. Withdrawals can be made from the annuity contract any time before maturity date of the contract. Free withdrawals of up to 10% of the total premiums paid are available annually, after the beginning of year two.

How do partial withdrawals affect BAV growth?

Any withdrawals, free or otherwise, before income payments begin will reduce the BAV on a pro-rata basis.

Potential Income Payment Increases with BAV

How is the BAV used to calculate increasing income payments?

Once income payments begin payouts may continue to increase with positive index changes and the BAV Multiplier. On each anniversary of your first income payment under this rider, we will increase your annual income payment by an amount equal to your current annual income payment multiplied by the BAV growth rate.

What is a BAV Multiplier?

The BAV multiplier is the factor used to create the BAV credit.

Can the BAV Multiplier change?

No. The BAV Multiplier is set at issue and is guaranteed for the life of the contract.

Is there guaranteed growth of the income payments each year with the BAV Multiplier?

No. The BAV Multiplier is only applied to any credited interest and may provide increased payments following positive index changes and maintain payments following negative changes.

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Wellbeing Benefit Option

How long may someone receive Enhanced Income Payments using the Wellbeing Benefit option?

If all of the eligibility requirements are met, the income payment may be increased for the duration of the Enhanced Income period which is currently five years. A statement from a licensed doctor must be provided each year to ensure eligibility.

What happens if someone is no longer eligible for Enhanced Income Payments?

The next income payment will be calculated by dividing previous Enhanced Income Payment amount by the applicable Enhanced Income Payment Factor, currently 200% (150% for joint life).

Can Enhanced Income payments be stopped and restarted at a later date?

No. Enhanced Income payments are only permitted one time. If Enhanced Income payments are stopped, they cannot be restarted.

Enhanced Death Benefit with BAV*

What options does an Enhanced Death Benefit offer?

The Enhanced Death Benefit option gives beneficiaries two choices for receiving death benefit payments:

A) Single lump payment;

If the lump sum payment is elected, the Enhanced Death Benefit equals the BAV on the date of death, multiplied by the Enhanced Death Benefit lump payout percentage of 75%.

B) Series of equal payments spread over five years;

If the series of equal payments is elected, the Enhanced Death Benefit equals the BAV on the date of death, multiplied by the Enhanced Death Benefit payout percentage of 100%.

*The enhanced death benefit is limited to the greater of: 125% of the surrender value provided under the base contract; and premiums received (minus any withdrawals including withdrawal charges) accumulated at 10% annual effective rate; not to exceed 250% of all premiums received (minus any withdrawals including withdrawal charges).

Additional payment option details can be found in the contract.



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Death Benefit Options

What happens if the Owner/Annuitant dies before Income payments start?

Upon the contract owner's death, the death benefit of the contract prior to the maturity date will be equal to the greater of either:

- 1) The contract value;
- 2) The Minimum Guaranteed Surrender Value.

The beneficiary(ies) may choose to receive the death benefit in a lump sum or another payment option available in the annuity contract like the enhanced death benefit can be paid to the surviving joint owner. If there is no surviving joint owner, the death benefit is paid to the named beneficiary(ies).

What happens if the Owner/Annuitant dies after Income payments start?

Again, that depends on who the named beneficiary is. If the payout option is based on the joint-life of both spouses, and the surviving spouse (spouse is at least 50) continues the Base Contract, then the payments will continue until both spouses are deceased.

If single life payout was elected, your spouse has the option to:

- A) Stop income payments and restart those payments later or;
- B) Continue to take income payments.

Income payments would then be based on the benefit payout percentage for your spouse's age at the time income payments are to begin, as listed in the Table of Benefit Payout Percentages shown in the Rider Data section. Those income payments would continue until the BAV is reduced to zero.

If joint life payout option was elected, we will make income payments to your spouse for life.

If the owner or annuitant dies after the contract maturity date, any remaining guaranteed annuity payments will be paid as described in the contract. The spouse will not be guaranteed a lifetime income. If the named beneficiary is anyone other than a spouse the Rider will terminate at the Owner/Annuitant's death and the beneficiary will receive the death benefit from the Contract.

This material is meant to provide a general description of the Lifetime Income Benefit Rider. LIBR benefits and options may vary by annuity product and may not be available on all products. Please see product specific sales brochure and disclosure for complete details.

Annuity Rider issued under form series ICC21 BASE-IDX-MSP, ICC20 MSP-10, 21 MSP-10, ICC20 E-PTP-C, ICC20 E-PTP-PR, ICC20 E-MPTP-C, ICC21 R-LIBR-W-BAV, ICC20 R-EBR, ICC16 R-MV and state variations thereof. Availability may vary by state.

¹Surrender charges may apply to excess withdrawals that, in addition to LIB payment, exceed the free-withdrawal available under the contract. You may be subject to a 10% federal penalty if you make withdrawals before age 59½.

²Spouse as defined under federal law and regulation.

Provisions of the Lifetime Income Benefit Rider, such as Benefits Account Value (BAV) Bonus and BAV Multiplier, may change prior to issue. Please look over your Lifetime Income Benefit Rider closely for your specific provisions.

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