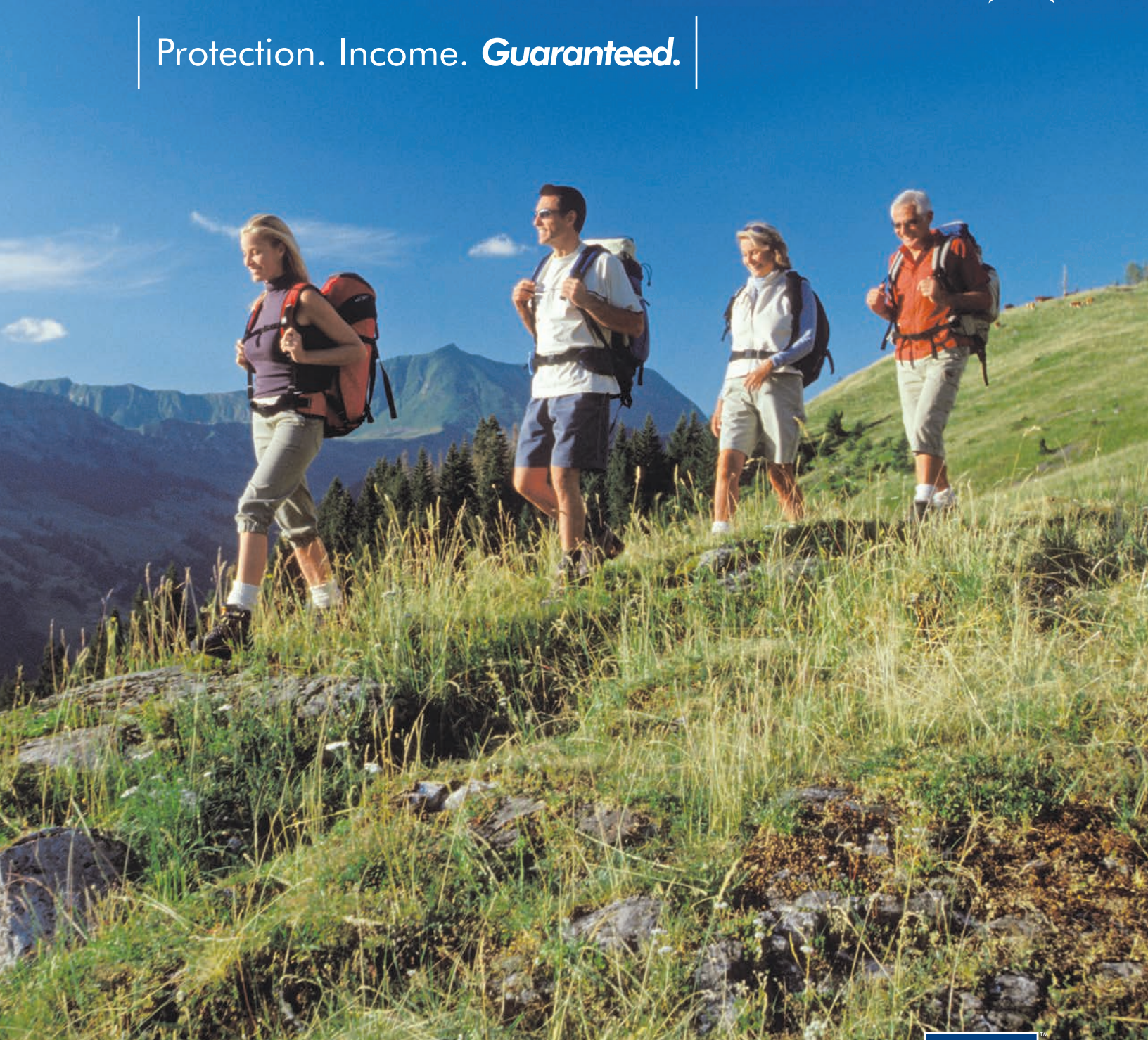


# American Equity's Retirement Gold

With Lifetime Income Benefit Rider

Protection. Income. *Guaranteed.*



The one who works for you!®



# Retirement Gold

## Fixed Index Annuity

Every retirement is different, each with its own financial goals and unique needs. But, many of today's retirement objectives are the same — asset protection, growth opportunities and a reliable income source.

That is why many Americans are turning to fixed index annuities. These products have helped millions of people reach their retirement goals with benefits like principal protection, tax-deferred growth and guaranteed income that cannot be outlived.



# Understanding Fixed Index Annuities

## What is a Fixed Index Annuity?

A fixed index annuity is a contract backed by the financial strength and claims paying ability of the issuing company. This guarantees contract owners a retirement vehicle designed to protect assets while allowing for growth opportunities. It does this through a combination of powerful benefits:

- **Principal Protection**
- **Guaranteed Income**
- **Tax-Deferred Growth**
- **Liquidity**
- **May Avoid Probate**

## How a Fixed Index Annuity Works

The long-term retirement product is purchased with an insurance provider that, in turn, guarantees principal protection, tax-deferred growth on assets and a reliable income stream. Throughout the course of the contract, the fixed index annuity can earn additional interest credits based, in part, on equity index increases.

As an insurance product, the fixed index annuity is not directly tied to any index. So, there are none of the exposure risks associated with direct stock or share ownership. The annuity cannot lose money due to index volatility and the interest credited will never be less than zero.

## Why American Equity?

For over 20 years, American Equity has been committed to quality annuity products backed by superior service. Today, as the number three all-time fixed index annuity provider<sup>1</sup>, we remain focused on the business principles that have served our contract owners from the beginning. Through our financial strength and ongoing stability, we help fund more than half-a-million contract owners' retirements across the country.

**\$51.89 Billion in Assets<sup>2</sup>**

**23,000 Active Agents**

**600,000 Active Contract Owners**

**A- (Excellent) rating from A.M. Best<sup>3</sup>**

**A- (Strong) rating from Standard & Poor's<sup>4</sup>**

**American-owned and operated**





# Key Terms

Here is a list of key terms and definitions that may be useful while learning about this product.

<b>Annuitize</b>	Conversion of the Cash Surrender Value of the annuity into regular guaranteed income payments.	<b>IAV Multiplier</b>	A factor used to calculate the IAV credits, declared annually, and will not be less than a guaranteed minimum. (Only applicable with Lifetime Income Benefit Rider Option 3.)
<b>Accumulation Period</b>	The period of time during which the Income Account Value is credited the Income Account Value rate.	<b>IAV Rate</b>	The interest rate used to calculate the interest credited to the Income Account Value. (Only applicable with Lifetime Income Benefit Rider Options 1 and 2.)
<b>Bonus Vesting</b>	Starting in the fourth year, a percentage of the bonus becomes guaranteed annually and vests over time in accordance with the vesting schedule.	<b>Interest Crediting Strategies</b>	Contract owners choose from several index or fixed value crediting strategies, each offering different opportunities for growth.
<b>Cash Surrender Value</b>	The amount paid to the contract owner by American Equity when the contract is surrendered.	<b>Joint Life Payout</b>	A joint life payout is available only to legal spouses, as defined under federal law. Both spouses must be at least 50 years of age and payment is based on the age of the younger joint payee. Payments are made through the life of the last surviving spouse, so long as spousal continuation is elected.
<b>Contract Value</b>	The total of the values in the annuity contract.	<b>Minimum Guaranteed Surrender Value (MGSV)</b>	At no time will the Cash Surrender Value of the contract be less than 87.5% of premium received, less any withdrawals, accumulated at the minimum guaranteed interest rate.
<b>Death Benefit</b>	The greater of the Contract value or the Minimum Guaranteed Surrender Value. Available Death Benefit payment options are listed in the annuity contract.		
<b>Income Account Value (IAV)</b>	This value is used solely to determine the amount of income to be received under the Lifetime Income Benefit Rider. It is not a traditionally accessible value. This serves as a measuring tool for purposes of the rider only.		



# Key Terms

American Equity is dedicated to simple product designs and easy-to-understand crediting strategies.

**Partial Withdrawal** | Available at any time, for partial distribution over the Penalty-Free Withdrawal amount. Surrender Charges, Bonus Vesting schedule and minimum values will apply.

**Penalty-Free Withdrawal** | Opportunity once a year, after the first contract year, to take a withdrawal of up to 10% of the Contract Value, without expense.

**Premium Bonus** | Guaranteed 8% Premium Bonus on all premiums received in the first contract year.

**Rider Fee** | The fee charged for the Lifetime Income Benefit Rider is deducted from the Contract Value each year as long as the rider is attached to the contract.

**Single Life Payout** | For the owner and sole annuitant, payouts are based on sex and age at election.

**Surrender** | Termination of the contract in exchange for Cash Surrender Value.

**Surrender Charge** | Fee charged, when applicable, for full or partial distribution over the Penalty-Free Withdrawal amount.

**Wellbeing Benefit Enhanced Income Payment** | Increases the amount of income payments by an enhanced income factor, for up to five years. (Only applicable with Lifetime Income Benefit Rider Option 2.)





# The Power of a Fixed Index Annuity

A fixed index annuity offers a powerful combination of benefits that help protect against many of today's common retirement concerns.

Fixed Index Annuity <b>BENEFITS</b>	Common Retirement Concerns				
	Outliving Income	Index Volatility	Tax Exposure	Access to Funds	Taking Care of Loved Ones
Principal Protection	X	X	X		X
Guaranteed Income	X	X		X	X
Tax-Deferred Growth		X	X		X
Liquidity	X	X		X	X
May Avoid Probate				X	X

**Principal Protection:** Premium payments are secure, and each year any interest credited to the contract is locked in and cannot be lost due to index volatility.

**Guaranteed Income:** Flexible payout options available, including lifelong paychecks.

**Tax-Deferred Growth:** Taxes are not paid on the interest the contract earns until any distribution occurs. This enables faster growth by allowing crediting interest to compound over time.

**Liquidity:** Each contract defines various opportunities to withdraw funds, such as Penalty-Free Withdrawals, Partial Withdrawals, qualified care<sup>5</sup> and lifetime income options. (Subject to applicable Surrender Charges.)

**May Avoid Probate:** If applicable, beneficiaries receive any remaining value in the contract while avoiding the expense and time spent in probate.



# Retirement Gold

Retirement Gold is a fixed index annuity designed to help protect hard-earned dollars from index fluctuations while offering interest growth opportunities based on increases in an index.

## Premium Bonus

The Retirement Gold includes a Premium Bonus, which is applied to the Contract Value immediately and vests over time. This provides a jump start for the Contract Value, because the premiums paid during the first year receive a bonus and can help increase interest growth from the start.

## Premium Bonus Allocations

The Retirement Gold offers an 8% Premium Bonus on all premium received in the first contract year. This is added to the Contract Value on the date received, and allocated to the same values as the premiums.

The initial premium payment can be allocated, in any combination, to either the fixed interest or any of the index strategies. Payments received after the initial premium automatically go into the fixed interest strategy. On each contract anniversary, there is an opportunity to transfer between the different strategies.

## Premium Bonus Vesting

The Premium Bonus vests over a 14-year period. Each year, after the third contract year, a percentage is vested until 100% vested — at the end of the 14th contract year.

The vested amount of the Premium Bonus is guaranteed and cannot be forfeited as a result of a Penalty-Free Withdrawal. In the event of a Partial Withdrawal or Surrender, Premium Bonus payouts will be based on the vesting schedule.



**In the event of death, 100% of the Premium Bonus is vested immediately and the beneficiary receives the entire Contract Value, including the Premium Bonus.**

### Premium Bonus Vesting Schedule

Contract Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15+
Vested Percent	0	0	0	8.33	16.67	25	33.33	41.67	50	58.33	66.67	75	83.33	91.67	100

## Surrender Values and Charges

The annuity's Surrender Value will never be less than 87.5% of the premium received, less any withdrawals, accumulated at the minimum guaranteed interest rate. If a Partial Withdrawal or Surrender is taken during the Surrender Charge period, a deduction will be taken out according to the Surrender Charge schedule.

### Surrender Charge Schedule (Age 18-78)

Contract Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15+
Surrender Charge Percent	12.5	12	12	11	10	9	8	7	6	4	0	0	0	0	0



# Money Access Options and Features

With the Retirement Gold there is always access to money in the annuity. American Equity provides withdrawal flexibility and a variety of liquidity options.

## Penalty-Free Withdrawals

This is a once a year opportunity (after the first contract year) to take a Penalty-Free Withdrawal of up to 10% of the Contract Value.

## Partial Withdrawals

These are available at any time. For a partial distribution over the Penalty-Free Withdrawal amount, a Surrender Charge and Premium Bonus Vesting will apply.

All withdrawals are pro-rated between the premium and bonus portions of the contract value. Surrender Charges are then applied to the premium and its accrued interest, and Bonus Vesting is applied to the bonus and its accrued interest to calculate the proceeds. Withdrawals in excess of the Penalty-Free Withdrawal amount will forfeit a part of the non-vested portion of the bonus and its accrued interest.

## Qualified Care Needs

Available at no cost to annuitants under age 75 at issue.

## Nursing Care Rider (NCR-100)<sup>5</sup>

If, after the third contract anniversary, the annuitant is confined to a qualified nursing care center for 90-plus consecutive days, a 100% Penalty-Free Withdrawal is available. A 20% Penalty-Free Withdrawal is available if the confinement occurs in the second or third contract year.

## Terminal Illness Rider (TIR-100)<sup>5</sup>

If, after the first contract year, the annuitant is diagnosed with a terminal illness, a 100% Penalty-Free Withdrawal of the Contract Value is available.

## Death Benefit

Death Benefit proceeds are paid to the named beneficiary(ies) with no Surrender Charges, plus 100% Bonus Vesting. Generally paid in a lump-sum, other income options are also available.







# Retirement Gold with Lifetime Income Benefit Rider

The fixed index annuity and income rider work together to provide a lifetime of benefits.

## What is the optional Lifetime Income Benefit Rider (LIBR)?

The LIBR helps secure a lifelong income source, for contract owners 50+ at issue. The amount of the income to be received is measured by the Income Account Value (IAV). The IAV is credited over time and grows until the earlier of income payments beginning or the end of the Accumulation Period. A Rider Fee is deducted from the Contract Value each year the rider is attached to the contract. Income payments may begin any time after the first contract anniversary. These payments are available without a Surrender Charge or having to Annuitize the contract.

## LIBR Options

### Option 1: LIBR

This option has a set Initial IAV Rate, declared at issue and guaranteed for 10 years. After that guarantee period, the rate credited for the remainder of the 20 year accumulation period will not change and will never be less than a stated minimum. The IAV is calculated on a compounding interest basis.

### Option 2: LIBR with Wellbeing Benefit

In addition to the benefits of Option 1, the Wellbeing Benefit option is designed to help address the financial burden related to significant health issues. Plus, the Wellbeing Benefit Enhanced Income Payment increases the amount of income by an income payment factor, for up to five years, should the contract owner or their spouse become unable to perform multiple activities of daily living outlined in the contract. This option is not confinement driven, so it is available to those receiving home care. There is a two year waiting period before the Wellbeing Benefit can be activated.

### Option 3: LIBR with Indexing Income

With this option, the IAV is calculated based on the rate of return on the contract from the previous anniversary. The Contract Value rate of return is then multiplied by the IAV Multiplier to determine the percentage of IAV credit for the year. Every anniversary, the IAV credit is applied to the IAV. If there are no interest credits for the year, the IAV will not increase. The IAV is calculated using compounding interest.

### Option 1

**Initial IAV Rate:** 6.0%

**Initial IAV Period:** 10 years

**Accumulation Period:** 20 years

**Rider Fee:** 0.90%

### Option 2

**Initial IAV Rate:** 6.0%

**Initial IAV Period:** 10 years

**Accumulation Period:** 20 years

**Rider Fee:** 1.0%

### Option 3

**Initial Multiplier:** 400%  
guaranteed for first year

**Rider Fee:** 0.90%



# Predictable Lifetime Income

Guaranteed income payments based on easy-to-understand payout factors.

## Payout Factors\*

Age	Single		Joint	Age	Single		Joint
	Female	Male	Joint		Female	Male	Joint
50	3.15%	3.35%	3.05%	65	4.75%	4.95%	4.25%
51	3.25%	3.45%	3.15%	66	4.85%	5.10%	4.30%
52	3.35%	3.55%	3.25%	67	4.95%	5.20%	4.35%
53	3.50%	3.70%	3.35%	68	5.05%	5.30%	4.40%
54	3.60%	3.80%	3.45%	69	5.15%	5.40%	4.45%
55	3.70%	3.90%	3.50%	70	5.25%	5.50%	4.50%
56	3.80%	4.00%	3.60%	71	5.30%	5.60%	4.55%
57	3.90%	4.10%	3.65%	72	5.35%	5.70%	4.60%
58	4.00%	4.20%	3.75%	73	5.45%	5.80%	4.65%
59	4.15%	4.35%	3.80%	74	5.55%	5.90%	4.70%
60	4.25%	4.45%	3.85%	75	5.65%	6.00%	4.75%
61	4.35%	4.55%	3.95%	76	5.70%	6.10%	4.80%
62	4.45%	4.65%	4.00%	77	5.75%	6.20%	4.85%
63	4.55%	4.75%	4.10%	78	5.85%	6.30%	4.90%
64	4.65%	4.85%	4.20%	79	5.90%	6.40%	4.95%
				80	6.00%	6.50%	5.00%

The annual income payment equals the IAV on the day the income payments begin, multiplied by the benefit payout percentage applicable to the contract owner's sex and age (if joint payout is elected, whoever is youngest) at the time of election.

If, on the day before income payments are to begin, the Contract Value is greater than the IAV, American Equity will increase the IAV to equal the Contract Value.

\*Montana Residents will be issued on a gender neutral basis. Both Males and Females will be issued using Female payout factors. Joint factors remain the same.



# Income and Withdrawals

The Lifetime Income Benefit Rider offers guaranteed income through a secure revenue source.

## Income Payment Election

Income payments can begin any time after the first contract anniversary. At the time of election, contract owners select either Single Life or Joint Life Payouts. Once income payments begin these choices are locked in and may not be changed.

- **Single Life** – payout factors are determined by the owner's sex and their age at the time of payout election.
- **Joint Life** – payout is based on the youngest age of the contract owner or spouse, who is at least age 50, and income payments are guaranteed until the death of the surviving spouse subject to the spousal continuation provision.

## Excess Withdrawals

Any Partial Withdrawals taken from the Contract Value after income payments have started are considered excess withdrawals and will reduce future income payment amounts and your IAV on a pro-rata basis. For example, an additional withdrawal of 5% of your Contract Value reduces your future income payments by 5%. If an excess withdrawal plus income payment exceeds the Penalty-Free Withdrawal amount allowed in any contract year, Surrender Charges will be applied to any amount in excess of the Penalty-Free Withdrawal amount.

Should excess withdrawals reduce the Contract Value to zero, the IAV will also be reduced to zero, and the contract as well as the rider will be considered surrendered. Any remaining income payments would also terminate.

## Death of Owner

American Equity's annuities have a Death Benefit that allows the beneficiaries immediate access to contract value at the time of death. This can help avoid a costly prolonged probate process.

If the owner's spouse is sole primary beneficiary of the contract, elects spousal continuation, and is at least age 50, then income benefits may continue. Details and available options are in the contract.

The LIBR terminates and income payments stop upon the earliest of either the owner's written request, the date the contract terminates, the date the contract is Annuitized or the date the owner of the contract changes. Once the LIBR terminates, it may not be reinstated.

## Tax Treatment

All income payments are considered a withdrawal from the Contract Value, and any part of the withdrawal that is deferred interest is taxable as income. If the contract is in a qualified plan the entire amount of the withdrawal may be taxable. The taxation of income payments is calculated as outlined in the Internal Revenue Code.

In addition, the taxable portion of any withdrawal taken before age 59½ may be subject to an additional penalty of 10% by the Internal Revenue Service.

Please contact a qualified tax professional for additional information.

# American Equity

## Commitment to Values

### Service

Our contract owners are why we are here, and we do our best to provide service, second to none, every day.

### Integrity

Our values of honesty, fairness and truthfulness have been central to our past success and will continue to be for generations to come.

### Excellence

Our dedication to going above and beyond in every facet of our business has established us as a top-tier fixed index annuity provider.

### Safety

Our products provide Sleep Insurance<sup>®</sup> for contract owners that can trust their principal is protected and their income is guaranteed for life.

For additional resources and blogs, visit [www.american-equity.com](http://www.american-equity.com)



American Equity Investment Life Insurance Company<sup>®</sup>  
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Annuity Contract and Rider issued under form series Index-2-09, ICC17 R-LIBR-FCP, ICC17 R-LIBR-W-FCP, ICC16 R-LIBR-IDX, and state variations thereof. Availability may vary by state.

<sup>1</sup> Source: <https://www.looktowink.com/2018/03/total-overall-indexed-annuity-sales-2017/>. If you cannot access this article online, you may call 888-647-1371 to request a copy.

<sup>2</sup> As of 12/31/17 - Assets \$51.89 billion, Liabilities \$48.89 billion.

<sup>3</sup> A.M. Best has assigned American Equity an "A-" (Excellent) rating, reflecting their current opinion of American Equity's financial strength and its ability to meet its ongoing contractual obligations relative to the norms of the life/health insurance industry. A.M. Best utilizes 15 rating categories ranging from A+ + to F. An "A-" rating from A.M. Best is its fourth highest rating. For the latest rating, access [www.ambest.com](http://www.ambest.com). Rating effective 8/2/2006, affirmed 6/27/2018.

<sup>4</sup> Standard & Poor's rating service has recognized American Equity Investment Life Insurance Company with an "A-" rating. An insurer rated "A" has strong financial security characteristics, but is somewhat more likely to be affected by adverse effects of changing circumstances or economic conditions than are insurers with higher ratings. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. Rating effective 8/5/15, affirmed 8/31/17.

<sup>5</sup> Rider Benefits and form numbers may vary by state. NCR and TIR not available in MA.

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