

# Destinations 10



Fixed Index Annuity



**AMERICAN EQUITY**  
INVESTMENT LIFE INSURANCE COMPANY®

# Destinations

## Fixed Index Annuity

**Retirement is just the beginning.**

The journey to retirement is as important as the journey that begins once you reach retirement. That's why it's important your retirement income plan accounts for the different economic cycles you may encounter along the way to retiring.

The Destinations annuity offers an innovative path with an exclusive index and index-linked crediting options geared toward stability in different market environments.



# 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 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 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.

**\$57.67 Billion in Assets<sup>2</sup>**

**21,000 Active Agents**

**500,000 Active Contract Owners**

**American-owned and operated**

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

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

**A- rating from Fitch<sup>5</sup>**





# Key Terms

Listed here are key terms and definitions that may be useful when learning about our products.

<b>Annuitization</b>	Conversion of the Surrender Value of the annuity into regular guaranteed income payments.	<b>Minimum Guaranteed Surrender Value (MGSV)</b>	At no time will the Surrender Value of the contract be less than 87.5% of premium received, less any withdrawals, accumulated at the minimum guaranteed interest rate.
<b>Surrender Value</b>	The amount paid to the contract owner by American Equity when the contract is surrendered.	<b>Partial Withdrawal</b>	Available at any time, for partial distribution over the Free Withdrawal amount. Surrender Charges and minimum values will apply.
<b>Contract Value</b>	The total of the values in the annuity contract.	<b>Rate Integrity Rider</b>	This rider allows surrender charges to be waived upon termination of the annuity contract if certain criteria are met as described in the annuity contract.
<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>Surrender</b>	Termination of the contract in exchange for Surrender Value.
<b>Free Withdrawal</b>	Opportunity each year, after the first contract year, to take withdrawals up to 10% of the Contract Value, without expense.	<b>Surrender Charge</b>	Fee charged, when applicable, for full or partial distribution over the Free Withdrawal amount.
<b>Interest Crediting Strategies</b>	Contract owners choose from several index or fixed value crediting strategies, each offering different opportunities for growth.		





# 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 Benefits	Common Retirement Concerns				
	Outliving Income	Index Volatility	Tax Exposure	Access to Funds	Taking Care of Loved Ones
Principal Protection	✓	✓	✓		✓
Guaranteed Income	✓	✓		✓	✓
Tax-Deferred Growth		✓	✓		✓
Liquidity	✓	✓		✓	✓
May Avoid Probate				✓	✓

**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:** Earn interest on money without paying taxes on it until any distribution occurs. It enables faster growth by allowing credited interest to compound over time.\*

**Liquidity:** Each contract defines various opportunities to withdraw funds, such as Free Withdrawals, Partial Withdrawals, 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.

\*Assumes contract is individually owned.



# Destinations 10

Destinations 10 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 Allocations

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. Contract Values may be reallocated on the contract anniversary between strategies subject to these minimums:

- The minimum allocation for each value is \$1,000.
- The minimum transfer to select a new value is 10% of the Contract Value.

For the 2-year point to point, Contract Values can be reallocated at the end of a two-year term.

## 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 above the Free Withdrawal or a Surrender is taken during the Surrender Charge period, a deduction will be taken out according to the Surrender Charge schedule.

## Rate Integrity Rider

This rider allows for a waiver of Surrender Charges upon termination of the annuity contract. During the waiver election period, American Equity will waive Surrender Charges if we declare a Participation Rate for any crediting strategy included in the Rate Integrity Rider that is less than or equal to the Surrender Charge waiver rate. The Surrender Charge waiver rate for each crediting strategy is determined at the date of purchase.

## Market Value Adjustment (MVA)

This product contains a Market Value Adjustment (MVA) Rider. An MVA may increase or decrease the amount of a withdrawal in excess of the Free Withdrawal amount or the Surrender Value. The MVA does not apply to Free Withdrawals, any Death Benefit, the MGSV, or any distributions occurring after the Surrender Charge Period has ended. In general, as the MVA Index increases, Cash Surrender Values decrease. As the MVA Index decreases, Cash Surrender Values increase.

### Surrender Charge Schedule (Age 18-80)

Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Surrender Charge Percent	9.2	9	8	7	6	5	4	3	2	1	0



The surviving joint owner or beneficiary receives the entire Contract Value, in the event of the contract owner's death.



# Money Access Options and Features

With the Destinations 10, there is always access to money in the annuity. American Equity provides withdrawal flexibility and a variety of liquidity options.

## Free Withdrawals

This is an opportunity each year (after the first contract year) to take Free Withdrawals up to 10% of the Contract Value.

## Waiver of Surrender Charge Riders

### Nursing Care Rider

Included automatically for owners under age 75 at issue. After the first contract year, a one-time withdrawal of up to 100% of the contract value is allowed if the owner is confined to a qualified nursing care facility for a minimum of 90 days. Confinement must begin after the contract issue date and written proof is required from both the qualified nursing care facility and recommending physician. Any payment made under this rider will not be subject to withdrawal charges, surrender charges, or MVAs.

### Terminal Illness Rider

Included automatically for owners under age 75 at issue. After the first contract year, a one-time withdrawal of up to 100% of the contract value is allowed if the owner is diagnosed with a terminal illness. Diagnosis must occur after the contract issue date and written proof with supporting documentation is required from a qualified physician. Any payment made under this rider will not be subject to withdrawal charges, surrender charges, or MVAs.

### Death Benefit

Death Benefit proceeds are paid to the surviving joint owner. If there is no surviving joint owner, the Death Benefit is paid to the named beneficiary(ies) with no Surrender Charges. Generally paid in the lump-sum, other payment options are also available.



# 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)



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Annuity contract and riders issued under form series ICC17 BASE-IDX, ICC17 IDX-10-10, ICC20 E-PTP-PR, ICC18 E-MPTP-A (Patent Pending), ICC18 R-WSC, ICC16 R-MVA, ICC19 R-NCR, ICC19 R-TIR and state variations thereof. Availability may vary by state.

<sup>1</sup> Source: [https://www.looktowink.com/2019/05/overall\\_indexedannuitiesales2018/](https://www.looktowink.com/2019/05/overall_indexedannuitiesales2018/). If you cannot access this article online, you may call 888-647-1371 to request a copy.

<sup>2</sup> As of 12/31/19 - Assets \$57.67 billion, Liabilities \$54.18 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 6/20/2019.

<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 03/26/20.

<sup>5</sup> Fitch Ratings assigned American Equity Investment Life Insurance Company an Insurer Financial Strength rating of "A-" (Outlook Negative). Fitch Ratings utilizes 19 rating categories ranging from "AAA" to "C." An "A-" rating is the seventh highest rating. An insurer with an "A" rating is considered to have a strong capacity for payment of financial commitments, but may be more vulnerable to adverse business or economic conditions than insurers with higher ratings. Outlooks indicate the direction a rating is likely to move over a one- to two-year period if current financial or other trends continue. For more information, please visit [www.fitchratings.com](http://www.fitchratings.com). Rating effecting 04/24/2020.

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