

Benefit Gold

American Equity
Gold Standard for a
Secure Retirement



The one who works for you![®]



Benefit Gold

A Good Plan is Always Better Than a Good Guess

The security of your future begins today with sound planning and building a dependable source for lifetime income.

Starting with our easy-to-understand product descriptions, American Equity works with you to find the retirement solutions that fit your day-to-day lifestyle as you prepare for your life-long goals.

Every day we work hard to provide safe, secure products backed by our award-winning customer service. And, each day people make the right choice to start planning with us for the life they want — with a strategy they understand.

We Can Help You Get to Where You Want to Go

As a hard-working individual, you take your finances seriously. You have invested your time and energy in order to build, as well as sustain, a quality of life that suits you and your family. As you plan for retirement, it is important to consider any number of factors that can affect your lifestyle:

- Safety of retirement dollars
- Tax effect on your standard of living
- Family illness
- Money saved for retirement

Fixed Index Annuity: The Right Product for the Right Time

Fixed index annuities provide an opportunity to potentially earn more interest than traditional fixed annuities and other safe-money alternatives.

This is done by basing interest earned on an increase in an equity or bond index. You control your annuity by choosing the crediting method on each Contract Anniversary. The most commonly used indexes are:

- S&P 500®
- S&P 500® Dividend Aristocrats® Daily Risk Control 5% Index
- 10-Year U.S. Treasury Bond

While the value of this Contract may be affected by an external index, this annuity does not participate directly in any stocks or equity investments. You aren't buying shares of stock or an index. Dividends paid on the stocks that comprise the indexes don't increase your annuity earnings.





Are You Prepared?

- Nearly half of American families have no retirement account savings. (Economic Policy Institute, 2016)
- More than 50 percent of Americans are afraid of outliving their income or their inability to pay for basic necessities like healthcare. (Indexed Annuity Leadership Council, 2016)
- About one out of every four 65-year-olds today will live past age 90, and one out of 10 will live past 95. (Social Security Administration, 2016)

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Safety in Numbers

Most importantly, your Premium and credited interest can never be lost due to Index Volatility. Your index annuity is actually a Contract backed by American Equity Investment Life Insurance Company®; you are not purchasing shares of stock or indexes. Your funds are safe and secure with us – one of the leading annuity providers on the market.

Security You Can Plan For

As you plan for your retirement, whether it is a far-off goal or soon-to-be reality, our innovative tax-deferred annuities can help you maximize growth while not compromising the safety of your hard-earned dollars.

Your nest egg can be affected by any number of conditions. As your partner in planning, American Equity has outlined five core considerations for your retirement future:

- Safety of Principal
- Guaranteed Income
- Liquidity
- Income Taxes
- Avoidance of Probate

Safety of Principal

Fixed annuities, by their very nature, are considered a safe-money alternative. Your Annuity Contract is between you and the insurance company for guaranteed interest and guaranteed income options. This means your guarantees are backed by the financial strength and claims-paying ability of American Equity.

Guaranteed Income

American Equity provides you with a guaranteed income with this tax-deferred annuity. You have the ability to choose from several different options, including payments for a specified number of years or income for life...no matter how long you live.

Liquidity

American Equity provides you with opportunities to withdraw funds at any time (subject to applicable Surrender Charges). Our Annuity Contracts allow Penalty-free Withdrawals of up to 10% after the first Contract Anniversary.

American Equity also has available certain Riders that increase liquidity in the event of confinement to a nursing home, or if diagnosed with a terminal illness.

Please note:

You may be subject to a 10% federal penalty if you make withdrawals or Surrender this annuity before age 59½. If this annuity is within a qualified plan all distributions may be taxable. Under current tax laws, annuities grow tax deferred. An Annuity is not required for tax deferral in a qualified plan. Any distribution may cause a taxable event. Neither American Equity nor our agents offer legal, investment or tax advice. Please consult your own personal advisor for these matters.

We may change your Annuity Contract from time to time to follow federal or state laws and regulations. If we do, we'll tell you about the changes in writing.

Your state has a law that gives you a set number of days to look at an annuity after you buy it. If you decide during that time that you don't want it, you can return the annuity and get all your money back. Please review your Contract after delivery to confirm the number of days you have.

Like any annuity issuer, American Equity incurs expenses to sell and issue its Contracts, including the payment of a commission to its agents, and these expenses are taken into consideration when interest rates, caps, spreads and participation rates are established and reset. You will receive all benefits as set forth in the Contract.

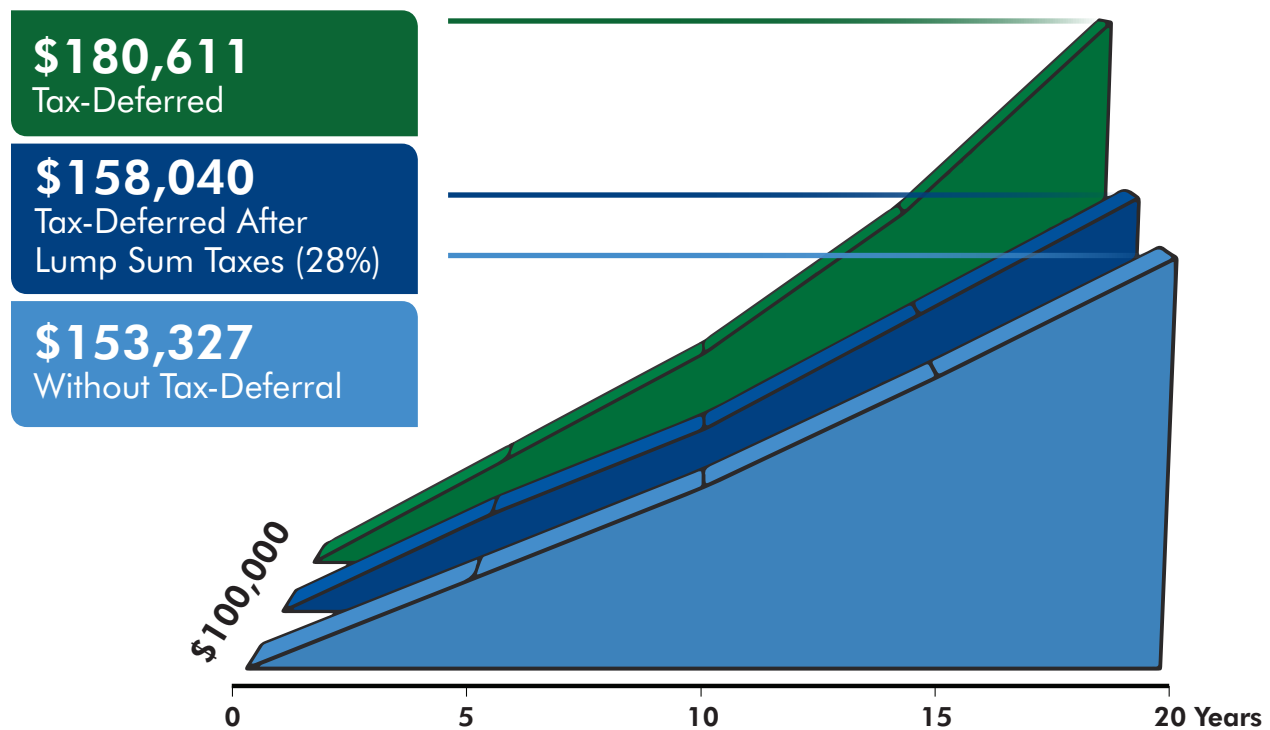
Income Taxes

One of the primary advantages of deferred annuities is the opportunity to accumulate a substantial sum of money by allowing your Premium and interest to grow tax-deferred. Unlike taxable investments, you pay no taxes on your annuity interest until you begin to take withdrawals or receive income. This allows your money to grow faster than in taxable account.

With our annuities you earn interest on your Premium, interest on your interest and interest on what you would normally pay in income taxes.

The chart below demonstrates how much more your money grows over a 20-year period with a tax-deferred annuity compared to an account that is currently taxed.

Taxable vs. Tax-Deferred



Note: Example assumes 3% annual interest rate and 28% tax bracket.
This hypothetical example is for demonstration purposes only.

Avoidance of Probate

When planning for the future, a central concern is for our loved ones after we are gone. In the case of premature death, your beneficiaries have the accumulated funds within your annuity available to them and may avoid the expenses and delay of probate. Your named beneficiaries can choose to receive the proceeds as monthly income or a lump-sum payment.

Benefit Gold

More than a Product. A Promise.

At American Equity we are committed to product integrity, safety and superior service. Our Benefit Gold is one of the industry's leading products and is backed by American Equity's fiscal strength while supported by our dedicated team of associates. This product provides a sound alternative for your financial future. We look forward to working with you and helping you achieve your retirement goals.

"When you purchase one of our innovative insurance products, you are buying a promise – our promise that American Equity will be there when you need us. We have been fulfilling that promise since we were founded."

- David J. Noble
Founder and Chairman



Understand Your Plan. Begin Your Future.

- 5% Premium Bonus
- Accessibility – 10% Penalty-free Withdrawals
- Nursing Care Rider (NCR-100)²
- Terminal Illness Rider (TIR-100)²
- Minimum Guaranteed Surrender Value
- Cash Surrender Value
- Surrender Charges
- Death Benefit

5% Premium Bonus

We guarantee a 5% Premium Bonus for issue ages 18-80. This allows you to jump start your way to a secure retirement. The Bonus is credited on all first-year Premiums; the Bonus increases your Contract Value 5% as soon as the Annuity Contract is issued. There are no waiting periods, vesting schedules or payout requirements to keep the Bonus – it's your money – guaranteed.

Accessibility – 10% Penalty-Free Withdrawals

We understand that access to your money is important. This annuity offers an annual 10% Penalty-free Withdrawal once each year, beginning in year two. In the first year, you may receive systematic withdrawals of interest or Required Minimum Distributions from the Fixed Interest Account as quickly as 30 days after your Contract is issued.¹

Nursing Care Rider (NCR-100)²

This Rider is automatically included at no cost, for annuitants under age 75 at issue. This allows you to take a 100% Penalty-free Withdrawal after the third Contract Anniversary if confinement in a Qualified Nursing Care Center occurs after the end of the third Contract Year and continues for at least 90 consecutive days. If confinement occurs in the second or third Contract Year then a 20% Penalty-free Withdrawal is allowed.

Terminal Illness Rider (TIR-100)²

This Rider is automatically included at no cost, for annuitants under age 75 at issue. This allows you to take an additional Penalty-free Withdrawal of up to 100% of the Contract Value if the diagnosis of a terminal illness by a qualified physician occurs after the first Contract Year and is expected to result in death within one year.

Minimum Guaranteed Surrender Value (MGSV)

MGSV is calculated separate from your Contract Value. It equals 87.5% of Premiums paid, less any withdrawals, at Minimum Guaranteed Interest Rate (MGIR), compounded annually.

Cash Surrender Value

Cash Surrender Value is equal to the greater of Contract Value minus any applicable Surrender Charges or MGSV.

Surrender Charges

Surrender Charges are deducted for withdrawals exceeding the penalty-free amounts or Full Surrender, and apply for the first 10 years for issue ages 18-80, starting at 13.50% and decreasing. See disclosure for complete schedule.

Death Benefit

The Death Benefit is the full value of your Annuity Contract and is paid in a lump sum with no Surrender Charges to your named beneficiaries. Other income options may also be available.

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Indexes Used

Benefit Gold uses the following indexes:

- **The S&P 500 Index** contains stocks from 500 various industry leaders and is widely regarded as a leading benchmark for U.S. stock market performance.
- **The S&P 500 Dividend Aristocrats Daily Risk Control 5% Index** is a volatility control index that consists of the S&P 500 Dividend Aristocrats Index and a cash component (accruing interest at 3-Month LIBOR). The Index is dynamically adjusted between the two components to target a 5% level of volatility.
The S&P 500 Dividend Aristocrats Index is made up of S&P 500 members that have followed a policy of consistently increasing dividends every year for at least 25 consecutive years. This Index is well diversified across all market sectors.
- **10-Year U.S. Treasury Bond** is a government-issued debt designed to mirror general market interest rates.

Index Crediting Methods

To allow you greater flexibility in utilizing our interest crediting methods, American Equity's offers nine index choices and one fixed interest value choice. The annuity structure allows for annual transfer between different values. A Transfer of Values (TOV) letter and form are sent one month prior to the Contract Anniversary as a courtesy to you.

- **Annual Monthly Average** – Index Credits are based on 12 dates during the year. The average is calculated by adding the 12 Index amounts on each monthly date and dividing by 12. Caps or Participation Rates are applied to the Index Credit Calculation.
- **Annual Point to Point** – On each Contract Anniversary the Index Value is compared to the previous year's Index Value. The Index Credit is based on increase in the Index Value from point to point. Caps or Participation Rates are applied to the Index Credit Calculation.
- **Monthly Point to Point** – Each month a percentage of change is calculated. Caps are applied to any increase. The sum of the resulting monthly values is the Index Credit applied on each Contract Anniversary.

	Annual Monthly Average	Annual Point to Point	Monthly Point to Point
Interest Credit Calculation	Average sum of index value on monthly Contract Anniversary	Percentage of annual increase in the Index	Annual sum of monthly changes in the Index
Indexes Available	S&P 500	S&P 500 & 10-Year U.S. Treasury Bond	S&P 500
Frequency of Interest Credit	Annually	Annually	Annually
Cap, Spread or Participation Rate Available	Choice of Cap or Participation Rate	Choice or Cap or Participation Rate (S&P 500 Only)	Cap

- **Performance Triggered (PT)** – On each Contract Anniversary the PT Index Price is compared to the previous anniversary’s PT Index Price. The PT Rate is credited if the PT Index Price on the current Contract Anniversary is equal to or greater than the previous Contract Anniversary’s Index Price. The minimum PT Rate is 1%.
- **Bond Yield with Cap (BYC)** – On each Contract Anniversary the Bond Price is compared to the Bond Price on the previous anniversary. The Index Credit is based on the decrease in the Bond Price. The BYC Interest Credit Calculation is determined by first applying the Cap followed by the Spread.
- **Volatility Control Index** – On each Contract Anniversary the Index Value is compared to the previous year’s Index Value. The Index Credit is based on the increase in the Index Value from point to point, less a Spread.
- **Fixed Interest** – This is based on a current declared interest rate guaranteed to never be less than the Fixed Value Minimum Guaranteed Interest Rate stated in the Annuity Contract.

Calculation Information:

- **Cap Rate** – Applies to Annual Monthly Average, Annual Point to Point, and Monthly Point to Point Crediting Methods.
 - An upper limit applies to the Index Credit. Cap rates are subject to change, declared each Contract Anniversary, and guaranteed to never be less than 1%. –OR–
- **Cap Rate/Spread** – Applies to the Bond Yield with Cap Crediting Method.
 - **Cap Rate** – An upper limit applies to the Index Credit. Cap rates are subject to change, declared each Contract Anniversary, and guaranteed to never be less than 1%. (and)
 - **Spread** – A deduction used in calculation of Index Credit. Spread is the same as Asset Fee as described in the Contract. The Spread is set at issue and guaranteed for the life of the Annuity Contract. –OR–
- **Participation Rate (PR)** – Applies to Annual Monthly Average or Annual Point to Point Crediting Methods.
 - The stated percentage of any Index increase credited to the Annuity Contract. PRs are subject to change, declared annually and guaranteed to never be less than 10%. –OR–
- **Spread Only** – Applies only to Volatility Control Index Crediting Method.
 - A deduction used in calculation of Index Credit. Spread is the same as Asset Fee as described in the Contract. The Spread is subject to change, declared each Contract Anniversary and guaranteed to never be more than 10%.

	Performance Triggered (PT)	Bond Yield with Cap	Volatility Control Index	Fixed Rate
	PT Index Price equal to or greater than the previous anniversary’s PT Index Price	Percentage of annual decrease in the Bond Price	Percentage of annual increase in the index less a spread	Fixed Interest Rate Declared
	S&P 500	10-Year U.S. Treasury Bond	S&P 500 Dividend Aristocrats Daily Risk Control 5% Index	Not Applicable
	Annually	Annually	Annually	Daily
	Not applicable	Cap & Spread	Spread only	Not Applicable

Benefit Gold

Gold Standard in Retirement Planning

American Equity is one of the top index annuity providers specializing in designing secure, innovative retirement solutions and providing financial stability with our broad product line of annuities. We have a strong commitment to superior customer service, product integrity and secure retirement planning. Based in the heart of the Midwest, West Des Moines, Iowa, we are one of the few American-owned and operated insurance companies in our industry.

“Our business philosophy is simple: Through sound financial management, prudent planning and development of innovative products, we position ourselves as one of the leaders within the insurance industry.”

- David J. Noble
Founder and Chairman



American Equity **The One Who Works for You!**

- \$41 Billion in Assets
- 35,000 Active Agents
- 540,000 Active Contract Owners
- 500+ Employees
- #3 All-Time in Fixed Index Annuity Sales³
- A- (Excellent) Rating From A.M. Best⁴
- A- (Strong) Rating from S&P 500⁵
- American-Owned and Operated

Liabilities as of 12/31/2015 are \$39 Billion.

Benefit Gold

American Equity Gold Standard for a Secure Retirement

American Equity is committed to your retirement years and your financial security. We design our products with your future in mind, and customized service to assist you in leading the life you have planned. All of our employee-owners are committed to ensuring your retirement-planning peace of mind.

Our commitment to quality service and strong contract owner benefits is unsurpassed in our industry. Our steadfast focus on our contract owners has led us to record growth in our industry, and we are the number three producer of fixed index annuities in the market.³

When you purchase an American Equity annuity, you are buying more than a product – you are buying a promise. We guarantee that we will be there for you when you need us. If you want an annuity that can offer you **safety of principal, flexibility, tax advantages, access when you need it** and a chance to have a **lifetime income** – we are the one who works for you.



Ron Grensteiner, President



life.american-equity.com

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