

# American Equity's Choice 10

Protection. Income. **Guaranteed.**



The one who works for you!®



# Choice 10

## 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

American Equity is dedicated to simple product designs and easy-to-understand crediting strategies. Here is a list of key terms and definitions that may be useful while learning about our products.

<b>Annuitization</b>	Conversion of the Cash Surrender Value of the annuity into regular guaranteed income payments.	<b>Partial Withdrawal</b>	Available at any time, for partial distribution over the Penalty-Free Withdrawal amount. Surrender Charges and minimum values will apply.
<b>Cash Surrender Value</b>	The amount paid to the contract owner by American Equity when the contract is surrendered.	<b>Penalty-Free Withdrawal</b>	Opportunity once a year, after the first contract year, to take a withdrawal of either 5% or 10% of the Contract Value, without expense.
<b>Contract Value</b>	The total of the values in the annuity contract.	<b>Surrender</b>	Termination of the contract in exchange for Cash Surrender Value.
<b>Death Benefit</b>	The greater of the Contract Value or MGSV of the annuity is paid in a lump-sum with no Surrender Charges, to named beneficiaries.	<b>Surrender Charge</b>	Fee charged, when applicable, for full or partial distribution over the Penalty-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.		
<b>Minimum Guaranteed Surrender Value (MGSV)</b>	At no time will the Cash Surrender Value of the contract be less than 90% of premium received, less any withdrawals, accumulated at the minimum guaranteed interest rate.		



# 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:** Earn interest on money without paying taxes on it until making a withdrawal, or distribution begins. It enables faster growth by allowing credited 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.



## Choice 10

Choice 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. On each contract anniversary, there is an opportunity to transfer between the different values.



**In the event of death, the beneficiary receives the entire Contract Value.**

### Surrender Values and Charges

The annuity's Surrender Value will never be less than 90% 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 18-80)											
Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Surrender Charge Percent	9.2	8.25	7.25	6.5	5.5	4.5	3.5	2.5	1.5	.5	0



# Money Access Options and Features

With the Choice 10 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 from the contract. If the Market Value Adjustment (MVA) is elected at issue, a 5% Penalty-Free withdrawal from the Contract Value is available. If the MVA is not elected at issue, the Penalty-Free withdrawal is 10% of the Contract Value.

## Market Value Adjustment (MVA)

This product offers an optional 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<sup>6</sup> increases, cash surrender values decrease. As the MVA Index decreases, cash surrender values increase. Interest Rates may be higher for contracts with an MVA Rider.

## Qualified Care Needs

Available 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. Generally paid in a lump-sum, other income 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.



American Equity Investment Life Insurance Company<sup>®</sup>  
6000 Westown Pkwy, West Des Moines, IA 50266

[www.american-equity.com](http://www.american-equity.com) • Call us at 888-221-1234

Annuity Contract issued under form series ICC14 IDX8-10, ICC17 R-MVA 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 6/29/2017.

<sup>4</sup> Standard and 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.

<sup>6</sup> MVA Index = The BofA Merrill Lynch 7-10 Year US Corporate Index

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