

American Equity's RateShield 10+

With Lifetime Income Benefit Rider



Protection. Income. **Guaranteed.**



The one who works for you!®



RateShield 10+

Fixed Annuity

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

That is why many Americans are turning to fixed annuities. These products have helped millions of people reach their retirement goals with benefits like guaranteed income and principal protection.



Understanding Fixed Annuities

What is a fixed annuity?

A fixed 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:

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

How a fixed annuity works

This 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 annuity earns additional interest credits based on an established rate.

Why American Equity?

For over 20 years, American Equity has been committed to providing quality annuity products backed by superior service. 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.

\$48 Billion in Assets¹

23,000 Active Agents

567,000 Active Contract Owners

A- (Excellent) rating from A.M. Best²

A- (Strong) rating from S&P 500^{®3}

American-owned and operated





Key Terms

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

Annuitize | Conversion of the Cash Surrender Value of the annuity into regular guaranteed income payments.

Bonus Vesting | Each year after the first contract year, a percentage of the bonus is vested until 100% vested at the end of the vesting period.

Contract Value | The total of the values in the annuity contract.

Death Benefit | The greater of the Contract Value or MGSV of the annuity is paid in a lump-sum with no Surrender Charges, plus 100% Bonus Vesting, to named beneficiaries.

Free Withdrawal | Opportunity each year, after the first contract year, to take withdrawals up to 10% of the Contract Value, without expense.

Income Account Value (IAV) | This value is used solely to determine the amount of income to be received under this Rider. It is not a traditionally accessible value. This serves as a measuring tool for purposes of the Rider only.

IAV Period | The period of time during which the Income Account Value is credited the Income Account Value Rate.

IAV Rate | Annual effective interest rate that is applied to the Income Account Value.

Joint Life Payout | 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.

Lifetime Income Benefit (LIB) | The amount of income received for elected payments. It is based on IAV, gender and age at the time of election.

Minimum Guaranteed Surrender Value (MGSV) | 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.

Partial Withdrawal | Available at any time, for partial distribution over the Free Withdrawal amount. Surrender Charges and minimum values will apply.

Premium Bonus | Guaranteed 5% Premium Bonus on all premiums received in the first contract year.

Rider Fee | The fee charged for this Rider is deducted from the Contract Value each year as long as the Rider is attached to the contract.



Key Terms

American Equity is dedicated to simple product designs.

Single Life Payout

For the owner and sole annuitant, payouts are based on age and gender at election.

Surrender Value

The amount paid to the contract owner by American Equity when the contract is surrendered.

Surrender

Termination of the contract in exchange for Surrender Value.

Withdrawal Charge

An amount subtracted from the Contract Value if requested at a time when the Withdrawal Charges apply.

Surrender Charge

An amount subtracted from the Contract Value if surrendered at a time when the surrender charges apply.





The Power of a Fixed Annuity

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

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

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

Principal Protection: Fixed annuities are a safe-money alternative, with guaranteed interest and guaranteed income backed by the financial strength of American Equity.

Tax-Deferred Growth: Earn interest on money without paying taxes on it until making a withdrawal, or distribution begins. It enables growth faster by allowing credited interest to compound over time.

Liquidity: Each contract defines various opportunities to withdraw funds, such as Free Withdrawals, Partial Withdrawals, qualified care⁴ 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.



RateShield 10+

RateShield 10+ is a fixed annuity designed to help generate a guaranteed income source through an established rate while protecting hard-earned dollars.

RateShield Premium Bonus

The RateShield includes a Premium Bonus feature that is based on premium payments received in the first contract year. The Premium Bonus is applied to the Contract Value immediately and vests over time. This provides a jumpstart for the Contract Value and can help increase interest growth from the start.

Premium Bonus Vesting

The Premium Bonus vests over a 10-year period. Each year, after the first contract year, a percentage is vested until 100% vested at the end of the 10th contract year.

The vested amount of the Premium Bonus is guaranteed and cannot be forfeited as a result of early Partial Withdrawal or Surrender. 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+
Vested Percentage	0	10	20	30	40	50	60	70	80	90	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 Withdrawal and Surrender Charge period, a deduction will be taken out according to the Withdrawal and Surrender Charge schedule.

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 Index⁵ 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.

Withdrawal and Surrender Charge Percentages (Age 18-80)

Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Surrender Charge Percent	9.10	9.10	8.50	7.50	6.50	5.50	4.50	3.40	2.30	1.10	0



Money Access Options and Features

With the RateShield 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 of up to 10% of the Contract Value.

Partial Withdrawals

These are available at any time, for partial distribution over the Free Withdrawal amount. Withdrawal Charges and premium Bonus Vesting will apply.

All withdrawals are pro-rated between the accrued premium and accrued bonus portions of the contract value. A withdrawal charge will apply to the accrued premium amount and vesting is applied to the accrued bonus amount.

Qualified Care Needs

Available to annuitants under age 75 at issue.

Nursing Care Rider (NCR-100)⁴

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)⁴

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.





LIBR Option

The Lifetime Income Benefit Rider is designed to help individuals reach their income goals and meet their lifestyle needs.

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

Available for issue ages 50+, the LIBR helps secure a lifelong income source. Income payments may begin any time after the first contract anniversary and are available without a Surrender Charge or having to Annuitize the contract. The amount of the income to be received is measured by the Income Account Value (IAV). A Rider Fee is deducted from the Contract Value each year the rider is attached to the contract. This rider is optional and if it is not selected it will not be added to the contract.

Lifetime Income Benefit Rider

The optional LIBR has options to help individuals reach their income goals and meet their lifestyle needs.

LIBR

The rider offers a set IAV Rate, declared at issue and guaranteed for 20 years. The IAV is calculated on a simple interest basis.

LIBR

IAV Rate: 8.5% Simple Interest

IAV Period: 20 years

Fee: 1.00% of Contract Value, Annually



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	3.40%	3.50%	3.00%	65	4.80%	5.00%	4.25%
51	3.50%	3.60%	3.10%	66	4.90%	5.10%	4.35%
52	3.60%	3.70%	3.20%	67	5.00%	5.20%	4.40%
53	3.70%	3.80%	3.30%	68	5.05%	5.30%	4.45%
54	3.80%	3.90%	3.40%	69	5.15%	5.40%	4.50%
55	3.90%	4.00%	3.50%	70	5.25%	5.50%	4.55%
56	4.00%	4.10%	3.60%	71	5.30%	5.60%	4.60%
57	4.05%	4.20%	3.70%	72	5.35%	5.70%	4.65%
58	4.15%	4.30%	3.80%	73	5.40%	5.80%	4.70%
59	4.25%	4.40%	3.90%	74	5.50%	5.90%	4.75%
60	4.35%	4.50%	4.00%	75	5.60%	6.00%	4.80%
61	4.40%	4.60%	4.05%	76	5.70%	6.10%	4.85%
62	4.50%	4.70%	4.10%	77	5.80%	6.20%	4.90%
63	4.60%	4.80%	4.15%	78	5.90%	6.30%	5.00%
64	4.70%	4.90%	4.20%	79	6.00%	6.40%	5.05%
				80	6.10%	6.50%	5.10%

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.



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 gender 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 50 years, 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 Free Withdrawal amount allowed in any contract year, Withdrawal Charges will be applied to any amount in excess of the Free Withdrawal amount. Should Excess Withdrawals reduce the Contract Value to zero, the IAV will also be reduced to zero, and the contract and rider will be considered to be 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 detailed 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 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[®] for contract owners that can trust their principal is protected and their income is guaranteed for life.

life.american-equity.com



Call us at **888-221-1234**

6000 Westown Pkwy, West Des Moines, IA 50266

Annuity Contract issued under form series ICC16 BASE-FXD-B, ICC16 FXD-3, ICC16 R-MVA, and state variations thereof. Availability may vary by state.

¹ As of 12/31/16 - Assets \$48 billion, Liabilities \$45 billion.

² 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. Rating effective 8/2/2006, affirmed 6/29/17.

³ 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.

⁴ Rider Benefits and form numbers may vary by state. NCR and TIR not available in MA.

⁵ MVA Index=The BofA Merrill Lynch 7-10 Year US Corporate Index

American Equity Investment Life Insurance Company[®] does not offer legal, investment, or tax advice. Please consult a qualified professional.

Guarantees are based on the financial strength and claims paying ability of American Equity and are not guaranteed by any bank or insured by the FDIC.