

American Equity's IncomeShield Rider

Income. *Guaranteed.*



The one who works for you!®



IncomeShield Rider

Lifetime Income Benefit

A fixed annuity is designed to guarantee income down the road while providing principal protection along the way. These are important benefits for Americans who are enjoying longer lives and retirements.

For retirees who want to secure a revenue stream that cannot be outlived, we offer the optional IncomeShield rider which provides flexible income payments through a guaranteed income source.



RateShield with IncomeShield Rider

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

What is a fixed annuity?

A contract backed by the financial strength and claims paying ability of the issuing company. This provides contract owners a retirement vehicle that secures a powerful combination of benefits:

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

How does a fixed annuity work?

The long-term retirement product is purchased with a provider, and earns additional interest credit based on an established rate. As the annuity generates a reliable income source for the future, the principal is protected and the money is able to grow tax-deferred.

What is a lifetime income rider?

The optional IncomeShield rider can help secure a lifelong income source. It offers a 20-year accumulation period where money is able to grow tax-deferred up to 20 years, or when the first income payment is received, whichever occurs first. A rider fee is deducted from the Contract Value each year as long as the rider is active.

The rider has a guaranteed minimum payout based on clearly defined factors:

- **Age** – when income payments start
- **Withdrawal rate** – monthly, quarterly, semi-annual or annual income payments
- **Distribution** – single or joint life payout
- **Timing** – contract years before income payments begin

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.

\$41 Billion in Assets¹

35,000 Active Agents

540,000 Active Contract Owners

A- (Excellent) rating from A.M. Best²

A- (Strong) rating from S&P 500^{®3}

American-owned and operated





Key Terms

In order to understand how the IncomeShield works, it is important to know the product's key terms and features.

Annuitization	Conversion of accumulated value of your annuity into regular guaranteed income payments.	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.
Contract Value	Value of the funds in the Base Contract.	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.
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.	Rider Fee	The fee charged for this Rider is deducted from the Contract Value each year as long as the IncomeShield is active.
IAV Period	The period of time during which the Income Account Value is credited the Income Account Value Rate.	Single Life Payout	Single Life Payout: For the owner and sole annuitant, payouts are based on age and gender at election.
IAV Rate	Annual effective interest rate that is applied to the Income Account Value.	Surrender	Termination of the contract in exchange for Cash Surrender Value.
Interest Credit	The amount credited to the Contract Value based upon the annually declared rate associated with the base contract.	Surrender Charge	Fee charged, when applicable, for full or partial distribution over the Free Withdrawal amount.



IncomeShield Option

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

Guaranteed Income

This income rider offers a set IAV Rate, declared at issue and guaranteed for 20 years. The income payments may begin at any time after the first contract year and are available without a withdrawal charge or having to Annuitize the contract.

Lifetime Income Option

Issue Age: 50+

IAV Rate: 8.5% Simple Interest

IAV Period: 20 years

Fee: 1.00% of Contract Value, Annually



**Reliable Income
Guaranteed**



Predictable Lifetime Income

Guaranteed income payments based on easy to understand payout factors

Payout Factors

Age	Single		Joint
	Female	Male	Joint
50	3.40%	3.50%	3.00%
51	3.50%	3.60%	3.10%
52	3.60%	3.70%	3.20%
53	3.70%	3.80%	3.30%
54	3.80%	3.90%	3.40%
55	3.90%	4.00%	3.50%
56	4.00%	4.10%	3.60%
57	4.05%	4.20%	3.70%
58	4.15%	4.30%	3.80%
59	4.25%	4.40%	3.90%
60	4.35%	4.50%	4.00%
61	4.40%	4.60%	4.05%
62	4.50%	4.70%	4.10%
63	4.60%	4.80%	4.15%
64	4.70%	4.90%	4.20%

Age	Single		Joint
	Female	Male	Joint
65	4.80%	5.00%	4.25%
66	4.90%	5.10%	4.35%
67	5.00%	5.20%	4.40%
68	5.05%	5.30%	4.45%
69	5.15%	5.40%	4.50%
70	5.25%	5.50%	4.55%
71	5.30%	5.60%	4.60%
72	5.35%	5.70%	4.65%
73	5.40%	5.80%	4.70%
74	5.50%	5.90%	4.75%
75	5.60%	6.00%	4.80%
76	5.70%	6.10%	4.85%
77	5.80%	6.20%	4.90%
78	5.90%	6.30%	5.00%
79	6.00%	6.40%	5.05%
80	6.10%	6.50%	5.10%



Income and Withdrawals

The IncomeShield 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 IncomeShield 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 IncomeShield 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 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

Rider issued under form series ICC16 R-LIBR-FS and state variations thereof. Availability may vary by state.

¹ As of 12/31/15 - Assets \$41 billion, Liabilities \$39 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 4/14/2016.

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.

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