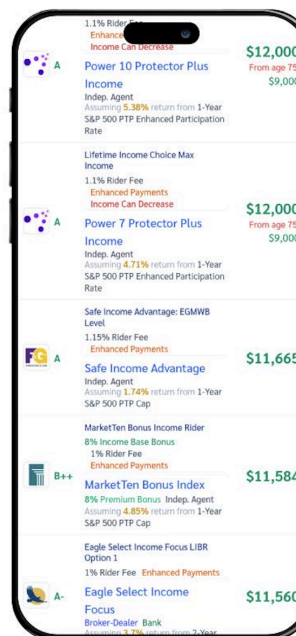




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Lifetime Income Benefit Rider

with Enhanced Death Benefit or Wellbeing Benefit



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Fixed Indexed Annuities**



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Lifetime Income Benefit Rider

Lifetime Income Benefit Overview

- Provides a lifetime income (subject to certain restrictions)
- You control money remaining in your contract (annuitization not required)
- You choose the Rate/Benefit option that best suits your needs
- Spousal income benefit available

Lifetime Income Benefit Features

The Lifetime Income Benefit Rider (LIBR) allows you to take a lifetime income from your annuity without losing control of your retirement assets. This is possible because lifetime income is in the form of regular withdrawals from your contract rather than annuitized payments. The amount of your Lifetime Income Benefit (LIB) is determined by multiplying your Income Account Value (IAV) (described below) by a benefit payout percentage. The benefit payout percentage is based upon your gender and age at the time you elect payments and is described in more detail on page 4. You may start and stop LIB payments at any time. If restarted, we resume LIB payments based on original benefit payout percentage applied to the greater of your current Contract Value or your current IAV.

Income Account Value Calculation

The IAV is a value used solely to determine the amount of income you will receive under the LIBR. It is not a traditionally accessible value; rather, it serves as a measuring value tool for purposes of the rider only. At any one time, your IAV equals the total premiums paid (plus any premium bonus, if applicable) accumulating at the IAV rate (whichever option you choose at the time of application). The accumulation of the IAV will continue at the predetermined percentage until the end of the IAV Period, the date LIB payments begin, or either the rider or the contract to which it is attached terminates – whichever occurs first.

PLEASE NOTE: The IAV is NOT a part of your Contract Value as defined in the base contract—it is not part of your cash surrender value and cannot be accessed by surrender or withdrawal. While your LIB payment will be based upon the value of your IAV, all withdrawals, LIB payments, surrenders and lump sum distributions are deducted from your Contract Value. The IAV serves as a factor for calculating the LIB only.



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"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 Noble

Founder and Executive Chairman of the Board



Reset of IAV Period

You may reset your IAV Period for the 7.0% IAV Options once, on any Contract Anniversary between the second and fifth Contract Anniversaries. You may reset your IAV Period for the 4.0% IAV Options or the 6.5% IAV Options once, on any Contract Anniversary between the fifth and tenth Contract Anniversaries. You may reset your IAV Period by submitting your request in writing. Your new IAV Period will be for the same duration as the original IAV Period. Your IAV then becomes the greater of your IAV or your Contract Value at the time of reset.

Lifetime Income Benefit Options

American Equity offers six choices with our LIBR. Your lifestyle will determine which option suits your needs.

Option 1: Lifetime Income Benefit Rider¹

-Available for all issue ages.

This lifetime income option offers an IAV rate of 4.0%. Your IAV Period with this option is 10 years. You will have the option to reset your IAV period. If you choose to reset, your IAV could grow for up to 20 years. There is no rider fee associated with this option at issue. The Company may, at the time of reset, implement a rider fee.

Option 2: Lifetime Income Benefit Rider¹

-Available for issue ages 50+

This lifetime income option offers an IAV rate of 6.5%. Your IAV Period with this option is 10 years. You will have the option to reset your IAV period. If you choose to reset, your IAV could grow for up to 20 years. There is a rider fee of 0.75% of your Contract Value. This fee is deducted from your Contract Value each year as long as the LIBR remains active. The Company may, at the time of reset, change the rider fee.

Option 3: Lifetime Income Benefit Rider¹

-Available for issue ages 50+.

This lifetime income option offers an IAV Rate of 7.0%. Your IAV Period with this option is 5 years. You will have the option to reset your IAV period. If you choose to reset, your IAV could grow for up to 10 years. There is a rider fee of 0.90% of your contract value. This fee is deducted from your Contract Value on each Contract Anniversary as long as the rider remains active. The Company may, at the time of reset, change the rider fee.

Lifetime Income Benefit Rider

Option 4: Lifetime Income Benefit & Enhanced Death Benefit Rider¹

-Available for all issue ages.

This lifetime income option offers an IAV rate of 4.0%. Your IAV Period with this option is 10 years. You will have the option to reset your IAV period. If you choose to reset, your IAV could grow for up to 20 years. In addition to the LIB you also receive an Enhanced Death Benefit. There is a rider fee of 0.70% of your Contract Value each year as long as the LIBR remains active. The Company may, at the time of reset, change the rider fee.

What is the Enhanced Death Benefit?

The Enhanced Death Benefit is based on your IAV and is equal to the lesser of:

- Your IAV on the date of your death; or
 - Your IAV on the earliest date any Owner or Annuitant reaches the Maximum age (currently 85); or
 - Your IAV on the first Contract Anniversary multiplied by the death benefit cap percentage (currently 200%).
- The Enhanced Death Benefit is not available until after the death benefit waiting period (currently 2 years).

How is the Enhanced Death Benefit paid out?

Your beneficiary may elect to receive the Enhanced Death Benefit amount to be paid out in either:

- A lump sum which is calculated as follows:
 1. The excess if any, of the Enhanced Death Benefit base minus the contract value at death; multiplied by
 2. The death benefit lump sum payout percentage (currently 50%); plus
 3. The Contract Value on the date of your death.
- Or a series of equal periodic payments which is calculated as follows:
 1. The Enhanced Death Benefit base on the date of death; divided by
 2. The death benefit payout period (currently 5 years).

Option 5: Lifetime Income Benefit & Wellbeing Rider¹

-Available for issue age 50+.

This lifetime income option offers an IAV rate of 6.5%. Your IAV Period with this option is 10 years. You will have the option to reset your IAV period. If you choose to reset, your IAV could grow for up to 20 years. In addition to the LIB you also receive a wellbeing benefit. There is a rider fee of 0.85% of your Contract Value. This fee is deducted from your Contract Value each year as long as the LIBR remains active. The Company may, at the time of reset, change the rider fee. The Wellbeing Rider is not available in all states.

What is the Wellbeing Benefit?

A benefit that increases the amount of your LIB payment by the enhanced LIB withdrawal factor (currently 200%) if you or your spouse (if joint life payout is selected) meet all seven of the eligibility requirements outlined below:

1. The Rider must be in force;
2. The Enhanced LIB Waiting Period (currently 2 years) has elapsed;
3. You (and your spouse, if applicable) are at least age 50 at election;
4. The current Contract Value is greater than zero;
5. You (or your spouse, if applicable) were able to perform all six Activities of Daily Living (ADL) on the Effective Date of the Rider;
6. The Enhanced LIB has not been previously elected; and
7. You (or your spouse, if applicable) provide a licensed doctor's statement, on a form we provide, certifying that you (or your spouse) are now no longer able to perform two of the six ADL's without substantial assistance due to a permanent loss of functional capacity.

The six ADL's included: bathing, dressing, transferring, toileting, continence and eating. Your LIB payment will be increased for the duration of the enhanced LIB period (currently 5 years). The enhanced LIB period will elapse and no further Enhanced LIB will be payable after the expiration of the enhanced LIB period.

Option 6: Lifetime Income Benefit and Wellbeing Rider¹

-Available for issue ages 50+.

This lifetime income option offers an IAV Rate of 7.0%. Your IAV Period with this option is 5 years. You will have the option to reset your IAV period. If you choose to reset, your IAV could grow for up to 10 years. There is a rider fee of 1.0% of your Contract Value. This fee is deducted from your Contract Value on each Contract Anniversary as long as the rider remains active. The Company may, at the time of Reset, change the rider fee. The Wellbeing Rider is not available in all states.

Lifetime Income Benefit Election

You may elect to receive LIB payments any time after your first Contract Anniversary or after you reach age 50, whichever is LATER. At the time you choose to begin LIB payments you may select either the single life or joint life payout option. Once your LIB payments begin, these choices are locked in and may not be changed. Your LIB payments will be based on that selection, multiplied by the benefit payout percentage as shown in the table below.

Payout Factors*

	Single			Joint
	Payout %			Payout %
Age	Female	Male	Joint	
50	3.25%	3.55%	3.00%	
51	3.35%	3.65%	3.10%	
52	3.45%	3.75%	3.20%	
53	3.55%	3.85%	3.30%	
54	3.65%	3.95%	3.40%	
55	3.75%	4.05%	3.50%	
56	3.85%	4.15%	3.55%	
57	3.95%	4.25%	3.60%	
58	4.05%	4.35%	3.65%	
59	4.15%	4.45%	3.70%	
60	4.25%	4.55%	3.75%	
61	4.35%	4.65%	3.80%	
62	4.45%	4.75%	3.85%	
63	4.55%	4.85%	3.90%	
64	4.65%	4.95%	3.95%	

	Single			Joint
	Payout %			Payout %
Age	Female	Male	Joint	
65	4.75%	5.05%	4.00%	
66	4.85%	5.15%	4.10%	
67	4.95%	5.25%	4.20%	
68	5.05%	5.35%	4.30%	
69	5.15%	5.45%	4.40%	
70	5.25%	5.60%	4.50%	
71	5.35%	5.75%	4.55%	
72	5.45%	5.90%	4.60%	
73	5.55%	6.05%	4.65%	
74	5.65%	6.20%	4.70%	
75	5.75%	6.30%	4.75%	
76	5.85%	6.40%	4.80%	
77	5.95%	6.50%	4.85%	
78	6.05%	6.60%	4.90%	
79	6.15%	6.70%	4.95%	
80	6.25%	6.80%	5.00%	

* Montana residents will be issued on a gender neutral basis. Both Males and Females will be issued using Female payout factors. Joint factors remain the same.

Lifetime Income Benefit Rider

Single Life and Joint Life Payout

At the time you elect to start receiving LIB payments, you may choose either a single life or a joint life payout. With the single life option, payout factors are determined based on your gender and age at time of payout election. With the joint payout option, the joint payee must be a legal spouse as defined under federal law and be at least 50 years old. We base LIB payment amounts on the age of the younger joint payee. We will make LIB payments until the death of the last surviving spouse.

Excess Withdrawals

Any partial withdrawals taken from the Contract Value after LIB payments have started are considered Excess Withdrawals (EW) and will reduce future LIB payment amounts and your IAV on a pro-rata basis. For example an additional withdrawal of 5% of your Contract Value reduces your next LIB payment by 5%. If an EW plus LIB payment exceeds the penalty-free withdrawal amount allowed in any Contract Year surrender charges will be applied to any amount in excess of the penalty-free amount. Should EW's reduce your contract to below the minimum value, as outlined in your contract, the rider terminates and your LIB payments stop.

How do excess withdrawals *IMPACT* my benefits?

Withdrawals taken in addition to your LIB payments are EW's. EW's reduce subsequent annual LIBR payments on a pro-rata basis, and reduce your IAV on a pro-rata basis.

For example: If your annual LIB is \$5,000, you take an EW of \$5,000 which is 5% of your contract and IAV of \$100,000 at the time of your EW, the new annual LIB is reduced by 5% to \$4,750 and your Contract Value and IAV are reduced by \$5,000 to \$95,000.



How prepared are you?

- 46% of all Americans have less than \$10,000 saved for retirement and 29% of all Americans have less than \$1,000 saved for retirement. (Employee Benefit Research Institute)
- One out of every six elderly Americans is already living below the federal poverty line. (U.S. Census Bureau)
- By the year 2030, an estimated 208,000 people will be 100 years or older. By 2050, 605,000 Americans will be centenarians. (U.S. Census Bureau)
- American workers are \$6.6 trillion short of what they need to retire comfortably. (Boston College Center for Retirement Research)



Required Minimum Distributions

The LIBR is Required Minimum Distribution (RMD) friendly. If the LIB payment does not satisfy the RMD amount for your contract for that year than any amount for that year, will not be considered an EW.

Death of Owner

The rider terminates at the death of Owner/Annuitant. The rider continues if the spouse is the sole beneficiary and meets the following conditions:

- If the Owner/Annuitant dies before LIB payments begin, the spouse may step in to the contract and the rider will continue with the contract; or
- If LIB payments have already begun, the surviving spouse is eligible to receive:
 - a. The current Contract Value in a lump sum or any other payout option available; or
 - b. The remaining IAV in a series of payments of up to 6% of the IAV based on spouse's gender and age at date of step-in, until IAV is depleted to zero; or
 - c. May stop LIB payments and choose to restart them later based on the spouse's gender and age at date of restart, up to a maximum of 6% of the remaining IAV annually, until the IAV is zero.

Tax Treatment

All LIB payments are considered a withdrawal from the Contract Value. Any withdrawal is subject to income taxation as outlined by the Internal Revenue Code. Additionally, the taxable portion of any withdrawal taken prior to age 59½ may be subject to a 10% penalty by the Internal Revenue Service for early withdrawal of deferred interest. Please contact your tax professional for additional information.

A Case Study

Let's explore a hypothetical case to see how the rider can provide for a lifetime income.

Stan White

- 55 year old male
- Savings: \$200,000
- Company sponsored pension starts age 65
- Expecting Social Security payments age 65
- No major expenses—no mortgage payments—daily living costs only

Goals

- Wants to retire at age 62 without his money running out
- Doesn't want to start Social Security payments until age 65
- Have enough income to supplement his savings, which he plans to live on from age 62 until Social Security and his pension payments start at age 65

Assumptions for all scenarios:

- No EW's are taken;
- \$100,000 single premium plus 10% premium bonus;
- No withdrawals prior to electing income; and
- Income is elected at the end of year 7 when Stan turns age 62.
- For 7.0% IAV rate, assumes reset year 5 with no fee change.

Lifetime Income Benefit Rider

Scenario #1

After completing a fact-finding analysis of Stan's financial situation and goals, Stan's agent recommends taking \$100,000 of his savings to purchase an annuity with the LIBR, explaining that the guaranteed lifetime income he can receive starting at age 62, coupled with his remaining savings should be enough to get him to age 65. After that the guaranteed income the LIBR provides will help supplement his pension and Social Security income.

Stan listens to what his agent says and feels this may be a good solution for his needs. However, he wants to see how the LIBR works.

Stan's agent explains how LIB payments are calculated. Stan's potential income is based on the increase in the IAV and his age at election of lifetime income. Stan's agent reminds him that the IAV is not an actual value in the traditional sense, rather a value used to determine the amount of his LIB payment. Stan's IAV is calculated by taking:

- \$100,000 single premium plus 10% premium bonus; accumulating at
- 4.0%, 6.5%, or 7.0% annually until payments begin.

The longer Stan waits to start LIB payments, the greater the accumulation of the IAV. Of course, if LIB payments are not elected, and the IAV period is reset, the IAV will continue to accumulate until the end of the IAV period. Stan's agent also explains to him that the IAV is only accessible if Stan elects to start taking a lifetime income. Stan will not be able to withdraw a lump sum based on the IAV.

Years IAV Accumulates	IAV @ 4.0%	IAV @ 6.5%	IAV @ 7.0%
1	\$114,400	\$117,150	\$117,700
2	\$118,976	\$124,765	\$125,939
3	\$123,735	\$132,874	\$134,755
4	\$128,684	\$141,511	\$144,188
5	\$133,832	\$150,710	\$154,281
6	\$139,185	\$160,506	\$165,080
7	\$144,752	\$170,939	\$176,636

Stan wanted to see what options the LIBR provide him at his expected retirement at age 62. He also wants to know what the difference is between the Accumulation Options. He asked his agent to show him his:

- Income Account Value;
- LIB payments
- Contract Value; and
- Rider Fees paid for the IAV Accumulation Options 6.5% and 7.0%

Scenario #1 – Level Payment Option

Option #1 –

- End of 7th contract year
- IAV accumulation option 4.0%
- No Rider Fee
- Contract Value accumulates 3% annually²

IAV	Cumulative Rider Fee Charged	Contract Value	Guaranteed Income %	Annual LIB Payment (IAV x 4.75%)
\$144,752	\$0	\$135,286	4.75%	\$6,876

Option #2 –

- End of 7th contract year
- IAV accumulation option 6.5%
- Rider Fee 0.75% of Contract Value annually³
- Contract Value accumulates 3% annually²

IAV	Cumulative Rider Fee Charged	Contract Value	Guaranteed Income %	Annual LIB Payment (IAV x 4.75%)
\$170,939	\$6,361	\$128,341	4.75%	\$8,120

Option #3 –

- End of 7th contract year
- IAV accumulation option 7.0%
- Rider Fee 0.90% of contract value annually³
- Contract Value accumulates 3% annually²

IAV	Cumulative Rider Fee Charged	Contract Value	Guaranteed Income %	Annual LIB Payment (IAV x 4.75%)
\$176,636	\$7,597	\$126,990	4.75%	\$8,390

Lifetime Income Benefit Rider

Scenario #2 – Enhanced Death Benefit Option

Stan wasn't sure he needed the income but wanted to make sure he passed on as much of this money as possible at his death. Stan's agent then explained the LIB with Enhanced Death Benefit option to him. This option gives Stan the IAV growth at 4.0% if at some point Stan decides to turn on income. However, this option also provides an Enhanced Death Benefit to Stan's beneficiary if Stan passes away. This option has an annual fee of 0.70% of the contract value. Stan must weigh the cost with the benefits.

Stan's agent explains that if Stan passes away after the waiting period of 2 years, his beneficiary will receive the lesser of his IAV on the date of his death, the IAV on the date Stan reaches age 85 (Maximum Age) or the IAV on the first Contract Anniversary multiplied by 200% (death benefit cap percentage). Stan also learned that his beneficiary has the option to receive this death benefit in a lump sum or a series of equal periodic payments. Stan's agent showed him an example of what those payments could look like. Because it is unknown how Stan's Contract Value will grow his agent assumed zero growth.

End of Contract Year	Age	Contract Value	Death Benefit	IAV	Death Benefit 5 Year Payout	Death Benefit Lump Sum Payout
5	60	\$106,952		\$133,832	\$133,832	\$120,392
10	65	\$103,261		\$162,827	\$162,827	\$133,044
15	70	\$110,020		\$198,104	\$198,104	\$154,062
20	75	\$118,523		\$241,024	\$228,800	\$173,662

Scenario #3 – Wellbeing Option

Stan then thought that the income from this portion of his money was important and wondered what would happen if he needed more income because of additional medical costs. Stan's agent then explained the LIB and wellbeing option. This option gives Stan the IAV growth at 6.5% as well as an increase in his LIB payments if certain requirements were met. This option has an annual fee of 0.85% of the contract value. Stan must weigh the cost with the benefits.

Stan's agent explains to him that if sometime after the waiting period of 2 years, if Stan is unable to do 2 of the 6 activities of daily living, his LIB payment percentage will increase 200% for up to 5 years (the enhanced LIB period). After 5 years, or if his eligibility requirements are no longer met, Stan's LIB payments will go back to the original calculation. Stan's agent showed him an example of what those enhanced LIB payments could look like if turned on at various ages. (Assumes IAV period is reset)

End of Contract Year	Age	IAV	Guaranteed Annual Payment	Wellbeing Payment
5	60	\$150,710	\$6,857	\$13,715
10	65	\$206,485	\$10,427	\$20,855
15	70	\$282,903	\$15,843	\$31,685
20	75	\$387,601	\$24,419	\$48,838

Lifetime Income Benefit Rider



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The Lifetime Income Benefit (LIB) is available with your Contract if owner and annuitant are the same person. Based on the Income Account Value (IAV) Rate you choose, your IAV will grow at a predetermined rate to provide you with a lifetime of income in the future. **The IAV is a value used only to calculate your Lifetime Income Benefit. It is not part of your Contract Value and is not available for partial withdrawal or in a lump sum. You will not have access to the IAV unless you elect the Lifetime Income Benefit.**

The Lifetime Income Benefit is available to you without a surrender charge and without having to annuitize your Contract. This means that you maintain control of all money accumulated in your Contract and can access that money at any time, with certain restrictions. This Disclosure is a summary of the key benefits and limitations; for more information please see the brochure and your Contract. The choice you make on this disclosure document may not be changed once the Contract is issued. Keep in mind your contract contains a free look period.

How Much Income Can I Get?

That depends on several factors, including the premium paid and any applicable premium bonuses credited, the IAV Rate you choose, the amount of time the IAV grows, your age at the time payments begin, your gender and the Income Option you choose. Please review your contract carefully and when the time comes, feel free to contact us to discuss potential payment options and amounts.

How is the Income Account Value Calculated?

Your initial IAV is your total premium plus any applicable bonus. The IAV accumulates at the IAV Rate, which is set at issue, and continues to grow until payments begin or the end of the IAV Period, unless you submit a written request to reset.

When Can I Begin Taking My Lifetime Income Benefit?

You may begin taking your Lifetime Income Benefit any time after the first Contract Anniversary or at age 50, whichever is later.

What are the Different Payout Options Available?

At the time you elect to start LIB payments, you may choose either a Single Life or a Joint Life Payout. The Single Life Payout is based on your age at the time of election. For the Joint Life Payout option, LIB payment amounts are based on the youngest age of you or your spouse (must be at least age 50). For the Joint Life Payout option, we guarantee LIB payments until the death of the Surviving Spouse.

Can the Lifetime Income Benefit Continue Upon My Death?

Yes. However, your spouse must be listed as sole primary beneficiary and the Spousal Continuation option must be processed in order to continue the Lifetime Income Benefit. LIB will be recalculated upon Spousal Continuation. Other options available; see contract for details.

Will I be Taxed on Lifetime Income Benefit Payments?

Yes. All payments are considered a withdrawal from the Contract Value. Any part of the withdrawal that is deferred interest is taxable as income. If the Contract is a qualified plan, the entire amount of the withdrawal may be taxable. We calculate taxation of LIB payments as outlined in the Internal Revenue Code. The taxable portion of any withdrawal taken before age 59 ½ may be subject to an additional penalty of 10% by the Internal Revenue Service.

How Does My LIB Payment Affect My Contract Value?

LIB payments are considered Withdrawals from your Contract and reduce the IAV and Contract Value on a dollar for dollar basis.

Can I Take Other Withdrawals From My Annuity?

Yes. Any Withdrawals, Penalty Free or otherwise, taken under your Contract **before** LIB payments begin will reduce the IAV under this Rider on a pro-rata basis.

Please note, additional Withdrawals after LIB payments begin are considered Excess Withdrawals (EW) and will reduce future LIB payment amounts and your IAV on a pro-rata basis. If in any Contract Year an Excess Withdrawal is taken, plus your LIB payment exceed the Penalty-Free Withdrawal amount, Surrender Charges will apply to any amount withdrawn in excess. Should the Excess Withdrawals reduce the Contract Value to below the minimum values as outlined in your Contract, the Rider will terminate and the LIB payments will stop.

Can This Rider be Terminated?

Yes. This Rider may be terminated if you submit a written request to cancel the Rider. There are other ways this Rider may terminate, please see your contract for more details. Please note once terminated you cannot restart this rider.

What is the Optional Enhanced Death Benefit?

This benefit is only available after the end of the Death Benefit Waiting Period (currently two years). Your named Beneficiary has the option of receiving either the death benefit available under the Contract or the Enhanced Death Benefit available under this Rider.

Your Enhanced Death Benefit Base is equal to the lesser of:

1. Your IAV on the date of your death; or
2. Your IAV on the date any Owner or Annuitant reaches the Maximum Age (currently 85); or
3. Your IAV on first Contract Anniversary multiplied by the Death Benefit Cap Percentage (currently 200%).

No Enhanced Death Benefit will be paid under this Rider if the Spousal Continuation option is processed.

Lifetime Income Benefit Rider

What Is The Optional Wellbeing Benefit?

A benefit which increases the amount of your LIB payment by the Enhanced LIB Withdrawal Factor (Currently 2.0 for single life or 1.50 for joint life) if you or your spouse (if Joint Life Payout selected) meet annually all seven of the eligibility requirements, outlined below:

1. This Rider must be in force;
2. The Enhanced LIB Waiting Period has elapsed (currently two years);
3. You (and your spouse, if applicable) are at least age 50 at election;
4. The current Contract Value is greater than zero;
5. You (or your spouse, if applicable) were able to perform all six Activities of Daily Living (ADL's) on the Effective Date of the Rider;
6. The Enhanced LIB has not been previously elected;
7. You (or your spouse, if applicable) provide a licensed doctor's statement, on a form we provide, certifying that you (or your spouse) are now no longer able to perform two of the six ADL's without substantial assistance due to a permanent loss of functional capacity.

The six ADL's include bathing, dressing, transferring, toileting, continence, and eating. Your LIB payment will be increased for the duration of the Enhanced LIB Period (currently 5 years). The Enhanced LIB Period will elapse and no further Enhanced LIB will be payable after the expiration of the Enhanced LIB Period.

Authorization And Acknowledgement Of Lifetime Income Benefit And Accumulation/Benefit Option Choice

I understand that this Rider provides a Lifetime Income option. I understand that I may choose one of the following options depending on my age at issue. **I understand the choice I make on this disclosure document may not be changed once the Contract is issued.**

Choose One Option Only

☐ Option 1: Lifetime Income Benefit Rider¹

Available to all issue ages

By choosing this option I understand that:

- My IAV Rate is 4.0%
- My IAV Period is 10 years;
- If Reset, my IAV could grow for up to 20 years
- There is no Rider Fee associated with this Option at the time of issue
- If I choose to reset my IAV Period, as allowed under this Rider, the Company may at that time implement a Rider Fee and:
 - The Rider Fee will be declared by the Company at reset of my IAV period;
 - The Rider Fee will be deducted annually from my Contract Value on each Contract Anniversary as long as the Rider is in force; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 2%)

(Owner's Initials)

☐ Option 2: Lifetime Income Benefit Rider¹

Available issue age 50+

- By choosing this option I understand that:
- My IAV Rate is 6.5%
- My IAV Period is 10 years;
- If Reset, my IAV could grow for up to 20 years
- **I will incur a Rider Fee of 0.75% of my Contract Value** which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and:
 - The Company will declare the new Rider Fee at the reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 2%)

(Owner's Initials)

☐ Option 3: Lifetime Income Benefit Rider¹

Available issue age 50+

- By choosing this option I understand that:
- My IAV Rate is 7.0%
- My IAV Period is 5 years;
- If Reset, my IAV could grow for up to 10 years
- **I will incur a Rider Fee of 0.90% of my Contract Value** which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and:
 - The Company will declare the new Rider Fee at the reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 2%)

(Owner's Initials)

☐ Option 4: Lifetime Income Benefit & Enhanced Death Benefit Rider¹

Available all issue ages

By choosing this option I understand that:

- My IAV Rate is 4.0%;
- My IAV Period is 10 years;
- If Reset, my IAV could grow for up to 20 years
- This Rider provides an Enhanced Death Benefit in place of, and not in addition to, the death benefit available under the Contract.
- I will incur a Rider Fee of 0.70% of my Contract Value which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and:
 - The Company will declare the new Rider Fee at the reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 3%)

(Owner's Initials)

Lifetime Income Benefit Rider

☐ Option 5: Lifetime Income Benefit & Wellbeing Rider¹

Available issue age 50+

By choosing this option I understand that:

- My IAV Rate is 6.5%;
- My IAV Period is 10 years;
- If Reset, my IAV could grow for up to 20 years
- The Wellbeing Benefit can only be activated one time;
- I am (or my spouse is) able to perform all six ADL's as of the day this form was signed;
- I will incur a Rider Fee of 0.85% of my Contract Value which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and:
 - The Company will declare the new Rider Fee at the reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 3%)

(Owner's Initials)

☐ Option 6: Lifetime Income Benefit & Wellbeing Rider¹

Available issue age 50+

By choosing this option I understand that:

- My IAV Rate is 7.0%
- My IAV Period is 5 years;
- If Reset, my IAV could grow for up to 10 years
- The Wellbeing Benefit can only be activated one time;
- **I am (or my spouse is) able to perform all six ADL's as of the day this form was signed;**
- **I will incur a Rider Fee of 1.0% of my Contract Value** which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee; and:
 - The Company will declare the new Rider Fee at the time of reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 3%).

(Owner's Initials)

I (we) have read the information, and understand its content. By signing, I (we) acknowledge and understand the following:

- In choosing a Lifetime Income Benefit Option, as described above, I (we) have discussed my (our) financial status, tax status, current insurance products, and other information with my (our) agent and any other appropriate parties, and believe the Lifetime Income Benefit Option chosen may assist in meeting my (our) current financial needs and objectives.
- I (we) understand any values referred to in this and other documents, other than minimum guaranteed values and the contractual Income Account Values, are not guaranteed and are subject to change.
- **I (we) understand the IAV Rate is simply a calculation method to arrive at what LIB payments will be. I (we) will not have access to the Income Account Value unless I (we) access the Lifetime Income Benefit. Further, I (we) understand the IAV is not available as a partial withdrawal or in a lump sum.**

Owner's Signature

Date

Joint Owner's Signature

Date

Agent's Signature

Date

Agent's State License Number

¹ Riders issued under form series ICC14 R-LIBR, ICC14 R-LIBR-EDB, 14 R-LIBR-W and state variations thereof. Availability may vary by product and state. Ask agent for details. Enhanced Death Benefit Rider not available in CT. Wellbeing Rider not available in CA, CT, DE, HI, ID, IL, MN, MO and WA. Montana residents will be issued on a gender neutral basis.

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Lifetime Income Benefit Rider



Fixed Indexed Annuity Version | Disclosure Statement

The Lifetime Income Benefit (LIB) is available with your Contract if owner and annuitant are the same person. Based on the Income Account Value (IAV) Rate you choose, your IAV will grow at a predetermined rate to provide you with a lifetime of income in the future. **The IAV is a value used only to calculate your Lifetime Income Benefit. It is not part of your Contract Value and is not available for partial withdrawal or in a lump sum. You will not have access to the IAV unless you elect the Lifetime Income Benefit.**

The Lifetime Income Benefit is available to you without a surrender charge and without having to annuitize your Contract. This means that you maintain control of all money accumulated in your Contract and can access that money at any time, with certain restrictions. This Disclosure is a summary of the key benefits and limitations; for more information please see the brochure and your Contract. The choice you make on this disclosure document may not be changed once the Contract is issued. Keep in mind your contract contains a free look period.

How Much Income Can I Get?

That depends on several factors, including the premium paid and any applicable premium bonuses credited, the IAV Rate you choose, the amount of time the IAV grows, your age at the time payments begin, your gender and the Income Option you choose. Please review your contract carefully and when the time comes, feel free to contact us to discuss potential payment options and amounts.

How is the Income Account Value Calculated?

Your initial IAV is your total premium plus any applicable bonus. The IAV accumulates at the IAV Rate, which is set at issue, and continues to grow until payments begin or the end of the IAV Period, unless you submit a written request to reset.

When Can I Begin Taking My Lifetime Income Benefit?

You may begin taking your Lifetime Income Benefit any time after the first Contract Anniversary or at age 50, whichever is later.

What are the Different Payout Options Available?

At the time you elect to start LIB payments, you may choose either a Single Life or a Joint Life Payout. The Single Life Payout is based on your age at the time of election. For the Joint Life Payout option, LIB payment amounts are based on the youngest age of you or your spouse (must be at least age 50). For the Joint Life Payout option, we guarantee LIB payments until the death of the Surviving Spouse.

Can the Lifetime Income Benefit Continue Upon My Death?

Yes. However, your spouse must be listed as sole primary beneficiary and the Spousal Continuation option must be processed in order to continue the Lifetime Income Benefit. LIB will be recalculated upon Spousal Continuation. Other options available; see contract for details.

Will I be Taxed on Lifetime Income Benefit Payments?

Yes. All payments are considered a withdrawal from the Contract Value. Any part of the withdrawal that is deferred interest is taxable as income. If the Contract is a qualified plan, the entire amount of the withdrawal may be taxable. We calculate taxation of LIB payments as outlined in the Internal Revenue Code. The taxable portion of any withdrawal taken before age 59 ½ may be subject to an additional penalty of 10% by the Internal Revenue Service.

How Does My LIB Payment Affect My Contract Value?

LIB payments are considered Withdrawals from your Contract and reduce the IAV and Contract Value on a dollar for dollar basis.

Can I Take Other Withdrawals From My Annuity?

Yes. Any Withdrawals, Penalty Free or otherwise, taken under your Contract **before** LIB payments begin will reduce the IAV under this Rider on a pro-rata basis.

Please note, additional Withdrawals after LIB payments begin are considered Excess Withdrawals (EW) and will reduce future LIB payment amounts and your IAV on a pro-rata basis. If in any Contract Year an Excess Withdrawal is taken, plus your LIB payment exceed the Penalty-Free Withdrawal amount, Surrender Charges will apply to any amount withdrawn in excess. Should the Excess Withdrawals reduce the Contract Value to below the minimum values as outlined in your Contract, the Rider will terminate and the LIB payments will stop.

Can This Rider be Terminated?

Yes. This Rider may be terminated if you submit a written request to cancel the Rider. There are other ways this Rider may terminate, please see your contract for more details. Please note once terminated you cannot restart this rider.

What is the Optional Enhanced Death Benefit?

This benefit is only available after the end of the Death Benefit Waiting Period (currently two years). Your named Beneficiary has the option of receiving either the death benefit available under the Contract or the Enhanced Death Benefit available under this Rider.

Your Enhanced Death Benefit Base is equal to the lesser of:

1. Your IAV on the date of your death; or
2. Your IAV on the date any Owner or Annuitant reaches the Maximum Age (currently 85); or
3. Your IAV on first Contract Anniversary multiplied by the Death Benefit Cap Percentage (currently 200%).

No Enhanced Death Benefit will be paid under this Rider if the Spousal Continuation option is processed.

Lifetime Income Benefit Rider

What Is The Optional Wellbeing Benefit?

A benefit which increases the amount of your LIB payment by the Enhanced LIB Withdrawal Factor (Currently 2.0 for single life or 1.50 for joint life) if you or your spouse (if Joint Life Payout selected) meet annually all seven of the eligibility requirements, outlined below:

1. This Rider must be in force;
2. The Enhanced LIB Waiting Period has elapsed (currently two years);
3. You (and your spouse, if applicable) are at least age 50 at election;
4. The current Contract Value is greater than zero;
5. You (or your spouse, if applicable) were able to perform all six Activities of Daily Living (ADL's) on the Effective Date of the Rider;
6. The Enhanced LIB has not been previously elected;
7. You (or your spouse, if applicable) provide a licensed doctor's statement, on a form we provide, certifying that you (or your spouse) are now no longer able to perform two of the six ADL's without substantial assistance due to a permanent loss of functional capacity.

The six ADL's include bathing, dressing, transferring, toileting, continence, and eating. Your LIB payment will be increased for the duration of the Enhanced LIB Period (currently 5 years). The Enhanced LIB Period will elapse and no further Enhanced LIB will be payable after the expiration of the Enhanced LIB Period.

Authorization And Acknowledgement Of Lifetime Income Benefit And Accumulation/Benefit Option Choice

I understand that this Rider provides a Lifetime Income option. I understand that I may choose one of the following options depending on my age at issue. **I understand the choice I make on this disclosure document may not be changed once the Contract is issued.**

Choose One Option Only

☐ Option 1: Lifetime Income Benefit Rider¹

Available to all issue ages

By choosing this option I understand that:

- My IAV Rate is 4.0%
- My IAV Period is 10 years;
- If Reset, my IAV could grow for up to 20 years
- There is no Rider Fee associated with this Option at the time of issue
- If I choose to reset my IAV Period, as allowed under this Rider, the Company may at that time implement a Rider Fee and:
 - The Rider Fee will be declared by the Company at reset of my IAV period;
 - The Rider Fee will be deducted annually from my Contract Value on each Contract Anniversary as long as the Rider is in force; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 2%)

(Owner's Initials)

☐ Option 2: Lifetime Income Benefit Rider¹

Available issue age 50+

- By choosing this option I understand that:
- My IAV Rate is 6.5%
- My IAV Period is 10 years;
- If Reset, my IAV could grow for up to 20 years
- **I will incur a Rider Fee of 0.75% of my Contract Value** which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and:
 - The Company will declare the new Rider Fee at the reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 2%)

(Owner's Initials)

☐ Option 3: Lifetime Income Benefit Rider¹

Available issue age 50+

- By choosing this option I understand that:
- My IAV Rate is 7.0%
- My IAV Period is 5 years;
- If Reset, my IAV could grow for up to 10 years
- **I will incur a Rider Fee of 0.90% of my Contract Value** which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and:
 - The Company will declare the new Rider Fee at the reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 2%)

(Owner's Initials)

☐ Option 4: Lifetime Income Benefit & Enhanced Death Benefit Rider¹

Available all issue ages

By choosing this option I understand that:

- My IAV Rate is 4.0%;
- My IAV Period is 10 years;
- If Reset, my IAV could grow for up to 20 years
- This Rider provides an Enhanced Death Benefit in place of, and not in addition to, the death benefit available under the Contract.
- I will incur a Rider Fee of 0.70% of my Contract Value which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and:
 - The Company will declare the new Rider Fee at the reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 3%)

(Owner's Initials)

Lifetime Income Benefit Rider

☐ Option 5: Lifetime Income Benefit & Wellbeing Rider¹

Available issue age 50+

By choosing this option I understand that:

- My IAV Rate is 6.5%;
- My IAV Period is 10 years;
- If Reset, my IAV could grow for up to 20 years
- The Wellbeing Benefit can only be activated one time;
- I am (or my spouse is) able to perform all six ADL's as of the day this form was signed;
- I will incur a Rider Fee of 0.85% of my Contract Value which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and:
 - The Company will declare the new Rider Fee at the reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 3%)

(Owner's Initials)

☐ Option 6: Lifetime Income Benefit & Wellbeing Rider¹

Available issue age 50+

By choosing this option I understand that:

- My IAV Rate is 7.0%
- My IAV Period is 5 years;
- If Reset, my IAV could grow for up to 10 years
- The Wellbeing Benefit can only be activated one time;
- **I am (or my spouse is) able to perform all six ADL's as of the day this form was signed;**
- **I will incur a Rider Fee of 1.0% of my Contract Value** which will be deducted on each Contract Anniversary as long as the Rider is in force, unless I choose to reset my IAV Period;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee; and:
 - The Company will declare the new Rider Fee at the time of reset of my IAV Period; and
 - The Rider Fee will never be more than the Maximum Rider Fee (currently 3%).

(Owner's Initials)

I (we) have read the information, and understand its content. By signing, I (we) acknowledge and understand the following:

- In choosing a Lifetime Income Benefit Option, as described above, I (we) have discussed my (our) financial status, tax status, current insurance products, and other information with my (our) agent and any other appropriate parties, and believe the Lifetime Income Benefit Option chosen may assist in meeting my (our) current financial needs and objectives.
- I (we) understand any values referred to in this and other documents, other than minimum guaranteed values and the contractual Income Account Values, are not guaranteed and are subject to change.
- **I (we) understand the IAV Rate is simply a calculation method to arrive at what LIB payments will be. I (we) will not have access to the Income Account Value unless I (we) access the Lifetime Income Benefit. Further, I (we) understand the IAV is not available as a partial withdrawal or in a lump sum.**

Owner's Signature

Date

Joint Owner's Signature

Date

Agent's Signature

Date

Agent's State License Number

¹ Riders issued under form series ICC14 R-LIBR, ICC14 R-LIBR-EDB, 14 R-LIBR-W and state variations thereof. Availability may vary by product and state. Ask agent for details. Enhanced Death Benefit Rider not available in CT. Wellbeing Rider not available in CA, CT, DE, HI, ID, IL, MN, MO and WA. Montana residents will be issued on a gender neutral basis.

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Notes:



- Liabilities as of 12/31/2014 are \$34 Billion.



⁵ A.M. Best has assigned American Equity an "A-" (Excellent) rating, reflecting their current opinion of the financial strength and operating performance of American Equity 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.

Lifetime Income Benefit Rider

with Enhanced Death Benefit or Wellbeing Benefit

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 lead us to record growth in our industry, and we are the number 3 producer of fixed indexed annuities in the market.⁴

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

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

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