

Premier Eagle 12



Declared Interest
Rate Fixed Annuity



The
**American
EAGLE** *Series*



The one who works for you



Annuity Contract issued under form series FRG-2-09 and state variations thereof. Availability may vary by state.

Where Will Your Retirement Dollars Take You?



RETIREMENT PROTECTION

ASSURING YOUR LIFESTYLE...

As Americans, we work hard everyday to earn an income to take care of our families, educate our children and provide for a secure retirement. As retirement age approaches, we are wise to consider:

- Are Our Retirement Dollars Safe?
- How Will Taxes Affect Our Standard of Living?
- What Happens To My Family if I Become Ill?
- Do We Have Enough Money to Retire?

BENEFITS OF ANNUITIES

At American Equity, our innovative tax-deferred annuities help you maximize both growth and safety for your hard earned retirement dollars, ultimately offering you the peace of mind you deserve. We understand that creating a retirement nest egg is hard work and while many people take into consideration market risk, there are five other factors you should consider as well:

- Safety Of Premium
- Avoidance Of Probate
- Liquidity
- Guaranteed Income
- Income Taxes

SAFETY OF PREMIUM

Fixed annuities by their very nature are considered a safe money alternative. It is a contract between you and the insurance company for guaranteed interest and guaranteed income options. Guarantees are backed by the financial strength and claims paying ability of American Equity.

AVOIDANCE OF PROBATE

In the case of premature death, your beneficiaries have the accumulated funds within your annuity available to them and may avoid the expense, delay and publicity of probate. Your named beneficiaries can choose to receive the proceeds as monthly income or a lump sum payment.

LIQUIDITY

American Equity provides you with opportunities to withdraw funds at any time (subject to applicable surrender charges). This annuity contract allows penalty-free withdrawals of up to 10% once per contract year, after the first contract anniversary. American Equity also has certain riders which increase liquidity in the event of confinement to a nursing home or diagnosis of a terminal illness.

GUARANTEED INCOME

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

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 a 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. Once withdrawn your earnings are taxed as ordinary income.

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

TAX TREATMENT

You may be subject to a 10% federal penalty if you make withdrawals or surrender this annuity before age 59 ½. If this annuity is within a qualified plan all distributions may be taxable. Under current tax laws, annuities grow tax-deferred and an annuity is not required for tax deferral in a qualified plan. Any distribution may cause a taxable event and would be taxed as ordinary income. Neither American Equity nor our agents offer legal, investment or tax advice. Please consult your own personal advisor for these matters.

PREMIER EAGLE 12

Premier Eagle 12 is a Fixed Annuity that allows for the accumulation of money over a long period of time. Because of the Bonus credited on all premiums paid in the first Contract Year, it allows for a more rapid accumulation of interest than other fixed annuities. The Bonus is applied

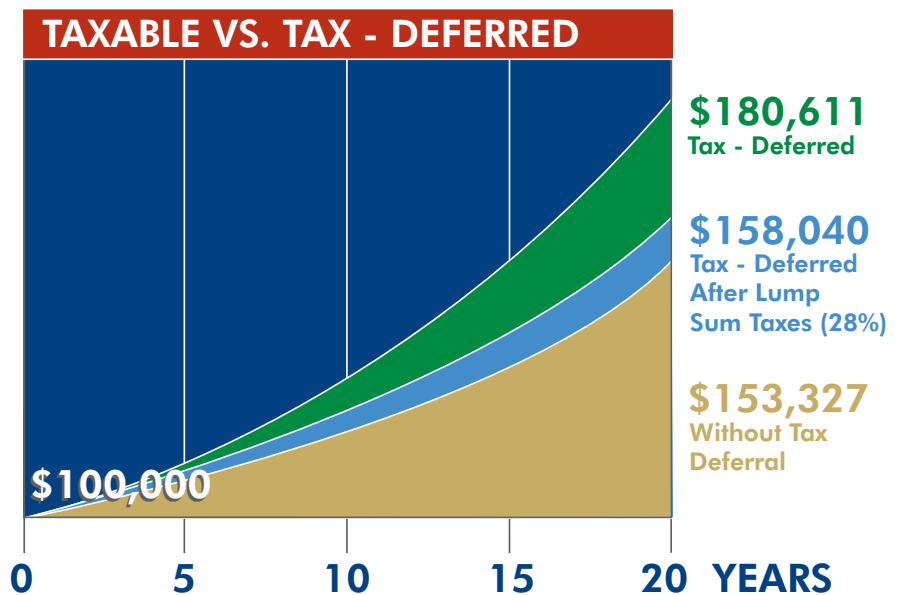
to your Values immediately, but is vested over time. This means that the longer you hold on to your annuity, the greater the payout to you becomes. In addition, we vest the Bonus 100% immediately in the death benefit, so in the unfortunate case of your early death, your beneficiary will receive the entire Contract Value, including 100% of the Bonus.

So, just how do the interest crediting and bonus vesting features of Premier Eagle 12 work, and how do they affect your long-term accumulation of wealth for retirement? Let's take a look:

INTEREST CREDITING

We declare the interest rate for the first Contract Year on the date your Annuity Contract is issued. This rate is guaranteed on the initial Premium received. We will declare the current interest rate in advance. Additionally, we provide a Minimum Guaranteed Interest Rate which guarantees you a minimum return upon surrender. We calculate all Interest Rates as effective annual rates, compounded daily.

To calculate Withdrawal or Surrender Amounts we track Interest credited to Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis.



Note: Example assumes 3% annual interest rate and 28% tax bracket.

This hypothetical example is for demonstration purposes only.

The Premier Eagle 12: Benefits and Accessibility

Contract Year	Premium Bonus Vesting Schedule %
1	0.00
2	0.00
3	0.00
4	8.33
5	16.67
6	25.00
7	33.33
8	41.67
9	50.00
10	58.33
11	66.67
12	75.00
13	83.33
14	91.67
15	100.00

Your Accrued Premium Amount is the portion of the Contract Value resulting from Premiums paid plus Interest, less Withdrawal Amounts.

BONUS

We pay a Bonus of 8% on all premiums received in the first Contract Year. We add this Bonus to the Contract Value on the date we receive Premiums.

Accrued Bonus Amount is the portion of the Contract Value resulting from the Bonus, plus Interest, less Withdrawal Amounts. Surrender Charges do not apply to your Accrued Bonus Amount.

BONUS VESTING

The Bonus vests over a 14-year period. Each year after the 3rd Contract Year, you become Vested in a percentage of the Bonus, until you become 100% Vested at the end of the 14th Contract Year. The Vested amounts of the Bonus are the amounts that you do not forfeit as a result of an early Partial Withdrawal or Surrender.

If you take a Partial Withdrawal or Surrender you will receive the Vested portion of your Bonus according to the following schedule.

- 1) **At Partial Withdrawal** - the pro-rata portion of the Partial Withdrawal Amount allocated to your Accrued Bonus Amount multiplied by the Bonus Vesting %; or
- 2) **At Surrender** - your Accrued Bonus Amount multiplied by the Bonus Vesting % minus the non-Vested portion of any Penalty-free Withdrawals taken from your Accrued Bonus Amount in the last 12 months.

The Bonus is always 100% Vested in the death benefit and in the Income Account Value of the Lifetime Income Benefit option.

WITHDRAWALS

You may make Withdrawals from your Contract Value at any time. Withdrawals include Penalty-free Withdrawals and Partial Withdrawals. We will determine Withdrawal Proceeds taking into consideration any Penalty-free amount available, any Surrender Charges and Bonus Vesting.

1) Penalty-free Withdrawals

Once each Contract Year, after the first year, you may take one

Penalty-free Withdrawal of up to 10% of the Contract Value. 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.*

2) Partial Withdrawals

You may make Partial Withdrawals at any time. We will first determine any amount of the Partial Withdrawal that would be Penalty-free. Amounts above the Penalty-free amount are subject to Surrender Charges and the Bonus Vesting Schedule.

All Withdrawals are pro-rated between the Accrued Premium Amount and the Accrued Bonus Amount of the Contract Value. We apply a Surrender Charge to your Accrued Premium Amount and Vesting to your Accrued Bonus Amount. **Withdrawals in excess of the Penalty-free Withdrawal Amount will cause loss of part of your Accrued Bonus Amount.**

LIFETIME INCOME BENEFIT RIDER (F-LIBR-09)[†]

This rider allows the owner/annuitant to receive guaranteed income for life without annuitization. There are different options to choose from. See Lifetime Income Benefit Rider brochure for more details.

DEATH BENEFIT

The Death Benefit is the full Contract Value of your annuity contract and is paid in a lump sum with no surrender charges, plus 100% Bonus Vesting, to your named beneficiaries. Other income options may also be available.

*Benefit subject to change and not guaranteed.
[†]Form number and availability may vary by state.

NCR-100*

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 3rd Contract Anniversary if confinement in a Qualified Nursing Care Center occurs after the end of the 3rd Contract Year and continues for at least 90 consecutive days. If confinement occurs in the 2nd or 3rd Contract Year, an annual 20% Penalty-free Withdrawal is allowed.

TIR-100*

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)

At no time will the Surrender Value of the Contract be less than 87.5% of all Premiums received, less any Withdrawals, accumulated at Minimum Guaranteed Interest Rate-Minimum Guaranteed Surrender Value (MGIR-MGSV) stated in the Contract. The MGIR-MGSV is a separate calculation from Contract Value.

CONTRACT VALUE

Your Contract Value equals all premiums received plus your bonus and interest credited, less withdrawals.

CASH SURRENDER VALUE

The Cash Surrender Value is the amount we pay if you Surrender the Contract. It equals the greater of the Accrued Premium Amount minus any Surrender Charges, plus the Vested portion of the Accrued Bonus Amount, or the Minimum Guaranteed Surrender Value.

SURRENDER CHARGES

We deduct a Surrender Charge on Partial Withdrawals or Surrenders during the Surrender Charge Period according to the following schedule. Surrender Charges are determined as follows:

- 1) At Partial Withdrawal, the Partial Withdrawal from your Accrued Premium Amount multiplied by the Surrender Charge Percentage; or
- 2) At Surrender, your Accrued Premium Amount, plus any Penalty-free Withdrawals from your Accrued Premium Amount in the last 12 months, multiplied by the Surrender Charge Percentage.

SCENARIO

So, how exactly does all of this work? Let's look at Sally Jones. She is a 50-year-old woman planning for her retirement. She currently has \$100,000 that she has set aside to plan for retirement, but wants to find a long-term accumulation instrument to assist in that planning. Her current daily expenses and needs are taken care of through her work and other income, so the \$100,000 isn't needed for any immediate use. Sally's agent has told her about fixed annuities and how they may provide a solid income in retirement. He tells Sally about the Premier Eagle 12 annuity. He states that it can provide a solid interest rate.

Contract Year	Surrender Charge %
1	12.5
2	12.0
3	12.0
4	11.0
5	10.0
6	9.0
7	8.0
8	7.0
9	6.0
10	4.0
11+	0.0

Additionally, the Premier Eagle 12 Annuity offers an 8% Bonus on all premiums paid in the first year. Because the Bonus vests during the Contract period, the longer she holds the annuity the more of the Bonus becomes vested. While the full Bonus is part of the death benefit and Income Account Value, if she surrenders the contract or completes a Partial Withdrawal she will forfeit a portion of the Bonus.

Finally, her agent explains that the Premier Eagle 12 offers a Lifetime Income Benefit Rider, which would allow her to take an income, guaranteed for the rest of her life, while maintaining control of her money should she need more liquidity in the future.

*Not available in every state, NCR-4 IMCA.

The Premier Eagle 12: Scenario

Sally is interested in this annuity for these options and asks the agent to demonstrate how the Bonus works, how she could access her money if needed and just how much she would have to pay in Surrender Charges or how much of her Bonus she might forfeit should she liquidate her annuity early.

To demonstrate how the Premier Eagle 12 annuity might work, the agent put together some basic information for Sally. Some basic assumptions were:

- 1) Interest Rate 1.6% non-guaranteed and assumed for all Contract Years.
- 2) Penalty-free Withdrawals in Years 2, 3 and 4 followed by a full Surrender of the annuity in Year 5.

With those basic assumptions he proceeded to demonstrate for her how the Premier Eagle 12 credited Interest to the Accrued Premium Amount and the Accrued Bonus Amount, and how the pro-rata distribution of Interest credited and Withdrawals taken from the Accrued Premium Amount and Accrued Bonus Amount would work.

With no Penalty-free Withdrawals in the first year, Sally's Contract Value grows with the addition of the Bonus plus Interest credited. Sally's agent reminds her that the Interest is calculated on the amount attributed to her Premium Paid ($\$100,000 \times 1.60\% = \$1,600$) and her Bonus (first year Premium \times

$8\% = \$8,000$ Bonus; $\$8,000$ Bonus \times $1.60\% = \$128$). Her Contract Value has now grown to $\$109,728$ (Premium Amount $\$101,600 +$ Bonus Amount $\$8,128 =$ Contract Value $\$109,728$).

At the beginning of the 2nd Contract Year, Sally may now take a 10% Penalty-free Withdrawal (PFWD), if she chooses. For this demonstration, that means she will have a Withdrawal of $\$10,973$ (Contract Value of $\$109,728 \times 10\%$). The amount of the Withdrawal is deducted on a pro-rata basis between the Premium Amount and the Bonus Amount prior to Interest being calculated for the 2nd Contract Year. Sally's agent then showed how this transaction would be handled in Years 3 and 4.

PREMIER EAGLE 12

	Premium Amount	Bonus Amount	Contract Value
Year 1			
Beginning Balance	\$100,000	\$8,000	\$108,000
1.60% Interest	\$1,600	\$128	\$1,728
Balance	\$101,600	\$8,128	\$109,728

Year 2			
Beginning Balance	\$101,600	\$8,128	\$109,728
10% Free Withdrawal	\$10,160	\$813	\$10,973
Balance After Withdrawal	\$91,440	\$7,315	\$98,755
1.60% Interest	\$1,463	\$117	\$1,580
Balance at End	\$92,903	\$7,432	\$100,335

Sally likes what she sees. She understands that part of her Contract Value is the result of her Premiums paid and Interest on those Premiums. This is called the Accrued Premium Amount. She also understands that part of the Contract Value results from the Bonus and Interest on the Bonus, and that this is called the Accrued Bonus Amount. Finally, she sees how both of these amounts are reduced on a pro-rata basis when she makes a Withdrawal. She also understands that should she unexpectedly die, her beneficiary would receive the entire Contract Value at the time of her death.

Sally asks her agent to then demonstrate what would occur if she chooses to Surrender her annuity at the beginning of the 5th Contract Year.

Sally informs her agent that she will purchase a Premier Eagle 12 Annuity. Sally really thinks that the Premier Eagle 12 Annuity provides her with a solid financial tool that will allow her to accumulate more money for her retirement years. She understands that the longer she maintains the annuity, the more the Bonus will vest and she has a Guaranteed Interest Rate on 87.5% of that Premium. Her agent also reminds Sally that her Premier Eagle 12 Annuity guarantees a lifetime income stream, either through annuitization or by use of the Lifetime Income Benefit Rider.

	Accrued Premium Amount	Accrued Bonus Amount	Contract Value
Year 3			
Beginning Balance	\$92,903	\$7,432	\$100,335
10% Free Withdrawal	\$9,290	\$743	\$10,034
Balance After Withdrawal	\$83,613	\$6,688	\$90,301
1.60% Interest	\$1,334	\$107	\$1,445
Balance at End	\$84,951	\$6,795	\$91,746

Year 4			
Beginning Balance	\$84,951	\$6,795	\$91,746
10% Free Withdrawal	\$8,495	\$679	\$9,174
Balance After Withdrawal	\$76,456	\$6,116	\$82,752
1.60% Interest	\$1,223	\$98	\$1,321
Balance at End	\$77,679	\$6,214	\$83,893

Year 5*			
Beginning Balance	\$77,679	\$6,214	\$83,893
Full Surrender Charge 10%	\$7,768		
Vesting 16.67%		\$1,036	
Surrender Value	\$69,910	\$1,036	\$70,946

*Assumes full surrender more than 12 months after last Penalty-free withdrawal.

Premier Eagle 12



Fixed Annuity Disclosure

American Equity's Premier Eagle 12 deferred annuity allows for long-term accumulation of money you don't anticipate needing in the short term. Premier Eagle 12 is a flexible premium deferred annuity.

Value Calculations

Contract Value: All Premiums received and interest credited plus Bonuses and interest credited less any Withdrawal Amounts.

Minimum Initial Premium: \$2,000 - Qualified
\$5,000 - Non-Qualified

Accrued Premium Amount: The portion of your Contract Value resulting from Your Premiums plus interest less withdrawals.

Accrued Bonus Amount: The portion of your Contract Value resulting from Bonuses plus interest less withdrawals.

Cash Surrender Value: The amount payable if you surrender this Contract during the Bonus Vesting Period equals the greater of:

- 1) Accrued Premium Amount minus any Surrender Charges, plus the vested portion of your Accrued Bonus Amount; or
- 2) Minimum Guaranteed Surrender Value.

Minimum Guaranteed Surrender Value: 87.5% of all Premiums We receive; less any withdrawals; accumulated at Minimum Guaranteed Interest Rate-Minimum Guaranteed Surrender Value (MGIR-MGSV).

Interest Rates

The rate and duration of the Guaranteed Initial Interest Rate apply only to Your initial Premium and Bonus. The Minimum Guaranteed Interest Rate-Contract Value (MGIR-CV) of 1% applies to Your Contract Value only. We declare Our current interest rates in advance and guarantee never less than MGIR-CV.

The Minimum Guaranteed Interest Rate-Minimum Guaranteed Surrender Value (MGIR-MGSV) applies to Minimum Guaranteed Surrender Value only. It is set at issue and is guaranteed for the life of your Contract.

All Interest Rates are calculated as effective annual rates, compounded daily.

To calculate Withdrawal or Surrender Amounts we track Interest credits to Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis.

Bonus

Credited on all 1st year Premiums, the Bonus increases your Contract Value by 8%. We add the Bonus to the Contract Value on the date we receive Premiums. The Bonus amount is vested over a 14 year period. Starting in the 4th Contract Year, a percentage of the Bonus becomes guaranteed. That percentage increases each year through the 14th Contract Year according to the Bonus Vesting Schedule. After the 14th Contract Year your entire Bonus becomes fully vested. Additionally, the Bonus is 100% fully vested in the Death Benefit as of the Contract Date.

Bonus Vesting

Your Bonus vests according to the schedule shown below. If you take a Partial Withdrawal or Surrender, you will receive the Vested portion of your Bonus as follows:

- 1) At Partial Withdrawal, the pro-rata portion of the Partial Withdrawal Amount allocated to Your Accrued Bonus Amount multiplied by the Bonus Vesting %; or
- 2) At Surrender, your Accrued Bonus Amount multiplied by the Bonus Vesting % minus the non-Vested portion of any Penalty-free Withdrawals taken from Your Accrued Bonus Amount in the last 12 months.

Surrender Charges

We apply Surrender Charges on Partial Withdrawals or Surrenders during the Surrender Charge Period as follows:

- At Partial Withdrawal, the amount resulting from Your Accrued Premium Amount multiplied by the Surrender Charge Percentage; or
- At Surrender, the Accrued Premium Amount, plus any Penalty-free Withdrawals from Your Accrued Premium Amount in the last 12 months, multiplied by the Surrender Charge Percentage.

Surrender Charge and Bonus Vesting Schedule Issue Ages 0-78⁺

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15+
SC %	12.5	12	12	11	10	9	8	7	6	4	0	0	0	0	0
Bonus Vesting%	0	0	0	8.33	16.67	25	33.33	41.67	50	58.33	66.67	75	83.33	91.67	100

⁺Bonus Vesting Schedule is 4 years longer than Surrender Charge Schedule.

Premier Eagle 12

Accessibility

Penalty-free Withdrawals Once each year after the first Contract Year, You may take a Penalty-free Withdrawal of up to 10% of your Contract Value.

NCR-100* is included automatically at no cost for Annuitants under age 75 at issue and provides a 100% penalty-free withdrawal if confinement in a Qualified Nursing Care Center occurs after the end of the 3rd Contract Year and continues for at least 90 consecutive days. If confinement occurs in the 2nd or 3rd Contract Year the rider provides 20% penalty-free withdrawal.

TIR-100* is included automatically at no cost for Annuitants under age 75 at issue and provides an additional penalty-free withdrawal of up to 100% of the Contract Value if, after the first Contract Year, a qualified physician diagnoses a terminal illness expected to result in death within one year.

Lifetime Income Benefit Rider (F-LIBR-09) allows you to take a guaranteed lifetime income from your annuity without losing control of your retirement assets. See Lifetime Income Benefit Consumer Guide and Disclosure for details.

Death Benefit

The Death Benefit provides a variety of settlement options. Your beneficiary(ies) will have access to your Contract's full value. Options include: lump sum payout, annuitization, or penalty-free continuation of the Contract for a spouse. The Death Benefits proceeds are the greater of the Contract Value or the Minimum Guaranteed Surrender Value at first to die of Owner or Annuitant.

Tax Treatment

You may be subject to a 10% Federal income tax penalty if you make withdrawals or surrender this annuity before age 59 1/2. If this annuity is within a qualified plan all distributions may be taxable. Under current tax laws, contract values accumulate, grow tax deferred, and an annuity is not required for tax deferral in a qualified plan. Any distribution may cause a taxable event. Gains from non-qualified annuity will be taxed as ordinary income at withdrawal. If your state imposes a premium tax, it will be deducted from the money you receive. Neither American Equity nor our agents offer legal, investment, or tax advice. Please consult your own personal advisor for these matters.

Other Information

- This annuity is designed generally for people who are willing and able to let their assets build over an extended period of time.
- 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.
- Like any annuity issuer, we incur expenses to sell and issue our contracts, including the payment of a commission to our agents, and we take these expenses into consideration when we establish and reset interest rates. You will receive all benefits as set forth in the contract.

*Annuity Contract issued under form series FRG-2-09 and state variations thereof. Availability may vary by state. NCR-4 in CA.

**NAIC Buyer's Guide should be given at the time of application.

This disclosure is intended to summarize this Annuity. Consult your Annuity Contract for specific terms and conditions of your Annuity. Annuity contracts are products of the insurance industry and are not guaranteed by any bank or insured by the FDIC.

If you are replacing an existing contract, carefully compare the benefits of the proposed contract with your existing contract to ensure your decision is in your best interest.

I have read and received a copy of this document.** I acknowledge that this annuity meets my financial objectives and that a full surrender or withdrawal over penalty free amounts taken within the Surrender Charge Period or Bonus Vesting Period will result in Surrender Charges being assessed, a forfeiture of a percentage of my Bonus, and potential loss of Premium.

Amount Of Premium Received

\$	_____
Amount	Received From
_____	_____
Owner's Name	_____
_____	_____
Date	_____
_____	_____
Agent's Name - Please Print	_____
_____	_____
Agent's Signature	_____

Owner's Signature Date

Joint Owner's Signature Date

Agents Statement - I certify that I have provided a copy of this document** to the applicant and I have made no promises or assurances regarding values of the annuity contract, nor have I made statements that differ from this disclosure.

Agent's Signature Date

Agent's State License Number

American Equity Investment
Life Insurance Company
P.O. Box 71216
Des Moines, Iowa 50325
www.american-equity.com
888-221-1234



Premier Eagle 12



Fixed Annuity Disclosure

American Equity's Premier Eagle 12 deferred annuity allows for long-term accumulation of money you don't anticipate needing in the short term. Premier Eagle 12 is a flexible premium deferred annuity.

Value Calculations

Contract Value: All Premiums received and interest credited plus Bonuses and interest credited less any Withdrawal Amounts.

Minimum Initial Premium: \$2,000 - Qualified
\$5,000 - Non-Qualified

Accrued Premium Amount: The portion of your Contract Value resulting from Your Premiums plus interest less withdrawals.

Accrued Bonus Amount: The portion of your Contract Value resulting from Bonuses plus interest less withdrawals.

Cash Surrender Value: The amount payable if you surrender this Contract during the Bonus Vesting Period equals the greater of:

- 1) Accrued Premium Amount minus any Surrender Charges, plus the vested portion of your Accrued Bonus Amount; or
- 2) Minimum Guaranteed Surrender Value.

Minimum Guaranteed Surrender Value: 87.5% of all Premiums We receive; less any withdrawals; accumulated at Minimum Guaranteed Interest Rate-Minimum Guaranteed Surrender Value (MGIR-MGSV).

Interest Rates

The rate and duration of the Guaranteed Initial Interest Rate apply only to Your initial Premium and Bonus. The Minimum Guaranteed Interest Rate-Contract Value (MGIR-CV) of 1% applies to Your Contract Value only. We declare Our current interest rates in advance and guarantee never less than MGIR-CV.

The Minimum Guaranteed Interest Rate-Minimum Guaranteed Surrender Value (MGIR-MGSV) applies to Minimum Guaranteed Surrender Value only. It is set at issue and is guaranteed for the life of your Contract.

All Interest Rates are calculated as effective annual rates, compounded daily.

To calculate Withdrawal or Surrender Amounts we track Interest credits to Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis.

Bonus

Credited on all 1st year Premiums, the Bonus increases your Contract Value by 8%. We add the Bonus to the Contract Value on the date we receive Premiums. The Bonus amount is vested over a 14 year period. Starting in the 4th Contract Year, a percentage of the Bonus becomes guaranteed. That percentage increases each year through the 14th Contract Year according to the Bonus Vesting Schedule. After the 14th Contract Year your entire Bonus becomes fully vested. Additionally, the Bonus is 100% fully vested in the Death Benefit as of the Contract Date.

Bonus Vesting

Your Bonus vests according to the schedule shown below. If you take a Partial Withdrawal or Surrender, you will receive the Vested portion of your Bonus as follows:

- 1) At Partial Withdrawal, the pro-rata portion of the Partial Withdrawal Amount allocated to Your Accrued Bonus Amount multiplied by the Bonus Vesting %; or
- 2) At Surrender, your Accrued Bonus Amount multiplied by the Bonus Vesting % minus the non-Vested portion of any Penalty-free Withdrawals taken from Your Accrued Bonus Amount in the last 12 months.

Surrender Charges

We apply Surrender Charges on Partial Withdrawals or Surrenders during the Surrender Charge Period as follows:

- At Partial Withdrawal, the amount resulting from Your Accrued Premium Amount multiplied by the Surrender Charge Percentage; or
- At Surrender, the Accrued Premium Amount, plus any Penalty-free Withdrawals from Your Accrued Premium Amount in the last 12 months, multiplied by the Surrender Charge Percentage.

Surrender Charge and Bonus Vesting Schedule Issue Ages 0-78+

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15+
SC %	12.5	12	12	11	10	9	8	7	6	4	0	0	0	0	0
Bonus Vesting%	0	0	0	8.33	16.67	25	33.33	41.67	50	58.33	66.67	75	83.33	91.67	100

+Bonus Vesting Schedule is 4 years longer than Surrender Charge Schedule.

Premier Eagle 12

Accessibility

Penalty-free Withdrawals Once each year after the first Contract Year, You may take a Penalty-free Withdrawal of up to 10% of your Contract Value.

NCR-100* is included automatically at no cost for Annuitants under age 75 at issue and provides a 100% penalty-free withdrawal if confinement in a Qualified Nursing Care Center occurs after the end of the 3rd Contract Year and continues for at least 90 consecutive days. If confinement occurs in the 2nd or 3rd Contract Year the rider provides 20% penalty-free withdrawal.

TIR-100* is included automatically at no cost for Annuitants under age 75 at issue and provides an additional penalty-free withdrawal of up to 100% of the Contract Value if, after the first Contract Year, a qualified physician diagnoses a terminal illness expected to result in death within one year.

Lifetime Income Benefit Rider (F-LIBR-09) allows you to take a guaranteed lifetime income from your annuity without losing control of your retirement assets. See Lifetime Income Benefit Consumer Guide and Disclosure for details.

Death Benefit

The Death Benefit provides a variety of settlement options. Your beneficiary(ies) will have access to your Contract's full value. Options include: lump sum payout, annuitization, or penalty-free continuation of the Contract for a spouse. The Death Benefits proceeds are the greater of the Contract Value or the Minimum Guaranteed Surrender Value at first to die of Owner or Annuitant.

Tax Treatment

You may be subject to a 10% Federal income tax penalty if you make withdrawals or surrender this annuity before age 59 1/2. If this annuity is within a qualified plan all distributions may be taxable. Under current tax laws, contract values accumulate, grow tax deferred, and an annuity is not required for tax deferral in a qualified plan. Any distribution may cause a taxable event. Gains from non-qualified annuity will be taxed as ordinary income at withdrawal. If your state imposes a premium tax, it will be deducted from the money you receive. Neither American Equity nor our agents offer legal, investment, or tax advice. Please consult your own personal advisor for these matters.

Other Information

- This annuity is designed generally for people who are willing and able to let their assets build over an extended period of time.
- 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.
- Like any annuity issuer, we incur expenses to sell and issue our contracts, including the payment of a commission to our agents, and we take these expenses into consideration when we establish and reset interest rates. You will receive all benefits as set forth in the contract.

*Annuity Contract issued under form series FRG-2-09 and state variations thereof. Availability may vary by state. NCR-4 in CA.

**NAIC Buyer's Guide should be given at the time of application.

This disclosure is intended to summarize this Annuity. Consult your Annuity Contract for specific terms and conditions of your Annuity. Annuity contracts are products of the insurance industry and are not guaranteed by any bank or insured by the FDIC.

If you are replacing an existing contract, carefully compare the benefits of the proposed contract with your existing contract to ensure your decision is in your best interest.

I have read and received a copy of this document.** I acknowledge that this annuity meets my financial objectives and that a full surrender or withdrawal over penalty free amounts taken within the Surrender Charge Period or Bonus Vesting Period will result in Surrender Charges being assessed, a forfeiture of a percentage of my Bonus, and potential loss of Premium.

Amount Of Premium Received

\$	_____
Amount	Received From
_____	_____
Owner's Name	_____
_____	_____
Date	_____
_____	_____
Agent's Name - Please Print	_____
_____	_____
Agent's Signature	_____

Owner's Signature Date

Joint Owner's Signature Date

Agents Statement - I certify that I have provided a copy of this document** to the applicant and I have made no promises or assurances regarding values of the annuity contract, nor have I made statements that differ from this disclosure.

Agent's Signature Date

Agent's State License Number

American Equity Investment
Life Insurance Company
P.O. Box 71216
Des Moines, Iowa 50325
www.american-equity.com
888-221-1234



Premier Eagle 12

American Equity's Gold Standard for a Secure Retirement

It is the American Equity dream to help Americans enjoy their retirement years with financial security. We care about providing products that protect you and your family. Our employee/owners are committed to ensuring peace of mind for your retirement future. Our commitment to unsurpassed service and strong contract owner benefits has allowed American Equity to experience consistent, record growth in our industry. In fact, we're the number 3 producer of index annuities.⁺

When you buy an American Equity annuity, you are buying a promise, a promise that we will always be there when you need us. If you want an annuity that can offer you safety of premium, flexibility, tax advantages, accessibility when you need it and a chance to have a lifetime income, we have it. We're the one who works for you to offer diverse financial planning choices for your retirement dollars.

⁺ Source: Wink's Sales & Market Report, (December, 2013).

Ron Grensteiner, President



A.M. Best uses 15 rating categories ranging from A+ + to F and measures performance in the areas of Investment Quality, Capital Adequacy, Policy Reserves, Cost Control and Management Experience. An A- rating from A.M. Best is its fourth highest rating. For the latest rating, access www.ambest.com.

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