



# Bonus Gold

INDEX-1-05

## INDEXED ANNUITY DISCLOSURE

American Equity's Bonus Gold provides an alternative for your financial future. The design of this product allows for long-term accumulation of money you don't anticipate needing in the short term. Bonus Gold is a flexible premium fixed indexed deferred annuity. Bonus Gold offers:

### 10% PREMIUM BONUS

Credited on all 1st year Premiums, the bonus increases your Contract Value by 10% as soon as the Annuity Contract is issued. We don't require annuitization to keep credited bonus in your Contract Value. The bonus is included in the calculation of:

- Death Benefit
- Minimum Guaranteed Surrender Value
- Cash Surrender Value
- Income Account Value

Surrender Charges may be higher in contracts with a premium bonus than in contracts without a premium bonus and may exceed premium bonus. Caps and Participation Rates may also be lower in contracts with a premium bonus.

### VALUE CALCULATIONS

Indexed Values are calculated by:

- Adding any premiums paid plus any credited bonus
- Subtracting any withdrawals, including associated surrender charges and
- Adding Index credits to determine an indexed value.

The total **Indexed Value** is the sum of the Indexed Value calculations for the Bond, Averaged, Point to Point, and Monthly Point to Point Values. **Fixed Value** is calculated in the same way except interest credited is based on a fixed interest rate rather than an Index Credit. The **Contract Value** equals the sum of the Fixed and Indexed Values. The Contract Value is calculated on each contract anniversary.

### MINIMUM GUARANTEES

We set the Minimum Guaranteed Interest Rate on the issue date and guarantee it for the life of the annuity contract.

### LIFETIME INCOME BENEFIT RIDER (LIBR-2010)

This rider allows you to take a guaranteed lifetime income from your annuity without losing control of your retirement assets. This rider is available if the owner and annuitant are the same person. Availability may vary by issue age. See Lifetime Income Benefit Consumer Guide and Disclosure (form #1127-SB-DE) for details.

### ACCESSIBILITY

Our annuities offer Penalty-free Withdrawals up to **10%** of your contract value once annually after the first contract anniversary. Our special feature riders (NCR-100 and TIR-100), are for annuitants under age 75 at issue. The NCR-100 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 continuing for at least 90 consecutive days. If confinement occurs in the 2nd or 3rd Contract Year then a 20% Penalty-free Withdrawal is allowed. The TIR-100 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. The proceeds may be used however you choose.

### TAX TREATMENT

You may be subject to a 10% Federal penalty if you make withdrawals or surrender this annuity before age 59½. 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. 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 a qualified advisor for these matters.

### OTHER INFORMATION

- This annuity is generally designed for people who are willing to let their assets build over an extended period of time.
- This annuity does not participate directly in any stocks or equity investments. You aren't buying shares of stock or an index. Dividends paid on the stocks on which the indexes are based don't increase your annuity earnings.
- 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.
- Like any annuity issuer, American Equity incurs expenses to sell and issue its contracts, including the payment of a commission to its agents, and these expenses are taken into consideration when interest rates, caps and participation rates are established and reset. You will receive all benefits as set forth in the contract.
- Delaware 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. Please review your contract after delivery to confirm the number of days you have.

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The S&P 500® Index does not include dividends.  
The DJIA™ Index does not include dividends.

## SURRENDER CHARGES

Surrender Charges are deducted from your Contract Values in the event of:

1. Full Surrender or
2. Withdrawals in the first year or
3. Withdrawals in excess of the Penalty-free Withdrawal amount during the surrender charge period shown below:

### Issue Ages 0-80

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18+
%	20	19.5	19	18.5	18	17.5	17	16.5	15.5	14	12.5	11	9	7	5	3	2	0

The Minimum Guaranteed Surrender Value equals 80% of premiums paid in the first year including the Premium Bonus, plus 87.5% of any additional premiums paid after the 1st year, minus any withdrawals, all accumulated at the Minimum Guaranteed Interest Rate.

The Cash Surrender Value equals the greater of the Contract Value minus any Surrender Charges or the Minimum Guaranteed Surrender Value. Your Cash Surrender Value can never be lower than the Minimum Guaranteed Surrender Value of the Annuity Contract.

## CHOICES AND FLEXIBILITY

You choose how to allocate your total initial premium. You may make additional premium payments in any amount and frequency within the premium limits. Additional premiums are automatically credited to the Fixed Value. The annuity contract offers additional flexibility by allowing you to transfer money in or out of any value on each contract anniversary. Additional premiums credited to the Fixed Value can be transferred to other values at that time.

- The minimum initial premium is \$5,000.
- The minimum allocation for each value is \$1,000.
- The minimum transfer to select a new value is 10% of the Contract Value.

Nine interest crediting methods offer a variety of choices. For a detailed description of each crediting method refer to page 4 of guide.

- 1 Traditional Fixed Value Interest Rate
- 2 S&P 500 Annual Monthly Average w/Cap & AFR
- 3 S&P 500 Annual Monthly Average w/PR\*\*
- 4 S&P 500 Annual Pt. to Pt. w/ Cap & AFR
- 5 S&P 500 Annual Pt. to Pt. w/PR\*\*
- 6 S&P Monthly Pt. to Pt. w/ Cap & AFR\*\*
- 7 Dow Annual Monthly Average w/Cap & AFR
- 8 Dow Annual Pt. to Pt. w/Cap & AFR
- 9 10-Year U.S. Treasury Bond

### TOTAL INITIAL PREMIUM ALLOCATION:

1	_____ %
2	_____ %
3	_____ %
4	_____ %
5	_____ %
6	_____ %
7	_____ %
8	_____ %
9	_____ %
	100%

You will have the benefit of an annual reset of index credits. Your index credits become part of the Contract Value once credited and can never be lost or taken away.

\*\*Provided by the MA-PR, APT-PR & MPT riders. Available in most states.

PR=Participation Rate, AFR=Asset Fee Rate

## DEATH BENEFIT

The Death Benefit offers a variety of settlement options. Your beneficiary(ies) will have access to your contract's full value. Settlement options are a lump sum payout, the guaranteed income of annuitization, penalty-free and continued tax deferral if you are a spouse. The Death Benefit is the greater of the Contract Value or Minimum Guaranteed Surrender Value at the death of the Annuitant or Owner, whichever comes first.

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 and a copy of the NAIC Buyer's Guide to Indexed Annuities.\*\*\* I understand I am applying for an indexed annuity and that past Interest and Index activity is not intended to predict future activity. I also acknowledge that this annuity meets my financial objectives and that a full surrender or withdrawals over penalty free amount taken within the Surrender Charge Period will result in Surrender Charges being assessed and potential loss of Premium.

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 \_\_\_\_\_

\*\*\*NAIC Buyer's Guide is recommended for all applications.

### AMOUNT OF PREMIUM RECEIVED

\$ \_\_\_\_\_  
Amount Received From \_\_\_\_\_

Owner's Name \_\_\_\_\_

Date \_\_\_\_\_

Agent's Name - Please Print \_\_\_\_\_

Agent's Signature \_\_\_\_\_



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