

IncomeShield 10

WITH OPTIONAL LIFETIME INCOME BENEFIT RIDER



Fixed Index Annuity



AMERICAN EQUITY
INVESTMENT LIFE INSURANCE COMPANY®

IncomeShield 10

Fixed Index Annuity

Retirement is more than life after work. It's about enjoying the lifestyle you worked for, knowing that the money you earned is safe and the income you plan to live on is guaranteed.

For many Americans, fixed index annuities help provide that financial security. Through a combination of protection and stability, these products help fund millions of retirements. The IncomeShield design offers the guaranteed benefits of principal protection, tax-deferred growth, diverse crediting options and income that cannot be outlived.



Understanding Fixed Index Annuities

What is a Fixed Index Annuity?

A fixed index annuity is a contract backed by the financial strength and claims paying ability of the issuing company. This guarantees contract owners a retirement vehicle designed to protect assets while allowing for growth opportunities. It does this through a combination of powerful benefits:

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

How a Fixed Index Annuity Works

The retirement product is purchased with an insurance provider that, in turn, guarantees principal protection, tax-deferred growth on assets and a reliable income stream. Throughout the course of the contract, the fixed index annuity can earn additional interest credits based, in part, on index increases.

As an insurance product, the fixed index annuity is not directly tied to any index. So, there are none of the exposure risks associated with direct stock or share ownership. The annuity cannot lose money due to index volatility and the interest credited will never be less than zero.

Why American Equity?

For over 20 years, American Equity has been committed to quality annuity products backed by superior service. Today, as the number three all-time fixed index annuity provider¹, we remain focused on the business principles that have served our contract owners from the beginning. Through our financial strength and ongoing stability, we help fund more than half-a-million contract owners' retirements across the country.

\$57.67 Billion in Assets²

21,000 Active Agents

500,000 Active Contract Owners

American-owned and operated

A- rating from A.M. Best³

A- rating from Standard & Poor's⁴

A- rating from Fitch⁵





Key Terms

Listed here are key terms and definitions that may be useful when learning about our products.

Annuitization	Conversion of the Cash Surrender Value of the annuity into regular guaranteed income payments.	Income Account Value (IAV)	This value is used solely to determine the amount of income to be received under the Lifetime Income Benefit Rider. It is not a traditionally accessible value. This serves as a measuring tool for purposes of the rider only.
Accumulation Period	The period of time during which the Income Account Value is credited the Income Account Value rate.	IAV Rate	The interest rate used to calculate the interest credited to the Income Account Value.
Bonus Vesting	Starting in the second year, a percentage of the bonus becomes guaranteed annually and vests over time in accordance with the vesting schedule.	Interest Crediting Strategies	Contract owners choose from several index or fixed value crediting strategies, each offering different opportunities for growth.
Cash Surrender Value	The amount paid to the contract owner by American Equity when the contract is surrendered.	Joint Life Payout	A joint life payout is available only to legal spouses, as defined under federal law. Both spouses must be at least 50 years of age and payment is based on the age of the younger joint payee. Payments are made through the life of the last surviving spouse, so long as spousal continuation is elected.
Contract Value	The total of the values in the annuity contract.	Minimum Guaranteed Surrender Value (MGSV)	At no time will the Cash Surrender Value of the contract be less than 87.5% of premium received, less any withdrawals, accumulated at the minimum guaranteed interest rate.
Death Benefit	The greater of the Contract Value or the Minimum Guaranteed Surrender Value. Available Death Benefit payment options are listed in the annuity contract.		
Free Withdrawal	Opportunity each year, after the first contract year, to take withdrawals up to 10% of the Contract Value, without expense.		



Key Terms

American Equity is dedicated to simple product designs and easy-to-understand crediting strategies.

Partial Withdrawal

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

Premium Bonus

Guaranteed 7% Premium Bonus on all premiums received in the first contract year.

Rider Fee

The fee charged for the Lifetime Income Benefit Rider is based on the Income Account Value and deducted from the Contract Value each year as long as the rider is attached to the contract.

Single Life Payout

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

Surrender

Termination of the contract in exchange for Cash Surrender Value.

Surrender Charge

Fee charged, when applicable, for full or partial distribution over the Free Withdrawal amount.

Wellbeing Benefit Enhanced Income Payment

Increases the amount of income payments by an enhanced income factor, for up to five years. (Only applicable with Lifetime Income Benefit Rider Option 4 and 5.)





The Power of a Fixed Index Annuity

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

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

Principal Protection: Premium payments are secure, and any interest credited to the contract is locked in and cannot be lost due to index volatility.

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

Tax-Deferred Growth: Earn interest on money without paying taxes on it until any distribution occurs. This enables faster growth by allowing credited interest to compound over time.*

Liquidity: Each contract defines various opportunities to withdraw funds, such as Free Withdrawals, Partial Withdrawals, and lifetime income options. (Subject to applicable Surrender Charges.)

May Avoid Probate: If applicable, beneficiaries receive any remaining value in the contract while avoiding the expense and time spent in probate.

*Assumes contract is individually owned.



IncomeShield 10

IncomeShield 10 is a fixed index annuity designed to help protect hard-earned dollars from index fluctuations while offering interest growth opportunities based on increases in an index.

Premium Bonus

The IncomeShield 10 includes a 7% Premium Bonus on all premium received in the first contract year. The bonus is applied to the Contract Value on the date received, allocated into the same values as the premium, and vests over time. This provides a jump start for the Contract Value, because the premiums paid during the first year receive a bonus and can help increase interest growth from the start.

Premium Allocations

The initial premium payment can be allocated, in any combination, to either the fixed interest or any of the index strategies. Payments received after the initial premium automatically go into the fixed interest strategy. The contract values may be reallocated on the contract anniversary between strategies subject to these minimums:

- The minimum allocation for each value is \$1,000.
- The minimum transfer to select a new value is 10% of the contract value.

Premium Bonus Vesting

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

The vested amount of the Premium Bonus is guaranteed and cannot be forfeited as a result of a Free Withdrawal. In the event of a Partial Withdrawal or Surrender, Premium Bonus payouts will be based on the vesting schedule.

Allocation Options

Contract owners can allocate money using multiple interest crediting strategies:

Fixed Interest Strategy – The Fixed Interest Strategy Initial Interest Rate is set at issue and guaranteed for the Initial Interest Rate Guarantee Period, which will never be less than one year. The Fixed Interest Strategy will never earn less than the Minimum Guaranteed Interest Rate of 0.50%.

Indexed Strategies – This annuity contract also offers indexed strategy options to which premiums may be directed. The indexed strategies utilize a formula linked to one or more published indices. The indexed strategies currently offered are:

- **Monthly Point to Point** – On each contract anniversary, interest credits are calculated based on monthly changes in the index over a one year period.
- **Annual Point to Point** – On each contract anniversary, the index price is compared to the previous year's index price.
- **2-Year Point to Point** - On the contract anniversary at the end of a two-year term, the index price is compared to the term's beginning index price.

Index Options

The IncomeShield utilizes indices widely regarded as the best single gauge of large-cap U.S. equities: S&P 500® – A market value weighted index of 500 stocks and a common benchmark for U.S. Stock market (Ticker: SPX).

S&P 500 Dividend Aristocrats® Daily Risk Control 5% Excess Return Index – A volatility control index that consists of the S&P 500 Dividend Aristocrats Index and a cash component (accruing interest at a 3-Month LIBOR). This index is made up of S&P 500 members that have consistently increased dividends every year for at least 25 consecutive years (Ticker SPXD5UE).

Calculation Information

Caps or Participation Rates are applied to Indexed Strategies as part of the interest credit calculation.

- **Cap** – Cap means the maximum rate that will be used in determining any interest credits to the strategy value. Caps are subject to change, declared each contract anniversary, and guaranteed to never be less than 1% for Annual Point to Point Strategies and 0.50% for Monthly Point to Point strategies.
- **Participation Rate (PR)** – A PR means a percentage that determines how much of any gain in the index will be credited to the contract. PRs are subject to change, declared each contract anniversary, and guaranteed to never be less than 10%.



In the event of death, 100% of the Premium Bonus is vested immediately and the beneficiary receives the entire Contract Value, including the Premium Bonus.



Money Access Options and Features

With the IncomeShield 10 there is always access to money in the annuity. American Equity provides withdrawal flexibility and a variety of liquidity options.

Premium Bonus Vesting Schedule

Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Vested Percent	0	10	20	30	40	50	60	70	80	90	100

Surrender Values and Charges

The annuity's Surrender Value will never be less than 87.5% of the premium received, less any withdrawals, accumulated at the minimum guaranteed interest rate. If a Partial Withdrawal above the Free Withdrawal or a Surrender is taken during the Surrender Charge period, a deduction will be taken out according to the Surrender Charge schedule.

Surrender Charge Schedule (Age 18-80)

Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Surrender Charge Percent	9.1	9	8	7	6	5	4	3	2	1	0

Free Withdrawals

This is an opportunity each year (after the first contract year) to take Free Withdrawals up to 10% of the Contract Value.

Market Value Adjustment (MVA)

This product contains a Market Value Adjustment (MVA) Rider. An MVA may increase or decrease the amount of a withdrawal in excess of the Free Withdrawal amount or the Surrender value. The MVA does not apply to Free Withdrawals, any death benefit, the MGSV, or any distributions occurring after the Surrender Charge Period has ended. In general, as the MVA Index increases, Cash Surrender Values decrease. As the MVA Index decreases, Cash Surrender Values increase.

Waiver of Surrender Charge Riders

Nursing Care Rider

Included automatically for owners under age 75 at issue. After the first contract year, a one-time withdrawal of up to 100% of the contract value is allowed if the owner is confined to a qualified nursing care facility for a minimum of 90 days. Confinement must begin after the contract issue

date and written proof is required from both the qualified nursing care facility and recommending physician. Any payment made under this rider will not be subject to withdrawal charges, surrender charges, or MVAs.

Terminal Illness Rider

Included automatically for owners under age 75 at issue. After the first contract year, a one-time withdrawal of up to 100% of the contract value is allowed if the owner is diagnosed with a terminal illness. Diagnosis must occur after the contract issue date and written proof with supporting documentation is required from a qualified physician. Any payment made under this rider will not be subject to withdrawal charges, surrender charges, or MVAs.

Death Benefit

Death Benefit proceeds are paid to the surviving joint owner. If there is no surviving joint owner, the death benefit is paid to the named beneficiary(ies) with no Surrender Charges, plus 100% Bonus Vesting. Generally paid in the lump-sum, other payment options are also available.



IncomeShield 10 with Lifetime Income Benefit Rider

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

What is the Lifetime Income Benefit Rider (LIBR)?

The LIBR helps secure a lifelong income source, for contract owners 50-80 at issue. The amount of income to be received is measured by the Income Account Value (IAV). The IAV is credited over time and grows until the earlier of income payments beginning or the end of the Accumulation Period. Depending on the option chosen, a Rider Fee may be incurred and will be based on the Income Account Value and be deducted from the Contract Value each year the rider is attached to the contract. For Option 1, income payments may begin 30 days after contract issue. For Options 2 through 5, income payments may begin any time after the first contract anniversary. These payments are available without a Surrender Charge or having to Annuitize the contract.

LIBR Options

Option 1

This option has a set IAV Rate, declared at issue and guaranteed for 15 years. The IAV is calculated on a compound interest basis. There is no fee associated with this option.

Option 2

This option has a set IAV Rate, declared at issue and guaranteed for 7 years. The IAV is calculated on a simple interest basis.

Option 3

This option has a set initial IAV Rate, declared at issue and guaranteed for the initial IAV Rate Guarantee period of 10 years. The IAV Rate will never be lower than the Minimum Guaranteed IAV Rate for the remainder of the Accumulation Period. The IAV is calculated on a compound interest basis.

LIBR and Wellbeing Benefit Options

These allow for increases in the amount of income by an income payment factor, for up to five years, should the contract owner (or their spouse) become unable to perform multiple activities of daily living outlined in the contract. This option is not confinement driven, so it is available to those receiving home care. There is a two year waiting period before the benefit can be activated.

Option 4

This option includes the LIBR guarantees with a set IAV Rate, declared at issue and guaranteed for 7 years, plus the Wellbeing Benefit. The IAV is calculated on a simple interest basis.

Option 5

This option includes the LIBR guarantees with a set initial IAV Rate, declared at issue and guaranteed for the initial IAV Rate Guarantee period of 10 years. The IAV Rate will never be lower than the Minimum Guaranteed IAV Rate for the remainder of the Accumulation Period. This option also includes the Wellbeing Benefit. The IAV is calculated on a compound interest basis.

Option 1

IAV Rate: 4.00%

Accumulation Period: 15 years

Option 2

IAV Rate: 7.25%

Accumulation Period: 7 years

Rider Fee: 1.10%

Option 3

IAV Rate: 6.00%

Minimum Guaranteed IAV Rate: 3.00%

Accumulation Period: 15 years

Rider Fee: 1.10%

Option 4

IAV Rate: 7.25%

Accumulation Period: 7 years

Rider Fee: 1.20%

Not available in DE.

Option 5

IAV Rate: 6.00%

Minimum Guaranteed IAV Rate: 3.00%

Accumulation Period: 15 years

Rider Fee: 1.20%

Not available in DE.



Predictable Lifetime Income

Guaranteed income payments based on easy-to-understand payout factors.

Payout Factors									
Age	Single		Joint		Age	Single		Joint	
	Fee	No Fee	Fee	No Fee		Fee	No Fee	Fee	No Fee
50	3.39%	3.08%	2.91%	2.64%	65	4.93%	4.48%	4.13%	3.74%
51	3.48%	3.16%	3.02%	2.73%	66	5.03%	4.57%	4.19%	3.80%
52	3.58%	3.25%	3.13%	2.82%	67	5.13%	4.66%	4.25%	3.86%
53	3.68%	3.34%	3.23%	2.91%	68	5.23%	4.75%	4.31%	3.91%
54	3.78%	3.43%	3.32%	3.00%	69	5.33%	4.84%	4.36%	3.96%
55	3.88%	3.52%	3.40%	3.09%	70	5.42%	4.92%	4.40%	4.00%
56	3.98%	3.61%	3.48%	3.17%	71	5.50%	5.00%	4.44%	4.04%
57	4.09%	3.71%	3.56%	3.24%	72	5.59%	5.08%	4.48%	4.08%
58	4.20%	3.81%	3.64%	3.31%	73	5.68%	5.16%	4.52%	4.11%
59	4.29%	3.90%	3.71%	3.38%	74	5.77%	5.24%	4.55%	4.14%
60	4.40%	4.00%	3.78%	3.44%	75	5.86%	5.32%	4.58%	4.17%
61	4.51%	4.10%	3.85%	3.50%	76	5.93%	5.39%	4.60%	4.19%
62	4.61%	4.19%	3.92%	3.56%	77	6.01%	5.46%	4.62%	4.21%
63	4.72%	4.29%	3.99%	3.62%	78	6.09%	5.53%	4.64%	4.23%
64	4.83%	4.39%	4.06%	3.68%	79	6.16%	5.60%	4.65%	4.24%
					80+	6.24%	5.67%	4.66%	4.25%

The annual income payment equals the IAV on the day the income payments begin, multiplied by the benefit payout percentage applicable to the contract owner's age (if joint payout is elected, whoever is youngest) at the time of election.

If, on the day before income payments are to begin, the Contract Value is greater than the IAV, American Equity will increase the IAV to equal the Contract Value.



Income and Withdrawals

The Lifetime Income Benefit Rider offers guaranteed income through a secure revenue source.

Income Payment Election

Income payments may begin starting 30 days or one year after the contract is issued, depending on the rider option.

- **Single Life** – payout factors are determined by the owner's age at the time of payout election.
- **Joint Life** – payout is based on the youngest age of the contract owner or spouse, who is at least age 50, and income payments are guaranteed until the death of the surviving spouse subject to the spousal continuation provision.

Excess Withdrawals

Any Partial Withdrawals taken from the Contract Value after income payments have started are considered excess withdrawals and will reduce future income payment amounts and your IAV on a pro rata basis. For example, an additional withdrawal of 5% of your Contract Value reduces your future income payments by 5%.

If an excess withdrawal plus income payment exceeds the Free Withdrawal amount allowed in any contract year, Surrender Charges will be applied to any amount in excess of the Free Withdrawal amount.

Should excess withdrawals reduce the Contract Value to zero, the IAV will also be reduced to zero, and the contract as well as the rider will be considered Surrendered. Any remaining income payments would also terminate.

Death of Owner

American Equity's annuities have a Death Benefit that allows the beneficiaries immediate access to Contract Value at the time of death. This can help avoid a costly prolonged probate process.

If the owner's spouse is sole primary beneficiary of the contract, elects spousal continuation, and is at least age 50, then income benefits may continue. Details and available options are in the contract.

The LIBR terminates and income payments stop upon the earliest of either the owner's written request, the date the contract terminates, the date the contract is Annuitized or the date the owner of the contract changes. Once the LIBR terminates, it may not be reinstated.

Tax Treatment

All income payments are considered a withdrawal from the Contract Value, and any part of the withdrawal that is deferred interest is taxable as income. If the contract is in a qualified plan the entire amount of the withdrawal may be taxable. The taxation of income payments is calculated as outlined in the Internal Revenue Code.

In addition, the taxable portion of any withdrawal taken before age 59½ may be subject to an additional penalty of 10% by the Internal Revenue Service.

Please contact a qualified tax professional for additional information.

American Equity

Commitment to Values

Service

Our contract owners are why we are here, and we do our best to provide service, second to none, every day.

Integrity

Our values of honesty, fairness and truthfulness have been central to our past success and will continue to be for generations to come.

Excellence

Our dedication to going above and beyond in every facet of our business has established us as a top-tier fixed index annuity provider.

Safety

Our products provide Sleep Insurance[®] for contract owners that can trust their principal is protected and their income is guaranteed for life.

For additional resources and blogs, visit www.american-equity.com



American Equity Investment Life Insurance Company[®]
6000 Westown Pkwy, West Des Moines, IA 50266

www.american-equity.com • Call us at 888-221-1234

Annuity Contract and riders issued under form series ICC17 BASE-IDX-B, ICC17 IDX-11-10, ICC19 E-MPTP, ICC19 E-PTPC, ICC19 E-PTPR, ICC16 R-MVA, ICC20 R-LIBR-FCP, ICC20 R-LIBR-FSP, ICC20 R-LIBR-W-FSP, ICC20 R-LIBR-W-FCP, ICC19 R-NCR, ICC19 R-TIR and state variations thereof. Availability may vary by state.

¹ Source: https://www.looktowink.com/2019/05/overall_indexedannuitysales2018/. If you cannot access this article online, you may call 888-647-1371 to request a copy.

² As of 12/31/19 - Assets \$57.67 billion, Liabilities \$54.18 billion.

³ A.M. Best has assigned American Equity an "A-" (Excellent) rating, reflecting their current opinion of American Equity's financial strength and its ability to meet its ongoing contractual obligations relative to the norms of the life/health insurance industry. A.M. Best utilizes 15 rating categories ranging from A++ to F. An "A-" rating from A.M. Best is its fourth highest rating. For the latest rating, access www.ambest.com. Rating effective 8/2/2006, affirmed 06/26/2020.

⁴ Standard & Poor's rating service has recognized American Equity Investment Life Insurance Company with an "A-" rating. An insurer rated "A" has strong financial security characteristics, but is somewhat more likely to be affected by adverse effects of changing circumstances or economic conditions than are insurers with higher ratings. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. Rating effective 8/5/15, affirmed 03/26/20.

⁵ Fitch Ratings assigned American Equity Investment Life Insurance Company an Insurer Financial Strength rating of "A-" (Outlook Negative). Fitch Ratings utilizes 19 rating categories ranging from "AAA" to "C." An "A-" rating is the seventh highest rating. An insurer with an "A" rating is considered to have a strong capacity for payment of financial commitments, but may be more vulnerable to adverse business or economic conditions than insurers with higher ratings. Outlooks indicate the direction a rating is likely to move over a one- to two-year period if current financial or other trends continue. For more information, please visit www.fitchratings.com. Rating effective 04/24/2020.

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