

American Equity's
Gold standard
for a secure Retirement

Retirement Gold

(RG-FIA-09)*



*Form number varies 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?**

INDEXED ANNUITIES FOR YOUR RETIREMENT PORTFOLIO

Indexed annuities are fixed annuities that provide an opportunity to potentially earn more interest than traditional fixed annuities and other safe money alternatives. This is done by basing interest earned on an increase in an equity index. You control how your annuity grows by choosing the index crediting methods on each Contract Anniversary. The index we use to determine index values for this annuity is the S&P 500®.

A very important benefit is that your premium and credited interest can never be lost due to index volatility.

When purchasing an indexed annuity, you own an annuity Contract backed by American Equity Investment Life Insurance Company, you are not purchasing shares of stock or indexes.

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**
- **Income Taxes**
- **Liquidity**
- **Guaranteed Income**

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.

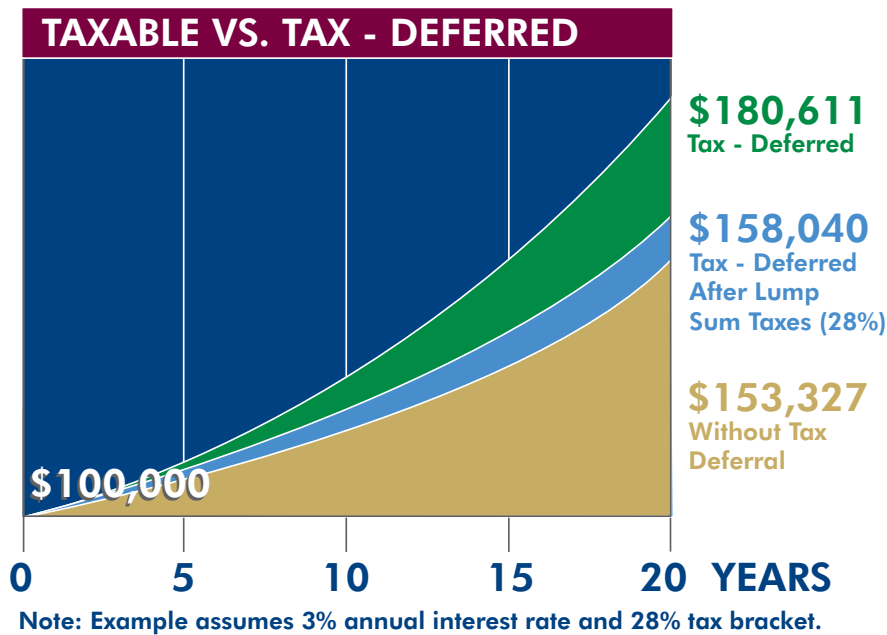
American Equity insures this safety by investing your premium dollars in a diversity of investments that are closely regulated by state insurance departments. These long-term investments ensure the stability of the company and help to provide you with a competitive yield.

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.

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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.

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%, after the first contract anniversary. American Equity also has available certain riders which increase liquidity in the event of confinement to a nursing home, or if diagnosed with a terminal illness. (Riders not available in all states.)

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.

RETIREMENT GOLD

Retirement Gold is a Fixed Indexed 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.

Is Protection from Losses Important to You?

The Retirement Gold: Choices & Diversification

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

PREMIUM PAYMENT & ALLOCATION

You may direct your initial premium payment in any combination you choose, into either the Fixed Value or any of the Indexed Values. Any additional premium payments you make after your initial premium will automatically go into the Fixed Value. At each Contract Anniversary, you may choose to transfer between the different Values, giving you greater flexibility.

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

INTEREST CREDITING

You have six different Value options to choose from in determining how we will credit interest to your Contract Values. 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 credits to Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis.

CHOICES

This annuity offers 5 index and 1 fixed value choices.

■ **The S&P 500® Index** contains stocks from 500 various industry leaders and is widely regarded as a leading benchmark for U.S. stock market performance.

Choice Of:

■ **Cap Rate** - An upper limit applied to the Index credit. Cap rates are subject to change, declared each Contract anniversary, and guaranteed to never be less than 4% on the Annual Monthly Average and Annual Point to Point Crediting Methods. The Cap Rate on the Monthly Point to Point is guaranteed to never be less than 1%.

-OR-

■ **Participation Rate (PR)** - The stated percentage of any Index increase credited to the annuity contract. PRs are subject to change, declared annually, and guaranteed to never be less than 25%.

INDEX CREDITING METHOD CHOICES

■ **Annual Monthly Average** - Index Credits are based on 12 dates during the year. The average is calculated by adding the 12 Index amounts on each monthly date and dividing by 12. Caps or Participation Rates are applied to the Index Credit Calculation.

■ **Annual Point to Point** - On each Contract anniversary the Index value is compared to the previous years Index value. The Index Credit is based on the increase in the Index value from point to point. Caps or Participation Rates are applied to the Index Credit Calculation.

■ **Monthly Point to Point** - Each month a percentage of change is calculated. Caps are applied to any increase. The sum of the resulting monthly values, less an Asset Fee, is the Index Credit applied on each Contract Anniversary.

■ **Fixed Value Rate** based on a current declared interest rate guaranteed to never be less than the Fixed Value Minimum Guaranteed Interest Rate stated in the Contract.

■ **Transfer of Values** - American Equity annuities allow for annual transfers between different values allowing you greater flexibility in utilizing the interest crediting methods available. A Transfer of Values (TOV) letter and form are sent one month prior to the contract anniversary as a courtesy.

| | Annual Monthly Average | Annual Point to Point | Monthly Point to Point* | Fixed Rate |
|---|---|--|---|------------------------------|
| Interest Credit Calculation | Average % of index closes on monthly Contract Anniversary | Percentage of annual increase in the Index | Annual % of monthly changes in the Index with cap less an asset fee | Fixed Interest Rate Declared |
| Index Availability | S&P 500® | S&P 500® | S&P 500® | Not Applicable |
| Frequency of Interest Credit | Annually | Annually | Annually | Daily |
| Cap, AFR or Participation Rate Available | Choice of Cap or Participation Rate | Choice of Cap or Participation Rate | Cap & AFR | Not Applicable |

Retirement Gold Benefits and Accessibility



BONUS

We pay a Bonus of 12%** of all premiums received in the first Contract Year. We add this Bonus to the Contract Value on the date we receive Premiums, and we allocate it to the same values as your 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.*

* Lifetime Income Benefit option provided through rider form LIBR-2008. Availability may vary by state.

** 6% Bonus, ages 79-85 and at all issue ages in certain states.

† 10 Years for ages 79-85.

| Contract Yr | Premium Bonus Vesting Schedule % Age 0-78 | Premium Bonus Vesting Schedule % Age 79-85 |
|-------------|---|--|
| 1 | 0.00 | 0.00 |
| 2 | 0.00 | 0.00 |
| 3 | 0.00 | 0.00 |
| 4 | 8.33 | 16.67 |
| 5 | 16.67 | 16.67 |
| 6 | 25.00 | 33.33 |
| 7 | 33.33 | 33.33 |
| 8 | 41.67 | 50.00 |
| 9 | 50.00 | 66.67 |
| 10 | 58.33 | 83.33 |
| 11 | 66.67 | 100.00 |
| 12 | 75.00 | |
| 13 | 83.33 | |
| 14 | 91.67 | |
| 15 | 100.00 | |

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.

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 (LIBR-2008)

This rider allows the owner/annuitant to receive guaranteed income for life without annuitization. The income amount is a percentage of the Income Account Value (IAV) based on the owner/annuitant's age at time of election.

There are two IAV rate options to choose from. There may be a fee charged annually based on the IAV rate selected. We include this rider with all contracts where the Owner and Annuitant are the same person. If, on the day before Lifetime Income Benefit (LIB) payments begin, the IAV is less than the Contract Value we will increase the IAV to equal the Contract Value. See Lifetime Income Benefit Rider (LIBR) brochure (Form #1103) 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.

ACCESSIBILITY – 10% PENALTY-FREE WITHDRAWALS

We understand that access to your money is very important. While most financial

vehicles charge penalties for Withdrawals before maturity, this annuity offers annual 10% Penalty-free withdrawals, beginning in year 2. 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.*

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 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.

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 stated in the Contract. The MGSV is a separate calculation from Contract Value.

CONTRACT VALUE

Your Contract Value equals the sum of your Fixed Value, plus your Indexed Value.

* Benefit not guaranteed and subject to change.

**Not available in every state.

See Product Disclosure for further details.

The Retirement Gold: Choices & Diversification

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.

| Contract Yr | Surrender Charge % Age 0-78 | Surrender Charge % Age 79-85* |
|-------------|--------------------------------|----------------------------------|
| 1 | 12.5 | 10 |
| 2 | 12.0 | 9 |
| 3 | 12.0 | 8 |
| 4 | 11.0 | 7 |
| 5 | 10.0 | 6 |
| 6 | 9.0 | 5 |
| 7 | 8.0 | 4 |
| 8 | 7.0 | 3 |
| 9 | 6.0 | 2 |
| 10 | 4.0 | 1 |
| 11+ | 0.0 | 0 |

*May also apply to all issue ages in certain states.

ANNUITIZATION

You may annuitize your Surrender Proceeds at anytime after the first Contract Year, for a Life Option, with at least 5 years certain.

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 indexed annuities and how they may provide a solid income in retirement. He tells Sally about the Retirement Gold annuity. He states that it can provide a solid interest rate, some of which can be determined by linking to a stock market index, so it may provide the opportunity for an interest rate greater than that of a traditional fixed annuity.

In addition, she has the option of putting some or all of her money in a Fixed Interest Value option, and she can transfer between the Index and Fixed Values options at the beginning of each Contract Year. Additionally, the Retirement Gold annuity offers a 12% 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 Retirement Gold 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.

Sally is interested in this annuity for these options, and asks the agent to demonstrate just 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.

The agent put together some basic information to demonstrate for Sally how the Retirement Gold Annuity might work. Some basic assumptions were:

- 1) Interest Rate 3.10% 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 Retirement Gold credited Interest, Bonus amounts, and how the pro-rata distribution of Interest



credited and Withdrawals taken from the Premium Amount and 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 ($\$100,000 \times 3.10\% = \$3,100$) and her Bonus (first year Premium $\times 12\% = \$12,000$ Bonus; $\$12,000$ Bonus $\times 3.10\% = \$372$) Her Contract Value has now grown to $\$115,472$ (Premium Amount $\$103,100 +$ Bonus Amount $\$12,372 =$ Contract Value $\$115,472$).

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 $\$11,547$ (Contract Value of $\$115,472 \times 10\%$). The amount of the Withdrawal is deducted on a pro-rata basis between the Premium Amount and the Bonus.

Retirement Gold

| | Premium Amount | Bonus Amount | Contract Value |
|-------------------|----------------|--------------|----------------|
| Year 1 | | | |
| Beginning Balance | 100,000 | 12,000 | 112,000 |
| 3.10% Interest | 3,100 | 372 | 3,472 |
| Balance | 103,100 | 12,372 | 115,472 |

| | | | |
|--------------------------|---------|--------|---------|
| Year 2 | | | |
| Beginning Balance | 103,100 | 12,372 | 115,472 |
| 10% Free Withdrawal | 10,310 | 1,237 | 11,547 |
| Balance After Withdrawal | 92,790 | 11,135 | 103,925 |
| 3.10% Interest | 2,876 | 345 | 3,222 |
| Balance at End | 95,666 | 11,480 | 107,146 |

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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.

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 Retirement Gold Annuity. Sally really thinks that the Retirement Gold 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 of the Bonus will vest. She has a Guaranteed Interest Rate on 87.5% of that Premium, which means that even in the unlikely event that the Index options she chooses never go up, she will get back at least her original Premium plus the interest accumulated or the minimum guaranteed rate. Her agent also reminds Sally that her Retirement Gold Annuity guarantees a lifetime income stream, either through annuitization or by use of the Lifetime Income Benefit Rider (see form # 1103-SB for more on this benefit.)

| | Accrued Premium Amount | Accrued Bonus Amount | Contract Value |
|---------------------------------|------------------------|----------------------|----------------|
| Year 3 | | | |
| Beginning Balance | 95,666 | 11,480 | 107,146 |
| 10% Free Withdrawal | 9,567 | 1,148 | 10,715 |
| Balance After Withdrawal | 86,100 | 10,332 | 96,432 |
| 3.10% Interest | 2,669 | 320 | 2,989 |
| Balance at End | 88,769 | 10,652 | 99,421 |

| | | | |
|---------------------------------|--------|--------|--------|
| Year 4 | | | |
| Beginning Balance | 88,769 | 10,652 | 99,421 |
| 10% Free Withdrawal | 8,877 | 1,065 | 9,942 |
| Balance After Withdrawal | 79,892 | 9,587 | 89,479 |
| 3.10% Interest | 2,477 | 297 | 2,774 |
| Balance at End | 82,369 | 9,884 | 92,253 |

| | | | |
|----------------------------------|--------|-------|--------|
| Year 5* | | | |
| Beginning Balance | 82,369 | 9,884 | 92,253 |
| Full Surrender Charge 10% | 8,237 | | |
| Vesting 16.67% | | 1,648 | |
| Surrender Value | 74,132 | 1,648 | 75,780 |

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

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FIXED INDEXED ANNUITY DISCLOSURE

American Equity's Retirement Gold deferred annuity allows for long-term accumulation of money you don't anticipate needing in the short term. Retirement Gold is a flexible premium fixed indexed deferred annuity.

BONUS

Credited on all 1st year Premiums, the Bonus increases your Contract Value by 12%+. We add the Bonus to the Contract Value on the date we receive Premiums and allocate it to the same Values as your 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 and Income Account Value as of the Contract Date.

+Issue ages 0-78, 6% Bonus ages 79-85, and at all issue ages in certain states.

++Ages 79-85 and in certain states for all issue ages the vesting period 10 years

MINIMUM GUARANTEES

We set the Minimum Guaranteed Interest Rate on the issue date and guarantee it for the life of the annuity contract. It is guaranteed to never be less than 1%, and applies to Minimum Guaranteed Surrender Value only. The Fixed Value Minimum Guaranteed Interest Rate is 1%.

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, subject to these minimums:

- 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. Six interest crediting methods offer a variety of choices. Additional premiums credited to the Fixed Value can be transferred to other values at contract anniversary.

- 1 Traditional Fixed Value Interest Rate
- 2 S&P 500 Annual Monthly Average w/Cap
- 3 S&P 500 Annual Monthly Average w/PR
- 4 S&P 500 Annual Pt. to Pt. w/ Cap
- 5 S&P 500 Annual Pt. to Pt. w/PR
- 6 S&P Monthly Pt. to Pt. w/ Cap & AFR

TOTAL INITIAL PREMIUM ALLOCATION:

| | | |
|---|-------|------|
| 1 | _____ | % |
| 2 | _____ | % |
| 3 | _____ | % |
| 4 | _____ | % |
| 5 | _____ | % |
| 6 | _____ | % |
| | | 100% |

(For a detailed description of each crediting method refer to page 4 of attached product guide.)

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 from your Contract Value due to market volatility.

DEATH BENEFIT

The Death Benefit is payable under 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.

* Form numbers vary by state. Not available in all states.

ACCESSIBILITY

You may make Withdrawals from Your Annuity Contract. Withdrawals include amounts Withdrawn under both the Penalty-free Withdrawal and Partial Withdrawal Options. We allow Penalty-free Withdrawals of up to 10% of Your Contract Value after the first Contract Year. Withdrawals will be deducted from both the Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis, and you will receive the Vested portion of Your Bonus, calculated as follows:

- **At Partial Withdrawal** - the pro-rata portion of the Partial Withdrawal Amount allocated to your Accrued Bonus Amount multiplied by the Bonus Vesting %; or
- **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.

ADDITIONAL POLICY INFORMATION

Contract Value: The sum of the Fixed Value and the Indexed Values. It is calculated each Contract Anniversary. **Accrued Premium Amount** is the portion of the Contract Value resulting from Your Premiums. **Accrued Bonus Amount** is the portion of the Contract Value resulting from the Bonus. **Cash Surrender Value:** The amount payable at Surrender during the Bonus Vesting Schedule Period equals the greater of:

- (1) Accrued Premium Amount minus any applicable Surrender Charges, plus the Vested portion of Your Accrued Bonus Amount; or
- (2) Minimum Guaranteed Surrender Value.

Our special feature riders (NCR-100 and TIR-100)*, are for annuitants under age 75 at issue at no additional cost. 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.

LIFETIME INCOME BENEFIT RIDER (LIBR-2008)

This rider 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 (form #1103) for details.

INTEREST CREDITING METHODS

The total **Indexed Value** is the sum of all of the Indexed Value calculations. **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.

TAX TREATMENT

You may be subject to a 10% Federal income tax 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, 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 a qualified advisor for these matters.

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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 Charges do not apply to Your Accrued Bonus Amount.**

BONUS VESTING

The Bonus is incrementally vested according to the schedule shown below. Surrender charges do not apply to the Bonus.

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 |

Surrender Charge and Bonus Vesting Schedule Issue Ages 79-85 and at all issue ages for certain states.

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11+ |
|-----------------|----|---|---|-------|-------|-------|-------|----|-------|-------|-----|
| SC% | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
| Bonus Vesting % | 0 | 0 | 0 | 16.67 | 16.67 | 33.33 | 33.33 | 50 | 66.67 | 83.33 | 100 |

Surrender Charges may vary by state.

The Minimum Guaranteed Surrender Value equals 87.5% of premiums paid, minus any withdrawals, all accumulated at the Minimum Guaranteed Interest Rate-Minimum Guaranteed Surrender Value (MGIR-MGSV).

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 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 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.

**NAIC Buyer's Guide is recommended for all applications and delivery is required at the time of the application in AZ and UT.

OTHER INFORMATION

- This annuity is designed for people who are willing to let their assets build for at least 14 years.
- 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 which comprise the indexes 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.
- 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, 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.

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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 _____



Retirement Gold

RG-FIA-09*

FIXED INDEXED ANNUITY DISCLOSURE

American Equity's Retirement Gold deferred annuity allows for long-term accumulation of money you don't anticipate needing in the short term. Retirement Gold is a flexible premium fixed indexed deferred annuity.

BONUS

Credited on all 1st year Premiums, the Bonus increases your Contract Value by 12%+. We add the Bonus to the Contract Value on the date we receive Premiums and allocate it to the same Values as your 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 and Income Account Value as of the Contract Date.

+Issue ages 0-78, 6% Bonus ages 79-85, and at all issue ages in certain states.

++Ages 79-85 and in certain states for all issue ages the vesting period 10 years

MINIMUM GUARANTEES

We set the Minimum Guaranteed Interest Rate on the issue date and guarantee it for the life of the annuity contract. It is guaranteed to never be less than 1%, and applies to Minimum Guaranteed Surrender Value only. The Fixed Value Minimum Guaranteed Interest Rate is 1%.

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, subject to these minimums:

- 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. Six interest crediting methods offer a variety of choices. Additional premiums credited to the Fixed Value can be transferred to other values at contract anniversary.

- 1 Traditional Fixed Value Interest Rate
- 2 S&P 500 Annual Monthly Average w/Cap
- 3 S&P 500 Annual Monthly Average w/PR
- 4 S&P 500 Annual Pt. to Pt. w/ Cap
- 5 S&P 500 Annual Pt. to Pt. w/PR
- 6 S&P Monthly Pt. to Pt. w/ Cap & AFR

TOTAL INITIAL PREMIUM ALLOCATION:

| | | |
|---|-------|------|
| 1 | _____ | % |
| 2 | _____ | % |
| 3 | _____ | % |
| 4 | _____ | % |
| 5 | _____ | % |
| 6 | _____ | % |
| | | 100% |

(For a detailed description of each crediting method refer to page 4 of attached product guide.)

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 from your Contract Value due to market volatility.

DEATH BENEFIT

The Death Benefit is payable under 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.

* Form numbers vary by state. Not available in all states.

ACCESSIBILITY

You may make Withdrawals from Your Annuity Contract. Withdrawals include amounts Withdrawn under both the Penalty-free Withdrawal and Partial Withdrawal Options. We allow Penalty-free Withdrawals of up to 10% of Your Contract Value after the first Contract Year. Withdrawals will be deducted from both the Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis, and you will receive the Vested portion of Your Bonus, calculated as follows:

- **At Partial Withdrawal** - the pro-rata portion of the Partial Withdrawal Amount allocated to your Accrued Bonus Amount multiplied by the Bonus Vesting %; or
- **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.

ADDITIONAL POLICY INFORMATION

Contract Value: The sum of the Fixed Value and the Indexed Values. It is calculated each Contract Anniversary. **Accrued Premium Amount** is the portion of the Contract Value resulting from Your Premiums. **Accrued Bonus Amount** is the portion of the Contract Value resulting from the Bonus. **Cash Surrender Value:** The amount payable at Surrender during the Bonus Vesting Schedule Period equals the greater of:

- (1) Accrued Premium Amount minus any applicable Surrender Charges, plus the Vested portion of Your Accrued Bonus Amount; or
- (2) Minimum Guaranteed Surrender Value.

Our special feature riders (NCR-100 and TIR-100)*, are for annuitants under age 75 at issue at no additional cost. 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.

LIFETIME INCOME BENEFIT RIDER (LIBR-2008)

This rider 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 (form #1103) for details.

INTEREST CREDITING METHODS

The total **Indexed Value** is the sum of all of the Indexed Value calculations. **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.

TAX TREATMENT

You may be subject to a 10% Federal income tax 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, 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 a qualified advisor for these matters.

Retirement Gold RG-FIA-09*

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 Charges do not apply to Your Accrued Bonus Amount.**

BONUS VESTING

The Bonus is incrementally vested according to the schedule shown below. Surrender charges do not apply to the Bonus.

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 |

Surrender Charge and Bonus Vesting Schedule Issue Ages 79-85 and at all issue ages for certain states.

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11+ |
|-----------------|----|---|---|-------|-------|-------|-------|----|-------|-------|-----|
| SC% | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
| Bonus Vesting % | 0 | 0 | 0 | 16.67 | 16.67 | 33.33 | 33.33 | 50 | 66.67 | 83.33 | 100 |

Surrender Charges may vary by state.

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

Owner's Signature _____ Date _____

Joint Owner's Signature _____ Date _____

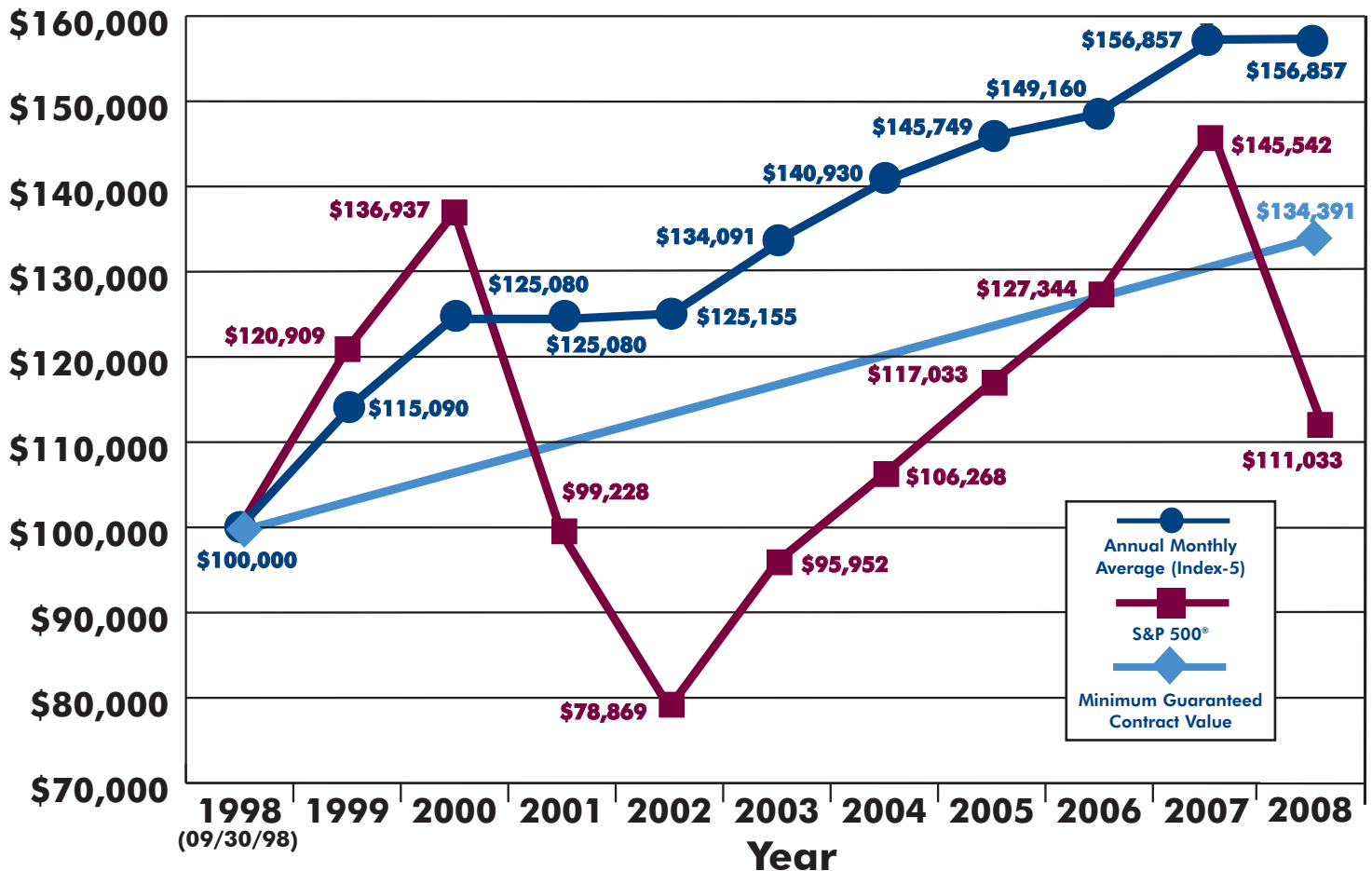
Agents Statement - I certify that I have provided a copy of this document to the applicant and I have made no promises or assurances regarding values of the annuity contract, nor have I made statements that differ from this disclosure.

Agent's Signature _____ Date _____

Agent's State License Number _____



Real Benefits of Indexed Annuities



*This graph is based on actual credited rates for the period shown on the Index-5 product, which is no longer available for sale. Past performance not an indication of future results. Please call our Marketing Department for new product information. "Standard & Poor's", "S&P", "S&P 500", "Standard & Poor's 500", and "500" are trademarks of the McGraw-Hill Companies, Inc. and have been licensed for use by American Equity Investment Life Insurance Company. This product is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of purchasing this product. S&P 500® index does not contain dividends. Participation Rates apply, may change annually on Contract Anniversary. Neither American Equity Investment Life Insurance Company nor any of our agents give legal, tax or investment advice. Consult your own personal advisor regarding these matters. Indexed Annuities are products of the insurance industry and are not guaranteed by any bank, or insured by the FDIC.

A HISTORY OF AMERICAN EQUITY'S INDEX-5* (9/30/98 - 9/30/08)

This history of American Equity's Index-5 Indexed Annuity demonstrates the powerful benefits of Indexed Annuities with the annual reset interest crediting design. All of our current products offer annual reset design as well. The Index-5 did exactly what it was supposed to do—give the Contract Owner the opportunity to accumulate value based on the appreciation of the S&P 500® Index, without the risk of loss of Premium in years when the S&P 500® was negative. All of this supported by a Minimum Guarantee.

This is not an illustration.

These results should not be an indication that Indexed Annuities will beat the S&P 500® every time. This simply demonstrates the effectiveness of Indexed Annuities in years when the S&P 500® was negative.

Surrender Charges apply to surrenders or withdrawals taken in excess of the free withdrawal provision during the Surrender Charge Period.

American Equity's Gold standard for a secure Retirement

Retirement Gold (RG-FIA-09)**



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 three all-time 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" to offer you diverse financial planning choices for your retirement dollars.

**Not available in all states. See Product Disclosures for further details.

†Advantage Compendium.

D.J. Noble, Chairman



1114-SB 02.06.09

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.

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West Des Moines, IA 50266
888-221-1234 ■ 515-221-9947 (fax)
www.american-equity.com



INSURANCE MARKETPLACE
STANDARDS ASSOCIATION



We're the One!
People Service Future