

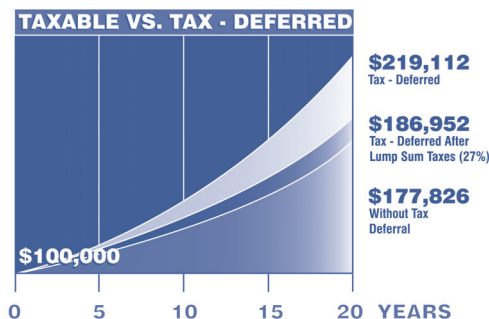
# THE FUTURE PLATINUM PRODUCT GUIDE

(Deferred Indexed Annuity Contract Form INDEX-4-05)

## TAX DEFERRAL

### Triple Compounding solutions!

Interest earned on your American Equity annuity is not currently taxable by the federal or state government until you choose to make a withdrawal. This is the key difference between an annuity and other taxable financial products. A 4% rate may sound good initially, but if you are in a taxable product with a combined 27% tax bracket, the actual rate is 2.92%.



Note: Example assumes 4% annual interest rate and 27% tax bracket.

Example assumes \$100,000 initial premium, 4% annual interest rate for 20 years and a 27% tax bracket.

Annuities feature **Triple Compounding!** You earn interest on your premium, interest on your interest and interest on what you would normally pay in taxes. You do not pay taxes on your American Equity annuity interest until you withdraw it. You control when you pay taxes!

## EQUITY, BOND-INDEXED & FIXED INTEREST

Indexed Annuities combine the stability and tax deferral of a traditional fixed annuity with interest rates based on increases in a U.S. Financial Market Index. The Contract Value accumulates without risking loss of premium due to Index volatility. **The Future Platinum Annuity** provides the potential for earnings through increases in the S&P 500 and Lehman Brothers U.S. Aggregate Index. You control how you want your annuity growth to accumulate by choosing from these interest crediting methods:

- **Equity Indexed Value 1:** Annual monthly average increase in The S&P 500 Index during each Contract Year with Participation Rate; and/or
- **Equity Indexed Value 2:** Annual monthly average increase in the S&P 500 Index during each Contract Year with CAP; and/or
- **Equity Indexed Value 3:** Annual Point to Point increase in the S&P 500 Index during each Contract Year with Participation Rate; and/or
- **Equity Indexed Value 4:** Annual Point to Point increase in the S&P 500 Index during each Contract Year with CAP; and/or
- **MPT Value:** Sum of monthly change in the S&P 500 during each Contract Year with a CAP and Asset Fee Rate (AFR); and/or
- **Bond Indexed Value:** Annual Point to Point increase in the Lehman Brothers U.S. Aggregate Index during each Contract Year with a CAP; and/or
- **Fixed Value:** Traditional Fixed Value Interest Rate.

## • The S&P 500 Index

S&P 500 Index is widely regarded as the benchmark for U.S. stock market performance. The Index contains stocks from 500 leading companies in various industries.

## • Lehman Brothers U.S. Aggregate Index

Lehman Brothers U.S. Aggregate Index is a U.S. dollar denominated index made up of fixed rate U.S. government agencies, corporations, mortgage pass throughs and asset-backed securities carrying a BBB+ rating or better, having maturities greater than 1 year and have an outstanding issue balance of \$150 million or more.

## VALUES

### • Contract Value

Your Contract Value equals the sum of Indexed and Fixed Values.

### • Indexed Value

Indexed Value is the sum of the Bond, Equity Indexed, and MPT Values. Once credited, they can never be taken away.

### • Equity Indexed Values 1 and 2

To determine Index Credits we calculate the Index Average by adding Indices on the day before each monthly anniversary and dividing by 12. We then compare Index Average to the Index at the beginning of the Contract Year to determine the percentage change for the year. We use a Participation Rate (PR) in calculating Equity Indexed Value 1 and a CAP for Equity Indexed Value 2.

### • Equity Indexed Values 3 and 4

To determine Index Credits on each Contract Anniversary, we compare the Index to the Index on the previous Contract Anniversary to determine the percentage change for the year. We use a PR in calculating Equity Indexed Value 3 and a CAP for Equity Indexed Value 4.

### • Bond Indexed Value

To determine Index Credits on each Contract Anniversary, we compare the Bond Index to the Bond Index on the previous Contract anniversary to determine the percentage change for the year with a CAP.

PRs are guaranteed for one Contract Year, never less than 35% and can be adjusted annually. CAPs are guaranteed for one Contract Year, never less than 4%, and can be adjusted annually.

### • MPT Value

Index Credits are based on the annual sum of the monthly percentage changes in the Index. After we apply a CAP to the monthly MPT Ratios, on each Contract Anniversary, we sum the MPT ratios and subtract an Asset Fee Rate (AFR) to determine the Index Credit. The CAP is guaranteed for the 1st Contract Year, never less than 1% and can be adjusted annually. The AFR is set at issue and guaranteed for the life of the Contract.

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## • Fixed Value

Interest Credit is based on our current declared interest rate on each Contract Anniversary, which we guarantee never less than Minimum Guaranteed Interest Rate (MGIR)\*.

Index and Interest Credits are added to the Values on the last day of each Contract Year.

## • Transfer of Values Option

You maintain control of your money with the Transfer of Values Option. On each Contract Anniversary, you may transfer money between Values. Please see state specific disclosure for details as some limitations apply.

## • Minimum Guaranteed Surrender Value (MGSV)

Minimum Guaranteed Surrender Value (MGSV) equals 87.5% of all Premiums, less any Withdrawal Proceeds, accumulated at the MGIR.

## • Cash Surrender Value

Cash Surrender Value is equal to the greater of Contract Value minus any applicable Surrender Charges or MGSV.

\* Based on 2 month average of 5 year Constant Maturity Treasury Rate in October and November of previous year.

## SURRENDER CHARGES

Surrender Charges are deducted from your Values in the event of full Surrender or Withdrawals in the 1st year or in excess of the Penalty-free Withdrawal amount during the Surrender Charge period or within the 1st Contract Year as follows:

	<u>Issue Ages 0-80:</u>												
Year	1	2	3	4	5	6	7	8	9	10	11	12	13+
%	12.5	12.5	12.5	11.5	10.5	9.5	8.5	7.5	6.5	5	3.5	2	0
	<u>Issue Ages 81-85:</u>												
Year	1	2	3	4	5	6	7	8	9	10	+		
%	9	8	7	6	5	4	3	2	1	0			

Surrender Charges also apply to Penalty-free Withdrawals taken within 12 months of full Surrender. Surrender Charges and issue ages may vary by state. Please see a state specific disclosure for details.

## LIQUIDITY OPTIONS

If you need money for any reason, you may take a Penalty-free Withdrawal of up to 10% of the Contract Value annually after the first Contract Year.

Additionally, you may receive interest income as soon as 30 days after your Contract is issued with systematic withdrawals. You may also take minimum distribution of qualified money 30 days after Contract Issue. However, interest and minimum distribution withdrawals are available only from the Fixed Value.<sup>1</sup> You may use the Transfer of Values Option to ensure maintenance of your liquidity objectives. Withdrawals prior to age 59½ may be subject to IRS penalties.

## • Nursing Care Rider (NCR-2)<sup>2</sup>

For additional peace of mind, our Nursing Care Rider is automatically included, at no cost, for Annuitants under age 75 at issue. This allows an increase in the Penalty-free Withdrawal amount up to 20% of the Contract Value for a qualified nursing care center confinement beginning one year after issue and continuing for at least 90 consecutive days.

## • Terminal Illness Rider (TIR-1)<sup>2</sup>

The Terminal Illness Rider is automatically included, at no cost, for Annuitants under age 75 at issue. After the Contract is in force for one year, this rider allows one Penalty-free Withdrawal up to 75% of the Contract Value for a terminal illness expected to result in death in one year as diagnosed by a qualified physician.

AMOUNT OF THE FUTURE PLATINUM INDEXED ANNUITY	
\$ _____	_____
Amount	Received From
_____	
Owner's Name	
_____	
Date	
_____	
Agent's Name - Please Print	
_____	
Agent's Signature	
_____	

<sup>1</sup> Benefit not guaranteed and subject to change.

<sup>2</sup> Not available in every state.

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The S&P 500 Index does not include dividends.

Neither American Equity nor our agents give legal, tax or investment advice. Consult a qualified advisor regarding these matters.



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