

Tax Interpretations

Neither American Equity Investment Life Insurance Company nor any of its agents or representatives give tax advice. The information here is a summary of our understanding of current tax laws as they relate to this insurance product. Consult your personal tax advisor on specific points of importance to you.

Presenting the Split Annuity

Sales Brochure

From A.M. Best and Standard & Poor's

American Equity's commitment to sound business principles has been recognized by **A.M. Best**, a nationally recognized industry rating authority.

A.M. Best's rating of "**B+ +**" (**Very Good**) for American Equity is a measure of performance in the areas of:

Investment Quality	Policy Reserves
Capital Adequacy	Cost Control
Management Experience	

A.M. Best uses 15 rating categories ranging from A+ + to E

Standard & Poor's rating service has recognized American Equity Investment Life Insurance Company with a "**BBB+**" rating. Standard & Poor's considers "BBB" rated companies as having **GOOD** financial security characteristics.

Plus (+) or minus (-) signs following ratings from 'AA' to 'CCC' show relative standing within the major rating categories.



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Form 1002-12/02/02



Income & Capital Retention

The Split Annuity is a combination of an immediate annuity and a deferred annuity, structured to provide immediate income, much of which is after tax dollars (return of premium), while returning the original premium (before taxes).

The income is guaranteed for the length of the contract, while the deferred dollars grow at current, tax-deferred interest rates.

Administration

A single premium is used to fund the Split Annuity. American Equity will issue two contracts, one for the guaranteed income and one for tax-deferred growth.

Advantage

Income

The Split Annuity offers a guaranteed monthly income.

Advantage

Growth

The Split Annuity features competitive interest rates, tax-deferred growth and partial withdrawal options.

Advantage

Flexibility

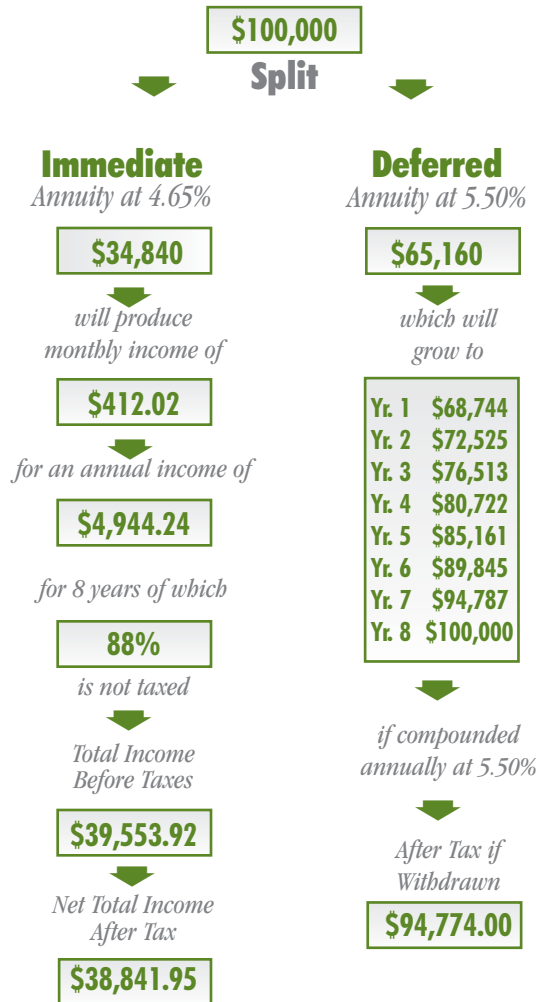
The Split Annuity is flexible. A new income stream may be developed from the deferred annuity proceeds at a later date. The deferred annuity also allows for additional partial withdrawals, plus, the continued tax-deferred growth eventually “replaces” the immediate annuity premium.

On the deferred side, Surrender Charges and/or MVA apply to full Surrender and any Withdrawals taken during the Surrender Charge Period. PLEASE NOTE: The IRS will impose a 10% Penalty on Withdrawals before age 59 1/2 except under specific conditions. See your tax advisor for details.

Plan Limits

Issue Ages are generally 0-85 Non-Qualified; 0-80 Qualified. On the immediate side, the income period is 5 to 20 years and no commutation is allowed.

How It Works



Please Note

The above values are based on a 15% tax bracket and general assumptions regarding future interest rates. These are intended only to describe the concept of the split annuity. These values do not represent an actual contract. Actual values will vary according to the specific contract forms used and future interest rates credited. Once issued, the Immediate Annuity income is guaranteed for the entire payout period. Deferred Annuity projected accumulation rates are guaranteed for the first year only.