

Premier Eagle 10

Declared Interest
Rate Fixed Annuity



The
American
EAGLE 
Series

The one who works for you



Annuity Contract issued under form series FPDA-7-08 and state variations thereof. Availability may vary 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?

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
- Liquidity
- Guaranteed Income
- Income Taxes

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. Guarantees are backed by the financial strength and claims paying ability of American Equity.

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.

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% once per contract year, after the first contract anniversary. American Equity also has a rider available which will increase liquidity in the event of confinement to a nursing home (Rider 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.

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.

TAX TREATMENT

You may be subject to a 10% federal penalty if you make withdrawals or surrender this annuity before age 59 ½. 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 and would be taxed as ordinary income. Neither American Equity nor our agents offer legal, investment or tax advice. Please consult a qualified advisor for these matters.

PREMIER EAGLE 10

Premier Eagle 10 is a Fixed 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 5 Contract Years, it allows for a more rapid accumulation of interest than other fixed annuities. The Bonus is applied to your Values

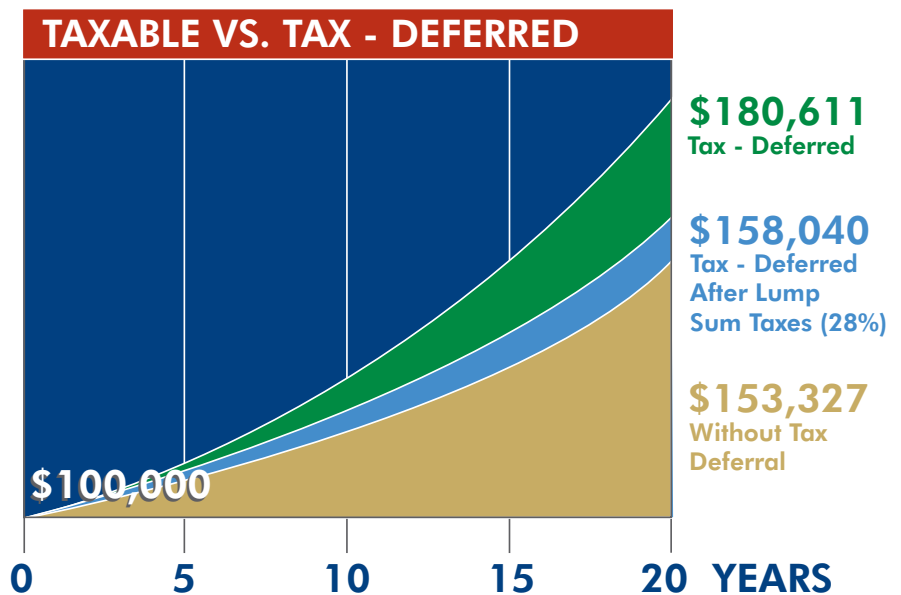
immediately. The Bonus is included in the death benefit, so in the unfortunate case of your early death, your beneficiary will receive the entire Contract Value, including 100% of the Bonus.

So, just how do the interest crediting and bonus features of Premier Eagle 10 work, and how do they affect your long-term accumulation of wealth for retirement? Let's take a look:

INTEREST CREDITING

We declare the interest rate for the first Contract Year on the date your Annuity Contract is issued. This rate is guaranteed on the initial Premium received. We will declare the current interest rate in advance. 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 each premium received by the Contract Year in which we receive the premium. We call these amounts Premium Values. Each Premier Eagle 10 may have up to 6 Premium Values; one for each of the first 5 Contract Years and one for all premiums received in Contract Year 6 and beyond. Each Premium Value equals the premiums received in that Contract Year, plus any Bonus; less any Withdrawals; plus interest credited.



Note: Example assumes 3% annual interest rate and 28% tax bracket.

This hypothetical example is for demonstration purposes only.

The Premier Eagle 10: Benefits and Accessibility

BONUS

Premier Eagle 10 is a flexible premium deferred annuity with a 10% bonus on all premiums received in the first 5 Contract Years.* You may continue to pay premiums after the first 5 contract years, but no Bonus will be applied to such premiums received.

*Bonus applies to issue ages 0 - 75. For issue ages 76-80 the bonus is 5%.

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 and any Surrender Charges. We will adjust Premium Values on a pro-rata basis for any Withdrawal taken.

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. 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.**

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.

LIFETIME INCOME BENEFIT RIDER (F-LIBR-09)⁺

This rider allows the owner/annuitant to receive guaranteed income for life without annuitization. There are different options to choose from. See Lifetime Income Benefit Rider brochure for more details.

DEATH BENEFIT

The Death Benefit is the greater of the Contract Value or the minimum guaranteed surrender value of your annuity contract and is paid in a lump sum with no surrender charges. Other income options may also be available.

NCR-2⁺

This rider is automatically included, at no cost, for Annuitants under age 75 at issue. This allows you to take an annual 20% Penalty-free Withdrawal of the Contract Value after the 1st Contract Anniversary if confinement in a Qualified Nursing Care Center occurs after the end of the 1st Contract Year and continues for at least 90 consecutive days.

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-Minimum Guaranteed Surrender Value (MGIR-MGSV) stated in the Contract. The MGSV is a separate calculation from Contract Value.

CONTRACT VALUE

Your Contract Value equals all premiums received plus your bonus less withdrawals, plus interest credited.

CASH SURRENDER VALUE

The Cash Surrender Value is the amount we pay if you Surrender the Contract. The Cash Surrender Value equals the greater of the Minimum Guaranteed Surrender Value or the Contract Value less any Surrender Charges.

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, we multiply the Partial withdrawal Amount from each Premium Value by the appropriate Surrender Charge Percentages as shown in the following table; or
- 2) At Surrender, we multiply each Premium Value plus any Penalty-free Withdrawal Proceeds taken in the past 12 months by the Surrender Charge Percentage as shown in the following tables.

**Benefit subject to change and not guaranteed.

⁺Form number and availability may vary by state.

SURRENDER CHARGE PERCENTAGES

(For issue ages 0-75)

SCP	CY1 (%)	CY2 (%)	CY3 (%)	CY4 (%)	CY5 (%)	CY6+ (%)
CY1	20					
CY2	19.5	20				
CY3	19	19.5	20			
CY4	18.5	19	19.5	20		
CY5	18	18.5	19	19.5	20	
CY6	17.5	18	18.5	19	19.5	12.5
CY7	17	17.5	18	18.5	19	12
CY8	16	17	17.5	18	18.5	11.5
CY9	15	16	17	17.5	18	11
CY10	14	15	16	17	17.5	10
CY11	12	14	15	16	17	9
CY12	10	12	14	15	16	8
CY13	7.5	10	12	14	15	7
CY14	5	7.5	10	12	14	6
CY15	2.5	5	7.5	10	12	5
CY16	0	2.5	5	7.5	10	4
CY17		0	2.5	5	7.5	3
CY18			0	2.5	5	2
CY19				0	2.5	1
CY20					0	0

SURRENDER CHARGE PERCENTAGES

(For issue ages 76-80)

SCP	CY1 (%)	CY2 (%)	CY3 (%)	CY4 (%)	CY5 (%)	CY6+ (%)
CY1	15					
CY2	14	15				
CY3	13	14	15			
CY4	12	13	14	15		
CY5	11	12	13	14	15	
CY6	9.5	11	12	13	14	12.5
CY7	8	9.5	11	12	13	12
CY8	6.5	8	9.5	11	12	11
CY9	5	6.5	8	9.5	11	10
CY10	2.5	5	6.5	8	9.5	9
CY11	0	2.5	5	6.5	8	7.5
CY12		0	2.5	5	6.5	6
CY13			0	2.5	5	4.5
CY14				0	2.5	3
CY15					0	1.5
CY16						0

Note: CY = Contract Year
SCP = Surrender Charge Percentage

SCENARIO

There is a rolling Surrender Charge schedule for premiums received in the first 5 Contract Years. All Premiums received in each Contract Year 1 through 5 will have a 15 year Surrender Charge schedule for each of those first 5 Contract Years. Premiums received in Contract Year 6+ will be added together in aggregate through Contract Year 19, and have a Surrender Charge period lasting 14 years.

For example, all premiums received in Contract Year 1 will be added together and credited interest as appropriate, creating a Premium Value for Contract Year 1. If a Surrender takes place in Contract Year 2, and no other Premiums have been received, the Surrender Charge Percentage, as shown in the table above, would be 19.5%.

In this same example, if Premiums are received in Contract Year 1, and then no other Premiums are received

until Contract Year 6, each of these, with the appropriate credited interest, creates a Premium Value. If the annuity is then surrendered in Contract Year 8, the Premium Value associated with Contract Year 1 will be taken times the Surrender Charge Percentage for Contract Year 8, or 16%, as shown in the table. And the Premium Value associated with the Premium received in Contract Year 6 will be 11.5%, as shown in the table.

The Premier Eagle 10: Scenario

Let's take a look at how this works: Paul Smith has just changed jobs. At his previous employer, he had a retirement plan set up that he contributed to on a regular basis.. Leaving his retirement fund at the previous employer is not an option, so Paul must find a new place for his retirement money. In addition, Paul has several other financial accounts that will mature over the next few years in which he would need to find a new place for that money as well. Paul is still working and has plenty of income to meet his everyday living expenses, and he has an amount set aside for emergencies.

This money is strictly for retirement and he will not need to access it for at least 20 years. Paul meets with his agent who, after hearing Paul's needs and reviewing his situation, tells him about the Premier Eagle 10. Paul is interested, as it sounds like this product is just what he needs to continue his long-term financial and retirement plan. He wants to see exactly how the product works. Paul's agent puts together a demonstration based on:

Initial Premium \$100,000 - roll over from previous employer retirement plan

- No other first year premiums
- Additional Premium of \$10,000 in years 3, 5 and 7 from Paul's other financial vehicles that will mature soon
- Bonus of 10% on all Premiums in first 5 Contract Years
- Interest rate of 2.00% all years
- Full Surrender beginning of Contract Year 11

Paul's agent tells him that he is using 2.00% as an interest rate for all years, since it is fairly conservative and easier for demonstration purposes. He cautions Paul that interest rates will vary if he actually purchases the annuity. Paul understands that this is strictly for demonstration purposes only.

Contract Year	Premium Value 1		Premium Value 2		Premium Value 3	
	Ending Premium Value	Beginning Surrender Value	Ending Premium Value	Beginning Surrender Value	Ending Premium Value	Beginning Surrender Value
1	112,200	88,000				
2	114,444	90,321				
3	116,733	92,700	11,220	8,800		
4	119,068	95,137	11,444	9,032		
5	121,449	97,635	11,673	9,270	11,220	8,800
6	123,878	100,195	11,907	9,514	11,444	9,032
7	126,355	102,819	12,145	9,764	11,673	9,270
8	128,883	106,139	12,388	10,020	11,907	9,514
9	131,460	109,550	12,636	10,282	12,145	9,764
10	134,089	113,056	12,888	10,614	12,388	10,020
11		117,999		10,955		10,282

This hypothetical example is for illustrative purposes only.

After the annuity contract was in force for 11 years, based on the above assumptions, Paul's values would look like the tables on pages 6 and 7.

Paul could now see that each Premium he would pay would have its own associated Premium Value and Surrender Value, based on the Surrender Charge percentage associated with the Contract by

adding each Premium Value and Associated Surrender Value for each of the Premium Values for each Contract Year together, he could see what the overall Contract Value for each Contract Year would be. Similarly, by adding the Surrender Value amount associated with each Premium Value, he could now see what the Surrender Value of the entire contract would be at any Contract Year.

Contract Year	Premium Value 4		Contract Total	
	Ending Premium Value	Beginning Surrender Value	Ending Premium Value	Beginning Surrender Value
1			112,200	88,000
2			114,444	90,321
3			127,953	101,500
4			130,512	104,169
5			144,342	115,705
6			147,229	118,741
7	10,200	8,800	160,374	130,652
8	10,404	9,027	163,581	134,699
9	10,612	9,260	166,853	138,855
10	10,824	9,551	170,190	143,240
11		9,850		149,086



Premier Eagle 10

American Equity's Gold Standard for a Secure Retirement

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 3 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 who works for you to offer diverse financial planning choices for your retirement dollars.

⁺ Source: Wink's Sales & Market Report, (December, 2013).

Ron Grensteiner, President

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