



American Equity's
Gold standard
for a secure Retirement

**Lifetime Income
Benefit Rider**

(LIBR-2010)*

Included automatically on most
Fixed Indexed Annuities**



for use with Fixed
Indexed Annuities

*Form number and availability may vary by state and product.

**See Product Disclosure for details.





Lifetime Income Benefit Rider Overview

LIFETIME INCOME BENEFIT RIDER OVERVIEW

- Provides a lifetime income (subject to certain restrictions)
- You control money remaining in your base contract (annuitization not required)
- You choose the interest rate factor used to determine your **lifetime income** amount; either a 4.5% or 6.5% accumulation option
- Spousal income benefit available
- Level or increasing payment options

LIFETIME INCOME BENEFIT RIDER FEATURES

The Lifetime Income Benefit Rider (LIBR) allows you to take a lifetime income from your annuity without losing control of your retirement assets. This is possible because the lifetime income is in the form of regular withdrawals from your contract rather than annuitized payments. The amount of your lifetime income benefit (LIB) is determined by multiplying your income account value (IAV) (described below) by a benefit payout percentage. The benefit payout percentage is based upon your age at the time you elect payments and is described in more detail below. Your guaranteed LIB payments may also be stopped and restarted at your discretion.

INCOME ACCOUNT VALUE CALCULATION

The income account value (IAV) is an accounting value used solely to determine the amount of income you will earn under the LIBR. It is not a traditionally accessible account value; rather it serves as a measuring value tool for purposes of the rider only. At any one time, the IAV equals the total premiums paid (plus any premium bonus, if applicable) accumulating at either 4.5% or 6.5% per contract year (whichever option you choose at the time of application). The IAV Accumulation Option 4.5% is available at no cost to you and is available at all issue

ages. The IAV Accumulation Option 6.5% is available for a Rider Fee which will be deducted from your base contract's contract value each year as outlined in this brochure. The IAV Accumulation Option 6.5% is only available to owners age 50 and above at the time of contract issue. The accumulation of the IAV will continue at the predetermined percentage until the end of the IAV Period, the date LIB payments begin, or either the Rider or the base contract to which it is attached terminates, whichever occurs first.

PLEASE NOTE: The IAV is NOT a part of the contract value as defined in the base contract—it is not part of the cash surrender value and cannot be accessed by surrender or withdrawal. While your LIB payment will be based upon the accounting value of the IAV, all withdrawals, LIB payments, surrenders and lump sum distributions are deducted from the base contract's contract value. The IAV serves as a method of calculating the LIB only.

When ready to elect a Lifetime Income, you may choose from one of two available payout options: a Level Payment Option or an Increasing Payment Option:

LEVEL PAYMENT OPTION

With this option, your LIB payment equals your IAV on the day payments begin, multiplied by the Benefit Payout Percentage for your age as shown in the table below.

INCREASING PAYMENT OPTION

With this option, your initial annual LIB payment equals the IAV multiplied by the benefit payout percentage for your age, as shown in the table below. Then, on each anniversary of the initial LIB date, the LIB payment amount will increase by the increasing payment percentage. The increasing payment percentage is set at contract issue, and guaranteed for the life of the base contract. The current increasing payment percentage is 3%. This occurs each year until your base contract's contract value decreases to zero, at which point your LIB payment is frozen and remains level for the rest of your life.

SINGLE LIFE AND JOINT LIFE PAYOUT

At the time you elect to start receiving LIB payments, you may choose either a single life or a joint life payout with either the level payment option or the increasing payment option. With the single life option, payout factors are determined based on your age at time of payout election. With the joint payout option, the joint payee must be a legal spouse as defined under Federal law and be at least 50 years old. We base LIB payment amounts on the age of the younger joint payee. We will make LIB payments until the death of the last surviving joint payee.

RIDER FEE

There is no rider fee for the IAV accumulation option 4.5%. For the IAV accumulation option 6.5%, a rider fee will be taken from your base contract's contract value every year as long as the

BENEFIT PAYOUT PERCENTAGE – LEVEL PAYMENT OPTION

Payee's Minimum Age at election of LIB	Single Life Payout Percentage	Joint Life Payout Percentage
50-54	3.5%	3.0%
55-59	4.0%	3.5%
60-64	4.5%	4.0%
65-69	5.0%	4.5%
70-74	5.5%	5.0%
75-79	6.0%	5.5%
80+	6.5%	6.0%

BENEFIT PAYOUT PERCENTAGE – INCREASING PAYMENT OPTION

Payee's Minimum Age at election of LIB	Single Life Payout Percentage	Joint Life Payout Percentage
50-54	2.5%	2.0%
55-59	3.0%	2.5%
60-64	3.5%	3.0%
65-69	4.0%	3.5%
70-74	4.5%	4.0%
75-79	5.0%	4.5%
80+	5.5%	5.0%

LIBR remains active.

NOTE: The current annual fee for the IAV accumulation option 6.5% is 0.60%. You should carefully review this accumulation option and its corresponding charge with your agent to make sure it is suitable for your individual situation.

LIFETIME INCOME BENEFIT ELECTION

You may elect to receive LIB payments anytime after your first contract anniversary or after you reach age 50, whichever is LATER. At the time you choose to begin LIB payments you may select either the single life or joint life payout option **and** either the level or increasing payment option. Once your LIB payments begin, these choices are locked in and may not be changed. Your LIB payments will be based on these selections, multiplied by the benefit payout percentage applicable to your age as shown in the table on page three.

EXCESS WITHDRAWALS

Any partial withdrawals taken from the base contract's contract value after LIB payments have started will reduce future LIB payment amounts. For example, an additional withdrawal of 5% above your guaranteed payment reduces your next LIB payment by 5%. If excess withdrawals reduce the base contract's contract value to zero, your Income Account Value also reduces to zero, and your LIB payments stop. Surrender charges may apply to excess withdrawals that exceed your 10% annual penalty-free withdrawals available under the base contract after the first anniversary.

How do excess withdrawals IMPACT my benefits? Withdrawals taken in addition to your Lifetime Income Benefit payments after LIB payments begin, are excess withdrawals. Excess withdrawals reduce subsequent annual Lifetime Income Benefit payments on a pro-rata basis, and reduce your base contract and Income Account Values on a dollar for dollar basis.

For example: If your annual Lifetime

Income Benefit is \$5,000, you take an Excess Withdrawal of \$5,000 which is 5% of your base contract and Income Account Values of \$100,000 at the time of your excess withdrawal, the new annual Lifetime Income Benefit is reduced by 5% to \$4,750 and your base contract and Income Account Values are reduced by \$5,000 to \$95,000.

PLEASE NOTE: LIB payments will reduce your base contract's contract value but are guaranteed for your life even if your base contract's contract value reduces to zero due solely to subtraction of LIB payments. **However, withdrawals from the base contract's contract value in addition to LIB payments ("excess withdrawals") will reduce the amount of future LIB payments and will eliminate the LIB payments all together if the excess withdrawals reduce the base contract's contract value to zero. In that event the rider will terminate and the LIB payments will stop.**

REQUIRED MINIMUM DISTRIBUTIONS

LIBR is Required Minimum Distribution (RMD) friendly. If the LIB payment does not satisfy the RMD amount for the base contract for that year then any amount withdrawn, to bring the LIB payment up to the RMD amount for that year, will not be considered an excess withdrawal.

DEATH OF OWNER

The LIBR terminates at the death of the Owner/Annuitant. LIBR continues if the spouse is the sole beneficiary and meets the following conditions:

- If the Owner/Annuitant dies before LIB payments begin, the spouse may step in to the base contract and the LIBR will continue with the base contract; or
- If LIB payments have already begun, the surviving spouse is eligible to receive:
 - a) The current base contract's contract value in a lump sum; or any other payout option available.

A Case Study

- b) The remaining Income Account Value in a series of payments of up to 6% of the IAV, each based on spouse's age at date of step-in under the Level Payment Option, until IAV is depleted to zero.
- c) May stop LIB payments and choose to restart them later based on the spouse's age at date of restart under the Level Payment Option, up to a maximum of 6% of the remaining IAV annually, until the IAV is zero.

RESET OF IAV PERIOD

You may reset your IAV Period once on any base contract's contract anniversary between the 5th and 10th contract anniversaries by submitting your request in writing prior to the 10th contract anniversary. Your IAV then becomes the greater of your current IAV or your base contract's contract value.

TAX TREATMENT

All LIB payments are considered a withdrawal from the base contract's contract value. Any withdrawal is subject to income taxation as outlined by the Internal Revenue Code. Additionally, the taxable portion of any withdrawal taken prior to age 59½ may be subject to a 10% penalty by the Internal Revenue Service for early withdrawal of deferred interest. Please contact your tax professional for additional information.

SCENARIO #1

Let's explore a hypothetical case to see how the LIBR can provide for a lifetime income.

Stan White

- 55 year old male
- Savings: \$200,000
- Company sponsored pension starts age 65
- Expecting Social Security payments age 65
- No major expenses—no mortgage payments—daily living costs only

Goals

- Wants to retire at age 62 without his money running out
- Doesn't want to start Social Security payments until age 65
- Have enough income to supplement his savings, which he plans to live on from age 62 until Social Security and his pension payments start at age 65

After completing a fact-finding analysis of Stan's financial situation and goals, Stan's agent recommends taking \$100,000 of his savings to purchase an annuity with the LIBR, explaining that the guaranteed lifetime income he can receive starting at age 62, coupled with his remaining savings should be enough to get him to age 65. After that the guaranteed income the LIBR provides will help supplement his pension and Social Security income. Stan listens to what his agent says and feels this may be a good solution for his needs. However, he wants to see how the LIBR works.

Stan's agent explains how LIB payments are calculated. Stan's potential income is based on the increase in the Income Account Value and his age at election of lifetime income. Remember, the IAV is not an actual value in the traditional sense, rather an accounting value used to determine the amount of income under the LIB. Stan's IAV is calculated by taking:

- \$100,000 single premium plus 10% premium bonus; accumulating at

Years IAV Accumulates	IAV Value @ 4.5%	IAV Value @ 6.5%
1	\$114,950	\$117,150
2	\$120,123	\$124,765
3	\$125,528	\$132,874
4	\$131,177	\$141,511
5	\$137,080	\$150,710
6	\$143,249	\$160,506
7	\$149,695	\$170,939

A Case Study

- 4.5% or 6.5% annually until payments begin; with
- No withdrawals prior to electing income; and
- Income is elected at the end of year seven when Stan turns age 62

The longer Stan waits to start LIB payments, the greater the accumulation of the IAV. Of course, if LIB payments are not elected, and the IAV period is reset, the IAV will continue to accumulate until the end of the IAV period. **Stan's agent also explains to him that the income account value is only accessible if Stan elects to start taking a lifetime income. Stan will not be able to withdraw a lump sum based on the IAV.**

Stan wanted to see what options the LIBR provide him at his expected retirement at age 62. He also wants to know what the difference is between the Accumulation Options. He asked his agent to show him his:

- Income account value;
- LIB payments—both level and increasing;
- Base Contract's Contract Value; and
- Rider Fees paid for the IAV
Accumulation Option 6.5%;

SCENARIO #2 – INCREASING PAYMENT OPTION

Stan liked what he saw, both his expected lifetime payment amounts, and the continued growth of his contract value. However, he was concerned about what inflation might do to his lifetime income and asked if there was some way to offset some of the effects of inflation.

SCENARIO #1 – LEVEL PAYMENT OPTION

Option #1 –

- End of 7th Contract Year
- IAV accumulation option 4.5%
- Base contract's contract value accumulates 3% Annually*

IAV Value	Cumulative Rider Fee Charged	Base Contract Value	Guaranteed Income %	Annual LIB Payment (IAV x 4.5%)
\$149,695	\$0	\$135,286	4.5%	\$6,736

Option #2 –

- End of 7th contract year
- IAV accumulation option 6.5%
- Rider Fee 0.60% of base contract's contract value annually
- Base contract's contract value accumulates 3% annually*

IAV Value	Cumulative Rider Fee Charged	Base Contract Value	Guaranteed Income %	Annual LIB Payment (IAV x 4.5%)
\$170,939	\$5,112	\$129,705	4.5%	\$7,692

* Hypothetical return; for illustration purposes only. Not a prediction of future performance.
+ The Rider Fee will continue to be taken against the base contract's contract value as long as the base contract is in force or until the LIBR terminates.



Lifetime Income Benefit Rider LIBR-2010*

FIXED INDEXED ANNUITY VERSION | DISCLOSURE STATEMENT

Before purchasing an annuity with the Lifetime Income Benefit Rider (LIBR-2010), American Equity wants to make sure you understand the features of this Rider including all benefits, limitations, and costs. You should read through the brochure, and then go through the summary of information on this disclosure. Ask questions of your agent before making any decision. After you have read the information provided and your questions are answered, please sign the acknowledgement stating your understanding of the key provisions of the Rider. Please refer to the actual Rider for a complete description of the benefits, limitations, and costs.

WHAT IS THE LIFETIME INCOME BENEFIT RIDER? It is a benefit rider we automatically issue along with your Base Contract if Owner and Annuitant are the same person and if joint owners are married to each other as defined under federal tax laws. Based on the Income Account Value (IAV) Option you choose and your age when you elect this benefit, your money will grow at a predetermined rate to provide you with a lifetime income in the future. This income is available to you without a Surrender Charge and without having to annuitize your Base Contract. This means that you maintain control of all money accumulated in your Base Contract, and can access that money at any time, with certain restrictions.

IS THERE A COST TO THIS RIDER? That depends on which IAV Accumulation Option you choose. There is no Rider Fee for the IAV Accumulation Option 4.5% during the initial IAV Period. The IAV Accumulation Option 4.5% is available for all issue ages. There is a Rider Fee if you elect the IAV Accumulation Option 6.5% under this LIBR. The Rider Fee is currently 0.60% and is set at issue. The IAV Accumulation Option 6.5% is only available to owners age 50 or older at the time of contract issue. The Rider Fee is charged annually against your Base Contract's Contract Value at your contract anniversary and continues until either the Rider or the Base Contract terminate. The Rider Fee will never change, unless you elect to Reset your IAV accumulation period.

If you do elect to Reset your IAV accumulation period, the Company may change the Rider Fee. This applies to both IAV Accumulation Options. The Rider Fee will never be more than 1% even after you elect to Reset the IAV accumulation period. See page 5 of the guide for more details on resetting the IAV accumulation period.

HOW MUCH INCOME CAN I GET? That depends on several factors, including your age at the time you elect to begin receiving an income, the amount of time the IAV grows, the IAV Accumulation Option you choose, the premium paid and any premium bonus credited, if applicable.

WHAT IS THE INCOME ACCOUNT VALUE (IAV)? The Income Account Value is an accounting value used only to calculate the Rider's Lifetime Income Benefit (LIB). **It is not part of your Base Contract's Contract Value, as outlined in the product guide and Base Contract, and is only used to calculate your LIB payment amount. The IAV is not available for cash surrender or in a lump sum.** Your initial IAV is your total premium, plus any bonus, if applicable. The IAV accumulates at the IAV Rate, which is set at issue, and continues to grow until the end of the IAV Period unless you submit a written request to Reset. LIB payments reduce both your Base Contract's Contract Value and IAV.

WHEN CAN I BEGIN TAKING MY LIFETIME INCOME BENEFIT PAYMENTS? You may begin taking LIB payments anytime after the first contract anniversary or at age 50, whichever is later.

**Form number and availability may vary by state.*

WHAT ARE THE DIFFERENT PAYOUT OPTIONS AVAILABLE UNDER THIS RIDER?

When ready to elect a Lifetime Income Benefit, you may choose from one of two available payout options, a Level Payment Option or an Increasing Payment Option:

LEVEL PAYMENT OPTION: With this option, your LIB payment equals your IAV on the day payments begin, multiplied by the Benefit Payout Percentage for your age.

INCREASING PAYMENT OPTION: With this option, your initial annual LIB payment equals the IAV multiplied by the Benefit Payout Percentage for your age. Then, on each anniversary of the initial LIB Date, the LIB payment amount will increase by the Increasing Payment Percentage, currently 3.0%. This occurs each year until your Base Contract's Contract Value decreases to zero, at which point your LIB payment is frozen and remains level for the rest of your life.

SINGLE LIFE & JOINT LIFE PAYOUT: At the time you elect to start LIB payments, you may choose either a single life or a joint life payout with either the Level Payment Option or the Increasing Payment Option. With the single life option, payout factors are determined based on your age at time of payout election. With the joint life payout option, the joint payee must be a spouse and we base LIB payment amounts on the age of the younger joint payee (must be at least age 50). We will make LIB payments until the death of the last surviving joint payee.

WILL I BE TAXED ON LIFETIME BENEFIT PAYMENTS? Yes. All payments are considered a withdrawal from the Base Contract's Contract Values. Any part of the withdrawal that is deferred interest is taxable as ordinary income. If the Base Contract is a Qualified Plan, the entire amount of the withdrawal may be taxable. We calculate taxation of LIB payments 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.

CAN I TAKE OTHER WITHDRAWALS FROM MY ANNUITY? Yes.

Anytime, either before or after beginning LIB payments, you may take withdrawals. You may always take up to the Base Contract's Contract Value, less any Surrender Charge, prior to election of LIB payments. Withdrawals taken prior to election of LIB payments reduce the Base Contract's Contract Value and Income Account Value on a pro-rata basis. A withdrawal after LIB payments start (Excess Withdrawal) will reduce future LIB payments by the same percentage the withdrawal reduces your Base Contract's Contract Value. If excess withdrawals reduce the Base Contract's Contract Value to zero, the Rider terminates and LIB payments stop.

WHEN DOES THE LIFETIME INCOME BENEFIT RIDER TERMINATE?

The Rider terminates on the earliest of the following events:

- You choose to cancel the Rider;
- You die without a surviving spouse as sole beneficiary;
- Upon change of ownership or assignment of your Base Contract, with the exceptions described in your rider;
- IAV becomes zero due to Excess Withdrawals;
- You surrender the Base Contract;
- You annuitize the Base Contract; or
- The Owner and Annuitant are no longer the same person;

Please Note: Once terminated you cannot restart this Rider.

Lifetime Income Benefit Rider LIBR-2010

HOW DO EXCESS WITHDRAWALS IMPACT MY BENEFITS?

Withdrawals taken in addition to your Lifetime Income Benefit payments after LIB payments begin, are Excess Withdrawals. Excess Withdrawals reduce subsequent Lifetime Income Benefit payments on a pro-rata basis, and reduce your Base Contract's and Income Account Values on a dollar for dollar basis.

HOW CAN AMERICAN EQUITY GUARANTEE 4.5% OR 6.5%?

American Equity is not guaranteeing 4.5% or 6.5%. As stated in this disclosure, the IAV Rate is simply a calculation method to arrive at what your LIB payments will be. You will not have access to the IAV unless you activate the LIB. It is not part of your Base Contract's Contract Value or Death Benefit. You may not take the IAV as a lump sum payment.

AFTER I MAKE THIS ELECTION MAY I CHANGE MY MIND AND OPT FOR THE OTHER IAV ACCUMULATION OPTION?

No. The election you make on this disclosure document may not be changed once the Base Contract is issued. Therefore, if you elect the IAV Accumulation Option 6.5% at issue of the Base Contract and later decide to cancel that election you will not receive the IAV Accumulation Option 4.5% that you would have received under this Rider for no fee. You will also not be eligible for the IAV Accumulation Option 6.5% if you do not affirmatively elect that IAV Accumulation Option at issue and decide to take the IAV Accumulation Option 4.5% at no charge. It is extremely important that you review this election carefully with your agent.

I have read the information explained above, and understand its content. By signing, I acknowledge and understand the following:

- In purchasing the Base Contract from American Equity Investment Life Insurance Company I will automatically receive the Lifetime Income Benefit Rider if the Owner and Annuitant are the same person, and if joint owners are married to each other.
- I may have a choice between two different IAV Options, as described above depending on my age at issue. In choosing an IAV Option, I have discussed my financial status, tax status, current insurance products, and other information with my agent and believe the IAV Option I have chosen may assist me in meeting my current financial needs and objectives.
- There may be a Rider Fee for this Rider, depending on the Option I choose, but any Rider Fee will never be more than 1% of the Base Contract's Contract Value, charged annually.
- The Rider Fee, if any, will be taken annually from the Base Contract's Contract Value, and will continue as long as the Rider is active.
- Any values referred to in this and other documents, other than minimum guaranteed values and the contractual Income Account Values, are not guaranteed and are subject to change.

Owner's Signature Date

Joint Owner's Signature Date

Agent's Signature Date

Agent's State License Number

AUTHORIZATION AND ACKNOWLEDGEMENT OF LIFETIME INCOME BENEFIT RIDER AND IAV ACCUMULATION OPTION CHOICE

I understand the Lifetime Income Benefit Rider (LIBR-2010) is automatically added to my Base Contract. I understand that this rider provides a Lifetime Income option. I understand that I may choose between two Income Account Value (IAV) Accumulation Options as offered by the Company depending on my age at issue. I choose the IAV Accumulation Option indicated below:

AVAILABLE ALL ISSUE AGES

IAV Accumulation Option 4.5% -

By choosing this option I understand that:

- My IAV Rate is 4.5%
- The IAV has no cash value and I cannot receive or withdrawal in a lump sum the Income Account Value, and that the IAV is only used as a factor in determining a Lifetime Income Benefit.
- There is no Rider Fee associated with this Option at the time of issue;
- If I choose to Reset my Income Account Value Period, as allowed under the Rider, the Company may at that time implement a Rider Fee and that:
 - ◆ Such a Rider Fee will be declared by the Company at Reset of my IAV Period;
 - ◆ The Rider Fee will be deducted annually from my Base Contract's Contract Value on each Contract Anniversary as long as the Rider is active; and
 - ◆ The Rider Fee will never be more than 1%.

(Owner's Initials)

AVAILABLE ISSUE AGES 50+ ONLY

IAV Accumulation Option 6.5% -

By choosing this option, I understand that:

- My IAV Rate is 6.5%
- The IAV has no cash value and I cannot receive or withdrawal in a lump sum the Income Account Value, and that the IAV is only used as a factor in determining a Lifetime Income Benefit.
- I will incur a Rider Fee of 0.60% of my Base Contract's Contract Value on each Contract Anniversary as long as the Rider is active, unless I choose to Reset my IAV Period;
- The Rider Fee will be deducted annually from my Base Contract's Contract Value on each Contract Anniversary as long as the Rider is active;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and that:
 - ◆ The Company will declare the new Rider Fee at the Reset of my IAV Period; and
 - ◆ The Rider Fee will never be more than 1%.

I understand that as my Base Contract's Contract Value increases, the amount of the actual Rider Fee subtracted each Contract Anniversary will increase.

(Owner's Initials)

American Equity Investment
Life Insurance Company
P.O. Box 71216
Des Moines, Iowa 50325
www.american-equity.com
888-221-1234



Lifetime Income Benefit Rider LIBR-2010*

FIXED INDEXED ANNUITY VERSION | DISCLOSURE STATEMENT

Before purchasing an annuity with the Lifetime Income Benefit Rider (LIBR-2010), American Equity wants to make sure you understand the features of this Rider including all benefits, limitations, and costs. You should read through the brochure, and then go through the summary of information on this disclosure. Ask questions of your agent before making any decision. After you have read the information provided and your questions are answered, please sign the acknowledgement stating your understanding of the key provisions of the Rider. Please refer to the actual Rider for a complete description of the benefits, limitations, and costs.

WHAT IS THE LIFETIME INCOME BENEFIT RIDER? It is a benefit rider we automatically issue along with your Base Contract if Owner and Annuitant are the same person and if joint owners are married to each other as defined under federal tax laws. Based on the Income Account Value (IAV) Option you choose and your age when you elect this benefit, your money will grow at a predetermined rate to provide you with a lifetime income in the future. This income is available to you without a Surrender Charge and without having to annuitize your Base Contract. This means that you maintain control of all money accumulated in your Base Contract, and can access that money at any time, with certain restrictions.

IS THERE A COST TO THIS RIDER? That depends on which IAV Accumulation Option you choose. There is no Rider Fee for the IAV Accumulation Option 4.5% during the initial IAV Period. The IAV Accumulation Option 4.5% is available for all issue ages. There is a Rider Fee if you elect the IAV Accumulation Option 6.5% under this LIBR. The Rider Fee is currently 0.60% and is set at issue. The IAV Accumulation Option 6.5% is only available to owners age 50 or older at the time of contract issue. The Rider Fee is charged annually against your Base Contract's Contract Value at your contract anniversary and continues until either the Rider or the Base Contract terminate. The Rider Fee will never change, unless you elect to Reset your IAV accumulation period.

If you do elect to Reset your IAV accumulation period, the Company may change the Rider Fee. This applies to both IAV Accumulation Options. The Rider Fee will never be more than 1% even after you elect to Reset the IAV accumulation period. See page 5 of the guide for more details on resetting the IAV accumulation period.

HOW MUCH INCOME CAN I GET? That depends on several factors, including your age at the time you elect to begin receiving an income, the amount of time the IAV grows, the IAV Accumulation Option you choose, the premium paid and any premium bonus credited, if applicable.

WHAT IS THE INCOME ACCOUNT VALUE (IAV)? The Income Account Value is an accounting value used only to calculate the Rider's Lifetime Income Benefit (LIB). **It is not part of your Base Contract's Contract Value, as outlined in the product guide and Base Contract, and is only used to calculate your LIB payment amount. The IAV is not available for cash surrender or in a lump sum.** Your initial IAV is your total premium, plus any bonus, if applicable. The IAV accumulates at the IAV Rate, which is set at issue, and continues to grow until the end of the IAV Period unless you submit a written request to Reset. LIB payments reduce both your Base Contract's Contract Value and IAV.

WHEN CAN I BEGIN TAKING MY LIFETIME INCOME BENEFIT PAYMENTS? You may begin taking LIB payments anytime after the first contract anniversary or at age 50, whichever is later.

**Form number and availability may vary by state.*

WHAT ARE THE DIFFERENT PAYOUT OPTIONS AVAILABLE UNDER THIS RIDER?

When ready to elect a Lifetime Income Benefit, you may choose from one of two available payout options, a Level Payment Option or an Increasing Payment Option:

LEVEL PAYMENT OPTION: With this option, your LIB payment equals your IAV on the day payments begin, multiplied by the Benefit Payout Percentage for your age.

INCREASING PAYMENT OPTION: With this option, your initial annual LIB payment equals the IAV multiplied by the Benefit Payout Percentage for your age. Then, on each anniversary of the initial LIB Date, the LIB payment amount will increase by the Increasing Payment Percentage, currently 3.0%. This occurs each year until your Base Contract's Contract Value decreases to zero, at which point your LIB payment is frozen and remains level for the rest of your life.

SINGLE LIFE & JOINT LIFE PAYOUT: At the time you elect to start LIB payments, you may choose either a single life or a joint life payout with either the Level Payment Option or the Increasing Payment Option. With the single life option, payout factors are determined based on your age at time of payout election. With the joint life payout option, the joint payee must be a spouse and we base LIB payment amounts on the age of the younger joint payee (must be at least age 50). We will make LIB payments until the death of the last surviving joint payee.

WILL I BE TAXED ON LIFETIME BENEFIT PAYMENTS? Yes. All payments are considered a withdrawal from the Base Contract's Contract Values. Any part of the withdrawal that is deferred interest is taxable as ordinary income. If the Base Contract is a Qualified Plan, the entire amount of the withdrawal may be taxable. We calculate taxation of LIB payments 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.

CAN I TAKE OTHER WITHDRAWALS FROM MY ANNUITY? Yes.

Anytime, either before or after beginning LIB payments, you may take withdrawals. You may always take up to the Base Contract's Contract Value, less any Surrender Charge, prior to election of LIB payments. Withdrawals taken prior to election of LIB payments reduce the Base Contract's Contract Value and Income Account Value on a pro-rata basis. A withdrawal after LIB payments start (Excess Withdrawal) will reduce future LIB payments by the same percentage the withdrawal reduces your Base Contract's Contract Value. If excess withdrawals reduce the Base Contract's Contract Value to zero, the Rider terminates and LIB payments stop.

WHEN DOES THE LIFETIME INCOME BENEFIT RIDER TERMINATE?

The Rider terminates on the earliest of the following events:

- You choose to cancel the Rider;
- You die without a surviving spouse as sole beneficiary;
- Upon change of ownership or assignment of your Base Contract, with the exceptions described in your rider;
- IAV becomes zero due to Excess Withdrawals;
- You surrender the Base Contract;
- You annuitize the Base Contract; or
- The Owner and Annuitant are no longer the same person;

Please Note: Once terminated you cannot restart this Rider.

Lifetime Income Benefit Rider LIBR-2010

HOW DO EXCESS WITHDRAWALS IMPACT MY BENEFITS?

Withdrawals taken in addition to your Lifetime Income Benefit payments after LIB payments begin, are Excess Withdrawals. Excess Withdrawals reduce subsequent Lifetime Income Benefit payments on a pro-rata basis, and reduce your Base Contract's and Income Account Values on a dollar for dollar basis.

HOW CAN AMERICAN EQUITY GUARANTEE 4.5% OR 6.5%?

American Equity is not guaranteeing 4.5% or 6.5%. As stated in this disclosure, the IAV Rate is simply a calculation method to arrive at what your LIB payments will be. You will not have access to the IAV unless you activate the LIB. It is not part of your Base Contract's Contract Value or Death Benefit. You may not take the IAV as a lump sum payment.

AFTER I MAKE THIS ELECTION MAY I CHANGE MY MIND AND OPT FOR THE OTHER IAV ACCUMULATION OPTION?

No. The election you make on this disclosure document may not be changed once the Base Contract is issued. Therefore, if you elect the IAV Accumulation Option 6.5% at issue of the Base Contract and later decide to cancel that election you will not receive the IAV Accumulation Option 4.5% that you would have received under this Rider for no fee. You will also not be eligible for the IAV Accumulation Option 6.5% if you do not affirmatively elect that IAV Accumulation Option at issue and decide to take the IAV Accumulation Option 4.5% at no charge. It is extremely important that you review this election carefully with your agent.

I have read the information explained above, and understand its content. By signing, I acknowledge and understand the following:

- In purchasing the Base Contract from American Equity Investment Life Insurance Company I will automatically receive the Lifetime Income Benefit Rider if the Owner and Annuitant are the same person, and if joint owners are married to each other.
- I may have a choice between two different IAV Options, as described above depending on my age at issue. In choosing an IAV Option, I have discussed my financial status, tax status, current insurance products, and other information with my agent and believe the IAV Option I have chosen may assist me in meeting my current financial needs and objectives.
- There may be a Rider Fee for this Rider, depending on the Option I choose, but any Rider Fee will never be more than 1% of the Base Contract's Contract Value, charged annually.
- The Rider Fee, if any, will be taken annually from the Base Contract's Contract Value, and will continue as long as the Rider is active.
- Any values referred to in this and other documents, other than minimum guaranteed values and the contractual Income Account Values, are not guaranteed and are subject to change.

Owner's Signature Date

Joint Owner's Signature Date

Agent's Signature Date

Agent's State License Number

AUTHORIZATION AND ACKNOWLEDGEMENT OF LIFETIME INCOME BENEFIT RIDER AND IAV ACCUMULATION OPTION CHOICE

I understand the Lifetime Income Benefit Rider (LIBR-2010) is automatically added to my Base Contract. I understand that this rider provides a Lifetime Income option. I understand that I may choose between two Income Account Value (IAV) Accumulation Options as offered by the Company depending on my age at issue. I choose the IAV Accumulation Option indicated below:

AVAILABLE ALL ISSUE AGES

IAV Accumulation Option 4.5% -

By choosing this option I understand that:

- My IAV Rate is 4.5%
- The IAV has no cash value and I cannot receive or withdrawal in a lump sum the Income Account Value, and that the IAV is only used as a factor in determining a Lifetime Income Benefit.
- There is no Rider Fee associated with this Option at the time of issue;
- If I choose to Reset my Income Account Value Period, as allowed under the Rider, the Company may at that time implement a Rider Fee and that:
 - ◆ Such a Rider Fee will be declared by the Company at Reset of my IAV Period;
 - ◆ The Rider Fee will be deducted annually from my Base Contract's Contract Value on each Contract Anniversary as long as the Rider is active; and
 - ◆ The Rider Fee will never be more than 1%.

(Owner's Initials)

AVAILABLE ISSUE AGES 50+ ONLY

IAV Accumulation Option 6.5% -

By choosing this option, I understand that:

- My IAV Rate is 6.5%
- The IAV has no cash value and I cannot receive or withdrawal in a lump sum the Income Account Value, and that the IAV is only used as a factor in determining a Lifetime Income Benefit.
- I will incur a Rider Fee of 0.60% of my Base Contract's Contract Value on each Contract Anniversary as long as the Rider is active, unless I choose to Reset my IAV Period;
- The Rider Fee will be deducted annually from my Base Contract's Contract Value on each Contract Anniversary as long as the Rider is active;
- If I choose to reset my IAV Period, as allowed under the Rider, the Company may change the Rider Fee, and that:
 - ◆ The Company will declare the new Rider Fee at the Reset of my IAV Period; and
 - ◆ The Rider Fee will never be more than 1%.

I understand that as my Base Contract's Contract Value increases, the amount of the actual Rider Fee subtracted each Contract Anniversary will increase.

(Owner's Initials)

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888-221-1234



Stan's agent then showed him how the Increasing Payment Option works. Under this option Lifetime Income Benefit (LIB) payments start and are calculated just as before. However, each year on the anniversary of starting LIB payments, the amount is increased by the Increasing Payment Percent, as stated in the Rider. This increase occurs each year, until the base contract's contract value reaches zero. At that point, the LIB payment amount is locked in for the rest of Stan's life.

Below is an example of what Stan would receive if he started Increasing Payment Amounts at the beginning of the 8th year at the 4.5% IAV, with an Increasing payment percentage of 3% each LIB Date:

- Initial Premium \$100,000;
- Bonus 10%;
- No additional premiums;
- Annual interest rate of 3%* on base contract's contract value; and
- IAV accumulation option 4.5%.

Stan sees that each year his payment amount increased by 3% over the previous year's payment amount. He liked that this could help him off-set inflation to some extent. He saw that both the base contract's contract value and income account value decreased each year and wondered what would happen if either of them happened to decrease to zero. Stan's agent explained that as long as the only withdrawals taken are the annual LIB payments, that once the base contract's contract value becomes zero, his LIB payment will be locked in and remain level from that date for the rest of his life. He then showed Stan how that works, based on the above assumptions continuing:

* Hypothetical return; for illustration purposes only. Not a prediction of future performance.

Age	Annual LIB Payment (IAV at start age x 3.5%) increasing 3% each year	Contract Value after Payment	IAV after Payment
61	None	\$135,286	\$149,695
62	\$5,239	\$133,948	\$144,455
63	\$5,396	\$132,408	\$139,059
64	\$5,558	\$130,655	\$133,501
65	\$5,725	\$128,678	\$127,775

Age	Annual LIB Payment (IAV at start age x 3.5%) increasing 3% each year	Contract Value after Payment	IAV after Payment
85	\$10,340	\$19,398	0
86	\$10,650	\$9,010	0
87	\$10,970	0	0
88+	\$10,970	0	0

American Equity's Gold standard for a secure Retirement

Lifetime Income Benefit Rider

(LIBR-2010)



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 all-time producer of indexed 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.

Neither American Equity nor our agents offer legal, investment or tax advice. Please consult your own personal advisor for these matters.

† Source: AnnuitySpecs.com

D.J. Noble, Executive Chairman

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