

SERFF Tracking Number: AMEQ-126034564 State: Arkansas  
 Filing Company: American Equity Investment Life Insurance Company State Tracking Number: 41560  
 Company Tracking Number: F-LIBR-09  
 TOI: A10 Annuities - Other Sub-TOI: A10.000 Annuities - Other  
 Product Name: F-LIBR-09  
 Project Name/Number: F-LIBR-09/F-LIBR-09

## Filing at a Glance

Company: American Equity Investment Life Insurance Company

Product Name: F-LIBR-09

TOI: A10 Annuities - Other

Sub-TOI: A10.000 Annuities - Other

Filing Type: Form

SERFF Tr Num: AMEQ-126034564 State: Arkansas

SERFF Status: Closed-Approved- Closed State Tr Num: 41560

Co Tr Num: F-LIBR-09

Authors: Judith Jewett, Kathleen Underwood, Cheryl Parker, Tiffany Meuer

Date Submitted: 02/16/2009

State Status: Approved-Closed

Reviewer(s): Linda Bird

Disposition Date: 02/17/2009

Disposition Status: Approved-Closed

Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

## General Information

Project Name: F-LIBR-09

Project Number: F-LIBR-09

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 02/17/2009

Deemer Date:

Submitted By: Kathleen Underwood

Filing Description:

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 02/13/2009

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 02/17/2009

Created By: Kathleen Underwood

Corresponding Filing Tracking Number:

I am filing the enclosed, above referenced form for your review and approval. Form F-LIBR-09 is a new lifetime income benefit rider with a Flesch score of 50.3 that we intend to use with our fixed annuity contracts. The rider provides for a guaranteed level of lifetime income, regardless of the Contract Value of the Base Contract, where the level of lifetime benefits (LIB) is determined by multiplying the Income Account Value (IAV) by the Benefit Payout Percentage shown in the rider. Attached please find corresponding Actuarial Memorandum and Statement of Variability.

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The Company's plan for the initial marketing of this rider is to offer a choice of two IAV Rates, a 5% IAV Rate and an 8% IAV Rate. There would be no rider charge if the 5% IAV Rate is chosen. There would be a rider charge of .30% if the 8% IAV Rate is chosen. If the 8% IAV is chosen, the cost associated with the Rider is deducted on an annual basis from the annuity Contract to which the Rider is attached. The planned Increasing Payment Percentage is 3.0%.

I, as Compliance Officer for American Equity, certify to the following:

Compliance with Regulation 19§10B, as well as all applicable requirements of the Arkansas Insurance Department. We will provide the Guaranty Association Notice, form #4015-AR, at the time of delivery of the contract of which this rider would be attached, pursuant to Regulation 49.

As required by Ark. Code Ann. 23-79-138, attached to each contract issued is our form 4016-AR, which includes the agent name and address, our company address and your department of insurance information.

Our method of marketing is thru individually licensed agents.

If we do not receive a response within 33 days, we will Deem this product approved, according to your law Ark. Code Ann. 23-79-109.

Thank you for your review of this submission.

## Company and Contact

### Filing Contact Information

Judith Jewett, V. P. & Compliance Officer jjewett@american-equity.com  
 6000 Westown Pkwy 515-457-1722 [Phone]  
 West Des Moines, IA 50266 515-223-3865 [FAX]

### Filing Company Information

American Equity Investment Life Insurance CoCode: 92738 State of Domicile: Iowa  
 Company  
 5000 Westown Pkwy Group Code: 2658 Company Type:  
 Ste 440 Group Name: State ID Number:  
 West Des Moines, IA 50266 FEIN Number: 42-1153896  
 (515) 221-0002 ext. [Phone]  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00

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 Retaliatory? No  
 Fee Explanation: \$50.00 per form  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Equity Investment Life Insurance Company	\$50.00	02/16/2009	25742521

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved- Closed	Linda Bird	02/17/2009	02/17/2009

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## Disposition

Disposition Date: 02/17/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Statement of Variability		Yes
Form	F-LIBR-09		Yes

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## Form Schedule

Lead Form Number: F-LIBR-09

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	F-LIBR-09	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Initial		50.300	F-LIBR-09 FINAL.pdf

# AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY

5000 Westown Parkway  
West Des Moines, Iowa 50266  
(888) 221-1234

## LIFETIME INCOME BENEFIT RIDER

We attach this Rider automatically to Your Annuity *only* if Owner and Annuitant are the same person, unless Owner is not a natural person. If the Base Contract is issued to Joint Owners, We include this Rider only if Joint Owners are married, as defined under federal tax law and regulations, to each other (“Spouse” or “Spouses”) on the Contract Date. Rider(s), Base Contract, and attached Application make up the entire Contract. Base Contract No.: (SPECIMEN)

### RIDER SPECIFICATIONS

<b>Income Account Value (IAV):</b>	[\$106,000]
<b>IAV Rate:</b>	[3%-15%]
<b>Rider Fee:</b>	[0%-1.00%]
<b>Payment Increase Percent</b>	[1%-5% %]

### DEFINITIONS

When We use these words, We mean:

<b>Rider:</b>	This Rider
<b>Base Contract:</b>	The Contract to which this Rider is attached.
<b>You/Your:</b>	Owner
<b>We/Our/Us:</b>	American Equity Investment Life Insurance Company

**INCOME ACCOUNT VALUE (IAV):** IAV equals Your Premiums plus any Bonuses accumulated at IAV Rate.

Before LIB payments begin We add any additional Premiums and any related Bonuses to Your IAV. Additional Premiums and Bonuses increase Your IAV on a dollar-for dollar basis. Your IAV grows at IAV Rate until the earliest of the date LIB payments begin or the end of the [20<sup>th</sup>] Contract Year. Partial Withdrawals from Your Base Contract reduce Your IAV on a pro-rata basis.

After LIB payments begin, IAV Rate is no longer credited to Your IAV. Additional Premiums and any Bonuses may still be added to Contract Value and IAV. Contract Value will continue to function as described under Your Base Contract.

**IAV Rate:** The annual effective interest rate shown above. IAV Rate is set at issue and cannot be changed. Interest is credited daily to Your IAV.

**Rider Fee:** The percentage We use to determine the Rider Charge. We guarantee Rider Fee will never increase.

**Rider Charge:** The amount We deduct from the Values of Your Base Contract on each Contract Anniversary for as long as this Rider is active and Your Contract Value is greater than zero. The Rider Charge equals the Rider Fee multiplied by Your Contract Value on each Contract Anniversary.

**LIFETIME INCOME BENEFIT (LIB):** At any time after first Contract Year, by Notifying Us, You may elect to receive LIB payments and choose either the Level or Increasing Payment Option.

<b>Benefit Payout Percentage – Level Payment Option</b>		
<b>Payee’s Minimum Age at election of LIB</b>	<b>Single Life Payout Percentage</b>	<b>Joint Life Payout Percentage</b>
[50-59]	[4%]	[3.5%]
[60-69]	[5%]	[4.5%]
[70-79]	[6%]	[5.5%]
[80+]	[7%]	[6.5%]

Under the Level Payment Option the annual LIB payment equals Your IAV on the day payments begin, multiplied by the Benefit Payout Percentage applicable to Payee’s Age, or youngest Age of Joint Payees at election as shown above.

<b>Benefit Payout Percentage –Increasing Payment Option</b>		
<b>Payee’s Minimum Age at election of LIB</b>	<b>Single Life Payout Percentage of IAV</b>	<b>Joint Life Payout Percentage of IAV</b>
[50-59]	[3%]	[2.5%]
[60-69]	[4%]	[3.5%]
[70-79]	[5%]	[4.5%]
[80+]	[6%]	[5.5%]

Under the Increasing Payment Option, the initial annual LIB payment equals Your IAV on the day payments begin, multiplied by the Benefit Payout Percentage applicable to Payee’s Age, or youngest Age of Joint Payees at election as shown above. The date of the initial LIB payment is the Initial LIB Date. On each anniversary of the Initial LIB Date, LIB payment amount will increase by the Payment Increase Percent until or unless Your Contract Value decreases to zero, at which point LIB payment will remain level.

You may choose to receive your annual LIB amount in equal monthly, quarterly, semi-annual or annual payments, guaranteed for the rest of Your life, unless EWs occur as described on Page 3.

If You select Joint Life Payout, Joint Payees must be Spouses, and we base LIB payment amount on Age of younger Joint Payee. This benefit guarantees LIB payments until death of the last surviving Joint Payee.

Once LIB payments begin the Benefit Payout Percentage is locked in for Payee’s life. Annual LIB payments will never decrease unless EWs occur.

You may start and stop LIB payments at any time. If restarted, We resume LIB payments based on original Benefit Payout Percentage applied to the greater of the Your current Contract Value or Your current IAV.

If We receive additional Premiums into the Base Contract after LIB payments have begun, the next annual LIB payment will increase by an amount equal to the Premium received, plus any Bonus, multiplied by the Benefit Payout Percentage used to calculate the initial LIB payment.

If Contract Value under Base Contract becomes zero due solely to subtraction of LIB payments, the Base Contract will no longer accept additional Premiums, but LIB payments will continue for the rest of Your life or for the life of last surviving Joint Payee.

**WITHDRAWALS:** Affect on Contract Value, IAV, and future LIB payments.

1. **Withdrawals** – Any Withdrawals taken under Base Contract before LIB payments begin reduce the IAV under this Rider on a pro-rata basis. That is, if a Withdrawal reduces the Contract Value under the Base Contract by 10%, the IAV under this Rider also reduces by 10%.
2. **LIB payments** taken under this Rider reduce IAV and Contract Value on a dollar for dollar basis.
3. **Excess Withdrawals (EWs)** –Any Withdrawals taken under Your Base Contract after LIB payments begin, are EWs and will reduce future LIB payment amounts by the same percentage by which the Withdrawal reduced the Contract Value as follows. Immediately following an EW, the LIB payment amount equals:  
 $A \times (1 - (B \div C))$  where:  
A = LIB payment amount before an EW;  
B = Amount of the EW; and  
C = Contract Value immediately before an EW.  
If EWs reduce Contract Value to zero, IAV also reduces to zero, this Rider terminates, and LIB payments stop. EWs reduce IAV on a dollar-for-dollar basis.
4. **Required Minimum Distribution (RMD) Withdrawals** – If, in any given year, an RMD Withdrawal, based on the value of this contract only, exceeds the annual LIB payment, the amount by which the RMD Withdrawal exceeds the annual LIB payment is not an EW.

*Withdrawals may be subject to taxation, and if taken before 59½, may be subject to an additional 10% IRS penalty.*

#### **DEATH BENEFITS:**

This Rider Terminates at Your death unless LIB payments have begun and You selected the Joint Life Payout Option that guarantees LIB payments until death of the last surviving Joint Payee; or Your surviving Spouse is the sole beneficiary, elects to step into the Base Contract, and continue this Rider under either of the following conditions:

1. If You die before LIB payments begin, this Rider will continue with the Base Contract;  
or
2. If LIB payments have already begun, Your surviving Spouse
  - a. May stop LIB payments and choose to restart later based on Spouse's age at date of restart and the Benefit Payout Percentage for the Level Payment Option up to a maximum of 6% of remaining IAV annually, until the IAV is depleted to zero; or choose to receive:
  - b. The current Contract Value in a lump sum or any other payout option available in the Base Contract; or
  - c. The remaining IAV in a series of payments based on Spouse's age at date of step-in and the Benefit Payout Percentage for the Level Payment Option up to a maximum of 6% of remaining IAV annually, until the IAV is depleted to zero.

**TERMINATION**

Rider terminates on earliest of the date:

1. You choose to cancel the Rider;\*
2. You die without a surviving Spouse as sole beneficiary, or, if Joint Payees, last surviving Joint Payee, dies;
3. IAV becomes zero due to EWs;
4. You Surrender Base Contract;
5. You Annuitize Base Contract;
6. Owner and Annuitant are no longer the same person; or

\*Once Terminated You cannot restart this Rider.

**GENERAL:**

Unless stated otherwise in this Rider, all provisions and limitations of the Base Contract apply to this Rider.

**SIGNED AT**

**AMERICAN EQUITY INVESTMENT LIFE INSURANCE  
COMPANY**

**WEST DES MOINES, IOWA**

	
<b>Debra J. Richardson</b>	<b>Ronald J. Grensteiner</b>
<b>Secretary</b>	<b>President</b>

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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Flesch Certification <b>Comments:</b> <b>Attachments:</b> AR090212-AR1.pdf AR091213-AR3.pdf		
<b>Bypassed - Item:</b> Application <b>Bypass Reason:</b> N/A, see General Information. <b>Comments:</b>		
<b>Satisfied - Item:</b> Statement of Variability <b>Comments:</b> <b>Attachment:</b> stmtVariability.pdf		

CERTIFICATION

TO: ARKANSAS INSURANCE DEPARTMENT

FROM: AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY

This is to certify that the attached Form F-LIBR-09 achieves a Flesch Reading Ease Test Score of 50.3, and complies with the requirements of Ark. Stat. Ann. 23-80-201 through 23-80-308, cited as the Life and Disability Insurance Policy Language Simplification Act.



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Judith Z. Karcher, FLMI  
Vice President & Compliance Officer

February 12, 2009  
Date

AR1

# CERTIFICATION

Form Number: F-LIBR-09

I have reviewed the guidelines for non-guaranteed costs on Participating and Non-Participating Life Insurance included in Bulletin No. 11-83 and certify that this form is in compliance with those Guidelines.



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Judith Z. Karcher, FLMI  
Vice President & Compliance Officer

February 13, 2009  
Date

# STATEMENT OF VARIABILITY

## F-LIBR-09

I certify and American Equity Guarantees that any Rider parameters filed as variable will be the same for all Riders issued on the same date under the same Base Contract.

I certify that only the items within brackets are variable. They may vary as follows:

- Base Contract Number:** At issue of each new contract.
- 1. Income Account Value (IAV):** At issue of each new contract, based on premium paid and any bonus with limits ranging from a minimum of \$2,000 to a maximum of \$1,000,000 that varies by age as follows:  
Maximum premium - issue ages  
0-69: \$1,000,000, 70-79: \$500,000, 80-85: \$250,000
- 2. IAV Rate:** **3% to 15%** The annual effective interest rate applied to the Income Account Value. The IAV Rate is set at issue, guaranteed for life of the Contract, and applied until the earliest of the date LIB payments begin or end of 20<sup>th</sup> Contract Year.  
  
Initially choice of two rates, 5% and 8%. 5% with no Rider Fee and 8% for 0.30% Rider Fee. Any change in these rates and/or this choice of rates in the future, is based on the financial and competitive environment, as needed for new issues of contract.
- 3. Rider Fee:** **0% to 1.00% annually** The percentage applied to the Contract Value to determine the Rider Charge is set at issue, based on IAV Rate chosen, and guaranteed for life of the Contract.. Currently 0% for the 5% IAV Rate and 0.3% for the 8% IAV Rate. Any change in these rates and/or this choice of rates in the future, is based on the financial and competitive environment, as needed for new issues of contract
- 4. Payment Increase Percent:** **0% to 1.00%** The percentage by which LIB payment amount will increase. Currently, the planned Increasing Payment Percentage is 3.0%, set at issue, and guaranteed for life of the Contract. Any change within this range will be based on financial and competitive environment as needed for new issues of contract.
- 5. Minimum Age for Election:** **0 to 60** Set at issue and guaranteed for life of the Contract. Any change within this range will be based on financial and competitive environment as needed for new issues of contract.
- 6. Benefit Payout Percentages:**
- A. Level Payment Option **1% to 20%** Set at issue, guaranteed for life of Contract, change based on financial and competitive environment, as needed for new issues of contract.
- B. Increasing Payment Option **1% to 20%** Set at issue, guaranteed for life of Contract, change based on financial and competitive environment, as needed for new issues of contract.
- Secretary/President:** At issue of each new contract.

Nothing else within this rider is variable. If we change anything else, we will file it with your department before use.



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Judith Z. Karcher, FLMI  
Vice President & Compliance Officer  
February 12, 2009  
Date