

Income Edge

An Optional Living Benefit Rider





Do *you* have
the **Edge?**

Will the assets you've accumulated last through your retirement?

Now they can with the Income Edge, an Optional Living Benefit Rider, from American Investors Life Insurance Company, Inc., an Aviva company. The Income Edge is a leading solution to provide guaranteed lifetime income that comes with...

- > **Growth & Security** through guarantees;
- > **Income** for your lifetime; and
- > **Control** to start and stop the income as you wish.



Names: **Carl and Sharon**

Ages: **55**

Current Status: **Both still working**

Initial Fixed Indexed
Deferred Annuity Premium: **\$100,000**

**This is a hypothetical story.*

Individuals are living healthier, more active and longer lives than ever before, which means it is time to change the way we look at retirement. Income Edge can help you plan an income that lasts throughout your retirement. Its benefits give you the edge by helping you prepare today for all of your tomorrows.

How can Income Edge benefit you?

Income Edge is an optional living benefit Rider that can be added to your American Investors Life Insurance Company, Inc. (American Investors Life) Fixed Indexed Deferred Annuity for an annual charge. This Rider gives you two ways to take income in addition to the Free Withdrawals provided by your Annuity Contract:

You can elect Income Withdrawals which pay a guaranteed income for a select period of time,
or
You can elect Lifetime Income Withdrawals which are guaranteed for your lifetime.

These Income Withdrawals provide flexibility and choices that put you in control of determining when and how much retirement income you receive!

Once you select Income Edge, there will be two account values used to determine the Withdrawal amounts available under the Rider.

The first is the **Adjusted Accumulated Value** which is made up of your Initial Premium and any Premium Bonus (if applicable) multiplied by the income account multiple, plus any Interest Credits earned in the interest crediting strategies you choose.

The second is the **Income Account Value** which is made up of your Initial Premium and any Premium Bonus (if applicable) multiplied by the income account multiple, accumulated at the 6% guaranteed growth for the first 10 years of the Contract prior to Rider Withdrawals.

Many people are living in one of two key phases in life: the **Accumulation Period** or the **Distribution Period**. Each phase has its own unique set of financial objectives (see following pages for descriptions).

Take for example, **Carl & Sharon's story*** . . .

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Carl and Sharon have been diligent throughout their working years to protect and accumulate their assets. Now, as they both near retirement, they begin to evaluate how best to begin distributing that wealth in such a way as to provide income that will last as long as their retirement.

”

**This is a hypothetical story.*

Accumulation Period: 6% Guaranteed Growth

During the Accumulation Period you are looking to build financial security for you and your family. In addition, you are working to grow your assets and accumulate long term wealth in preparation for retirement.

A key aspect of Income Edge is the guaranteed growth of the Income Account Value during the Accumulation Period. Prior to any Withdrawals under Income Edge, the Income Account Value is guaranteed to grow 6% annually for the first 10 Contract Years.

In addition, there is a 105% income account multiple applied to all Premium. For example, if you have \$100,000 in your Annuity, your starting Income Account Value will be \$105,000 ($\$100,000 \times 105\% = \$105,000$).

Restart Feature

On or after the 5th Contract Anniversary, if no Withdrawals under Income Edge have been taken,

you have the option to restart the Accumulation Period. This will establish a new 10-year Accumulation Period during which your Income Account Value is guaranteed to grow at 6% annually. At the time of restart, if the Adjusted Accumulated Value is greater than the Income Account Value, the Income Account Value will be increased to match the Adjusted Accumulated Value at that time and the 6% guarantee will accumulate on the new, higher amount for a new 10-year period. You must wait at least 5 contract years between restarts and the cost of Income Edge may be increased based on the current charge at the time you elect to restart (See the Restart Example on the next page).

The longer you wait to take Withdrawals under Income Edge, the higher your guaranteed payout. See the chart below.

Income Account Value - \$100,000 Initial Premium 6% Guaranteed Interest for the First 10 Contract Years	
Contract Years of Income Deferral	Income Account Value*
No Wait	\$105,000
1	\$111,300
2	\$117,978
3	\$125,057
4	\$132,560
5	\$140,514
6	\$148,945
7	\$157,881
8	\$167,354
9	\$177,395
10	\$188,039

**Income Account Value accumulates regardless of index interest credited. This example assumes no Rider or Base Annuity Withdrawals and no restart of the Accumulation Period. Rider Withdrawals stop the guaranteed growth in the Income Account Value.*

Restart Example

Contract Years of Income Deferral	Income Account Value @ 6% Guaranteed Growth
No Wait	\$105,000
1	\$111,300
2	\$117,978
3	\$125,057
4	\$132,560
5	\$140,514
6	\$148,945
7	\$157,881
8	\$167,354
9	\$177,395
10	\$188,039
<i>Restart Accumulation Years</i>	
10	\$188,039
11	\$199,321
12	\$211,281
13	\$223,957
14	\$237,395
15	\$251,639
16	\$266,737
17	\$282,741
18	\$299,706
19	\$317,688
20	\$336,749

Assuming no withdrawals have been taken, contract owners have the option to restart the Accumulation Period on or after the 5th Contract Anniversary.

Once the Restart is elected, the 6% guaranteed growth will continue for a new 10 year period prior to any withdrawals.

This hypothetical example was provided to further explain how the restart feature could potentially affect Contract Values.

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Carl and Sharon know that there are many risks associated with retirement—such as rising health care costs, increasing longevity and unexpected life events. But they also know that they need to grow their assets in preparation for when they plan to stop working in seven years.

So, they purchase an American Investors Life Fixed Indexed Deferred Annuity with \$100,000 and also elect Income Edge. Immediately, they receive a 105% income account multiple—making their Day 1 Income Account Value \$105,000.

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Distribution Period: Guaranteed Income & Control

During the Distribution Period you are looking to provide for a financially independent and comfortable retirement, secure the assets you’ve accumulated and minimize risk, while maintaining the same standard of living that you enjoyed during the Accumulation Period.

Income Edge gives you two important options for taking Rider Withdrawals—the **Income Withdrawal** and the **Lifetime Income Withdrawal**. These options both provide guaranteed payout percentages while still allowing you to maintain control of your Annuity. You can start and stop income payments as you wish, as many times as you wish. Starting Income Edge Withdrawals will stop the 6% guaranteed growth in the Income Account Value.

Income Withdrawal

The Income Withdrawal is available immediately upon issue and allows you to receive a percentage of your Income Account Value or Adjusted Accumulated Value (whichever is greater) annually until it reaches zero. The maximum annual Income Withdrawal limits for each age range are as follows:

Age	Income Withdrawal Limit
40-84	7.0%
85-89	7.5%
90+	8.0%

This option is attractive for those who may not need their Annuity for lifetime income, but would like a guaranteed payment amount for a certain number of years.

Lifetime Income Withdrawal

This Withdrawal option is available immediately upon issue (must be age 50 or older) and allows you to receive guaranteed income for life on a monthly, quarterly or annual basis. Your Income Edge Lifetime Income Withdrawals are based on a percentage of your Income Account Value or Adjusted Accumulated Value (whichever is greater) shown in the Maximum Lifetime Income Withdrawal Percentages chart below.

Prior to the first elected Income Edge Withdrawal the income percentage increases when you enter a new age bracket. Once you elect an Income Edge Withdrawal, your income percentage is locked in for your life. Payment amounts are guaranteed to never decrease as long as you do not elect Excess Withdrawals; however, the amount could increase based on the automatic Step-Up feature described later in this brochure.

Maximum Lifetime Income Withdrawal Percentages

Attained Age at Time of Election	Single Annuitant Income Percentage	Joint Annuitants Income Percentage*	Carl and Sharon’s Example
50-54	4.0%	3.5%	$ \begin{aligned} &\$188,039 \\ &\times 5.0\% = \\ &\mathbf{\$9,401.95 \text{ annually}} \end{aligned} $ <p>The hypothetical amount in this example was taken from the Income Account Value chart on page 2 (assumed 6% guaranteed growth for 10 years, no Withdrawals, no restarts,</p>
55-59	4.5%	4.0%	
60-64	5.0%	4.5%	
65-69	5.5%	5.0%	
70-74	6.0%	5.5%	
75-79	6.5%	6.0%	
80-84	7.0%	6.5%	
85-89	7.5%	7.0%	
90+	8.0%	7.5%	

**Based on the age of the younger Annuitant. Joint Annuitants must be spouses. Taxable amounts withdrawn prior to age 59½ may be subject to a 10% IRS penalty tax.*

Automatic Step-Up

On each Contract Anniversary following your first elected Income Edge Withdrawal, you are eligible for a Step-Up. The annual Rider Withdrawal amount will be automatically increased (stepped-up) if your Adjusted Accumulated Value exceeds the Income Account Value at the time you began taking Withdrawals under Income Edge. **You must notify the Company if you do not want the amount of your Rider Withdrawals automatically increased.**

Excess Withdrawals

Withdrawals in excess of the Maximum Income Withdrawal or Lifetime Income Withdrawal percentages will cause future Withdrawals to be reduced by the same proportion that the Contract's Accumulated Value is reduced by the Excess Withdrawals. Additionally, Withdrawals in excess of

the allowed percentages are subject to applicable Withdrawal Charges and Market Value Adjustments associated with the Base Contract. The MVA is not applicable in all states.

IRS Required Minimum Distributions (Qualified annuities only)

For Qualified annuities only, the IRS requires individuals to withdraw a minimum amount annually from their retirement account starting at age 70 1/2. This withdrawal is called a Required Minimum Distribution (RMD). Income Edge is RMD "friendly," meaning if your RMD amount exceeds your annual Rider Withdrawal amount, you can still take the RMD amount and the Excess Withdrawal will not be subject to applicable charges or adjustments. RMDs will be considered part of the available Withdrawal under the Annuity Contract.

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Ten years after Carl and Sharon purchased Income Edge, they decide to begin taking Income Withdrawals. Although they could have started taking Withdrawals immediately upon issue, they understood that the longer they waited to begin taking Income Edge Withdrawals, the more the contract values would grow and the higher their annual Withdrawal percentage would be. They decided to wait to take Withdrawals until age 65.

Now, after 10 contract years, you'll see that their Income Account Value is \$188,039.00, their Income Edge Withdrawal percentage has increased to 5.0%, and their first Income Edge Withdrawal amount is \$9,401.95 of guaranteed annual income for the rest of their lives (see Maximum Lifetime Income Withdrawal Percentages chart on page 4).

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Distribution Period: Creating a Legacy

During this phase you are also looking to provide for the transition and distribution of your assets and wealth to your beneficiaries.

Income Edge Spousal Continuation

Spousal Beneficiary

If the Owner's spouse is the sole primary Beneficiary and elects to continue the Contract, the benefits of Income Edge also continue, providing both of the following conditions are met:

Surviving spouse's attained age on the date of death is at least equal to the minimum issue age requirement for this Rider (age 40);
and

The spouse becomes the sole Annuitant and sole Owner of the Contract.

If the spousal beneficiary assumes the Contract before any Income Withdrawals have been taken, the Rider simply continues in the Accumulation Period. Spousal continuation does not restart the Withdrawal Charge schedule for the Annuity.

If an Income Withdrawal has been taken prior to the time of spousal continuation, the spouse can:

Elect to receive Income Withdrawals until the Income Account Value is equal to zero, at which time the Withdrawals will stop and the Contract will terminate;

or

Continue to receive Lifetime Income Withdrawals if the surviving spouse is a Joint Owner on the date of death of the first Owner.

Non-Spousal Beneficiary

Income Edge will terminate upon the date of death of the Owner and any remaining Accumulated Value will be paid in a lump sum to the beneficiaries.



Income Edge is offered with American Investors Life annuities and cannot be elected without purchasing the Annuity Contract. Refer to the Contract and Income Edge Certificate of Disclosure for complete details.

Income Edge Details

Income Edge must be added at Contract issue. It can be cancelled any time during the first Contract Year or after the fifth Contract Year.

Issue Ages

40-85 (Owner and Annuitant)

Cost

There is an annual charge for Income Edge beginning immediately. This charge is calculated using the Income Account Value as of the prior Annuity Contract Anniversary; and is deducted monthly from the Contract's Accumulated Value.

The cost for this Rider, currently 0.40%, is guaranteed for the life of the Rider. However, if the Owner elects to restart the Accumulation Period, the annual Rider cost may be increased to the rate in effect on the date of the restart. The charge is guaranteed to never be greater than the maximum rate of 1.0%.

Premium Allocation

The Income Select series are flexible premium, fixed indexed annuities, meaning you may elect to add additional Premiums to your Contract at any time, even after starting Rider Withdrawals. Additional Premiums made on the Contract Anniversary date may be allocated to any combination of the available Fixed Strategy and the Indexed Interest Crediting strategies. Any additional Premiums not made not on a Contract Anniversary date are automatically allocated to the Fixed Strategy and may be reallocated to indexed strategies on the following Contract Anniversary.

If additional Premiums are made after starting Income Withdrawals or Lifetime Income Withdrawals, the additional Premium is added to your Adjusted Accumulated Value. Because the percentage of your Withdrawal is based on your Income Account Value, your Withdrawal amount will not change at that time. However, if due to the additional Premium your Adjusted Accumulated Value then exceeds your Income Account Value on your next Contract Anniversary, your Income Account Value will step up automatically which will then increase your Income Withdrawal amount.

“ Carl and Sharon's story is not unlike most people nearing retirement—they want to minimize risk, accumulate wealth and distribute that wealth in order to provide for a transition of their assets.

Their purchase of an American Investors Life Fixed Indexed Deferred Annuity with the Income Edge Optional Living Benefit Rider was an important part of their retirement planning. It helped provide them with the growth, security, access and control they needed to handle their needs today while also giving them income options for their tomorrows.

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Financial Strength and Experience to back your dreams. American Investors Life Insurance Company, Inc. was founded in 1965 and is a wholly owned subsidiary of Aviva plc. The company has a strong tradition and experience that comes with a corporate lineage that dates back 300 years.

Strength, security, long-term commitment and growth are important financial characteristics when planning for your retirement. American Investors Life is dedicated to providing these to you through quality products and sound asset management. Our strength has been recognized by independent insurance industry rating agencies as shown below.

You can count on American Investors Life to continue making the solid, smart choices that makes us one of the top fixed Annuity providers in the nation.

A.M. Best: A+ (Superior)

This rating reflects the company's financial strength and ability to meet obligations to policy holders. (2nd highest rating out of 15)

Standard and Poor's: AA- (VERY STRONG)

This rating reflects the company's financial strength and ability to meet obligations to policy holders. (4th highest rating out of 24)

This brochure contains highlights only. Please refer to the Income Edge Plus Contract for a full explanation of this Rider and any charges or limitations. Neither American Investors Life Insurance Co., Inc. nor its representatives offer legal, tax, accounting or investment advice; please consult a professional specializing in these areas.

Income Edge [form AIR (Rev. 09/07) or state variation], an optional Rider for which an annual premium is charged, is issued by American Investors Life Insurance Company, Inc., Topeka, KS. Product features, limitations and availability vary by state.

Guarantees provided in this Rider are subject to the financial strength of the issuing insurance company.

Taxable amounts withdrawn prior to age 59½ may be subject to a 10% IRS penalty in addition to ordinary income tax.

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Carl and Sharon's story represents that of many people approaching retirement nationwide who can rest easier today if they have planned well for tomorrow.

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**It's your future.
Make it bright.**



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