



American Equity Investment Life Insurance Company
 P.O. Box 9304, Des Moines, IA 50306-9304
 Phone 888-221-1234 • Fax 515-221-9450
 www.american-equity.com
 O/N Address: 6000 Westown Parkway, West Des Moines IA, 50266

Completing the Suitability Acknowledgement Form

American Equity has created this step-by-step guide to provide tips and considerations to assist in completing American Equity’s Suitability Acknowledgement form. Our form is designed to capture the financial situation, insurance needs and financial objectives of the owner/joint owner at the time of application for an American Equity annuity. This guide focuses on American Equity’s generic Suitability Acknowledgement form. Certain states may require a unique Suitability Acknowledgement form so please make sure you are using the correct form.

For additional information about suitability at American Equity, please refer to our Suitability Guidelines, found at www.american-equity.com

General Tips for Completing the Suitability Acknowledgement Form

- Provide the household assets, including assets of a spouse or domestic partner, and answer all questions based on household information.
- Fully completing the correct forms is a simple way to ensure efficient processing of an application.
- Utilizing ReadyApp or the forms generator on our agent website will ensure you are using the right forms.
- A separate Suitability Acknowledgement will be needed for each owner and joint owner (unless joint owners are spouses or domestic partners in which case just one form is needed).
- If more than one application is submitted for an owner at the same time, the financials provided should be identical on each Suitability Acknowledgement form.
- Assets should be net of liabilities.
- For non-living entities, provide the financial information for the entity. If the owner is a grantor trust, provide the financial information for the grantor.
- Ensure all documentation is properly signed and additional legal documentation is submitted where appropriate, especially for a trust or business owner. Please refer to the Guide for Submitting the Application for additional guidance.

1. Financial Information and Experience (Questions 1.1-1.11)

1. FINANCIAL INFORMATION & EXPERIENCE (Including spouse/domestic partner information)	
1.1 Check if you currently own or have owned any of the following accounts. Then next to each asset, list the current value (excluding debts and obligations). If you have no funds in a type of asset, indicate "\$0."	
<input type="checkbox"/> Annuities with American Equity (including premium from this annuity)	\$ _____
<input type="checkbox"/> Annuities outside of American Equity	\$ _____
* <input type="checkbox"/> Stocks/Bonds/Mutual Funds/Money Market	\$ _____
* <input type="checkbox"/> Certificates of Deposit	\$ _____
* <input type="checkbox"/> Savings/Checking	\$ _____
<input type="checkbox"/> Life Insurance Cash Value	\$ _____
<input type="checkbox"/> Real Estate EXCLUDING PERSONAL RESIDENCE	\$ _____
<input type="checkbox"/> Other (please explain) _____	\$ _____
* Considered a liquid asset if funds are non-qualified, or if the funds are qualified and you are over age 59½	



1.1 Financial Information

- Select the box next to all applicable assets and state their current amounts in the space provided. If there are no funds in a type of asset, do not select the box.
- State the current account/cash value of existing annuities, which is the accumulated value before any surrender charges, bonus recapture and MVA adjustment.
- State the initial premium for this annuity in "Annuities with American Equity". Do not include this amount in any other space.
- Do not include personal residence, automobiles, personal materials, household goods (i.e. art or jewelry), lines of credit, loans or commodities.
- Do not include business assets - they are considered separately owned.
- Lines marked with an * are considered a liquid asset. See 1.3 for additional information on liquid assets.
- Commodities should be stated in "Other".

1.2 Total Investable Assets

- Total of all assets stated under 1.1, including liquid assets.

1.3 Total Liquid Assets

- Total of all assets marked with an * under 1.1.
- These are assets that can be readily converted to cash.
- These are non-qualified funds.
- These are qualified funds where owner/joint owner is over age 59 ½.
- Examples: savings accounts, checking accounts, CDs, money market accounts, stocks/bonds and mutual funds.

1.4 Sufficient Liquid Assets

- This question, combined with 1.3, 1.6 and 1.7, should demonstrate sufficient liquidity in the event of unforeseen events or emergencies.

1.5 Sources of Income

- Mark all boxes that apply.

1.6 Gross Monthly Household Income

- Provide the total household income, including income of a spouse or domestic partner.

1.7 Current Monthly Household Expenses

- Provide a monthly estimation, including estimated monthly expenses of a spouse or domestic partner.
- If monthly expenses exceed monthly income, we will be unable to accept the application.

1.8 Tax Implications

- The owner/joint owner should understand the potential tax implications associated with the annuity and should consult a qualified professional with questions.
- American Equity does not offer tax advice and agents who are not properly qualified to provide tax advice should not do so.



1.9 Anticipation of Significant DECREASE in Future Income or INCREASE in Future Expenses

- If a significant change in income or expenses is anticipated, provide an explanation in the space provided describing the change and how liquidity needs will be addressed given the change.

1.10 Reverse Mortgage

- We will not accept funds that originated from a reverse mortgage to fund an annuity.
- Where there is a reverse mortgage, we may ask for confirmation that the funds from that transaction were not used to purchase the annuity.

1.11 FOR CALIFORNIA SALES ONLY – Applying for Government Benefits

- We may not be able to issue an annuity where an application for government benefits or aid in California is intended.
- Consider submitting a Potential Business form prior to completing an annuity application.

2. Financial Objectives, Risk and Non-guaranteed Elements (Questions 2.1-2.3)

2.1 Financial Objectives in Purchasing this Annuity

- Mark a minimum of 3 objectives.
- Rank numerically with 1 being the most important objective in purchasing the annuity.
- Only the main objectives should be marked. All objectives need not be marked.
- Financial objectives should align with the features of the product being purchased and the plan for accessing funds.

2.2 General Risk Tolerance

- Mark the box that best describes the overall risk tolerance.

2.3 Willingness to Accept Non-guaranteed Elements

- This question applies only to the purchase of an index annuity.
- Do not complete this question for purchases involving a single premium deferred/income product.
- The owner/joint owner should understand there are certain non-guaranteed elements inherent with an index annuity, such as credited interest rates and limits on returns.
- Refer to the company-approved sales materials for the product to ensure understanding of these elements.

3. Future Distribution Needs (Questions 3.1 & 3.2)

3.1 Plans to Keep the American Equity Annuity.

- Consider the length of the surrender charge period of the American Equity annuity and whether a plan to liquidate would result in a surrender charge.

3.2 Withdrawals Anticipated During the Life of the American Equity Annuity.

- Option(s) selected should reflect the overall anticipated plan for accessing the annuity during the life of the contract.
- Consider the features of the annuity in developing the plan for access, such as the surrender charge period and an income rider with a fee.



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4. Source of Funds (Question 4.1)

- Mark all sources of fund used to purchase the annuity. Note: "IRA" is not an acceptable source of funds.
- If any funds being used to purchase the annuity are from another annuity or life insurance product, refer to our Agent Guide to Replacements for additional information and complete section 5.

5. Replacement Information (Question 5.1)

- Mark "yes" and complete question 5.1 if any funds used to purchase the annuity are from another annuity or life insurance product.
- Complete the replacement information for each replacement.
- For multiple replacements, complete a separate comparison for each replacement.
- For partial replacements, provide the full values of the existing annuity.
- Mark "N/A" if a question does not apply to the replacement.
- Maintain a full copy of the most recent statement or inforce illustration in your files. We do not require that information with the application, but we may request it if necessary.
- Consider all aspects of the replacement, such as surrender charges, accessibility to funds, income or death benefit riders, fees, and caps/rates on interest crediting strategies.
- For the purchase of an immediate annuity, provide the annuitization quote of the same payout option for both the American Equity annuity and the annuity being replaced. We may not be able to accept the application if the American Equity quote is not higher.

General Contract Information

- Company Name: State the company that currently holds the existing contract.
- Contract type: Mark the appropriate boxes.
- Contract Number: State the contract number of the existing contract.
- Issue Date: State the issue date of the existing contract.
- Initial Premium: State the amount of the initial premium of the existing contract and anticipated initial premium of the American Equity annuity.
- Source of Initial Premium: State where the funds originated for the existing contract.
- Premium Bonus: State the percentage of the bonus for each contract, if applicable.
- Writing Agent: Mark "yes" if you wrote the contract being replaced.

	Summary of Current Contract	Proposed American Equity Contract
GENERAL CONTRACT INFORMATION (all replacements)		
Company Name		
Product Type	<input type="checkbox"/> Fixed <input type="checkbox"/> Variable	<input type="checkbox"/> Fixed <input type="checkbox"/> Indexed <input type="checkbox"/> SPIA
Contract Number		N/A
Issue Date		N/A
Initial Premium	\$	\$
Source of Initial Premium		N/A
Premium Bonus		
Are you the original writing Agent?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
SURRENDER INFORMATION (all replacements)		
Is there a Bonus Recapture?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is there an MVA?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Current Account/Cash Value	\$	\$
Current Surrender Value (After MVA and Bonus Recapture)	\$	N/A
Surrender Charge Amount including Bonus Recapture, MVA, and Surrender Charges	\$	N/A
Surrender Charge Schedule (All Years)		
Current Death Benefit	\$	\$



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Surrender Charge Information

- Mark the appropriate boxes.
- Current Account/Cash Value: For the existing contract, state the accumulated value before surrender charges, bonus recapture and MVA adjustment. For the American Equity contract, state the anticipated initial premium plus premium bonus.
- Current Surrender Value: State the surrender value after surrender charges, bonus recapture and MVA adjustment.
- Surrender Charge Amount: State the total surrender charges.
- Surrender Charge Schedule: State the surrender charge percentages for each year in the surrender charge period.
- Current Death Benefit: State the death benefit value payable today, including any enhanced value.

Interest Rates/Guarantees

- Current Fixed Interest Rate: State the current fixed rate of each contract.
- Minimum Guaranteed Interest Rate: State the minimum guaranteed rate or the lowest rate each contract could earn.

Additional Benefits

- Mark the appropriate boxes.
- Lifetime Income Rider, Guaranteed Withdrawal Rider or Enhanced Annuitization Value (mark the appropriate boxes and state the following):
 - Account Value: Current account value.
 - Fee: Current cost.
 - Rollup Rate: Current rate.
 - Length of Rollup Period: Length the account can accumulate at the current rollup rate.
 - Current Payout Percentage: Current annual payout percentage.
- Enhanced Death Benefit Rider (mark the appropriate boxes and state the following):
 - Benefit Amount: Enhanced benefit amount or percentage payable today.
 - Fee: Current fee associated with the enhancement.

INTEREST RATES/GUARANTEES (all replacements)		
Current Fixed Interest Rate		
Minimum Guaranteed Interest Rate		
ADDITIONAL BENEFITS (all replacements)		
Lifetime Income or Guaranteed Withdrawal Rider or Enhanced Annuitization Value	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Account Value: \$ _____	Fee: _____
	Fee: _____	Roll up Rate: _____
	Roll up Rate: _____	Length of Roll up Period: _____
	Length of Roll up Period: _____	Current Payout Percent: _____
Can a spouse continue the Lifetime Income or Guaranteed Withdrawal Rider?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No <i>*may vary by state and product*</i>
Terminal Illness Rider	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Nursing Care Rider	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Enhanced Death Benefit Rider	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Benefit Amount: _____ \$/ %	
	Fee: _____ \$/ %	
Can income/withdrawal benefit rider be removed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Can enhanced death benefit rider be removed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
LIFE REPLACEMENT INFORMATION (life replacements only)		
Is the client still paying the premium?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A
***If No: based on the guaranteed values, how many years will the policy remain in force?		N/A



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Life Replacement Information (For Life Replacements Only)

- Mark the appropriate boxes.
- If applicable, state the length in years.
- An inforce illustration may be required.
- Consider other life insurance available to the owner/joint owner, anything that has changed for him/her since the life insurance being replaced was purchased, and whether the need for a death benefit is being met by the American Equity annuity.

6. Reason for Purchase (Question 6)

- Mark all reasons for purchasing the annuity.
- Bonus increases my contract value and death benefit on day 1 **cannot be the only reason for purchase.**

7. Additional Information (Questions 7.1-7.4)

7.1 – 7.2 Mark the appropriate box in each section.

7.3 Other Insurance Needs Considered

- The owner/joint owner should verify whether they have considered their insurance needs and applicable expenses before purchasing the annuity.
- If marked "no", be prepared to provide additional information to assist in our review of this question.

7.4 Any Additional Information and/or Changes in Circumstances

- Use this space to provide additional information about the owner/joint owner and to clarify answers to any questions on this form.
- Providing information about a customer's change in circumstances may help us better understand the recommendation.



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Owner/Joint Owner's Statement

- The owner/joint owner must sign and date the form, acknowledging they understand the information provided on the form and confirm its accuracy.
- American Equity relies on the accuracy of the information being provided.

Agent's Statement

- The soliciting agent(s) must sign and date the form, acknowledging the recommendation is based on the information gathered, the product meets the financial needs and objectives of the owner/joint owner, the new annuity provides additional or new benefits over a replaced policy or contract, and no representations or promises have been made that differ from the company provided materials.
- The agent must confirm they have provided a completed copy of the Suitability Acknowledgement form to the owner/joint owner at the time of sale.

**Our Suitability Team is ready to assist with any questions.
Please do not hesitate to call us at 1-888-221-1234 or
email us at suitability@american-equity.com.**



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