



July 14, 2009

To: American Equity Agents

Re: Product changes to Retirement Gold and Advantage Gold

We knew when we introduced the Retirement Gold that it would be very popular. In a very short time it has already become American Equity's top selling annuity. Its 12% premium bonus is certainly one of the primary factors for its success.

The Retirement Gold design was intended to compete with other companies' bonus products. Since its introduction there have been many pricing adjustments to bonus products industry wide, prompting us to evaluate the bonus on the Retirement Gold. Our goal is to be competitive, not far above the industry norm. Hence, we will be reducing the premium bonus from 12% to 10% effective with applications received **August 1, 2009**.

To receive the current 12% bonus, original applications must be received in our home office by close of business on July 31, 2009. New disclosures will be required reflecting the 10% bonus for applications received August 1st and thereafter. This also affects our traditional fixed annuity—The Premier 12. Its premium bonus will be reduced from 12% to 10%. New disclosures will be available soon via our website at www.american-equity.com.

We are also announcing the minimum premium on the Advantage Gold is being reduced from \$25,000 to \$5,000. This is an excellent product featuring a true 5% premium bonus with a 10-year surrender term and no vesting requirements or recapture charges. This change is effective immediately and will not require a new disclosure form.

Thank you very much for your business and support of American Equity.

Sincerely,

Ronald J. Grensteiner
President



Financial Markets, Inc.

800-888-2829

www.fm-inc.com - Marketing@fm-inc.com

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