



MARKETING MEMO

DATE: November 27, 2009
TO: All American Equity NMO's and Agents
FROM: James Jones, Vice President - Marketing Services and
Nick Gerhart, Vice President of Compliance Communication
RE: Roth IRA Conversions

IMPORTANT INFORMATION...PLEASE READ CAREFULLY

As you are likely aware, Adjusted Gross Income limits will be lifted for Roth IRA conversions in 2010. There are many things for clients to consider when thinking of doing a Roth IRA conversion. Attached please find a copy of a letter being sent to all IRA contract owners.

We are seeing an abundance of Roth IRA marketing materials touting the benefits of Roth conversions. There are potential positive and negative tax consequences of a Roth conversion. We want to remind agents to be mindful of providing tax or legal advice. If you are not licensed or qualified to give tax or legal advice we recommend working with the client's tax advisor or referring them to a qualified tax advisor.

Please note: If the client deems it appropriate to do a Roth IRA conversion with American Equity, this can be accomplished without replacing their annuity or incurring any penalties at American Equity. We have a form for contract owners to complete to easily convert their current traditional IRA annuity to a Roth IRA.

Please contact Marketing if you have any questions or need supplies. Thank you for your continued business and support!

For More Information, Call Marketing
888-647-1371



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Financial Markets, Inc.

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



Date

Contract Owner
123 Street
City, St Zip

Dear Valued Contract Owner,

Thank you for choosing American Equity Investment Life to help secure your retirement dollars. Your annuity is held as a traditional IRA and we wanted to update you on new tax changes effective in 2010.

Effective January 1, anyone that owns a traditional IRA may convert that IRA to a Roth IRA, regardless of their Adjusted Gross Income. Under current rules, one may not have Adjusted Gross Income over \$100,000 to convert a traditional IRA to a Roth IRA. A Roth IRA grows and is distributed income tax free, assuming the Roth IRA owner complies with specific rules. In January 2010 anyone, regardless of Adjusted Gross Income may convert to a Roth IRA.

Due to the rule change, you may consider converting all or part of your IRA money into a Roth IRA. While this conversion may make sense for some individuals, there are many things to consider. **We strongly urge you to discuss this with your tax professional before doing a Roth IRA conversion.**

PLEASE NOTE: Roth IRA conversions are a taxable event.

We can convert your traditional IRA to a Roth IRA. If you decide a conversion is appropriate for you, know that this can be accomplished without replacing your contract or incurring any surrender penalties with American Equity.

As always we appreciate your continued business. If you have any questions, please contact your agent or our Service Department at 888-221-1234.

Sincerely,

Ronald J. Grensteiner,
President

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