

**From:** American Equity Marketing [marketing@american-equity.com]  
**Sent:** Thursday, April 02, 2009 2:10 PM  
**Subject:** Important Message from Ron Grensteiner, President of American Equity

AMERICAN EQUITY IS THE GOLD STANDARD FOR INDEXED ANNUITIES

**To:** American Equity Agents  
**From:** Ron Grensteiner  
**Date:** April 1, 2009

We are in the most challenging economic environment we have ever seen. Many insurance companies have been financially stressed due to significant investment losses; which has led to government bailouts, diminished sales targets, cancelled sales conventions, lay offs, etc. American Equity has not been untouched by investment losses. However, due to our conservative investment philosophy our losses have been minimal, thereby conserving capital for sales growth. We anticipate being a benefactor of other companies reduced sales targets.

It is also an opportune time to be in the fixed annuity business as consumers flock to safe money alternatives. Emotions are high. Fear being the most prominent. It's important these emotions are moderated with sound judgment and sense. As a result, we have reviewed and adjusted our current suitability procedures, and our maximum premium and age limits as follows:

### ***SUITABILITY***

The insurance company is held responsible to verify the product is reasonable and appropriate, regardless if the consumer agrees or not. Effective immediately, we will implement these guidelines:

- We will not accept **any** replacements where the existing contract is less than 1 year old.
- We will not accept a replacement where you are the original and replacing agent, the existing contract is less than 24 months old, and the policy owner is over age 75. Subject to suitability, we will consider cases where the policy owner is 75 or younger, provided the net gain to the policy owner is at least 5% or greater after the exchange.
- We will not accept applications where the policy owner's annual income is less than \$20,000, including social security.
- If American Equity will hold more than 50% of a policy owner's (joint with spouse) net worth, a financial statement of assets must accompany the suitability document for analysis. You may use our Financial Inventory Form (4108) as a resource.

We are also making changes to suitability regarding the Opt Out Provision. Effective for applications received June 1, 2009, policy owners will no longer have the option to Opt Out of the suitability analysis. An updated suitability form will be introduced shortly. While its use is optional upon introduction, the new

form will be mandatory June 1, 2009.

### ***MAXIMUM ISSUE AGES***

Effective for applications received April 15th, 2009, American Equity's maximum issue age on fixed annuities will be reduced for annuitants and owners. The maximum issue age will be 78 for the Retirement Gold and the Premier Eagle 12. All other annuity products will have a maximum issue age of 80. This applies to Qualified and Non-Qualified annuities.

### ***MAXIMUM PREMIUM LIMITS***

We have maintained the same maximum premium limits since our inception. From time to time we have made exceptions to our limits subject to suitability. Effective for applications received April 15, 2009, we are increasing our limits for certain ages, but will not be making exceptions going forward. These limits are based on per person amounts.

|                  |             |
|------------------|-------------|
| Issue Ages 0-69  | \$1,000,000 |
| Issue Ages 70-74 | 750,000     |
| Issue Ages 75-80 | 500,000     |

American Equity has always had sound suitability standards and sales practices. In today's volatile environment, it's particularly important that we pay attention to ensure quality sales and peace of mind for the policy holders. On behalf of all of at American Equity, thank you very much for your business, support and understanding.

[www.american-equity.com](http://www.american-equity.com)  
24/7 Download Forms, Check Contract Status or Commission Statements



Call us at **888-647-1371**  
8:00AM-5:30PM CT Monday-Thursday 8:00AM-1:00PM CT Friday

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