

PlanGap™ Annuity Information

This MYGA contract is an innovative single premium deferred annuity with fixed interest rate guaranteed periods and PlanGap™ protection against reduction in Social Security benefits. It offers a 30-day window prior to the conclusion of the guarantee period for contract owners to determine, without cost, whether they will renew their contract, complete a full or partial surrender, or transition to a full or partial contract annuitization.

QUALIFICATION TYPES

Non-qualified; Trusts; IRA – Traditional, Roth & SEP; 401k, 403b as rollovers (no 501c3 or 401a)

ISSUE AGES

Ages 18 – 80, based on owner/annuitant's issue age.

Issue age limits apply to all owners and annuitants; i.e. the oldest owner/annuitant cannot be older than the maximum issue age and the youngest owner/annuitant cannot be younger than the minimum issue age.

STATE AVAILABILITY

Arizona, Colorado, District of Columbia, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Missouri, Montana, Nebraska, Nevada, New Mexico, Ohio, Oklahoma, Texas, & Utah

OWNERSHIP

Single: For non-qualified, owner and annuitant must be the same unless the contract is owned by a non-natural person; Annuitant must be a natural person. If Qualified or a Roth, owner and annuitant must be the same.

Joint: Joint owners must be spouses. Each owner must be listed as the other's sole primary beneficiary;

SINGLE PREMIUMS

Minimum Initial: \$1,000. Premiums larger than \$1,000,000 require approval by American Life. Subsequent premiums are not allowed; If multiple transfers are expected, notify American Life to hold for last-to-issue.

PLANGAP™ BONUS

Credits additional account value each year for a 5-year period from the date of activation and can be withdrawn in partial or full without surrender charges or MVA.

The bonus is calculated as a percentage of original premium, minus withdrawals in excess of prior PlanGap™ Bonus credits, based upon the number of years the contract has been active:

Year	Premium %	Year	Premium %
6	1.25%	11	3.50%
7	1.50%	12	4.00%
8	2.00%	13	4.50%
9	2.50%	14	5.25%
10	3.00%	15+	6.00%

PLANGAP™ BONUS TRIGGER

Bonus is payable after triggered reduction in the Social Security Benefit Index (located at SocialSecurityBenefitIndex.org) or by approved submission of benefit reduction claim. Owner has the option to delay the activation date for the PlanGap™ Bonus in order to increase the bonus percentage available.

ENHANCED FLEXIBILITY BONUS

Upon full surrender during the 30 days prior to the end of an interest rate guarantee period, if the contract hasn't terminated, hasn't begun crediting any PlanGap™ Bonus to contract value, and no withdrawals have taken place in excess of Required Minimum Distributions, an interest bonus percent will be credited based on the ending account balance and added to the contract value. The interest bonus is declared at the issue date and shown on the contract schedule page. If the contract terminates (including death) prior to end of the guarantee period, no Flexibility Bonus will be added.

PENALTY-FREE WITHDRAWALS

Starting in the 2nd year of the contract, the owner may withdraw up to 10% of the contract value as of the prior anniversary, any credited PlanGap™ Bonus amounts, or Required Minimum Distributions (for qualified contracts), whichever is greater, without incurring fees. To activate this, however, there can be no withdrawals other than RMDs during the first contract year.

REQUIRED MINIMUM DISTRIBUTIONS

For owners who are taking Required Minimum Distributions, the annual RMD for the current year should be taken prior to qualified funds transfer to American Life. Any RMD in Year 1 is subject to surrender charge, MVA, and commission chargeback.

INTEREST-ONLY WITHDRAWALS

Interest-only withdrawals are also available after the first year. The client may choose for the first check to include all Year 1 interest or elect only to take interest earned going forward and keep Year 1 interest accruing in the account.



PLANGAP™ ANNUITY INFORMATION CONTINUED

SURRENDER CHARGE SCHEDULE

Initial 5-year Contract Term

9, 8, 7, 6, 5, 0% for 30-day window prior to the end of the guarantee period

Renewal Years

5, 5, 5, 5, 5, 0% for 30-day window prior to the end of the guarantee period

SURRENDER VALUE

Amount available on full surrender of the contract, which is equal to contract value less surrender charge and MVA (if applicable). Surrender charge is calculated by multiplying the applicable surrender charge percentage, times the contract value less any penalty free withdrawals. If fully surrendered within 30-day window prior to the end of the guarantee period, any applicable Flexibility Bonus will be added to the account value.

END OF GUARANTEE PERIOD ELECTIONS

American Life will notify contract owner(s) 30 days prior to the end of the interest rate guaranteed period regarding the following renewal choices:

- Continue contract for the same guarantee period at the declared renewal rate; or
 - Continue contract for another guarantee period made available at the time of renewal, but not to extend beyond the maturity date indicated on the contract schedule page; or
 - Continue contract with a one-year rate period at the one-year interest rate made available at the time, but not lower than the contract minimum guaranteed rate indicated on the contract schedule page with no MVA; or
 - Take a partial withdrawal incurring no surrender charges or MVA, then apply the remaining contract value to any guarantee period that is made available (which can be different than the preceding guarantee period); or
 - Apply the full or partial contract cash value toward a lifetime or shorter duration of at least 5 years, with a settlement (income) option as indicated in the settlement options, without incurring surrender charges or MVA; or
 - Completely withdraw the cash value, including any applicable Flexibility Bonus, and surrender contract without incurring surrender charges or MVA.
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ENHANCED DEATH BENEFIT

Death benefit equal to the full contract value without surrender charges or MVA upon death. Future PlanGap™ Bonus credits will be added to the contract value if triggered before death occurs. Spousal beneficiaries may elect to continue the contract. Death benefit paid on “last to die” for joint owned contracts.

SPOUSAL CONTINUATION

Spousal continuance is available one time per contract. Surrender charges and MVA do not apply to a spousal continuation transaction.

MATURITY DATE

First contract anniversary after oldest owner/annuitant’s 100th birthday.

GUARANTEED MINIMUM INTEREST RATE

1.00%

GUARANTEED MINIMUM SURRENDER VALUE

The Surrender Value will never be less than the Minimum Surrender Value. It is equal to 87.5% of premiums, less withdrawals, accumulated at a rate between 1-3%, guaranteed for the life of the contract. See contract for current rate.

MARKET VALUE ADJUSTMENT (MVA)

Where applicable, MVA is applied on any withdrawals / full surrender in excess of the penalty free, RMD, or any credited PlanGap™ Bonus amounts during the surrender period. In general, if interest rates (as measured by the index) have increased or have decreased by less than 0.25% (0% in states with no offset), an additional amount is deducted from the withdrawal. Conversely, if rates have fallen by 0.25% or more, an amount will be added to the withdrawal. See the contract for the MVA calculation.

VARIABLE PRODUCT REPLACEMENT

If a variable product is being replaced in the state of Arkansas, Iowa, Tennessee, Utah, or Vermont, the agent must attach a copy of the Variable Product Replacement form (**1038 VARRPL**).

ANNUITY PURCHASE SUITABILITY

All Agents are expected to follow annuity sales best practices and submit our deferred annuity suitability form (**1029 ANNSUIT 001**). Annuity applications must be accompanied by a fully completed deferred annuity suitability form.

AGENT COMPENSATION - STREET LEVEL

Issue Ages: 18-80 - 2.25%

Issue Ages: 81-90 - 1.25%

CHARGEBACK EVENTS

Months 1-6: 100% chargeback upon withdrawal (incl RMDs), surrender, or death

Months 7-12: 50% chargeback upon withdrawal (incl RMDs), surrender, or death
