

# ANICO Strategy Indexed Annuity *PLUS*



A Multi-Strategy Indexed Annuity Issued  
By American National Insurance Company

A photograph of a middle-aged man and woman smiling and embracing each other outdoors. The man is in the foreground, wearing glasses and a white shirt. The woman is behind him, wearing a blue shirt. They are both looking upwards and smiling broadly. The background is a bright, slightly blurred outdoor setting with greenery.

# Your Life. Your Strategies.

Whether you are already enjoying retirement or are still working towards your retirement goals, an indexed annuity may provide the retirement solutions you have been looking for. Indexed annuities provide the potential to grow as well as protection against big declines in value.

In an era with where taxes are expected to continue to rise, enjoy tax-deferred growth until the day you need it. With the flexibility to place your money in different strategies and the optional Lifetime Income Rider, ANICO Strategy Indexed Annuity PLUS 7 can help you plan for the retirement lifestyle that you have envisioned.

## What is an Indexed Annuity?

Indexed annuities calculate the amount of interest during a defined period of time based on the movement of an index. Since interest calculated is based on the movement of an index, indexed annuities offer the potential to have a higher rate of interest than a traditional fixed annuity. There will never be a negative index charge to the indexed interest.

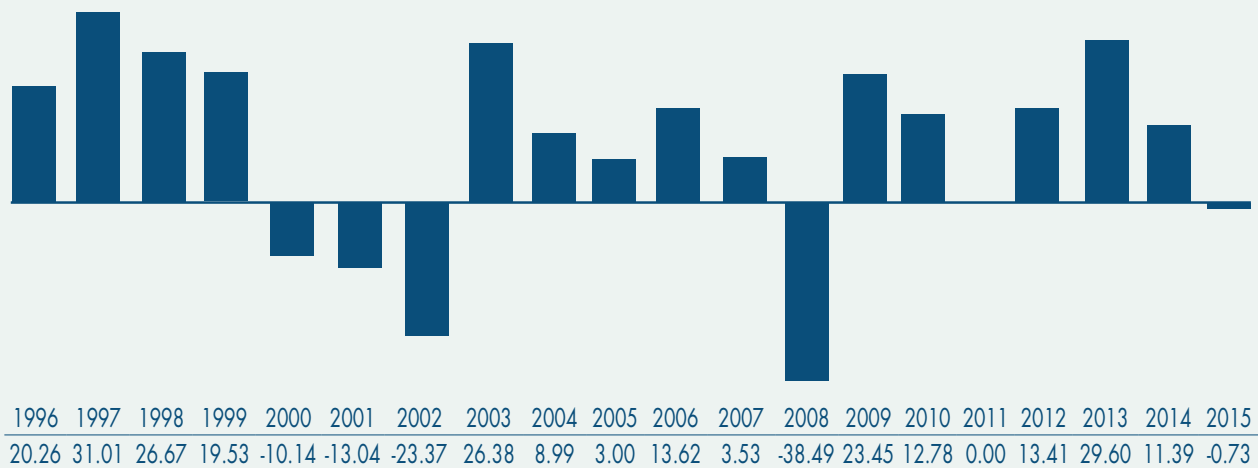
The **ANICO Strategy Indexed Annuity PLUS 7** (ASIA PLUS 7) bases the interest credited to the annuity on the S&P 500® Index. The premium is never placed directly in the stock market or in an indexed fund. Interest credited is simply based upon the movement of the S&P 500® Index. The movement of the S&P 500® Index over the past 20 years is illustrated in the chart on the next page.

The S&P 500® Index is based upon the common stock price of the 500 top publicly traded domestic companies in the U.S. economy as determined by Standard and Poor. It is one of the most commonly followed indices and is considered to be representative of the market as a whole. The index components are weighted so that the stocks of the companies with a larger market capitalization have a greater effect on the index.

The premium earns interest, if any, based upon the chosen strategy and the performance of the S&P 500® Index from the beginning of the Segment Term to the end of the Segment Term. The interest credited is subject to both a Cap and Participation Rate or a Specified Rate which are declared at the beginning of each Segment Term.

## Historical Movement of S&P 500® Index between 1996 – 2015

The following chart shows the annual change in the S&P 500® Index over a twenty year period:



The S&P 500® Index does not reflect dividends paid on the stocks underlying the index. You do not have any direct ownership in any individual stock or index. The index cannot be predicted over any given period of time. Past performance of the Index is no guarantee of future results.

## What makes ASIA PLUS 7 Unique?

### Crediting Strategies

ASIA PLUS 7 allows you to choose from multiple interest crediting strategies<sup>1</sup> and Participation Rates for the opportunity to diversify without obtaining multiple annuity contracts.

Strategies related to the movement of the S&P 500® index often have the potential for higher interest rates than a fixed rate.

A Declared Rate strategy is also available that offers the stability of a fixed rate.

### Income Strategies

- **Premium Enhancement:** American National may offer a premium enhancement on initial premium which would be added to the Annuity Value. The availability of the premium enhancement is not guaranteed. Form Series PER (Forms may vary by state)
- **Annuity Options:** Annuity Options are available any time after the fifth contract year. There are a variety of options to choose from to meet your need.
- **Lifetime Income Rider:** Two accumulation options to choose from, a Fixed Rate or a Fixed Rate plus Index Credit

### Protection Strategies

- **Protection from negative economic conditions:** The Annuity Value will not be reduced in negative economic years, and in the event the underlying index performs negatively, you will never be credited below zero.
- **Protection from income taxes:** Accumulate value in the annuity on a tax deferred basis. The interest credited is not taxed until it is removed from the annuity.<sup>2</sup>
- **Death Benefit protection for your family:** With the available Death Benefit options, you can choose how and when the Death Benefit will be distributed to best meet your loved one's needs.

<sup>1</sup>At any given contract anniversary some of the strategies may not be available due to economic conditions. At the end of the Segment Term, the Segment Earnings are calculated. Strategies that credit interest related to the performance of the S&P 500® Index are dependent on index performance. Each interest crediting strategy has different potential for interest earnings under different scenarios. There is not one particular interest crediting strategy that will deliver the most interest under all economic conditions. <sup>2</sup>Under current tax law, the Internal Revenue Code provides tax deferral to IRAs. There is no additional tax benefit obtained by funding an IRA with an annuity. Consider the other benefits provided by an annuity such as lifetime income and a Death Benefit. An IRS penalty of 10% may be assessed on any withdrawals made prior to age 59 1/2. Withdrawals are subject to ordinary income tax.





# Crediting Strategies

There are multiple strategies available to help you meet your goals. You may use as many options as you deem appropriate for your planning needs subject to American National's minimum and maximum requirements.

ASIA PLUS 7 offers multiple indexing strategies as well as a Declared Strategy. The chart below illustrates the strategies that may be available. You are able to participate in multiple strategies in one contract. The minimum amount required for participation in any of the Indexed strategies is \$5,000. There is no minimum allocation amount for the Declared Rate Strategy.

**All strategies and segment terms may not be available at all times.  
Have your agent review the current availability for your state.**

<b>One Year</b>	<b>Declared Rate</b>	<b>One-Year Performance with a Specified Rate</b>	<b>One-Year Total Sum Performance with a Monthly Cap</b>	<b>Point-to-Point with a Cap</b> (various Participation Rates available)
<b>Three Year</b>	<b>Point-to-Point with a Cap</b> (various Participation Rates available)			
<b>Five Year</b>	<b>Point-to-Point with a Cap</b> (various Participation Rates available)			

Indexed strategies earn interest related to the performance of the S&P 500® Index. The amount of interest an indexed strategy earns depends on a number of factors including: index performance, participation rate, cap, and segment term. The performance of the index cannot be predicted over any given period of time. Past history of the Index is no guarantee of future performance. There is not one particular interest crediting strategy that will deliver the most interest under all economic conditions. American National and its agents do not make any recommendations regarding the selection of indexed strategies. American National and its agents do not guarantee the performance of any indexed strategies. The Declared Rate Strategy earns interest at an interest rate we declare at the beginning of each Contract Year and is guaranteed for one year.

# Declared Rate Strategy

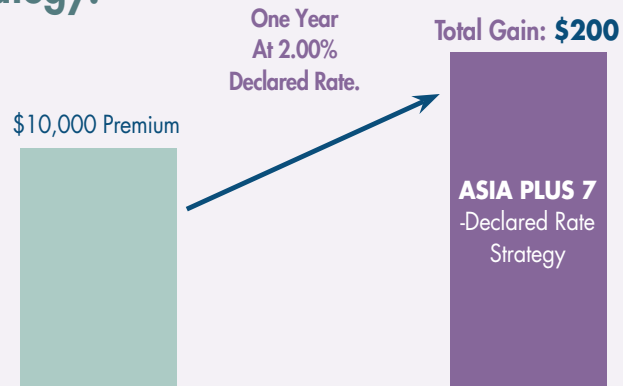
The rate is set at the beginning of each Segment Term so you know what return you will receive on the premium placed in the Declared Rate Strategy.

## Hypothetical Declared Rate Strategy:

**Allocation Amount:** \$10,000  
**Segment Term:** One Year  
**Declared Rate:** 2.00%

What does this mean for you?  
Because this strategy is not related to the index, no matter how the index changes, you will receive 2.00% interest on your \$10,000

**Total Gain:** \$200



Hypothetical examples are provided for illustrative purposes only.

# One-Year Performance with a Specified Rate – (Specified Rate Strategy)

The Specified Rate is set at the beginning of each Segment Term; subject to the guaranteed minimum specified rate. At the end of the one year Segment Term, the earnings are calculated as follows: If the index is up or unchanged at the end of the Segment Term, then the interest earnings equal the Specified Rate multiplied by the Annuity Value in this indexed crediting strategy; if the index is down, the Segment Term will be credited \$0.

## Hypothetical Example:

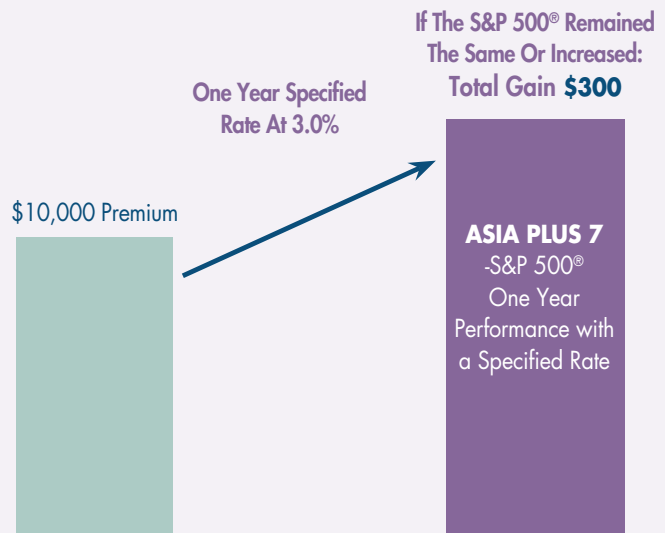
**Allocation Amount:** \$10,000  
**Specified Rate:** 3.0%  
**Segment Term:** One Year

What does this mean for you?:

- During the one year Segment Term, American National will track the change in the index. At the end of the year, if the index has remained the same or increased any amount, you will receive the Specified Rate of 3.0% interest on your original \$10,000.
- If the change in the index is negative at the end of the year, your strategy will be credited \$0 for the Segment Term.

**Total Gain:** \$300 or \$0

Form Series: SRS13 (Forms may vary by state)



Hypothetical examples are provided for illustrative purposes only.



## One-Year Total Sum Performance with a Monthly Cap – (Monthly Sum)

The Monthly Sum strategy credits interest on an annual basis by comparing the monthly changes in the S&P 500® Index. Each month, American National will calculate the changes in the index value compared to the previous month. Increases each month are subject to a Cap while decreases each month do not have a bottom limit. At the end of the segment term, the 12 values are summed to determine the annual interest credited with a floor rate of zero. There is not a Cap on the final interest rate credited.

Form Series 1YRTS13 (Forms may vary by state)

Hypothetical examples are provided for illustrative purposes only.

Months	Hypothetical Example 1		Hypothetical Example 2	
	Index Change	Monthly Capped Change	Index Change	Monthly Capped Change
1	4%	2%	2%	2%
2	2%	2%	2%	2%
3	-3%	-3%	-3%	-3%
4	1%	1%	-4%	-4%
5	-1%	-1%	-1%	-1%
6	0%	0%	0%	0%
7	3%	2%	2%	2%
8	-2%	-2%	-2%	-2%
9	4%	2%	-2%	-2%
10	1.5%	1.5%	1.5%	1.5%
11	-1%	-1%	-1%	-1%
12	2%	2%	2%	2%
<b>Total</b>		<b>5.5%</b>		<b>-3.5%</b>
<b>Interest Rate Credited</b>		<b>5.5%</b>		<b>0%</b> (cannot be credited lower than 0%)

# Point to Point Performance with a Cap - (Point to Point)

Point to Point indexing allows for one, three, and five year Segment Terms as well as multiple Participation Rates and Caps. Current Participation Rates are 100%, 75%, and 50%.

A point to point strategy measures the change in the index by comparing the closing value of the index at the end of the Segment Term to the index value on the first day of the Segment Term.

Starting value	Ending Value	Change	Percent of change
1000	1100	+100	10%
1000	900	-100	-10%

Even though the index can have a negative percent of change, your contract has floor of zero. This means that the lowest interest rate that can be applied to any Segment Term is 0%. American National's Point to Point Performance with Cap Strategy is subject to a Participation Rate and Cap on all index earnings.

## What is a participation rate?

A Participation Rate is the portion of the increase in the S&P 500® that is used to determine the amount of interest credited for the Segment Term. For example, a Strategy with a 50% Participation Rate will be credited 50% of the increase in index (up to the Cap), and a strategy with 100% Participation Rate will be credited 100% of the increase in the index (up to the Cap).

Hypothetical Example Step 1: Apply Participation Rate		Participation Rate: 100%	Participation Rate: 75%	Participation Rate: 50%
Index increases by 3%	After Participation Rate:	3.0%	2.25%	1.5%
Index increases by 6%	After Participation Rate:	6.0%	4.5%	3.0%
Index increases by 12%	After Participation Rate:	12.0%	9.0%	6.0%

## What is a cap?

A Cap is the upper limit or maximum interest that your Segment can earn during a Segment Term. Once the Participation Rate has been applied, if the index increase is greater than the Cap, the Cap will be used to determine the amount of interest that will be credited for that Segment Term. Using the same example as above, we will now apply the Cap.

**A higher Participation Rate offers a lower Cap, and a lower Participation Rate offers a higher Cap. When considering the various Participation Rates, you should choose a strategy depending on how you believe the index may perform over the one year segment term. Please see the hypothetical examples.**

Hypothetical Example Step 2: Apply Cap		Participation Rate: 100% Cap: 4.0%	Participation Rate: 75% Cap: 5.5%	Participation Rate: 50% Cap: 7.0%
Index increases by 3%	After Participation Rate:	3.0%	2.25%	1.5%
	Credited After Cap:	<b>3.0%</b>	<b>2.25%</b>	<b>1.5%</b>
Index increases by 6%	After Participation Rate:	6.0%	4.5%	3.0%
	Credited After Cap:	<b>4.0%</b>	<b>4.5%</b>	<b>3.0%</b>
Index increases by 12%	After Participation Rate:	12.0%	9.0%	6.0%
	Credited After Cap:	<b>4.0%</b>	<b>5.5%</b>	<b>6.0%</b>

Form Series PTP13( (Forms may vary by state)

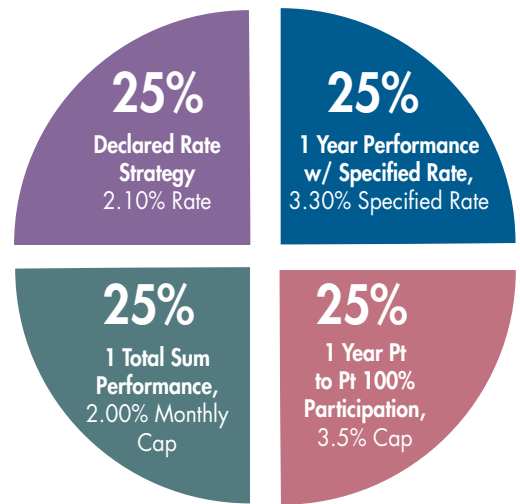
These hypothetical examples are provided for illustrative purposes only. At any given contract anniversary some of the strategies may not be available due to economic conditions. At the end of the Segment Term, the Segment Earnings are calculated.



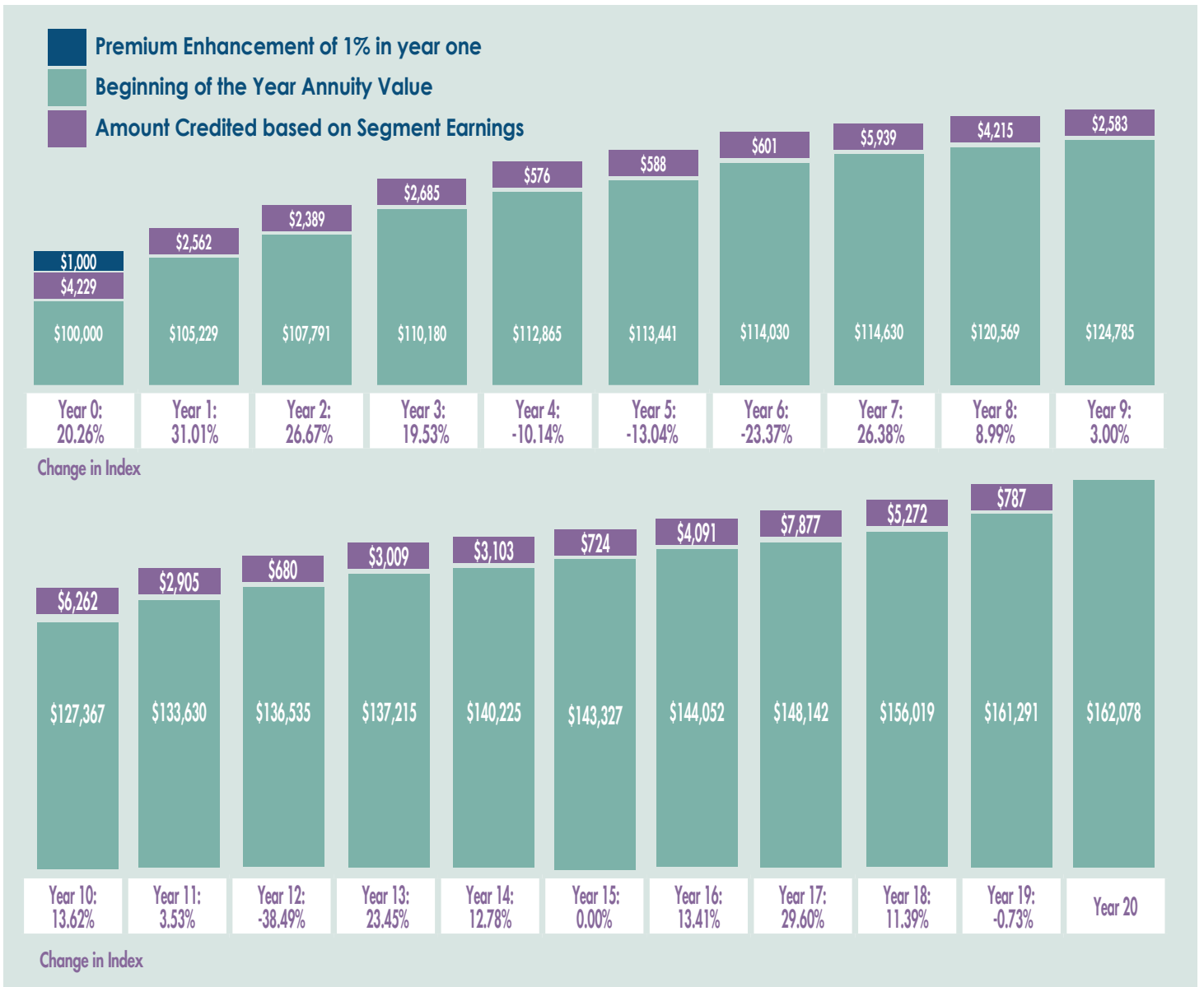
# Asset Protection

Making the decision to purchase an indexed annuity can be complicated due to the fluctuations of the index. The important thing to remember is that even when the index has negative returns, your Annuity Value will not decrease. The chart below shows the results from testing the current product against past performance of the S&P 500® Index from 1995 to 2015. As you can see, even though the chart displays both positive and negative years for the index, the overall account does not lose value.

The use of alternate assumptions would produce significantly different results. Although the ASIA PLUS 7 was not available for the period of time referenced, actual historical prices of the S&P 500® Index have been used in the hypothetical example. This hypothetical example is intended solely for illustrative purposes and is not an indication of the annuity's past or future performance.



Actual Segment Term availability will vary by state.





Remember - No matter how you choose to allocate your money, your Annuity Value will not lose value due to negative index years.

Using the same assumptions as the previous hypothetical, we can demonstrate impact the index can have on an individual strategy.

Contract Year	Declared Rate		1 Year Total Sum Performance		1 Year Point to Point Strategy		1 Year Performance w/ Specified Rate	
	Credited Rate (%)	Strategy Value	Credited Rate (%)	Strategy Value	Credited Rate (%)	Strategy Value	Credited Rate (%)	Strategy Value
0	0.00	\$25,250	0.00	\$25,250	0.00	\$25,250	0.00	\$25,250
1	2.10	\$25,780	7.85	\$27,232	3.50	\$26,134	3.30	\$26,083
2	2.10	\$26,322	0.90	\$27,477	3.50	\$27,048	3.30	\$26,944
3	2.10	\$26,874	0.00	\$27,477	3.50	\$27,995	3.30	\$27,833
4	2.10	\$27,439	0.81	\$27,700	3.50	\$28,975	3.30	\$28,752
5	2.10	\$28,015	0.00	\$27,700	0.00	\$28,975	0.00	\$28,752
6	2.10	\$28,603	0.00	\$27,700	0.00	\$28,975	0.00	\$28,752
7	2.10	\$29,204	0.00	\$27,700	0.00	\$28,975	0.00	\$28,752
8	2.10	\$29,817	12.14	\$31,063	3.50	\$29,989	3.30	\$29,700
9	2.10	\$30,443	5.02	\$32,622	3.50	\$31,039	3.30	\$30,681
10	2.10	\$31,083	0.00	\$32,622	3.00	\$31,970	3.30	\$31,693
11	2.10	\$31,735	10.56	\$36,067	3.50	\$33,089	3.30	\$32,739
12	2.10	\$32,402	0.00	\$36,067	3.50	\$34,247	3.30	\$33,819
13	2.10	\$33,082	0.00	\$36,067	0.00	\$34,247	0.00	\$33,819
14	2.10	\$33,777	0.00	\$36,067	3.50	\$35,446	3.30	\$34,935
15	2.10	\$34,486	0.00	\$36,067	3.50	\$36,686	3.30	\$36,088
16	2.10	\$35,211	0.00	\$36,067	0.00	\$36,686	0.00	\$36,088
17	2.10	\$35,950	2.43	\$36,943	3.50	\$37,970	3.30	\$37,279
18	2.10	\$36,705	12.35	\$41,506	3.50	\$39,299	3.30	\$38,509
19	2.10	\$37,476	4.47	\$43,361	3.50	\$40,675	3.30	\$39,780
20	2.10	\$38,263	0.00	\$43,361	0.00	\$40,675	0.00	\$39,780



Your personal goals may change from time to time which is why the **ASIA PLUS 7** gives you the option at the end of each segment term to reallocate your Annuity Value among the available crediting options on the contract anniversary.

1. Prior to your contract anniversary, meet with your advisor to discuss your financial goals.
2. Decide which strategies meet your goals.
3. Allocate your funds accordingly.
4. Relax and enjoy the peace of mind that comes with knowing your money is protected from a loss in value if the index declines.

Note: Reallocations require a \$5,000 minimum premium. If a Segment matures and has less than \$5,000, the Segment Value will be reallocated into another Strategy as long as it meets the minimum strategy requirements or will be transferred by American National into the Declared Rate Strategy. If a Segment matures and the strategy is no longer available, the Segment Value will be placed in the strategy most similar to the maturing Segment.

# Protection Strategies

## Safety of Principal

ASIA PLUS 7 allows you to receive interest earnings based upon the movement of the S&P 500® Index without being directly invested in the index. If the index goes down in value during the measuring period, you receive a zero return but you do not lose principal.

## Control Your Taxes

ASIA PLUS 7 allows you to decide when your income should be taxable to you. With a tax-deferred annuity, the Annuity Value has the potential to grow and in the meanwhile, you will not pay taxes on it until you withdraw the money.

Current U.S. tax law provides that earnings from an annuity are taxable only upon a withdrawal as ordinary income. You should contact your attorney or tax advisor on your specific situation.

## Surrender Charge Free Withdrawal Privilege

Choosing a plan to build growth is one thing, but what if your plans change? What if you need access to some of your money? You have that flexibility with the ASIA PLUS 7. After the contract is issued, you can withdraw up to 10% of the Annuity Value as of the beginning of the contract year, or the Minimum Required Distribution if greater, during each contract year without any surrender charges.\*

## Full Surrender

The full Annuity Value of your contract is available without any surrender charges after the contract has been in force for seven full contract years.\*

However, if your financial plans change and you need to surrender the contract prior to the end of seven years, you can do so subject to a surrender charge as shown in this schedule:

Contract Year	1	2	3	4	5	6	7	8+
Surrender Charge	7%	6%	5%	4%	3%	2%	1%	0%

The Annuity Value is the sum of the values in the indexed or declared rate strategies, less any withdrawals you may have taken from the contract, and minus any applicable Rider charges. The surrender amount you will receive during the first seven years will be the greater of the Annuity Value less surrender charges according to the above schedule or the minimum guaranteed Surrender Value.

If you surrender the contract during a Segment Term, you will not receive any indexed interest for that segment.

\* Withdrawals prior to age 59½ may be subject to a 10% tax penalty and are subject to ordinary income tax.

## Waiver of Surrender Charges

Life has a way of changing the best plans and ASIA PLUS 7 provides assurance that you will have access to your money, without surrender charges, during these special circumstances:

### Confinement Waiver

Surrender charges may be waived if the contract owner is confined to a licensed hospital, licensed convalescent care facility, skilled nursing facility, custodial care facility, or licensed hospice facility for 30 or more days. This special waiver of surrender charge is available to you beginning 90 days after issue.

### Disability Waiver

Prior to age 65, surrender charges may be waived if the contract owner is physically disabled, or diagnosed with a disabling terminal illness. This special waiver of surrender charge is available to you after issue.

### Terminal Illness Waiver

Surrender charges may be waived if the contract owner is diagnosed with an injury or illness expected to result in death within 12 months. This special waiver of surrender charges is available to you after issue.

Waivers are not available in all states. Conditions and restrictions on the waivers may vary by state. Please see your contract for specific details.

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## Market Value Adjustment (MVA)

During the surrender charge period, the MVA can impact the value of any withdrawal you take that exceeds the Surrender Charge Free Withdrawal Privilege. It is important to know how the MVA will impact any partial withdrawal or surrender you are considering. This adjustment can be positive if the reference rate declines after your Annuity Date. It can be negative if the reference rate increases after the Annuity Date.

The MVA measures how the change in reference rate impacts the value of the company's assets. It modifies the value of any excess withdrawals accordingly. The MVA is based on a comparison of the reference rate conditions at the time of the surrender or partial withdrawal to the reference rate conditions on the date your annuity was issued.

The MVA does not apply to partial withdrawals equal to or less than the Surrender Charge Free Withdrawal Privilege, Required Minimum Distributions or to payments received under the Confinement or Disability Waivers. The MVA is not applicable in all states.



## Death Benefit

ASIA PLUS 7 provides a Death Benefit that will be payable to a named beneficiary upon the death of the owner of the contract. The Death Benefit, prior to the maturity date of the contract, is the greater of the Annuity Value, including any interest earnings up to the date of death, or the Surrender Value of the contract.

### Maturity

The maturity date of the contract is normally the owner's age 100, but the owner may request a change in date as long as the new maturity date is after the end of the fifth year and is not after the owner's age 100.

### Annuity Options

At maturity you may elect to receive the proceeds of your annuity in a lump sum payment or in a series of payments to meet your financial goals. American National offers a variety of annuity options. Your advisor can help you make the right choice for your needs at that time.

If the death of the contract owner occurs after maturity and annuity payments are being made, then the remaining payments will continue to be paid to the beneficiary in the same method as selected by the contract owner prior to death.



## A Lifetime Income Rider Can Provide an Income Stream that is **GUARANTEED FOR LIFE**

As life expectancy increases, so does the time spent as a retiree. Retirees can now spend decades in retirement. In addition to the benefits of an Indexed Annuity, ASIA PLUS 7 also gives you the option, at time of issue, to add a Lifetime Income Rider (LIR) which provides an income stream that is **GUARANTEED FOR LIFE** even if the Annuity Value falls to zero.

### The Lifetime Income Rider has two options:

<b>1. Fixed Rate</b>	A fixed rate, set at issue and guaranteed for the life of the contract, is compounded daily for a set number of years.	<b>For example:</b> If your fixed rate is 7% for 10 years, your Income Base will be credited 7% each contract year for 10 years.
<b>2. Fixed Rate PLUS Index Credit</b>	A fixed rate, set at issue and guaranteed for the life of the contract, is compounded daily for a set number of years. <b>PLUS</b> The portion of your premium allocated to indexed crediting strategies will earn interest based upon the increase, if any, of the Index. Index Credit will be earned until you begin to withdraw income.	<b>For example:</b> If your fixed rate is 4% for 10 years, your Income Base will be credited 4% each contract year for 10 years. <b>PLUS</b> Index Credits are earned from premium allocated to indexed strategies <u>until your income withdrawal begins.</u>

See your agent for current rate and period. Your Income Base will earn interest for the contract's set number of years or until you elect to begin income, whichever comes first.



## Income Base

The Income Base is maintained separately from the Annuity Value and is used to determine your income payments. This value accumulates interest annually up to a set number of years or until you elect to begin income, whichever comes first.

When you begin receiving income payments, the Income Base amount will be equal to the higher of either the contract's Annuity Value on the date income payments begin or the Income Base.

## Income for Life

The income payment is an amount determined by multiplying the income percentage times the Income Base. The amount of your income payments will be the same every year and will depend on your age on the date that payments begin.

**Income payments can begin when both of the following have been met:**

1. The contract has been in force for more than one year.
2. The contract owner must be age 50+ (age of youngest owner if Joint)

Note: Joint Owners must be spouses at the time the Lifetime Income Rider is elected.

### Lifetime Income Percentage by Age

#### Single life age when income begins:

50	3.5%	61	4.6%	72	5.7%	83	6.8%
51	3.6%	62	4.7%	73	5.8%	84	6.9%
52	3.7%	63	4.8%	74	5.9%	85	7.0%
53	3.8%	64	4.9%	75	6.0%	86	7.1%
54	3.9%	65	5.0%	76	6.1%	87	7.2%
55	4.0%	66	5.1%	77	6.2%	88	7.3%
56	4.1%	67	5.2%	78	6.3%	89	7.4%
57	4.2%	68	5.3%	79	6.4%	90	7.5%
58	4.3%	69	5.4%	80	6.5%		
59	4.4%	70	5.5%	81	6.6%		
60	4.5%	71	5.6%	82	6.7%		

#### Joint life age when income begins:

50	2.5%	61	3.6%	72	4.7%	83	5.8%
51	2.6%	62	3.7%	73	4.8%	84	5.9%
52	2.7%	63	3.8%	74	4.9%	85	6.0%
53	2.8%	64	3.9%	75	5.0%	86	6.1%
54	2.9%	65	4.0%	76	5.1%	87	6.2%
55	3.0%	66	4.1%	77	5.2%	88	6.3%
56	3.1%	67	4.2%	78	5.3%	89	6.4%
57	3.2%	68	4.3%	79	5.4%	90	6.5%
58	3.3%	69	4.4%	80	5.5%		
59	3.4%	70	4.5%	81	5.6%		
60	3.5%	71	4.6%	82	5.7%		

## Rider Premium Charges

There is a separate premium charge for each Lifetime Income Rider option which is locked in at the beginning of the contract. Ask your agent for the current rider premium charges.

Note: The charge is based on the income base and debited directly from the Annuity Value each year and cannot exceed that year's interest earnings. The premium charge is payable from the date the annuity contract is issued until the Rider terminates. If no interest earnings in a given contract year are available, the fee will be deducted from future earnings. If any rider fees are outstanding upon surrender, they will be deducted from the Surrender Value. If interest earnings have been withdrawn during the year, any charges, up to the amount of the interest credited, will be taken from the Annuity Value.

## Lifetime Income Rider Premium Enhancement

At times, American National may offer a premium enhancement on the Lifetime Income Rider when calculating the Income Base. The availability of the premium enhancement is not guaranteed and is subject to change; please check with your agent for availability.

Form Series RPER (Forms may vary by state)

# LIFETIME INCOME RIDER

## HYPOTHETICAL EXAMPLE 1

### Allocations and assumptions\*:

- Beginning Annuity Value: \$100,000 (Allocated to the strategies on the right)
- Index Return: As of 01/01/1996 and forward
- No Lifetime Income Rider Premium Enhancement
- Owner's age at issue: 58

<b>25%</b>	Declared Rate Strategy 2.10% Rate
<b>25%</b>	1 Year Performance w/ Specified Rate, 3.30% Specified Rate
<b>25%</b>	1 Total Sum Performance, 2.00% Monthly Cap
<b>25%</b>	1 Year Pt to Pt 100% Participation, 3.50% Cap

Assume no excess withdrawals are taken except for the Lifetime Income Payments as shown in the examples. Additional excess withdrawals would affect the results. Amounts have been rounded to the nearest dollar.

### Lifetime Income Rider with Fixed Rate

(7% fixed rate, 10 year Income Base accumulation period and 0.60% rider premium are assumed)

During the first 10 years of the contract, the Income Base will be credited 7% compounded daily.

When the owner chooses to begin receiving income payments, the annual income amount is calculated based on the balance of either the Annuity Value or Income Base (whichever is higher).

For the life of the owner, the annual income will remain the same, even if the Annuity Value drops to zero. (assuming no excess withdrawals)

Contract Year	Fixed Crediting Rate (%)	Annuity Value	Income Base	Annual Income	Remaining Income Base
1	7.00%	\$104,587	\$107,000	\$0	\$107,000
2	7.00%	\$106,447	\$114,490	\$0	\$114,490
3	7.00%	\$108,070	\$122,504	\$0	\$122,504
4	7.00%	\$109,918	\$131,080	\$0	\$131,080
5	7.00%	\$109,918	\$140,255	\$0	\$140,255
6	7.00%	\$109,918	\$150,073	\$0	\$150,073
7	7.00%	\$109,918	\$160,578	\$0	\$160,578
8	7.00%	\$113,587	\$171,819	\$0	\$171,819
9	7.00%	\$116,455	\$183,846	\$0	\$183,846
10	7.00%	\$117,685	\$196,715	\$0	\$196,715
11	N/A	\$111,668	\$196,715	<b>\$10,623</b>	\$186,093
12	N/A	\$102,289	\$196,715	<b>\$10,623</b>	\$175,470
13	N/A	\$91,666	\$196,715	<b>\$10,623</b>	\$164,847
14	N/A	\$81,200	\$196,715	<b>\$10,623</b>	\$154,225
15	N/A	\$71,195	\$196,715	<b>\$10,623</b>	\$143,602
16	N/A	\$60,572	\$196,715	<b>\$10,623</b>	\$132,979
17	N/A	\$49,950	\$196,715	<b>\$10,623</b>	\$122,357
18	N/A	\$40,516	\$196,715	<b>\$10,623</b>	\$111,734
19	N/A	\$30,084	\$196,715	<b>\$10,623</b>	\$101,112
20	N/A	\$19,461	\$196,715	<b>\$10,623</b>	\$90,489

\*The use of alternate assumptions would produce significantly different results. Although the product was not available for the period of time referenced, actual historical prices of the S&P 500® Index have been used in these hypothetical examples. These hypothetical examples are intended solely for illustrative purposes and is not an indication of the annuity or annuity riders' past or future performance.



## HYPOTHETICAL EXAMPLE 2

### Allocations and assumptions\*:

- Beginning Annuity Value: \$100,000 (Allocated to the strategies on the right)
- Index Return: As of 01/01/1996 and forward
- No Lifetime Income Rider premium enhancement
- Owner's age at issue: 58

<b>25%</b>	Declared Rate Strategy 2.10% Rate
<b>25%</b>	1 Year Performance w/ Specified Rate, 3.30% Specified Rate
<b>25%</b>	1 Total Sum Performance, 2.00% Monthly Cap
<b>25%</b>	1 Year Pt to Pt 100% Participation, 3.50% Cap

Assume no excess withdrawals are taken except for the Lifetime Income Payments as shown in the examples. Additional excess withdrawals would affect the results. Amounts have been rounded to the nearest dollar.

### Lifetime Income Rider with Fixed Rate Plus Index Credit

(4% fixed rate + Index credits, 10 year Income Base accumulation period and 0.30% rider premium are assumed)

Contract Year	Fixed Daily Rate	Index Credit Rate	Annuity Value	Income Base	Annual Income	Remaining Income Base
1	4.00%	4.188%	\$104,904	\$108,355	\$0	\$108,355
2	4.00%	2.43%	\$107,112	\$115,433	\$0	\$115,433
3	4.00%	2.22%	\$109,117	\$122,710	\$0	\$122,710
4	4.00%	2.44%	\$111,385	\$130,729	\$0	\$130,729
5	4.00%	0.51%	\$111,543	\$136,652	\$0	\$136,652
6	4.00%	0.52%	\$111,693	\$142,855	\$0	\$142,855
7	4.00%	0.53%	\$111,833	\$149,352	\$0	\$149,352
8	4.00%	5.18%	\$117,137	\$163,374	\$0	\$163,374
9	4.00%	3.50%	\$120,705	\$175,849	\$0	\$175,849
10	4.00%	2.07%	\$122,644	\$186,668	\$0	\$186,668
11	N/A	5.36%	\$118,034	\$186,668	<b>\$10,080</b>	\$176,588
12	N/A	2.37%	\$109,956	\$186,668	<b>\$10,080</b>	\$166,508
13	N/A	0.55%	\$99,876	\$186,668	<b>\$10,080</b>	\$156,428
14	N/A	2.44%	\$91,411	\$186,668	<b>\$10,080</b>	\$146,348
15	N/A	2.49%	\$82,794	\$186,668	<b>\$10,080</b>	\$136,268
16	N/A	0.57%	\$72,714	\$186,668	<b>\$10,080</b>	\$126,188
17	N/A	3.30%	\$63,998	\$186,668	<b>\$10,080</b>	\$116,108
18	N/A	6.30%	\$56,754	\$186,668	<b>\$10,080</b>	\$106,028
19	N/A	4.11%	\$48,034	\$186,668	<b>\$10,080</b>	\$95,947
20	N/A	0.61%	\$37,953	\$186,668	<b>\$10,080</b>	\$85,867

**During the first 10 years of the contract, the Income Base will be credited 4% compounded daily.**

**PLUS**

**The Index credit rate will be applied to credited. The Index Credit will continue to credit until income withdrawals begin.**

Index credit rate is equal to your index credits earned in the previous year divided by the total amount of your premium allocated to indexed crediting.

\*The use of alternate assumptions would produce significantly different results. Although the product was not available for the period of time referenced, actual historical prices of the S&P 500® Index have been used in these hypothetical examples. These hypothetical examples are intended solely for illustrative purposes and is not an indication of the annuity or annuity riders' past or future performance.

# LIFETIME INCOME RIDER

## Withdrawals in Excess of Annual Income Payments

Once income payments start, the amounts received under the Rider reduce the Annuity Value, Surrender Value, Death Benefit and the contract's annual 10% Surrender Charge Free Withdrawal Privilege. Income payments will, however, continue even if the Annuity Value is zero. If the owner has funds allocated to multiple strategies, additional excess withdrawals will reduce each strategy's value proportionately.

In subsequent years, the Income Base will be adjusted downward if the owner has taken excess withdrawals in addition to their annual income payment. The reduction is calculated using a pro rata method. When the Income Base is adjusted downward, the annual income payment must also be recalculated, resulting in a lower income payment.

## Restrictions

The owner can only apply for the Lifetime Income Rider at the same time they apply for the ASIA PLUS 7 contract. The owner can drop the selected Rider at any time and the cost will be prorated. The selected Rider terminates if a change in ownership is made and also terminates when the annuity contract terminates. Joint Owners must be spouses at the time the Lifetime Income Rider is elected.

## Spousal Continuation

In the event of the death of an Owner that has chosen a Lifetime Income Rider, the surviving spouse can choose to continue the contract. The way the contract is continued depends upon the way the contract is set up. Scenarios for spousal continuation below:

### Single Owner who has chosen to receive Single Lifetime withdrawal payments:

- The surviving spouse can choose to continue the contract including receiving lifetime income payments.
- The Death Benefit will become the new Income Base
- The income withdrawal amount will be recalculated based upon the surviving spouse's age at the time of the calculation.

### Single Owner who has chosen to receive Joint Lifetime withdrawal payments:

- The surviving spouse can choose to continue the contract including receiving lifetime income payments.
- The income base and the income withdrawal amount will remain the same.

### Joint Owners that receive Joint Lifetime withdrawal payments:

- The surviving spouse can choose to continue the contract in force, including receiving lifetime income payments.
- The income base and the income withdrawal amount will remain the same. This is only available to a joint owner who is the spouse.



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# Overview

<b>Issue Ages:</b>	0-80 (Owner and Annuitant; Age Last Birthday)																		
<b>Issue Dates</b>	1st, 8th, 16th and 24th of each month																		
<b>Maturity Age:</b>	100 (Owner)																		
<b>Premium:</b>	Single Premium Only																		
<b>Minimum Premium:</b>	\$10,000 NQ (\$5,000 per interest crediting strategy) \$5,000 Q (\$5,000 per interest crediting strategy)																		
<b>Maximum Premium:</b>	\$1,000,000																		
<b>Important terms:</b>	<ul style="list-style-type: none"> <li>• <b>Participation Rate:</b> The portion of the change in the Index credited to the contract.</li> <li>• <b>Cap:</b> The maximum interest credited to an indexed strategy.</li> <li>• <b>Index:</b> S&amp;P 500®</li> <li>• <b>Annuity Value:</b> The total amount of Net Annuity Premium, plus credited interest, less any partial and / or systematic withdrawal and associated surrender charges and Market Value Adjustment.</li> </ul>																		
<b>Interest Crediting Methods</b>	<ul style="list-style-type: none"> <li>• <b>Declared Rate</b></li> <li>• <b>One-Year with a Specified Rate</b></li> <li>• <b>One-Year Total Sum with a Monthly Cap</b></li> <li>• <b>One-Year Point to Point with Cap (various Participation Rates available)</b></li> <li>• <b>Three-Year Point to Point with Cap (various Participation Rates available)</b></li> <li>• <b>Five-Year Point to Point with Cap (various Participation Rates available)</b></li> </ul> <p>At any given time all Strategies or Segment Terms may not be available due to state approval or economic conditions. Indexed strategies earn interest related to the performance of an Index. Whether an indexed strategy earns interest or not and how much interest is earned is dependent on a number of factors: Index Performance, Participation Rate, Cap and Segment Term.</p>																		
<b>Income Rider</b>	An optional Lifetime Income Rider is available with two crediting options (1) Fixed rate or (2) Fixed Rate PLUS Index Credit. There is a fee for this rider. Check with your agent.																		
<b>Minimum Guaranteed Surrender Value</b>	87.5% of premium, accumulated at the minimum guaranteed rates required by law for the Indexed Account and the Declared Rate Account, less any withdrawals. There are separate minimum guaranteed rates for the Indexed and Declared Rate Accounts. These rates will be set at issue and guaranteed for the life of the contract.																		
<b>Surrender Value:</b>	The Surrender Value is equal to the Annuity Value minus (1) any applicable Surrender Charge (2) any applicable federal or state premium taxes and (3) modified by any applicable Market Value Adjustment (MVA). MVA Could be positive or negative.																		
<b>Surrender Charge Free Withdrawal Privilege:</b>	After the contract is issued, you can withdraw up to 10% of your Annuity Value as of the beginning of each Contract Year. The minimum withdrawal is \$250.																		
<b>Surrender Charges:</b>	Withdrawals taken in excess of the Surrender Charge Free Withdrawal Amount will be subject to the following surrender charge schedule: <table border="1" data-bbox="440 1457 1255 1539"> <tr> <td><b>Contract Year</b></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>8+</td> </tr> <tr> <td><b>Surrender Charge</b></td> <td>7%</td> <td>6%</td> <td>5%</td> <td>4%</td> <td>3%</td> <td>2%</td> <td>1%</td> <td>0%</td> </tr> </table>	<b>Contract Year</b>	1	2	3	4	5	6	7	8+	<b>Surrender Charge</b>	7%	6%	5%	4%	3%	2%	1%	0%
<b>Contract Year</b>	1	2	3	4	5	6	7	8+											
<b>Surrender Charge</b>	7%	6%	5%	4%	3%	2%	1%	0%											
<b>Surrender Charge Free Waivers:</b>	Confinement, Disability, and Terminal Illness Please see contract for specific details.																		
<b>Market Value Adjustments (MVA):</b>	If you withdraw any amount during the Surrender Charge Free Withdrawal period in excess of the allotted 10% Surrender Charge Free Withdrawal amount, additional adjustments may be applied that could increase or decrease the total withdrawal amount. Values are determined by comparing market interest rates on the contract's issue date to its surrender date. The MVA is not applicable in all states.																		
<b>Death Benefit:</b>	At the death of the owner, the greater of the Annuity Value or Surrender Value will be paid.																		

Issued by American National Insurance Company, Galveston, Texas.

