

# Lifetime Income Riders

As life expectancy increases, so does the time spent as a retiree. Retirees can now spend decades in retirement.

Guarantee an income stream for life by adding an optional Lifetime Income Rider to your **ANICO Strategy Indexed Annuity PLUS** product.





**ANICO Strategy Indexed Annuity PLUS** offers two Lifetime Income Riders. Each option guarantees an income equal to a percentage of the Income Base. This income is guaranteed for life, even if the Annuity Value declines to zero.

### Lifetime Income Rider with Fixed Rate

With this rider option, your Income Base accumulates value with one method:

- 1 A fixed rate is compounded daily up to a set number of years.

For example, if your rate is 7% for 10 years, your Income Base will be credited a 7% fixed rate each contract year for 10 years.

**For both riders, the fixed rate and the rider accumulation period will be locked in at the start of your contract. 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.**

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

With this rider option, your Income Base accumulates value with two methods:

- 1 A fixed rate is compounded daily up to a set number of years.
- 2 The portion of your premium allocated to indexed crediting strategies will earn interest based upon the increase, if any, of the Index Return.

For example, if your rate is 4% + index credits for 10 years, your income base will be credited (1) a 4% fixed rate each contract year for 10 years plus (2) credits earned from premium allocated to indexed strategies until your income withdrawal begins.

## Income Base

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

To ensure that you receive the highest possible benefit, when you begin receiving income payments, the Income Base amount will be equal to either your contract's Annuity Value on the date income payments begin or the Income Base, whichever amount is higher.

**Important Note:** The established number of years as well as the interest rate for accumulation is set at issue and guaranteed for the life of the contract.

## Income for Life

The amount of your income payments will depend on your age on the date that you begin receiving income payments. Once you begin receiving payments, the payment amount remains the same every year.

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

- The contract must have been in force for more than one year.
- The contract owner must be age 50+ (In the case of Joint Owners, the youngest owner must be 50+)

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

Your personal Income payment percentage is dependent upon your attained age when you elect to begin receiving payments. To determine your guaranteed annual income rate at a specific age, see the chart in the next column.

The income payment is an amount determined by multiplying the income percentage times the Income Base.

### Single Lifetime Income percentage by Age

51	3.6%	60	4.5%	69	5.4%
52	3.7%	61	4.6%	70	5.5%
53	3.8%	62	4.7%	71	5.6%
54	3.9%	63	4.8%	72	5.7%
55	4.0%	64	4.9%	73	5.8%
56	4.1%	65	5.0%	74	5.9%
57	4.2%	66	5.1%	75	6.0%
58	4.3%	67	5.2%		
59	4.4%	68	5.3%		

For additional guaranteed annual income percentage rates for other ages or joint owners, please see the Declaration section of your contract or the Lifetime Income Rider Disclosure Form 10637.

## Rider Premium Charges

There is a separate charge for each Lifetime Income Rider that is locked in at the beginning of your contract and will not change during the life of your contract. 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.

**Important Note:** Premium charge is set monthly and is subject to change. Contact your agent for the current rider premium rates.

**Important Note:** 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.

The following hypothetical examples assume no excess withdrawals are taken except for the Lifetime Income Payments and as specifically provided in the examples. Additional excess withdrawals would affect the results. Amounts have been rounded to the nearest dollar.

**These hypothetical examples use the following allocations and assumptions\*:**

- Beginning Annuity Value: \$100,000 (Allocated to the strategies on the right)
- Index Return: As of 01/01/1992 and forward
- No Lifetime Income Rider premium enhancement
- Owner's age at issue: 58

**50% 1 Yr Point to Point**  
100% Participation Rate & 5.0% Cap

**25% 1 Yr Performance**  
4.0% Specified Rate

**25% 1 Yr Monthly Sum**  
2.0% Monthly Cap Rate

## 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 interest based on:**

**1 The fixed daily rate.** This rate is set when the contract begins. For this example, 7.00%.

**When the owner chooses to begin receiving income payments, their 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%	\$104,342	\$107,000	\$0	\$107,000
2	7.00%	\$108,498	\$114,490	\$0	\$114,490
3	7.00%	\$108,498	\$122,504	\$0	\$122,504
4	7.00%	\$116,206	\$131,080	\$0	\$131,080
5	7.00%	\$121,804	\$140,255	\$0	\$140,255
6	7.00%	\$125,311	\$150,073	\$0	\$150,073
7	7.00%	\$128,611	\$160,578	\$0	\$160,578
8	7.00%	\$132,285	\$171,819	\$0	\$171,819
9	7.00%	\$132,285	\$183,846	\$0	\$183,846
10	7.00%	\$132,285	\$196,715	\$0	\$196,715
11	N/A	\$121,663	\$196,715	\$10,623	\$186,093
12	N/A	\$114,416	\$196,715	\$10,623	\$175,470
13	N/A	\$108,075	\$196,715	\$10,623	\$164,847
14	N/A	\$98,883	\$196,715	\$10,623	\$154,225
15	N/A	\$93,247	\$196,715	\$10,623	\$143,602
16	N/A	\$83,925	\$196,715	\$10,623	\$132,979

\*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 with Fixed Rate Plus Index Credit (4% fixed rate + Index credits, 10 year Income Base accumulation period and 0.30% rider premium are assumed)

	1 Yr Index Return	Contract Year	Fixed Daily Rate	Index Credit Rate	Annuity Value	Income Base	Annual Income	Remaining Income Base
	4.46%	1	4.00%	3.945%	\$104,660	\$108,103	\$0	\$108,103
	7.06%	2	4.00%	4.64%	\$109,165	\$117,645	\$0	\$117,645
	-1.54%	3	4.00%	0.00%	\$109,165	\$122,350	\$0	\$122,350
<b>Note:</b> The actual index return may be higher than the credited rate. This is due to Caps and Participation Rates on the strategies.	34.11%	4	4.00%	8.51%	\$117,669	\$138,068	\$0	\$138,068
	20.26%	5	4.00%	5.54%	\$123,736	\$151,549	\$0	\$151,549
	31.01%	6	4.00%	3.62%	\$127,723	\$163,313	\$0	\$163,313
<b>Note:</b> In years with negative index return, your index rate will be floored at 0%	26.67%	7	4.00%	3.40%	\$131,541	\$175,624	\$0	\$175,624
	19.53%	8	4.00%	3.66%	\$135,786	\$189,332	\$0	\$189,332
	-10.14%	9	4.00%	0.00%	\$135,786	\$196,905	\$0	\$196,905
	-13.04%	10	4.00%	0.00%	\$135,786	\$204,782	\$0	\$204,782
<b>Important Note:</b> If you choose a strategy with a multi-year term (3 or 5 years), your index credit movement will not match the one-year index return because index credits are only applied at the end of the strategy's term of 1, 3 or 5 years.	-23.37%	11	N/A	0.00%	\$124,728	\$204,782	\$11,058	\$193,723
	26.38%	12	N/A	7.23%	\$119,458	\$204,782	\$11,058	\$182,665
	8.99%	13	N/A	5.26%	\$113,488	\$204,782	\$11,058	\$171,607
	3.00%	14	N/A	2.68%	\$104,556	\$204,782	\$11,058	\$160,549
	13.62%	15	N/A	6.97%	\$99,405	\$204,782	\$11,058	\$149,491
	3.53%	16	N/A	2.99%	\$90,378	\$204,782	\$11,058	\$138,432

Amounts in the examples are rounded for illustrative purposes.

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.

## How is interest applied to the Income Base?

During the first 10 years of the contract, the Income Base will be credited interest based on:

**1 The fixed daily rate.** This rate is set when the contract begins. For the fixed plus index credit LIR example, 4.00%.

For year one, apply the 4.00% Fixed Daily rate to the previous year's total indexed interest crediting allocation amount of \$100,000.

**\$100,000 x (1+4.00%) = \$104,000**

**2 The index credit rate.** (if applicable) This rate will vary annually based on the index credits earned in the allocated index crediting segments.

Apply the 3.945% Index Credit rate from year one (above) to the new income base from step one.

**\$104,000 x (1+3.945%) = \$108,103**

*New Income Base*

# Your Life Your Money Your Choices



## Lifetime Income Rider Premium Enhancement

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

## 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 Riders at the same time they apply for the **ANICO Strategy Indexed Annuity PLUS** 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 generally when the annuity contract terminates.

## Lifetime Income Rider Death Benefit

A Death Benefit is provided upon the death of the owner. The Death Benefit is equal to the greater of:

- 1) **The Surrender Value**
- 2) **The Annuity Value as provided in the annuity contract**
- 3) **75% of the Remaining Income Base**  
(if the Beneficiary elects to take the Death Benefit in one lump payment) **OR** **100% of the Remaining Income Base**  
(if the Beneficiary elects to take the Death Benefit in 10 equal installments of 10% per year)

## 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 - 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 and the income withdrawal amount will be recalculated based upon the surviving spouse's age at the time of the calculation.
- **Single Owner - 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 - 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.

**ANICO** Strategy Indexed  
Annuity PLUS

**The Lifetime Income Riders are optional and may not be available in all states.**



Independent Marketing Group is a Division of American National Insurance Company. American National Insurance Company (ANICO), headquartered in Galveston, Texas is licensed to conduct business in all states except New York.

**Rider Availability will vary by state.**

*When a person buys this annuity the person is not buying an ownership interest in any stock or index. Interest earnings are paid at a rate that is related to the performance of an index. The index does not reflect dividends paid on stocks underlying the index. Past performance of the index is no guarantee of future results.*

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Form Series IA13, RLIR, RPER (Forms may vary by state)