



# CENTURY PLUS ANNUITY

With Lifetime Income Rider



# Guaranteed For Life

As retirement approaches, you move from accumulating assets to planning how to turn those assets into an income stream that will last as long as you live. It can be difficult and frustrating to determine how to find the income to fund a new chapter of life. As retirement goals change, the paycheck goes away and you are responsible for creating a cash flow that lasts as long as you and your spouse need it.

Century Plus Annuity with a Lifetime Income Rider can help provide a secure, guaranteed stream of income that can last a lifetime.

## Who might be interested in Century Plus?

Century Plus may be the right choice for someone that is a conservative investor who wants to protect principal while safely growing their money at a fixed rate.

In addition, the Lifetime Income Rider can help ease the transition from accumulation to retirement.

## Preparing for the Retirement Transition

Proper preparation in finding safe assets that will build toward retirement and then provide you a lifetime income you cannot outlive, can help alleviate the natural fear of loss and the fear of running out of money.



**You can cover your fixed expenses in retirement that reoccur each month, with monthly income.**



**You can weather downturns in the economy and expand your lifestyle when assets are up and markets are doing well.**



**When times are good and assets are growing rather than contracting, you can book the vacation you have been dreaming about, replace an old car, or make improvements to the house.**

By covering fixed expenses, you no longer need to access principal in down market conditions, thereby avoiding selling at a loss.

# Century Plus Annuity is a:

**Single Premium** – Fully funded with a single premium payment upfront.

**Fixed** – Guaranteed interest rates are locked in, or fixed, for one year at a time independent from market risks.<sup>1</sup>

**Deferred Annuity** – A contract that provides tax-deferred growth of the premium for a period of time until the owner decides to take a withdrawal or an income stream from the annuity.<sup>1</sup>

**Policy with a Lifetime Income Rider** – An attached benefit to a deferred annuity policy that provides an income stream. After a period of growth with a fixed interest rate, the benefit can be exercised to provide a stream of income that cannot be outlived.

## Century Plus Guarantees

1

**Guaranteed fixed rates declared each year by American National**

2

**Guaranteed Minimum Interest Rate that protect your money from loss of value**

3

**Guaranteed Lifetime Income Benefit that tells you, upfront, what your future income will be when you retire.<sup>2</sup>**

4

**Guaranteed minimum surrender value that you will receive if you decide to surrender your contract**

### Guaranteed Interest Rate

Century Plus offers a guaranteed interest rate for one year on the initial premium submitted. After the first year, a renewal interest rate will be issued each year and will be guaranteed for one year. The renewal rate may be higher or lower than the current declared interest rates, however, a subsequent renewal interest rate will never be less than the minimum guaranteed interest rate, specified in the contract.

### Interest Rate Enhancement

A 5% interest rate enhancement<sup>3</sup> will be offered in the first year.

### Minimum Guaranteed Interest Rate

This rate is based on the NAIC Index. The NAIC Index rate will be declared monthly and the index rate in effect on the date your contract is issued will remain in effect for the life of your contract.

### Guaranteed Income Stream for Life

Any time after the first anniversary of the contract, you may exercise the Lifetime Income Rider and begin receiving benefits. The Lifetime Income Rider will provide a predictable income stream that you cannot outlive. Assuming no excess withdrawals, even if the account value goes to zero or you live past your life expectancy, you will continue to receive the same income.

# Long-Term Planning

A Century Plus Annuity can provide some of the assurance you need for your long-term financial planning with a guaranteed interest rate and tax-deferral on all accumulation within the annuity.

## Safety and Protection of Principal

With a fixed annuity, the return each year is guaranteed and there is no risk to losing principal, protecting your premium from loss. Regardless of market conditions, you will not lose the premium you contributed.

## Tax-Deferred Growth

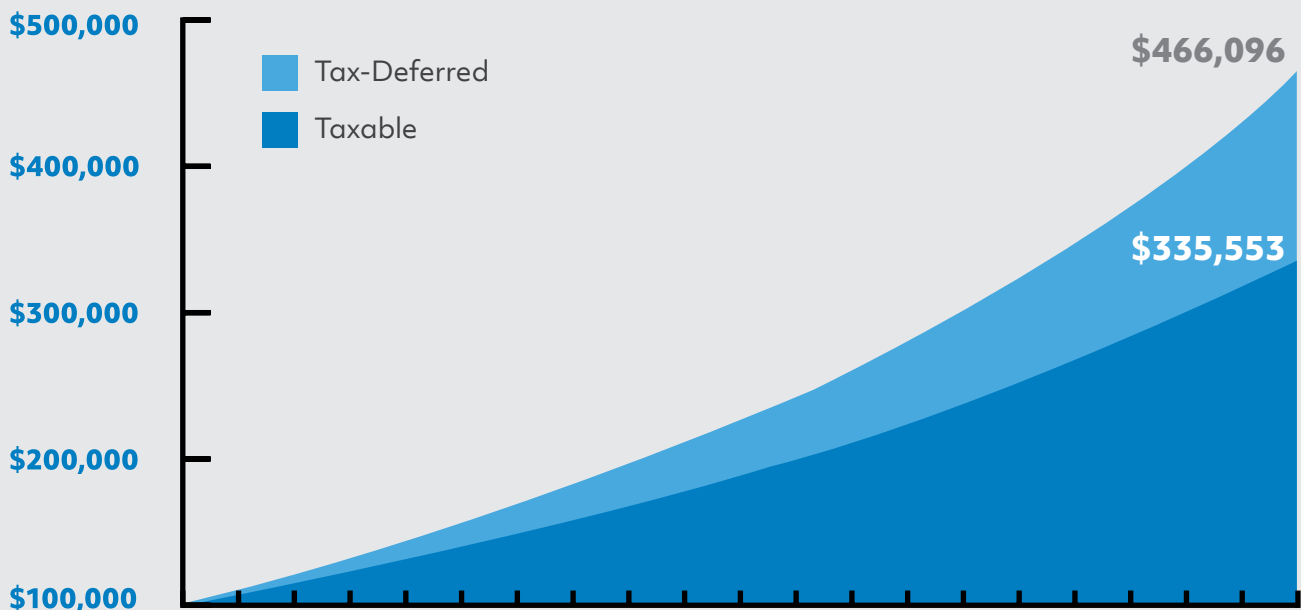
The accumulation within Century Plus is tax-deferred and will not require taxes to be paid on

the interest until you withdraw it. The objective of long-term accumulation is to keep interest earnings within the contract until sometime in the future when the funds, or a portion of the funds, may be received for retirement or other needs. At that time the interest that is withdrawn will be taxed as ordinary income.

Keep in mind that because annuities are designed for long-term accumulation, there may be penalties assessed for early withdrawals in addition to the normal surrender charges that may apply.<sup>4</sup>

## The Potential of Tax-Deferred Growth

Tax-deferral can dramatically impact the long-term growth of funds. In the hypothetical example below, the ending balance of the tax-deferred fund was **\$130,543 higher** than the taxable account.



Initial balance: \$100,000 • Number of years: 20  
Pre-tax return: 8% (compounding annually) • Marginal tax bracket: 22%



# Access to Funds

There may come a time when you must have access to funds intended for long-term accumulation. To answer those unexpected needs, Century Plus provides a number of ways to access your funds.

## Surrender Charge Free Withdrawals

Starting in the first contract year, you can withdraw up to 10% of your annuity value as of the beginning of your annuity's contract year, without any surrender charges.<sup>5</sup>

## Systematic Withdrawals

You can request an amount to be withdrawn from Century Plus on a regular basis. The systematic withdrawal can be for either the earned interest-only or for a specific fixed amount. Please keep in mind that when the sum of any systematic withdrawal payments and partial surrenders exceeds 10% of the contract's beginning year annuity value, a surrender charge and market value adjustment or excess interest deduction, if applicable, will be charged.

## Full Surrender

The full Annuity Value of your contract is available without any surrender charges after the contract has been in force for 10 (9 in CA) full contract years.<sup>5</sup> However, if your financial plans change and you need to surrender the contract prior to the end of 10 years (9 in CA), you can do so subject to a surrender charge as shown in this schedule:

Contract Year	Surrender Charge	California
1	10%	9%
2	9%	8%
3	8%	7%
4	7%	6%
5	6%	5%
6	5%	4%
7	4%	3%
8	3%	2%
9	2%	1%
10	1%	0%
11+	0%	0%



## Waiver of Surrender Charges

There may be times when surrender charges, market value adjustments, or excess interest deductions can be waived on your contract. In addition to the 10% surrender charge, free withdrawals mentioned above, no surrender charges will be imposed when withdrawals are made to meet the minimum payout required (otherwise known as Required Minimum Distribution) on pension-qualified contracts issued after age 72, or for required payout when you reach 72.

In addition to the surrender-charge-free withdrawal amount, American National will waive the surrender charge on the total amount of any surrender, partial and/or systematic withdrawal if you (both owners in the case of joint owners) are confined to a hospital, hospice facility, convalescent care facility, or are diagnosed by a physician as having a disability or terminal illness. Availability of these waivers may vary by state.



## Death Benefit

Century Plus provides a death benefit upon the death of the owner of the contract.

The death benefit will be the greater of the annuity value (premium plus interest earned minus any withdrawals) or the surrender value. By naming a beneficiary to receive the death benefit, you can avoid the inconvenience of probate.

## Maturity

The maturity date of the contract is normally the contract anniversary following the annuitant's 100th birthday, 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 contract anniversary following the annuitant's 100th birthday.

## 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 accordance with the annuity option provisions as selected by the contract owner prior to death.

## Market Value Adjustment (MVA)

During the surrender period, a Market Value Adjustment (MVA) will be applied in addition to the surrender charges. There is no MVA in California. When you make a withdrawal or surrender your contract, we also may increase or decrease the amount you receive based on a Market Value Adjustment.

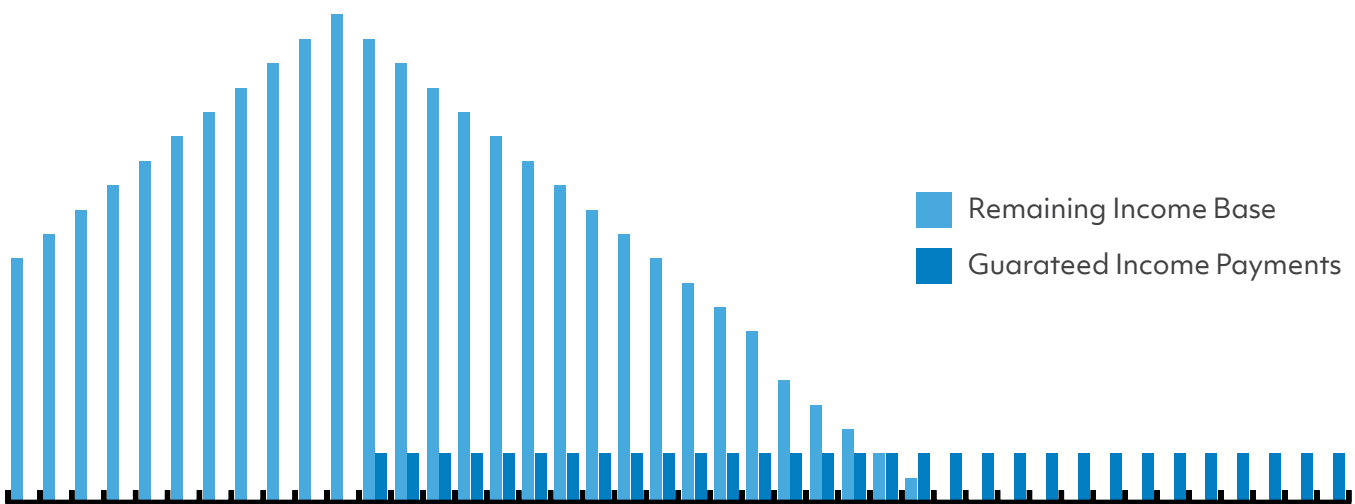
- If interest rates went up after you bought your annuity, the MVA likely will decrease the amount you receive.
- If interest rates went down, the MVA likely will increase the amount you receive.

# Lifetime Income Rider

## The Lifetime Income Rider has the potential to 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. Century Plus gives you the option, at time of issue, to add the Lifetime Income Rider (LIR)<sup>6</sup> which provides an income stream that is guaranteed for life even if the annuity value falls to zero.

### Lifetime Income Rider Phases



#### Phase 1 Accumulation

A fixed rate, set at issue and guaranteed for the life of the contract, is compounded daily for 10 years.

#### Phase 2 Income Payments

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

The income payments will continue even after the remaining income base falls to zero as long as excess withdrawals are not taken.

# Lifetime Income Rider

## Income Base

The income base is maintained separately from the annuity value and is used to determine 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.

## 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.

## Income for Life

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

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

- The contract has been in force for more than one year.
- The contract owner must be age 50+ (age of youngest owner if joint)<sup>7</sup>

Lifetime Income Percentage by Age															
Single Life Age When Income Begins								Joint Life Age When Income Begins							
50	3.5%	61	4.6%	72	5.7%	83	6.8%	50	3.0%	61	4.1%	72	5.2%	83	6.3%
51	3.6%	62	4.7%	73	5.8%	84	6.9%	51	3.1%	62	4.2%	73	5.3%	84	6.4%
52	3.7%	63	4.8%	74	5.9%	85	7.0%	52	3.2%	63	4.3%	74	5.4%	85	6.5%
53	3.8%	64	4.9%	75	6.0%	86	7.1%	53	3.3%	64	4.4%	75	5.5%	86	6.6%
54	3.9%	65	5.0%	76	6.1%	87	7.2%	54	3.4%	65	4.5%	76	5.6%	87	6.7%
55	4.0%	66	5.1%	77	6.2%	88	7.3%	55	3.5%	66	4.6%	77	5.7%	88	6.8%
56	4.1%	67	5.2%	78	6.3%	89	7.4%	56	3.6%	67	4.7%	78	5.8%	89	6.9%
57	4.2%	68	5.3%	79	6.4%	90	7.5%	57	3.7%	68	4.8%	79	5.9%	90	7.0%
58	4.3%	69	5.4%	80	6.5%	58	3.8%	69	4.9%	80	6.0%				
59	4.4%	70	5.5%	81	6.6%	59	3.9%	70	5.0%	81	6.1%				
60	4.5%	71	5.6%	82	6.7%	60	4.0%	71	5.1%	82	6.2%				



# Income Base Hypothetical Example

## Annuity assumptions:<sup>8</sup>

- Beginning annuity value: \$100,000
- Owner's age at issue: 58
- 5.0% annuity first year premium enhancement
- 2.50% fixed annuity rate
- Fixed annuity rate declared annually

## Lifetime Income Rider assumptions:<sup>8</sup>

- 7.2% fixed rider crediting rate
- 10 year income base accumulation period
- 0.90% rider premium
- No Lifetime Income Rider premium enhancement

	Annuity Value		Lifetime Income Rider Value				
	Contract Year	Fixed Annuity Rate	Annuity Value	Fixed Crediting Rate (%)	Income Base	Annual Income	Remaining Income Base
<b>Phase 1: Accumulation</b>  During the first 10 years of the contract, the income base will be credited 7.2% compounded daily.	1	7.50%	\$106,535	7.20%	\$107,200	\$0	\$107,200
	2	2.50%	\$108,164	7.20%	\$114,918	\$0	\$114,918
	3	2.50%	\$109,760	7.20%	\$123,193	\$0	\$123,193
	4	2.50%	\$111,315	7.20%	\$132,062	\$0	\$132,062
	5	2.50%	\$112,824	7.20%	\$141,571	\$0	\$141,571
	6	2.50%	\$114,279	7.20%	\$151,764	\$0	\$151,764
	7	2.50%	\$115,671	7.20%	\$162,691	\$0	\$162,691
	8	2.50%	\$116,993	7.20%	\$174,405	\$0	\$174,405
	9	2.50%	\$118,236	7.20%	\$186,962	\$0	\$186,962
	10	2.50%	\$119,388	7.20%	\$200,423	\$0	\$200,423
<b>Phase 2: Income Payments</b>  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.	11	2.50%	\$109,746	N/A	\$200,423	<b>\$10,823</b>	\$189,600
	12	2.50%	\$99,863	N/A	\$200,423	<b>\$10,823</b>	\$178,777
	13	2.50%	\$89,733	N/A	\$200,423	<b>\$10,823</b>	\$167,955
	14	2.50%	\$79,349	N/A	\$200,423	<b>\$10,823</b>	\$157,132
	15	2.50%	\$68,706	N/A	\$200,423	<b>\$10,823</b>	\$146,309
	16	2.50%	\$57,884	N/A	\$200,423	<b>\$10,823</b>	\$135,486
	17	2.50%	\$47,061	N/A	\$200,423	<b>\$10,823</b>	\$124,663
	18	2.50%	\$36,238	N/A	\$200,423	<b>\$10,823</b>	\$113,840
	19	2.50%	\$25,415	N/A	\$200,423	<b>\$10,823</b>	\$103,017
	20	2.50%	\$14,592	N/A	\$200,423	<b>\$10,823</b>	\$92,195

# Lifetime Income Rider

## Rider Premium Charges

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

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. The rider premium deducted cannot exceed the interest credited at any anniversary. If interest credited during the year has been withdrawn during that year, any rider premiums up to the interest credited will be taken from the annuity value. If any rider fees are outstanding upon surrender, they will be deducted from the surrender value.

## 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 continue even if the annuity value is zero.

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 rider at the same time they apply for the Century Plus contract.

- Joint owners must be spouses at the time the rider is elected.

## Rider Termination

- The owner can drop the rider at any time and the cost of the rider premium charge will be prorated.
- The rider terminates if a change in ownership is made.
- The rider terminates when the annuity contract terminates.

## Non-natural Owners

If the annuity is owned by a non-natural owner (business, trust, etc.):

- The age for income payments will be based on annuitant's age.
- If the owner or annuitant is changed then the rider terminates.
- The death of the annuitant will be treated as the death of the owner and a new annuitant may not be designated.

## 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.

## In the Event of Divorce

**How a request to divide benefits will be handled:**

- If joint owners divorce on or after the issue date, a request to reduce or divide benefits under the contract and this rider will be treated as a request for a surrender.
- The surrender will be subject to any applicable taxes and surrender charges may apply.
- If joint owners divorce after income payments begin, the surrender will be considered an excess withdrawal and affect the income withdrawal amount.

**Who will receive income benefit payments:**

- If joint owners divorce prior to the income payments, the remaining owner will be considered a single owner for income payments.
- If the joint owners divorce after income payments begin, payments will continue to the spouse granted ownership of the contract, as long as the owner lives

1) Based on the claims paying ability of the insurance company. 2) The Lifetime Income Rider availability varies by state. 3) The availability of the interest rate enhancement is not guaranteed. Have your agent confirm the current rate. 4) Individual retirement accounts and other qualified plans already provide tax deferral like that provided by an annuity. Additional features and benefits such as contract guarantees, death benefits and the ability to receive a lifetime income are contained within an annuity for a cost. Please be sure the features and costs of the annuity are right for you when considering the purchase of an annuity. A federal tax penalty of 10% may be assessed on any withdrawals made prior to age 59½. You should consult your tax advisor or attorney on your specific situation. Withdrawals are taxed as ordinary income. 5) Withdrawals prior to age 59½ may be subject to a 10% tax penalty and are subject to ordinary income tax. 6) Lifetime Income Rider availability varies by state. See your agent for availability and current rate and period. 7) Joint owners must be spouses at the time the Lifetime Income Rider is elected. 8) The use of alternate assumptions would produce significantly different results. 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.

Guarantees are based on the claims paying ability of American National. Policy Form Series: SPDA17; LIR17; RPER; IRE (Forms may vary by state)

# Century Plus Annuity

<b>Summary</b>	Single premium fixed deferred annuity available for both non-qualified and pension-qualified funds.											
<b>Issue Ages</b>	0 – 80 (owner and annuitant)											
<b>Maturity Date</b>	Contract anniversary following the annuitant's 100th birthday.											
<b>Premium</b>	Single Premium											
<b>Minimum Premium</b>	\$5,000 for qualified and nonqualified.											
<b>Maximum Premium</b>	\$1,500,000											
<b>Interest</b>	Initial credited interest is guaranteed for one year.											
<b>Minimum Guaranteed Interest Rate</b>	The Minimum Guaranteed Interest Rate is declared by American National at issue and is guaranteed for all contract years.											
<b>Interest Rate Enhancement</b>	A 5% interest rate enhancement will be offered in the first year. (The availability of the interest rate enhancement is not guaranteed. Have your agent confirm the current rate.)											
<b>Lifetime Income Rider</b>	An optional Lifetime Income Rider is available with a fixed rate of 7.2% for 10 years. There is a fee for this rider, see your agent for availability, current rate, and period.											
<b>Surrender Value</b>	Sum of the net annuity premiums, plus credited interest, less any partial surrenders and any associated surrender charges and further modified by any market value adjustment.											
<b>Surrender Schedule</b>	Contract Year	1	2	3	4	5	6	7	8	9	10	11+
	Surrender Charge	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%
	California	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%	0%
<b>Surrender Charge Waivers</b>	Confinement Waiver, Disability Waiver, and Terminal Illness Waiver. May not be available in all states. Restrictions apply, see contract for details.											
<b>Market Value Adjustment</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>Minimum Partial Surrenders</b>	\$250 – The annuity value remaining after partial surrender must be at least \$2,000.											
<b>Surrender Charge Free Withdrawals</b>	10% of the annuity value as of the beginning of the contract year.											
<b>Systematic Withdrawals</b>	<ul style="list-style-type: none"> <li>• Available at issue for interest-only or for a fixed amount.</li> <li>• Minimum systematic withdrawal payment is \$100.</li> <li>• The systematic withdrawal option will cease if the annuity value falls below \$2,000.</li> <li>• Withdrawals of earnings are subject to income tax.</li> <li>• For earnings withdrawn prior to age 59½, a 10% federal tax penalty may apply to the taxable amount.</li> <li>• Withdrawals from the annuity will affect both the annuity value and the death benefit.</li> </ul>											
<b>Death Benefit</b>	Greater of annuity value or surrender value will be paid on death of the owner.											
<b>Settlement Options</b>	Certain period, Certain and life, Fixed amount, Interest payment, Life only.											

Not FDIC/NCUA insured | Not a deposit | Not insured by any federal government agency | No bank/CU guarantee | May lose value



AMERICAN NATIONAL INSURANCE COMPANY