



# AMERICAN UNDERWRITERS LIFE INSURANCE COMPANY

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## ANNUITY DISCLOSURE

I understand and acknowledge that I am purchasing a  Single Premium  Flexible Premium deferred annuity. An annuity is usually a long-term contract in which the insurance company promises to pay the annuitant an income at retirement. I agree to purchase a  Money Market  High-Yield  Flexible Premium annuity.

I understand that:

- ◆ The initial interest rate is \_\_\_\_\_%, is not guaranteed, and may change after  three months  12 months.
- ◆ The interest rate credited to my account will never be less than \_\_\_\_%.
- ◆  Even though annuities are designed long-term accumulation products, I always have access to the account value.
- ◆  There are surrender charges if I withdraw any money:
  - in the first year. After the first year I may withdraw up to 10% of the account value each year without incurring any surrender charges. There are no surrender charges after  7 years  10 years.
  - within the first  7 years  10 years, after which there are no surrender charges.
- ◆  There are no surrender charges.
- ◆ There are several income options at maturity or when I choose to annuitize my policy. Among my choices are: a) interest payments only, b) installments for a specific time period or for a specific amount, c) a life income with a certain guarantee period, or d) a special settlement that the company and I agree to.
- ◆ Any payment to me or any withdrawal I make will decrease the account value for that amount.
- ◆ The amount of any premium tax will be deducted from my account value in the month in which it is paid to the state.
- ◆ If the annuitant dies, the death benefit paid is the larger of: 1) the surrender value; or 2) premiums paid, plus accumulated guaranteed interest, minus any fees, charges, taxes, and withdrawals.

◆ Surrender charges:

Policy Year	1	2	3	4	5	6	7	8	9	10	11	12	13
<input type="checkbox"/> Surrender Charge	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	-	-	-
<input type="checkbox"/> Surrender Charge	7%	6%	5%	4%	3%	2%	1%	-	-	-	-	-	-
<input type="checkbox"/> Surrender Charge	10%	10%	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	-

- ◆ In addition to surrender charges there is a charge of \$10.00 for disbursements and withdrawals.
- ◆ Interest left to accumulate is not usually subject to taxation until withdrawn.
- ◆ The IRS may impose a 10% penalty on withdrawals from qualified annuities before age 59½, except under specific conditions.
- ◆ Neither the insurance company nor the agent gives legal, tax, or investment advice. I must contact my own tax adviser for such information.
- ◆ I, the applicant,  have discussed  refused to discuss my financial/tax status and my investment objectives with the agent and have decided that this annuity is the correct purchase for me.

This Disclosure statement is a summary of the company's annuities. Some state variations may apply. The exact terms of an annuity, contained in the policy and any attached riders, will control the company's contractual obligations.

After due consideration, I consider this annuity policy a suitable product for my financial needs. I have been given a copy of this Disclosure and a copy of the Buyer's Guide to Deferred Annuities.

After discussion with the applicant, I know of no reason this annuity policy would not be suitable for his/her financial needs.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent

\_\_\_\_\_  
Agent #

\_\_\_\_\_  
Date