

**American Investors  
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features, benefits and disclosure  
**summary**  
structured allocation annuity select™ 6



single premium indexed deferred annuity

We at American Investors Life Insurance Company wish to thank you for your interest in the Structured Allocation Annuity Select™ 6 (SAASelect™ 6). This summary statement provides a review of the benefits and features of the SAASelect 6. Should you need more detailed information about your annuity, please refer to the actual annuity contract, any applicable riders selected, and the brochures provided by your Insurance Professional.

After you have read this summary in its entirety, you will have the opportunity to select the Balanced Allocation Strategy option that best meets your retirement planning needs at the top of page 5. Once your selection is made, your signature is required at the bottom of page 5 to let us know that you have read this summary and understand the annuity product you are purchasing.

### **What is the Structured Allocation Annuity Select™ 6?**

The SAASelect 6 is a single-premium fixed indexed deferred annuity designed for preservation as well as long-term accumulation of your retirement savings. SAASelect 6 is not a security and does not require a prospectus.

### **What if I decide I do not want my annuity contract after it is delivered?**

It's important to us that you understand the benefits and limitations of your annuity contract but equally important that you are completely satisfied and comfortable with your purchase decision. As such, you are given a period of time to review your contract (called the *Free-Look Period*) after you receive it. You may return the contract at anytime during the free-look period for an unconditional refund of the amount you paid for the contract.

### **What happens if I need some or all of my money?**

The SAASelect 6 offers you a number of ways you can access your money should the need arise. Including:

- **Regular Withdrawals** You may access funds at any time by sending us a written request;
- **Systematic Withdrawals** You can have funds automatically sent to you on a periodic basis;
- **Checkbook Withdrawals** You may access funds at any time by simply writing a draft.

It's important to note however, that your withdrawal may be subject to taxes (including a penalty tax if you are under age 59½) and, if made during your contract's Withdrawal Charge Period, may be subject to withdrawal charges and any applicable Market Value Adjustments.

Withdrawal charges and Market Value Adjustments will not apply to:

- **Free Withdrawals**  
You may withdraw up to 10 percent of your annuity's Accumulation Value each contract year.
- **Required Minimum Distributions**  
If your contract is a qualified annuity (i.e., IRA, TSA, etc.), a free withdrawal is available each contract year equal to the greater of the free withdrawal amount described above or the Required Minimum Distribution attributable to your contract.
- **Confinement and Terminal Illness Waivers**  
After your contract has been in force for one year, if the annuitant or one of the joint annuitants is diagnosed with a Terminal Illness, or in the event that illness or serious accident necessitates a stay in a qualified care facility for a minimum of 60 consecutive days, you can withdraw up to 100 percent of the greater of the cash surrender value or the Balanced Allocation Value as a Free Withdrawal.  
  
The Confinement and Terminal Illness Waivers are not available in all states. See your contract for additional information and conditions for the benefit.
- **Single Premium Immediate Annuity (SPIA) Purchase Option**  
After your contract's first anniversary, at the company's discretion, you have the opportunity to exchange your annuity for a single premium immediate annuity (SPIA) without incurring a withdrawal charge or Market Value Adjustment. This SPIA can guarantee a stream of income for the remainder of your life.  
  
If you purchase a SPIA during your contract's Withdrawal Charge Period, you can avoid a Withdrawal Charge if you elect a lifetime payout or a period of at least eight years. Once the SPIA has been purchased you may not surrender it or have access to any values other than the SPIA payments.

### What is the Withdrawal Charge?

A Withdrawal Charge is the cost you incur if any amount withdrawn or surrendered exceeds the Free Withdrawal amount during the Withdrawal Charge Period. The amount withdrawn in excess of the Free Withdrawal amount will be subject to the following withdrawal charges:

| Contract Year       | 1  | 2  | 3  | 4  | 5  | 6  | 7+ |
|---------------------|----|----|----|----|----|----|----|
| % Accumulated Value | 9% | 9% | 8% | 7% | 5% | 3% | 0% |

### What is a Market Value Adjustment (MVA)?

The Market Value Adjustment (MVA) can increase or decrease the amount you receive upon a withdrawal or surrender of your annuity based on a comparison of the interest rate conditions at the time of the withdrawal or surrender to the interest rate conditions at the time premium was credited to your annuity. If you do not access more than the Free Withdrawal amounts during the Withdrawal Charge period described above the MVA does not apply. The MVA only applies to a withdrawal or surrender that is subject to a withdrawal charge. (The MVA is not applicable in all states). The details of the formula used to calculate the MVA are described in your contract. The MVA is explained further in the "Additional Information" insert that accompanied the SAASelect 6 brochure.

### How will interest be credited to my annuity contract?

The SAASelect 6 provides the safety of a traditional fixed annuity, but offers the potential for better long-term accumulation. This potential is derived from the Balanced Allocation Strategy™. The Balanced Allocation Strategy determines your interest using a predetermined blend of two elements—an index allocation and a declared rate allocation. The index allocation is linked to the performance of the S&P 500® (excluding dividends<sup>1</sup>) and the declared rate allocation is linked to a rate declared by American Investors Life Insurance Company, Inc. These two elements are added together less any applicable charges to determine the interest, if any, to be credited under the Balanced Allocation Strategy.

The SAASelect 6 uses a specific period or Term to measure the change in the value of the Balanced Allocation Strategy. The Initial Term is six years. After the Initial Term, the Renewal Terms will be between one and six years.

The SAASelect 6 offers you two (2) different interest crediting options to select from. The selected option will be used to determine the amount of interest credited to your contract during the term. A new option can be chosen at the beginning of each Renewal Term. Each option varies the percentage of Index and declared rate allocation that is used in the Balanced Allocation Strategy™ interest crediting formula. In general, a blend with a greater proportion allocated to the Index Allocation will have an increased opportunity for growth but will also have an increased risk that less or no interest will be credited at the end of the term; this increased risk is due to potential fluctuations in the S&P 500® Index.

#### Option A

The Index Allocation for Option A is linked to the performance of the S&P 500® Index (excluding dividends<sup>1</sup>) and will never be less than the initial allocation during the length of the Withdrawal Charge Schedule and 20 percent thereafter.

#### Option B

The Index Allocation for Option B is linked to the performance of the S&P 500® Index (excluding dividends<sup>1</sup>) and will never be less than the initial allocation during the length of the Withdrawal Charge Schedule and 15 percent thereafter.

For each option, the Company sets the rate to which the declared rate allocation is linked. That rate will never be less than an effective annual interest rate of 1.5 percent. The index allocation and the declared rate allocation will always equal 100 percent. The allocation percentages and fees associated with each option are established at the beginning of a Term and will not change until the Renewal Term.

<sup>1</sup> "Standard & Poor's," "S&P," "S&P 500," "Standard & Poor's 500," and "500" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by American Investors Life Insurance Company. The BPASelect Annuity 6 is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing this product. The S&P 500- Index does not include dividends paid on the underlying stocks, and therefore does not reflect the total return of the underlying stocks. Past performance is no guarantee of future performance or values of the SAASelect 6.

In addition, the annual fee associated with the Balanced Allocation Strategy™ varies depending on the Option selected, the greater the Index Allocation the higher the annual fee will be. The initial fee for a given Balanced Allocation Strategy Option is guaranteed not to increase throughout the withdrawal charge period.

The SAASelect 6 will automatically calculate and lock-in the interest, if any, at the end of each Term. In no case will the interest during any Term be less than zero. There are no caps placed on the interest that may be credited under the strategy. Any annual fee and rider fee will be deducted in determining the amount of interest to credit to the contract. Please note that past performance is no guarantee of the future performance or values of the SAASelect 6.

**Do I have to wait to the end of a Term to lock-in my interest?**

No! What is truly innovative about the SAASelect 6 is the fact that it provides you with the safety and flexibility, at any time you choose during a Term, to calculate and lock-in the total interest you will receive during a Term. This lock-in of interest can only be elected once during a Term. Once interest is calculated and locked-in, it can never be lost as a result of a change in market conditions!

Should you decide to calculate and lock-in your interest before the end of a Term, the total interest for the Term will be calculated based on the value of the strategy at the time of lock-in and a proportional amount will be credited to your contract at that time. The proportional amount of interest will be equal to the total calculated interest for the Term multiplied by the percentage of the Term that has expired. For example, if a lock-in is elected on the third anniversary of a six-year Term, ½ or 50 percent of the total interest for the Term will be credited to the contract at that time. The remaining interest will be credited as a guaranteed interest rate over the remainder of the Term (or the date you terminate your contract if earlier). If you lock-in, however, you will not receive the benefit of any additional interest that could have resulted from future upward movement in the S&P 500® index during the remaining portion of the Term.

**If I take a Free Withdrawal before interest is credited (before the Lock-in Date) will my withdrawal receive any interest for the Term?**

Yes, with the SAASelect 6, if you need to make a Free Withdrawal before interest is credited during any Term we will calculate the appreciation in the Balanced Allocation Strategy up to the day of the withdrawal and the deduction from your annuity will reflect the appreciation on the Free-Withdrawal. This Appreciation is based on the change in value of the Balanced Allocation Strategy from the beginning of the Term until the day of the Free Withdrawal. Take note, withdrawals in excess of the Free-Withdrawal amount, prior to the Lock-in Date, will not receive any interest for the Term.

**What if I take a Free Withdrawal after a lock-in date elected prior to the end of the Term?**

If you elect a Lock-In Date prior to the end of the Term, your annuity's Accumulation Value will be immediately credited with the proportionate amount of interest as described above and interest at a guaranteed rate thereafter. Any withdrawals taken after the lock-in date will not forfeit the interest that has been credited but the withdrawn amount will not receive any additional interest credited during the remainder of the Term.

**What happens to the Balanced Allocation Strategy if the S&P 500® Index goes down?**

The SAASelect 6 guarantees that your premium and the interest that is credited to your contract can never be lost as a result of the S&P 500® declining in value.

**What happens on the contract's annuity date (when my annuity matures)?**

On the contract's annuity date, you can receive the entire value of your contract either in a lump sum or in the form of annuity payments. If you elect to receive annuity payments (i.e., annuitize the contract), you have a number of payout options from which to select. No withdrawal charges or market value adjustments are applicable on the annuity date. The Company will lock-in any interest for a term on the annuity date.

**What if I decide to surrender (cancel) my contract?**

If you decide to surrender your contract, American Investors will pay you the contract's cash surrender value. The cash surrender value is equal to the greatest of the following values as defined in your contract:

- The Accumulated Value (principal plus interest credited), less any applicable withdrawal charges and plus/minus any applicable market value adjustments, and;

- The minimum guaranteed contract value.

If you surrender the contract before the end of your contract's Withdrawal Charge Period, you may receive less than your original premium.

### **What happens if I (the annuitant) die while my annuity contract is still in force?**

Should you pass away, a death benefit will be paid to the beneficiaries you indicated in your SAASelect 6 contract. The death benefit paid will be equal to the greater of the Balanced Allocation Value (Accumulation Value plus any interest for the current Term) or the Cash Surrender Value.

### **Are there any tax consequences if I take withdrawals from or surrender my annuity?**

The SAASelect 6 offers the opportunity for your money to grow on a tax-deferred basis. Thus, taxes payable on the interest credited to your contract are deferred until you make a withdrawal or surrender your policy. When you take a withdrawal or ultimately surrender your annuity contract, you may be subject to federal and state income tax on some or the entire amount withdrawn. In addition to income tax, you may be subject to a 10 percent federal penalty tax if you take withdrawals or surrender your annuity before age 59½.

Please consult with your tax advisor or attorney regarding the applicability of this information to your specific situation.

### **How is my insurance professional compensated?**

The insurance professional earns a commission from the Company for each contract they sell. The commission is not deducted from the premium you pay, but it is a cost to the company that is factored into the financial terms and conditions of the product.

### **Other Important Information Concerning Your Annuity**

- If this annuity is being purchased to replace an existing life insurance policy or annuity contract, you should compare the two products carefully. You should consider any withdrawal charges and/or market value adjustments that may be incurred on the surrender of the existing policy or contract. You should also consider that you will begin a new Withdrawal Charge Period when you purchase SAASelect 6.
- The aspect of tax-deferred accumulation offers no additional value if the annuity is used to fund an IRA or employer sponsored qualified plan (such as a 401(k) plan), because they already enjoy tax deferral. Also, you should realize that if the owner of the annuity contract is not a natural person (such as a corporation or certain types of trusts), the interest credited to the contract may be subject to current taxation.
- It is within the Company's sole discretion to set the interest rates, allocation percentages and spreads for this annuity, subject to any minimum or maximum guarantees contained in the contract.
- Withdrawals in excess of the contract's free withdrawal amount may be subject to withdrawal charges and/or market value adjustments.
- Past movement of the S&P 500® Index is not intended to predict future activity.
- This contract may be returned within the free look period (stated on the first page of my contract) for an unconditional refund if I am dissatisfied with the contract for any reason.

**RETURN THIS PAGE WITH APPLICANT'S ORIGINAL SIGNATURE TO HOME OFFICE AND LEAVE A COPY OF THE ENTIRE DISCLOSURE STATEMENT (PAGES 1-5) WITH THE APPLICANT.**

**Balanced Allocation Strategy Selection**

As mentioned earlier, the SAASelect 6 gives you the flexibility to choose a predetermined blend of an index allocation and a declared rate allocation to best match your retirement planning goals and objectives. For more information regarding the Balanced Allocation Strategy Options, please refer to the SAASelect 6 current *Available Strategies Update*. Please indicate your choice of Balanced Allocation Strategy by checking one of these boxes: **Balanced Allocation Strategy:**  **Option A**       **Option B**

**Key Terms of Your Annuity Contract**

**Interest Rate:** The interest rate for your annuity is described in your annuity contract and summarized on the accompanying Strategy Allocation Option inserts for this product. *Please note that the interest rate your annuity will earn in the second and later years may be lower than the interest rate in the first year.*

**Minimum Annual Interest Rate:** The minimum annual interest rate your annuity will earn depends on, among other things, the Strategy Allocation Option you choose. These Options are described in your annuity contract and summarized on the accompanying Strategy Allocation Option inserts for this product. The interest rate for each of the Strategy Allocation Options will depend on the Option you choose, but will never be less than 0%.

**Withdrawal Charge:** Your annuity is subject to a withdrawal or "surrender" charge during the first six (6) contract years. A withdrawal charge is the cost you incur on any amount withdrawn or surrendered that exceeds the free withdrawal amount available under your annuity contract. The withdrawal charge is described in your annuity contract and summarized on the accompanying "Additional Information" insert for this product. The withdrawal charge is applied at the time of the withdrawal or surrender and is calculated by multiplying the applicable percentage shown in the table below by the amount withdrawn in excess of the free withdrawal amount.

| <b>Contract Year</b>       | <b>1</b>  | <b>2</b>  | <b>3</b>  | <b>4</b>  | <b>5</b>  | <b>6</b>  | <b>7+</b> |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Withdrawal Charge %</b> | <b>9%</b> | <b>9%</b> | <b>8%</b> | <b>7%</b> | <b>5%</b> | <b>3%</b> | <b>0%</b> |

**Applicant Acknowledgement**

By signing below, I acknowledge that I have received and read, or have been read, the disclosure form in its entirety, pages 1 through 4, and understand its contents. I have also received and reviewed the information contained in the SAASelect 6 brochure and the accompanying "Additional Information" insert. I further understand that I have applied for a fixed, indexed deferred annuity. In doing so, I have discussed my financial status, tax status, current insurance products and investments (including my financial objectives) with my Insurance Professional and believe this annuity will assist me in meeting my current financial needs and objectives:

- I have applied for a fixed, indexed deferred annuity. In doing so, I have discussed my financial status, tax status, current insurance products and investments (including my financial objectives) with my Insurance Professional and believe this annuity will assist me in meeting my current financial needs and objectives.
- My insurance professional has not made any statements that differ from what is stated in this disclosure form or the SAASelect 6 brochure and inserts, and no promises or assurances have been made about the future value of any non-guaranteed elements of the annuity.
- My insurance professional has, to my satisfaction, answered all of my questions regarding the SAASelect 6.

Owner(s)/Applicant(s) Name (Please print): \_\_\_\_\_

Owner(s)/Applicant(s) Signature(s): \_\_\_\_\_

Social Security No.: \_\_\_\_\_ Phone: \_\_\_\_\_ Date: \_\_\_\_\_

**Agent Confirmation**

By signing below, I acknowledge that I have reviewed this summary, the BPASelect Annuity 6 brochure and the accompanying "Additional Information" insert with the applicant. I certify that a copy of this summary, SAASelect 6 brochure and the "Additional Information" insert have been provided to the applicant. I have not made any statements that differ from what is stated in this summary or the brochures and no promises or assurances have been made about the future value of any non-guaranteed elements of the annuity.

Agent Name (Please print): \_\_\_\_\_ Agent Number: \_\_\_\_\_

Agent Signature: \_\_\_\_\_ Date: \_\_\_\_\_