



# PRODUCT GUIDE

FlexMax<sup>SM</sup>

Contract Forms P1405005NW and P1405105NW

*If you are affiliated with a Broker/Dealer, please check to see if this product is eligible for sale through your B/D.*

Products issued by Annuity Investors Life Insurance Company®

<b>Issue Ages</b>	Qualified: 18 through 85/non-qualified: 0 through 85 Issue age is defined as owner's age on his/her last birthday, as of the contract effective date. For joint owners, the oldest age will be used as the issue age.
<b>Purchase Payments</b>	This contract accepts flexible, periodic and single purchase payments for 403(b) TSA (traditional and Roth), 401(a) pension/profit sharing, IRA (traditional, Roth, SEP and SIMPLE), Governmental and non-Governmental 457(b) and non-qualified. Contracts can be issued and purchase payments can be paid into the purchase payment account on any business day. Contributions will be moved to interest strategies on the 6 <sup>th</sup> and 20 <sup>th</sup> of each month (or the business day preceding if the New York Stock Exchange is closed). Note that the company could designate additional days in the future. <b>Flexible and periodic purchase payments</b> <i>Minimum:</i> \$50 per month/\$600 annually <i>Maximum:</i> As allowed by IRS regulations <b>Single purchase payments</b> <i>Minimum:</i> \$3,000 <i>Maximum:</i> \$750,000 up to age 80; \$500,000 age 80 and over (without prior home office approval)
<b>Current Rates</b>	Current purchase payment account interest rates, declared interest rates and guaranteed minimum declared rates may vary by state. Please refer to the current interest rate chart or <a href="http://www.GAFRI.com">www.GAFRI.com</a> for interest rates, as well as current participation rates, base interest rates, caps, index spreads, GMSV factors and GMSV rates.
<b>IncomeSustainer® Rider (optional)</b>	This guaranteed withdrawal benefit rider provides for a benefit base amount that can be taken through withdrawals after a waiting period of at least one year. If withdrawals begin, there are three options from which to choose: income over the owner's lifetime, income over the lifetimes of the owner and spouse, or income at a fixed rate until the benefit is exhausted. Until withdrawals begin, the benefit base amount is increased by a guaranteed rollup credit at the end of each of the first 10 years from the contract effective date or an elected reset. An excess withdrawal terminates current rollup credits until the next reset. The maximum annual benefit withdrawal is based on: <ul style="list-style-type: none"><li>• The benefit base amount, which is the account value on the date of issue or reset election, increased by subsequent rollup credits and purchase payments and reduced for excess withdrawals; and</li><li>• The benefit percentage, which is based on the selected benefit option, and in the case of lifetime benefits, on the owner's age (or youngest age for joint spousal income) at the time of the first benefit payment.</li></ul> This is an optional rider that must be added at issue and is available for a charge that is currently 0.40%. The charge will be taken at the end of each contract year and may increase if a reset is elected. Please note, asset allocation limits may apply to the fixed account. Not available in all states. <b>Rider Issue Ages:</b> 40 through 70 (qualified); 40 through 85 (non-qualified). Income benefits may begin starting at age 55.
<b>Interest Strategies</b>	At issue, the owner selects from three interest strategies: a <b>declared rate strategy</b> , a <b>one-year annual point-to-point indexed strategy with cap</b> and <b>one-year annual monthly average indexed strategy with cap</b> . The owner may change selections at any time by submitting a written request or making the request via phone. Changes for new purchase payments will apply on the next date amounts are moved into the selected strategies. For amounts already in the contract, changes will be applied at the end of the term. <i>The term for every strategy is currently one year.</i>
<b>Interest Rates</b>	<b>Purchase payment account interest rate:</b> Interest is credited daily on amounts in the purchase payment account based on the applicable purchase payment account interest rate. The rate is guaranteed to never be below the guaranteed minimum declared rate. <b>Declared interest rate:</b> Interest is credited daily on amounts held under the declared rate strategy based on the applicable declared interest rate. The current declared interest rate will not change during a strategy's term and is guaranteed to never be below the guaranteed minimum declared rate for any subsequent terms. <b>Indexed interest rate:</b> The indexed interest rates are determined based, in part, on a formula linked to the growth of the S&P 500 <sup>®</sup> , <sup>1</sup> and are credited only on the last day of each term. If funds are withdrawn before the end of the term, no interest will be credited on those amounts. <ul style="list-style-type: none"><li>○ For the point-to-point indexed strategy – the growth of the index is the percentage by which the S&amp;P 500 value on the last day of the strategy's term exceeds the index value on the first day of the term. To determine the point-to-point indexed interest rate, the growth of the index is adjusted to reflect the participation rate and any applicable index spread or cap.</li><li>○ For the monthly average indexed strategy – the growth of the index is the percentage by which the average monthly index value exceeds the index value on the first day of the term. To determine the average indexed interest rate, the growth of the index is adjusted to reflect the participation rate and any applicable index spread or cap.</li><li>○ Participation rate – the percentage of the growth that will apply to the determination of the indexed interest rate.</li><li>○ Index spread – a specific percentage subtracted from the growth of the index when calculating the indexed interest rate.</li><li>○ Cap – the maximum interest rate for an indexed strategy that can be credited for a term.</li></ul> <ul style="list-style-type: none"><li>• The rate will not be less than the base interest rate (minimum rate an indexed strategy will credit for a term) or more than any applicable cap (maximum rate an indexed strategy will credit for a term).</li><li>• With respect to the participation rate, base interest rate and cap, each indexed strategy will have a value for the current term and a guaranteed value for all subsequent terms.</li></ul>
<b>Account Value</b>	The account value equals the sum of the declared rate strategy value, the point-to-point strategy value, the monthly average strategy value and the purchase payment account value.

**Purchase payment account value:** Equals all purchase payments that have not yet been applied to a strategy, less any amounts withdrawn, including any early withdrawal charge deducted from those amounts, plus interest credited at the purchase payment account interest rate, less any applicable premium taxes and other taxes required by each state.

**Declared rate strategy value:** Equals the amount applied to the declared rate strategy, less any amounts withdrawn, including any early withdrawal charge deducted from those amounts, plus interest credited at the declared interest rate.

**Indexed strategy values:** Equals the amount applied to the indexed strategy, less any amounts withdrawn, including any early withdrawal charge deducted from those amounts, plus interest credited at the indexed interest rate.

**Surrender Value**

The surrender value equals the greater of the account value less any early withdrawal charge that would apply on a full surrender or the guaranteed minimum surrender value.

**Guaranteed Minimum Surrender Value (GMSV)**

The GMSV equals total purchase payments, multiplied by the GMSV factor, minus withdrawals and any applicable early withdrawal charges plus interest at the GMSV rate and minus the early withdrawal charge that would apply on a full surrender. The GMSV will not be less than the minimum values required by the state in which the contract is issued.

**Fees**

There are *no* up front sales charges or administrative fees.

**Early Withdrawal Charges**

An early withdrawal charge (referred to as surrender charge in the contract) applies to withdrawals, full surrenders and certain annuitizations within the first seven contract years, and is calculated according to the following schedule:

Contract Year	1	2	3	4	5	6	7	8+
Early Withdrawal Charge	9%	8%	7%	6%	5%	4%	3%	0%

**Free Withdrawal Allowance**

During the first contract year, 10% of the purchase payments may be withdrawn without an early withdrawal charge. After the first contract year, 10% of the sum of the account value on the prior contract anniversary and any subsequent purchase payments may be withdrawn without an early withdrawal charge. For multiple withdrawals within a single year, the free withdrawal allowance is reduced by prior gross withdrawal amounts during such contract year.

**Withdrawals**

Withdrawals are allowed any time prior to the annuity commencement date. All withdrawals are subject to IRS regulations and early withdrawal charges. Withdrawals will be taken first from funds applied to the purchase payment account, then from the declared rate strategy and then proportionally from the indexed strategies. Amounts withdrawn from an indexed strategy prior to the end of a term will not be credited with interest.

*Minimum withdrawal: \$500/minimum account value following withdrawal: \$1,000*

**Loans**

A loan endorsement is available for 403(b) TSA, 401 pension/profit sharing and Governmental 457 contracts. Loans are subject to the terms and conditions of the **Loan Application and Agreement Form** (Form TSAL2798). Outstanding loan balances will be deducted from contract values upon surrender or annuitization. Contract loans are issued by Annuity Investors<sup>®</sup> Life using the contract value as collateral for the loan.

*Minimum loan amount: \$1,000*

*The minimum net surrender value that must remain following a loan: \$500 plus collateral interest on all outstanding loans on the contract.*

**Statement Frequency**

Statements containing current values and any other information required by law will be provided at least on an annual basis, based on the calendar year.

**Settlement Options**

The account value, less premium or other taxes not previously deducted, is used to calculate the periodic annuity payments, if payments are to be made for life, a period of at least seven years or under income for a fixed period, not to exceed life expectancy. Otherwise, the surrender value will be used to calculate periodic annuity payments.

The following options are available: income for a fixed period, life annuity with payments for at least a fixed period, joint and one-half survivor and income for a fixed period, not to exceed life expectancy.

**Death Benefit**

The account value will be paid upon the death of the owner. The death benefit will never be less than the guaranteed minimum surrender value. A spouse who is the surviving joint owner or sole beneficiary may become the successor owner.

**Agent Guidelines**

The following procedure should be followed when submitting new business:

- Submit business on a **Request Form**. Please ensure you have the correct version for the product you are selling.
- Complete a separate **Transfer/Rollover/Exchange Request** for each contract to be transferred.
- Complete any **Replacement Form(s)** required by your state.

State requirements and forms for New Business can be found on [www.GAFRI.com](http://www.GAFRI.com), in our **New Business Kit**.

In the case of a non-qualified contract where the owner or a joint owner is a non-natural person, then all references in the contract to the age, life or death of the owner are treated as references to the age, life or death of the annuitant.

**State Variations**

**Pennsylvania** – The annuitant and the owner must be the same person and once selected, the annuitant may not be changed.

*Please note: Contract form numbers, Request Forms and Disclosure Documents may vary by state.*

The Product Guide is intended only to provide a summary of this annuity product. In order to obtain a complete understanding, please read the contract provisions carefully as this is not intended to be a substitute for the contract. This contract may not be available in all states.

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