

Multi-Year Guaranteed Annuity - Disclosure Statement

What is a Deferred Annuity: An annuity is a long-term contract between you and an insurance company, in which you give American Saving Life Insurance Company (ASL) a sum of money, referred to as a premium. This premium accumulates over time on a tax-deferred basis until you withdraw it from the annuity or begin taking a guaranteed income from the contract. This contract is an individual single premium deferred annuity referred to as a Multi-Year Guaranteed Annuity (MYGA).

Contract Owner(s): The person specified in the contract as the contract owner. The Contract Owner has all rights to control all aspects of the contract at the time of issue.

Annuitant: The Person on whose life Annuity Payments is based.

Free-look Period: Within 30 days after this contract is first received, it may be cancelled for any reason by delivering or mailing it to the agent through whom it was purchased or to the home office of ASL. Upon timely cancellation, ASL will return any premium paid and this contract will be void from the contract date.

Initial Premium: Your initial premium may be any amount not less than \$25,000 and not more than \$500,000 (higher exceptions possible upon American Savings Life Home Office approval).

Guaranteed Period: During the surrender charge period, the interest rate will be guaranteed. Thereafter the interest rate will be determined on the contract anniversary date, never to be less than the minimum guaranteed interest rate.

Initial Interest Rate: This is the interest rate at issue. This initial interest rate is guaranteed for the surrender charge period selected by the customer.

Minimum Guaranteed Interest Rate: The minimum guaranteed interest rate on your contract is set at the time you purchase your contract and is guaranteed never to change for the life of the contract. Depending on your state, the minimum guaranteed interest rate may be the same for all years you own your contract or it may be one rate for the first ten years of your contract and another rate for all subsequent years. It could also be subject to the minimum non-forfeiture rate. Regardless, the rate will not change once it is declared, and it will not be less than 3.00%.

Interest Credited: All interest rates are expressed as annual effective rates. Interest is credited daily and compounded annually.

Penalty-Free Withdrawal Features:

- Any applicable penalty-free withdrawal rider that is offered, chosen, and provided.
- Required Minimum Distribution (RMD) amount required with Traditional IRAs.
- Annuitization, provided the Annuity Payment Option selected has life contingencies or a period certain of ten years or more.

Surrender Value: The surrender value is the account value, less any applicable surrender charges and taxes. The surrender value will never be less than the amount of the premium, less any premium taxes, less any prior withdrawals, plus interest credited at the effective minimum guaranteed interest rate, reduced by any applicable surrender charges and market value adjustment.

Account Value: The account value equals the premium paid plus interest earned minus any prior partial surrenders that may include surrender charges and market value adjustment; minus any taxes, if applicable.

Death Benefit: A death benefit will be provided upon the death of any owner prior to the maturity date, or upon the death of the annuitant if the owner is not a natural person. If the owner is not a natural person, the death of the annuitant will be treated as the death of the owner. The death benefit will be the account value at the time the proceeds are requested, less any applicable surrender charges and market value adjustment, or riders in effect that may apply.

Surrender Charges: If you surrender your entire contract or take a partial withdrawal that is not penalty free, the amount payable to you will be subject to the following non-recurring surrender charges:

Contract Years	1	2	3	4	5	6
1 Year MYGA	9%					
2 Year MYGA	9%	8%				
3 Year MYGA	9%	8%	7%			
4 Year MYGA	9%	8%	7%	6%		
5 Year MYGA	9%	8%	7%	6%	5%	

All existing surrender charges will continue upon death for the beneficiaries with no waiver of surrender charges upon death (see above table) unless the applicable **Penalty-Free Death Benefit Rider** is in effect.

Market Value Adjustment (MVA) Rider: An MVA may apply to the surrender or partial withdrawal amount additionally during any surrender charge period: (a) if interest rates rise after the contract effective date the market value adjustment will generally decrease the surrender value; and (b) if interest rates fall after the contract effective date, the market value adjustment will generally increase the surrender value.

Annuitization: To annuitize your contract means you choose one of several payment options that provide income for life and/or for a specific period of years. Once you have chosen to annuitize your contract, you may not surrender it or have access to any values of your annuity, other than your income payments. You can annuitize your contract for a specified number of years, or guaranteed payments for life. Surrender charges will apply if annuitization occurs during a contract year in which a surrender charge is applicable, unless an annuity payment option is elected for life or for a period of at least ten (10) years. The annuitized value is equal to the account value, less any applicable surrender charges and market value adjustment.

Tax Treatment: When you make full or partial surrenders of your annuity, you may be subject to federal income tax on the amount withdrawn. Federal law requires that surrenders be taken first from interest earnings. In addition, you may be subject to a 10% federal penalty tax (for both qualified or non-qualified accounts) if you make withdrawals or surrender your annuity before age 59 ½, unless another statutory exemption applies.

Be aware of the IRS Anti-Abuse Rules (Aggregation of Non-Qualified Annuities) Internal Revenue Code Section 72(e) (12) (A) (ii). The Code states that all non-qualified deferred annuity contracts issued by the same insurance company in the same calendar year are treated as a single annuity contract for tax purposes. Because of this, annuity aggregation can result in unexpected tax liability for the contract owner (i.e.: withdrawals or surrenders).

Distributions may also be subject to state income tax. Consult your tax advisor as to the applicability of this information to your own situation.

Agent Compensation: The agent is appointed to represent ASL and to provide services to you on our behalf. The agent will earn a commission for each company contract sold. The actual percentage or amount of compensation paid to the agent will vary based on specific circumstances.

Important Information:

- This annuity contract is currently available for Qualified funds and Non-Qualified funds. It is eligible for a transfer from Qualified funds such as an Individual Retirement Account (Traditional IRA or Roth IRA).
- You may transfer another annuity directly to this annuity by completing either a Non-Qualified 1035 Exchange Request Form or an IRA Transfer Form. However, if this annuity is replacing an existing annuity, it is important that you compare the two, considering whatever surrender charges you may incur on the surrender of your existing annuity and your need to access your funds. For information about your existing annuity, contact the issuing company. An annuity replacement form would also be required.
- Under IRS regulations, all deferred annuity contracts issued by the same insurance company to the same policyholder during a calendar year are treated as one annuity contract. Under the IRS aggregation rules, all amounts received from such annuities are aggregated for tax calculation and tax reporting purposes.
- The IRS states (Revenue Procedure 2011-38) that a partial 1035 exchange will be treated as tax-free unless deferred annuity withdrawals are taken within 180 days of the transfer or a SPIA payment option other than a life or certain option with a minimum of 10 years is selected.

- The reasons for the purchase of a deferred annuity should not include tax deferral when the annuity is intended for use in a tax-qualified retirement plan such as a Traditional IRA.
- Neither the company nor its agents or representatives give legal, tax or accounting advice. Please consult an attorney or independent tax advisor as to the applicability of this information to your own situation.
- This disclosure statement is not intended to be a complete explanation of your contract. Read your contract for more complete details. If you have any questions, contact your representative or American Savings Life.
- This American Savings Life Multi-Year Guaranteed Annuity (MYGA) is not available in all states.
- The annuity contract contains additional limitations. Please contact your agent for complete details about your annuity. This disclosure is not meant to replace any required state replacement forms. It is designed to assist you in understanding the nature of your annuity purchase.

Applicant Disclosure Statements

1. I acknowledge that this document has been read to me, or that I have read this document, and I fully understand the information contained in this document and that all information provided herein is accurate to the best of my knowledge.
2. I have read and understand the Multi-Year Guaranteed Annuity, Single Premium Fixed Deferred Annuity, product brochure.
3. I understand that this annuity is a long-term contract with penalties for early full and partial surrenders. Any existing surrender charges and market value adjustment will continue upon death to the beneficiaries unless specifically the Penalty-Free Death Benefit Rider is included with the contract. Withdrawals are subject to ordinary income taxes, and if taken prior to age 59 1/2 may incur an additional 10% federal penalty, for both qualified (IRA) and non-qualified (non-IRA) annuities.
4. I understand that this annuity is not FDIC Insured. I understand this annuity is not guaranteed by any bank or credit union. I understand this annuity is not a deposit nor insured by any Federal Government Agency. Early surrenders may result in receipt of less than the original premium.
5. I acknowledge that the annuity meets my current financial objectives, liquidity needs, and suitability.
6. I understand that the information provided for this income annuity does not constitute investment, legal, or tax advice.

X

Owner Signature

Date

Joint Owner Signature (if applicable)

Date

Owner Printed Name

Joint Owner Printed Name (if applicable)

AGENT/ PRODUCER STATEMENT

By signing I certify that:

1. I have reviewed this document with the applicant including all potential withdrawal penalties and suitability, that withdrawals are subject to ordinary income taxes, and if taken prior to age 59 1/2 may incur an additional 10% federal penalty, for both qualified (IRA) and non-qualified (non-IRA) annuities.
2. I have disclosed that any existing surrender charges and market value adjustment (MVA) upon death will continue for the beneficiaries, unless specifically the Penalty-Free Death Benefit Rider is included with the contract. I have additionally explained any surrender charges or MVA that may be incurred while alive.
3. I have provided a copy of this document to the applicant.
4. I have made no statements that differ in any significant manner from this document or the product brochures or other information provided to the applicant in connection with the purchase of this annuity by ASL.
5. I have made no promises or guarantees about the future value of any non-guaranteed elements of this annuity.

Agent Signature

Agent Printed Name

ASL Agent Number

Date