



Founded 1954

## Disclosure Statement Understanding Your PREMIER SERIES Annuity Form 1321

AMERICAN SAVINGS LIFE INSURANCE COMPANY  
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### PLEASE SIGN AND DATE BELOW, ACKNOWLEDGING THAT YOU HAVE READ AND UNDERSTAND THE FOLLOWING ITEMS:

*This form is not intended to be a complete explanation of your annuity. Only your contract contains complete details. In the event of a conflict between this disclosure and the contract, the contract shall take precedence. If you have any questions, please contact your representative or American Savings Life Insurance Company ("ASL") for further explanation.*

**What is an annuity?** An annuity is a long-term contract between you and an insurance company, in which you give ASL a sum of money (called 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 a flexible premium annuity, so you can make more than one premium payment. Additional premiums, however, may be made only in the first 12 months, subject to restrictions.

**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.

**Flexible Premiums** - Your initial premium may be any amount not less than \$5,000 and not more than \$350,000. During the first 12 months of the contract you may make additional premium payments as long as: (1) each premium payment is at least \$5,000; (2) the total additional premiums do not exceed the amount of the initial premium; and (3) total premiums do not exceed \$350,000.

**Bailout Feature** - During the surrender charge period, if the renewal interest rate is less than the base rate, surrender charges are waived for partial and full surrenders requested within 30 days after the contract anniversary in which the renewal interest rate falls below the base rate.

**Initial Interest Rate** - This is the interest rate at issue. It applies only to the initial premium payment and additional premium payments received during the first contract year. This initial interest rate is guaranteed for the first contract year.

**Interest Rate for Additional Premium** - This is the same interest rate as the Initial Interest Rate. This rate applies to additional premium for the remainder of the first contract year. This rate includes the interest rate bonus applicable to the initial premium.

**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:**

**First Contract Year** - All premiums received during the first contract year (initial premium plus additional premiums) will earn interest daily. Interest is credited at the end of each contract year (compounded annually).

**Later Contract Years** - Prior to each contract anniversary, a renewal interest rate will be declared and will be applied to the account value and guaranteed for the contract year that follows that anniversary.

#### **Penalty Free Withdrawal Features** -

- After the first year, withdrawals of up to 10% of account value as of the first day of the current contract year are available.
- Monthly interest income available immediately.  
(Only one of the above options may be elected in any one contract year.)
- Full or partial withdrawals during the 30-day bailout period. See the Bailout section above for details.

Early withdrawals or surrender may be subject to tax and/or tax penalties. Early withdrawal charges may not apply to certain features. Please refer to your contract for full details.

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

Contract Year	1	2	3	4	5	6	7	8+
Premier Series 3	6.0%	5.0%	4.0%	-0-	-0-	-0-	-0-	-0-
Premier Series 5	6.5%	6.5%	5.5%	4.5%	3.5%	-0-	-0-	-0-
Premier Series 7	7.0%	7.0%	6.0%	5.5%	4.5%	3.5%	2.5%	-0-

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

**Account Value** - The account value equals the initial premium *plus* any additional premiums *plus* interest earned *minus* any prior partial surrenders that may include surrender charges; *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 and will not be subject to surrender charges.

**Annuitization** - To annuitize your contract means you choose from 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 years. The annuitized value is equal to the account value, less any applicable surrender charges.

**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 if you make withdrawals or surrender your annuity before age 59 ½, unless another statutory exemption applies. Distributions may also be subject to state income tax. If this is a qualified annuity, all distributions may be taxable. Please 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.

This 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.

## **Other Notes**

- This annuity contract is currently available only for non-qualified funds. It is NOT eligible for a rollover from qualified funds such as an Individual Retirement Account (IRA).
- You may transfer another non-qualified annuity directly to this annuity by completing a "Non-Qualified 1035 Exchange Request." However, if this annuity is replacing an existing annuity, it is important that you compare the two, taking into account 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.
- Neither ASL 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. Please read your contract carefully for more complete details.** The Premier Series Annuity is not be available in all states.

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**APPLICANT DISCLOSURE STATEMENT**

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 understand that this annuity is a long-term contract with penalties for early full and partial surrenders.
3. 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. I understand this annuity may lose value.
4. I acknowledge that the annuity meets my current financial needs and Investment objectives.

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Owner Signature

Date

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Joint Owner(s) Signature

Date

**AGENT STATEMENT - By signing I certify that:**

I have reviewed this document with the applicant.

I have provided a copy of this document to the applicant.

I have made no statements that differ in any significant manner from this document.

I have made no promises or guarantees about the future value of any non-guaranteed elements of this annuity.

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Agent Signature

Date

Print Name of Agent & Agent ID No.

**PLEASE COMPLETE THIS FORM AND SUBMIT TOGETHER WITH THE APPLICATION TO AMERICAN SAVINGS**