

ANICO STRATEGY 7 INDEXED ANNUITY

ENHANCED DEATH BENEFIT RIDER

The Enhanced Death Benefit (EDB) Rider increases the death benefit by a stated percentage of the annuity value less the adjusted premium. See the chart below for the percentage increase by issue age.

Issue Age	Percentage Increase
0-69	45%
70 – 74	25%
75 – 80	20%
81+	15%

The adjusted premium is defined as follows:

At issue – Initial premium minus any charges (*i.e., premium taxes, if applicable*)

After a withdrawal (and after any payments received from the Lifetime Income Rider) – The adjusted premium before the withdrawal times the annuity value after the withdrawal divided by the annuity value before the withdrawal.

There is a premium charge for the Enhanced Death Benefit Rider. The charge is taken directly from the annuity value each year. The charge is guaranteed to be 0.25% of the annuity value each year, and it is payable from the date the annuity contract is issued until the Rider terminates. The Rider premium is deducted from earnings or if any amount is outstanding, upon surrender.

The owner of the annuity contract can terminate the Rider at any time. Otherwise, the Rider will terminate when the annuity contract terminates, which is at the death of the owner, maturity of the contract, or upon surrender of the contract. If (1) the Maturity Date was not reset to an earlier date and (2) the annuity contract is in force on the owner's 95th birthday and (3) the annuity benefit payments have not started, then the EDB will be added to the annuity value.

The owner can only apply for the Enhanced Death Benefit Rider at the time they apply for the **ANICO Strategy 7 Indexed Annuity** contract, but they can drop the Rider at any time.

Example of How the Enhanced Death Benefit is calculated.

ANICO Strategy 7 Indexed Annuity

Issued at age 68 with a premium of \$100,000 – death benefit percentage increase is 45%

Initial adjusted premium is \$99,000 (after \$1000 premium tax)

At the first anniversary the annuity value is \$102,500

Withdrawal of \$6,000 is requested – new annuity value is \$96,500

$$\text{New Adjusted Premium} = \frac{\$99,000 \times \$96,500}{\$102,500} = \$93,204.88$$

At the second anniversary the annuity value is \$103,400

Withdrawal of \$1,000 is requested – new annuity value is \$102,400

$$\text{New Adjusted Premium} = \frac{\$93,204.88 \text{ (x) } \$102,400}{\$103,400} = \mathbf{\$92,303.48}$$

Death occurs during a later year. Upon death the annuity value is \$109,750

$$\text{Enhanced Death Benefit} = 45\% \text{ of } (\$109,750 - \$92,303.48) = \$7,850.93$$

$$\text{Death Benefit payout is } \mathbf{\$109,750 + \$7,850.93 = \$117,600.93}$$

The Enhanced Death Benefit Rider is an optional Rider and may not be available in all states

