

The Power of a Tax-Deferred Annuity

What is a Tax-Deferred Annuity?

A tax-deferred annuity is a contract between you and the insurance company with guaranteed interest and guaranteed annuity income options.

Advantages of Tax-Deferred Annuities

- TAX DEFERRAL
- STABILITY
- MAY AVOID PROBATE
- LIQUIDITY FEATURES
- GUARANTEED INCOME

Tax Deferral

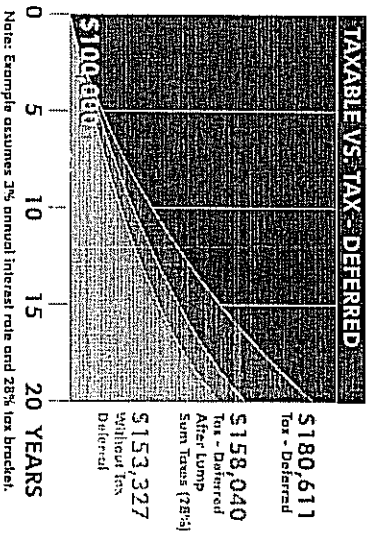
One of the primary advantages of deferred annuities is the opportunity to accumulate a substantial sum of money by allowing your premium and interest to grow tax-deferred. Unlike taxable investments, you pay no taxes on your annuity interest until you begin to take withdrawals or receive income. This allows your money to grow faster than in a taxable account, because you earn interest on the money that would have otherwise been paid in taxes. If the earned interest is distributed for the tax-deferred column, the result is identical to the currently taxed column.

Currently Taxed vs. Tax Deferred

	CURRENTLY TAXED	TAX-DEFERRED
Current Balance	\$100,000	\$100,000
Interest Rate	3%	3%
Interest Earned	\$3,000	\$3,000
Tax Bracket	28%	28%
Tax Payable	\$840	\$0*
After Tax Interest	\$2,160	\$3,000
After Tax Yield	2.16%	3%

* Assuming no withdrawals.

The following chart illustrates how much more your money grows over a 20-year period with a tax-deferred annuity compared to an account that is currently taxed.



Stability

Your tax-deferred annuity is stable at American Equity of New York. New York law requires that we establish and maintain reserves equal to the cash surrender value of your annuity contract at all times. In addition, New York law requires we maintain minimum amounts of capital and surplus for further contract owner protection.

American Equity of New York invests your premium dollars in a diversity of investments that are closely regulated by the insurance departments. These long-term investments ensure the stability of the company and help to provide you with a competitive yield.

May Avoid Probate

In the case of premature death, your beneficiaries have the accumulated funds within your annuity available to them and may avoid the expense, delay and publicity of probate. Your named beneficiaries can choose to receive the proceeds as monthly income or a lump sum payment.

Liquidity

American Equity of New York provides you with opportunities to withdraw funds at any time (subject to applicable surrender charges). Most contracts allow some form of penalty-free withdrawals after the first contract anniversary.

Guaranteed Income

American Equity of New York can provide you with a guaranteed income with a tax-deferred annuity. You have the ability to choose from several different income options, including payments for a specified number of years or income for life, no matter how long you live. With non-qualified plans, a portion of each income payment represents return of premium which is not taxed, thereby reducing your tax liability from your income payments.

American Equity Investment Life Insurance Company of New York

PEOPLE

Synergy may be defined as individuals working together to achieve a common goal. The synergy among our employees creates a unified organization that can achieve efficiencies greater than those of our competitors, ultimately benefiting you, our contract owners. By emphasizing productivity at every level of our operation, we will remain an efficient, flexible leader in our industry, operating at competitive levels with distinctive products and services. Recognizing that the whole is only as great as the sum of its parts, we encourage—and expect—all associates to challenge themselves to grow and reach their maximum professional potential.

SERVICE

In the face of technological challenges, changing family structures and an evolving social and economic environment, we must remain thoroughly responsive to the needs of our customers. Each employee is an integral component in the delivery of superior personal service, and contributes to our overall success in achieving this important goal. Our excellent service record can only be attributed to the knowledge, experience, and professionalism of our people.

FUTURE

The keys to our continued growth and profitability are the shared values that form the common link for our people. We must run as a cohesive whole to achieve the service levels set forth. We will continue to create key marketing alliances and establish precision marketing initiatives. We intend to build the highest value for our contract owners via sound long term investment strategies and consistent delivery of innovative products—ultimately fulfilling our responsibility to you and positioning us well for the future.



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Visions of the Future

"We will speak as one voice, act as one being, put one and only one face forward for all to see. That face will be developed to bring maximum impact and favorable response in the marketplace."

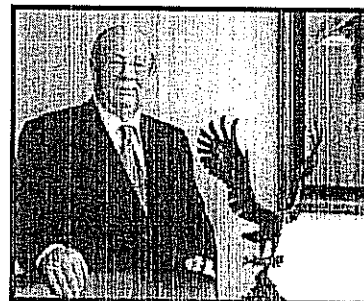
D.J. NOBLE

American Equity
Investment Life Insurance
Company of New York



OUR VISION of Commitment

At American Equity Investment Life Insurance Company of New York, our employee/owners are committed to a "Vision of the Future" based on the following principles of excellence...



D. J. Nable, President

Superior Service

The leadership by a senior management team with more than 200 years of combined experience in the annuity and life insurance industry will help ensure the realization of our vision.

During the last decade alone, this management group helped thousands of annuity contract owners reap the rewards of tax-deferred wealth accumulation.

Superior Value

At American Equity of New York, our experience tells us that value means many things to many different people...

- TAX-DEFERRED INTEREST
- FLEXIBILITY TO MEET CHANGING NEEDS
- BENEFICIARY BENEFITS

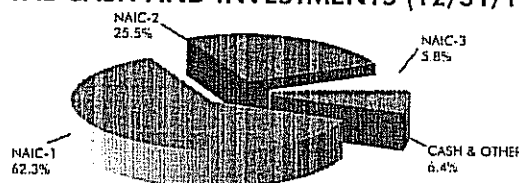
To meet the unique and ever changing needs of our contract owners, American Equity of New York is committed to being an industry leader in product flexibility and innovation.

By offering benefits and features such as additional first-year interest credits, Penalty-Free Withdrawals for any reason, and Lifetime Income Options, American Equity of New York is committed to being the RIGHT CHOICE for your tax-deferred annuity.

Safety & Flexibility

A fundamental business principle of American Equity of New York is to protect the safety of our contract owners' money. With assets in excess of \$175 million* as of December 31, 2010, we assure this commitment by maintaining an exceptionally high quality asset portfolio. As of December 31, 2010, 93% of American Equity of New York's bond portfolio is rated investment grade. This means that American Equity of New York has limited exposure to the risks associated with non-investment grade or "junk" bonds.

TOTAL CASH AND INVESTMENTS (12/31/10)



NAIC Designation	Rating Agency Equivalent	Percent*
1	Aaa/Aa/A	66.5%
2	Baa	27.3%
3	Ba	6.2%
4	B	-
5	Caa and lower	-
6	In or near default	-

The above table presents our fixed maturity securities by NAIC designations and the equivalent ratings of the nationally recognized securities rating organizations as of 12/31/10.

*Liabilities as of 12/31/10 are \$149 million.

Neither American Equity of New York nor any of our agents give legal, tax, or investment advice. Consult your own personal advisor for these matters.