

Elite⁵

5-Year Index Annuity

CLIENT BROCHURE

Policy Series 318





Safety, Growth, & Guarantees For Your Money

Now, more than ever, people are looking for secure ways to invest their money. With increasing life expectancies, rising costs of retirement, and market volatility, many people are unsure about where to put their money.

To ensure you meet your future income needs, create an income plan that provides safety and growth over the long term. Including an annuity in your income plan can be smart. Annuities can offer safety, guarantees, and growth.



What is an Annuity?

Retirement Accumulation Planning Tool

An annuity is a retirement planning tool sold by insurance companies. Annuities are designed for long-range retirement planning needs. When you purchase a fixed annuity, your money is credited with an interest rate that is either based on a fixed rate or on an outside measure.

Lifetime Income Stream

Annuities offer a stream of income payments that can be designed to fit each person's needs. The income payments can even be designed to pay out over the entire lifetime of the Owner. This feature is unique to annuities.

Tax Deferral

One advantage annuities have over other financial products is tax deferral. Taxes are not assessed until the money is withdrawn. Tax deferral can make a huge difference on how much income will be available for retirement. This is because money that would have been used to pay taxes, the initial contribution, and the interest accumulated are all available for additional accumulation.

Guarantees

Unlike some other types of retirement vehicles, annuities are backed with strong guarantees that offer protection.

What is an Indexed Annuity?

An indexed annuity is a type of fixed annuity in which the interest rate is based on the performance of a financial index, such as the S&P 500® Index or NASDAQ. The interest paid is calculated based on changes in the index.

Indexed annuities offer the potential to outperform traditional fixed annuities when there are gains in the index; however, unlike variable annuities, indexed annuities offer downside protection. This means even if the index declines, the annuity will not lose value. Also, once earnings are calculated they are locked in for life - they never change as a result of poor market conditions.

Elite 5 Index Annuity

The Amerigo Elite 5, offered by Amerigo Financial Life and Annuity Insurance Company, is an indexed single-premium deferred annuity based on the performance of the Index options selected.

Key Benefits:

- ▶ Tax-deferred interest based on the performance of the Index options available
- ▶ 1-year or 5-year crediting method option
- ▶ 5 Index Options
- ▶ 5-Year Renewing Surrender Charge Period
- ▶ 10% annual penalty-free withdrawals after the first year
- ▶ Full Accumulation Value death benefit
- ▶ Supplemental Accumulation Value Guarantee

Income Tax-Deferred Accumulation

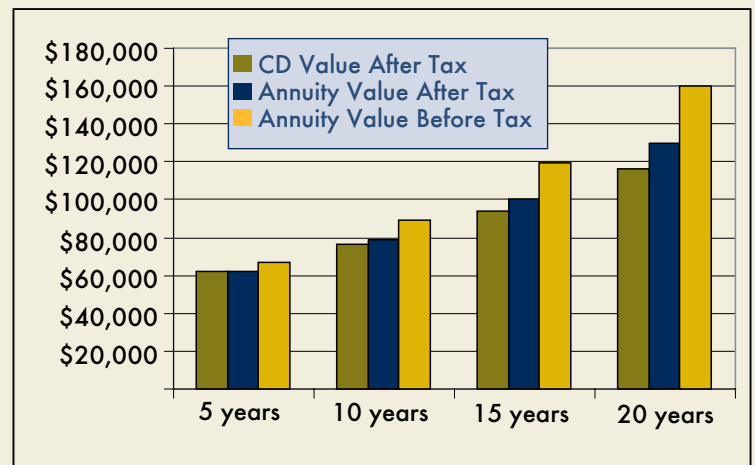
The interest your Elite 5 annuity earns is based on the performance of the Indices selected. The interest credited to your annuity is based on the Index Sectors you choose at the time of application.

Because your annuity is based on the performance of an Index, you have the potential to earn more than you would with a traditional fixed annuity, without the downside risk of investing directly in the stock market.

the power of tax deferral

All earnings in an annuity will grow income tax-deferred until withdrawn. This means money that would have otherwise been used to pay taxes can remain in your annuity and compound over time. The difference between interest compounding within a tax-deferred annuity versus a conventional taxable plan can be large, especially over the long-term.

This hypothetical illustration shows the difference between a taxable vehicle and a tax-deferred vehicle. The illustration shown assumes no withdrawals, and uses an effective tax rate of 28%, interest rate of 6% for the duration of each illustration, and an initial contribution of \$50,000.



All examples shown are hypothetical and intended only for illustrative, educational purposes. Figures used in the hypotheticals are not guaranteed or indications of actual coverage amounts. Withdrawals of interest from an annuity will be subject to income tax. A 10% federal tax penalty may apply if the withdrawal occurs prior to age 59 1/2.

How Does Elite 5 Work?

With the Elite 5 annuity, you have a choice of interest rate crediting options that will determine how you earn interest. Your premium can be allocated among multiple Index Sectors and a Declared Interest Account that guarantees the rate will never go below a specified minimum. You can select one or more options, as long as the amount allocated to each is at least \$500. You also have the flexibility to change your allocation among interest rate crediting options on each Index anniversary.

How Does The Value Grow?

The value of your annuity can grow by interest that is earned under the Declared Interest Option and Indexed Options.

Under the Declared Interest Option, interest is credited on a daily basis at a declared rate. The rate is guaranteed for one contract year. The rate may be changed at Americo's discretion each subsequent year. The declared rate will never be lower than 0.25%.

Under an Index Option, at the end of each Index Period, we determine the Index Credited Amount, which depends on the performance of the Index or Indices selected and the Indexing Method you choose.

Indexing Methods

The available Indexing Methods are:

- 1-year Point-to-Point with Participation Rate
- 5-year Final Average with Participation Rate

Index Sectors

The Elite 5 Annuity is made up of simple Index Sectors that are easy to understand and help guard against the risk associated with single-stock investing.

Index sectors are publicly traded companies that are sorted into groups based on their primary business activities. Investors can use the sectors to isolate stocks of specific interest or to build a diversified portfolio.

Elite 5 offers 5 sectors to choose from - three S&P options, a NASDAQ option, or a Dow Jones option.

1. **Technology** - The information technology (IT) sector consists of companies that develop or distribute technological items or services, and includes internet companies. Technology products include computers, microprocessors, and operating

systems. Examples of companies in this sector include big names like Microsoft Corporation, Oracle Corp., and Mastercard Inc.

2. **Health Care** - Health care consists of medical supply companies, pharmaceutical companies, and scientific-based operations or services that aim to improve the human body or mind. Familiar names include Johnson & Johnson, a medical device and pharmaceutical company that owns Tylenol®, and Abiomed, which manufactures medical implant devices.
3. **Biotechnology** - The NASDAQ Biotechnology Index is made up of NASDAQ-listed securities classified either as "biotechnology" or "pharmaceutical" such as Moderna, Amgen, and Vertex Pharmaceuticals.
4. **Real Estate** - This index is designed to track the performance of real estate investment trusts (REIT) and other companies that invest directly or indirectly in real estate through development, management, or ownership, including property agencies.
5. **S&P 500** - A US stock market index that measures 500 of the largest US publicly traded companies. This index is considered to be a good representation of the country's economy, due to its large volume and diversity of components. Examples include Apple, Amazon, and Microsoft.

How Does Interest Crediting Work?

Point-to-Point Method

The Index Credited Amount under a Point-to-Point Indexing Method is calculated based upon the percentage change of the Index Value from the beginning of an Index Period to the end of the Index Period, the Index Rate. If the Index Rate is positive, the Net Index Rate will equal the Index Rate, multiplied by the Participation Rate. If the Index Rate is negative or zero, there is no Index Credited Amount.

Final Average Indexing Method

The Index Credited Amount under the Final Average with Participation Rate Index Option is calculated Amount based upon the percentage change of the Index Value from the beginning to the end of an Index Period, where the ending value is a 30-day average.

This percentage change is the Index Rate. If the Index Rate is positive, the Net Index Rate will equal the Index Rate multiplied by the Participation Rate. If the Index Rate is negative or zero, there is no Index Credited Amount.

Participation Rate

Participation Rates are used to determine your rate. A Participation Rate is the percentage of the change in an Index used to determine the interest credit. It is declared in advance and guaranteed for one or five years depending on the Index Crediting Option selected, for each allocation to a Participation Account. The initial Participation Rate for each Index Crediting Option, as applicable, is shown in your annuity contract.

The following is a hypothetical example of how two different Index Crediting Options determine the indexed interest rate. Assume you purchase your Elite 5 annuity with a beginning Participation Account value of \$30,000. The following example shows what would happen to the full \$30,000 under two different Index Crediting Options:

1-Year Point-to-Point with Participation Rate		5-Year Point-to-Point with Participation Rate	
Beginning Participation Account Value:	\$30,000	Beginning Participation Account Value:	\$30,000
Participation Rate:	30%	Participation Rate:	60%
Beginning Index Value:	900	Beginning Index Value:	900
Ending Index Value:	1,050	Ending Index Value:	1,500
Percent Increase/Indexed Rate:	16.67%	Percent Increase/Indexed Rate:	66.67%
Participation Rate of 30% (16.67 * .30)	5.00%	Participation Rate of 60% (66.67 * .60)	40.00%
Indexed Interest Crediting Rate:	5.00%	Indexed Interest Crediting Rate:	40.00%
Ending Participation Account Value:	\$31,500	Ending Participation Account Value:	\$42,000

All examples shown are hypothetical and intended only for illustrative, educational purposes.

Accumulation Value

The value of your annuity is the Accumulation Value. It is equal to the amounts in the Declared Interest Account and Participation Accounts which is reduced by withdrawals taken from your annuity. The Guaranteed Minimum Value is based on 87.5% of the initial premium. There is an Accumulation Value Adjustment feature included that if on the 5th contract anniversary there have been no prior partial surrenders, the accumulation value after any interest credits have been applied, is guaranteed to be no less than the single premium accumulated for five years at 0.25%.

Access Your Money

While you should make every effort to give your money time to grow, sometimes circumstances require you take a withdrawal earlier than expected. Elite 5 allows you access to your money, in many cases penalty-free.

- ▶ Withdraw up to 10% of your accumulation value without penalty each year after the first year.
- ▶ Access your entire Accumulation Value with no Surrender Charges if you are confined to a qualified nursing home or hospital for at least 90 consecutive days with the Waiver of Surrender Charge Upon Nursing Home or Hospital Confinement Endorsement (Endorsement Series 4139). State variations may apply. Not available in Massachusetts.

After the end of every automatically renewing 5-year term period, within 30 days, you may request a penalty-free full or partial surrender of the annuity contract.

Guaranteed Income

One of the most appealing benefits of owning an annuity is the option to convert your annuity into guaranteed income. Annuitization options are available including benefits that last a lifetime, or the lifetime of both you and your spouse.

Protection of Principal

With Elite 5, your indexed interest is guaranteed to never fall below zero, even in a down market. In addition, your interest is calculated at the end of the 1st year or 5th year depending on the crediting option chosen and locked in. You cannot lose those earnings if index values go down in future years.

Let's take a hypothetical look at how Elite 5 might perform in favorable, average, and poor markets. The example assumes that all premium is placed in the 1-Year Point-to-Point with Participation Rate over a 10-year period and that no Surrender Charges have been assessed over this 10-year period.

When selecting an Index Crediting Option, it is important to understand that your Accumulation Value will be affected by the performance of the Index selected. The performance of the Index is directly affected by changes in market conditions. The sample illustration may help you understand how varying market conditions can affect the value of your Elite 5 indexed annuity.



This hypothetical example of a 10-year favorable market period shows a growth in the S&P 500 of 19.88%. Amerigo Elite 5 would return 5.96% in this market due to the 60% Participation Rate with this method.



This hypothetical example of a 10-year average market period shows a growth in the S&P 500 of 7.87%. Amerigo Elite 5 would return 2.36% in this market due to the 60% Participation Rate with this method.



This hypothetical example of a 10-year poor market period shows a change in the S&P 500 of -10%. Amerigo Elite 5 would not decline in value because of the guarantees on the product.

Please read your consumer disclosure for more information on the different Index Crediting Options available with Elite 5 and how these options might work for you.

Surrender Charges

If you decide to take a full or partial withdrawal that exceeds the annual penalty-free limit, it may be subject to Surrender Charges as outlined in the chart below. Surrender Charges vary by state. Make sure to discuss the charges that apply in your state with your agent.

Year	1	2	3	4	5
Surrender Charge	8%	8%	7%	6%	5%

Example: Assume that after two years, the value of your annuity is \$10,000. You want to withdraw \$1,100 from your annuity in the 3rd year. Since \$1,100 is more than 10% of your annuity's Accumulation Value (\$10,000 X 10% = \$1,000), your Surrender Charge is (\$1,100 - \$1,000) x 0.07 or \$7.00.

After each 5-year term ends, you will have 30 days to surrender your contract penalty-free before a new 5-year surrender charge period begins.

Death Benefit

Your beneficiaries will receive a death benefit equal to the full contract value without any surrender penalties, or the Guaranteed Minimum Value if greater.

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For over 100 years, Amerigo Life, Inc.'s family of insurance companies has been committed to providing the Life Insurance, Medicare Supplement, and Annuity products you need to protect your mortgage, family, and future.¹ We listen to what you want from an insurance policy or annuity and do our best to provide a proper solution for your individual situation.

Innovative thinking and sound investment decisions have helped us build a strong financial foundation for our business. Today, Amerigo Financial Life and Annuity Insurance Company is the lead company in one of the largest independent, privately held insurance groups in the United States², with \$7.9 billion in assets for year-end 2020.³

¹Amerigo Life, Inc. is a holding company and is not responsible for the financial condition or contractual obligations of its affiliate insurance companies.

²"Admitted Assets, Top Life Writers-2020," A.M. Best Co., as of September 2020.

³Information is as of year end 2020 on a consolidated basis for Amerigo Financial Life and Annuity Insurance Company and the other life insurance subsidiaries of Amerigo Life, Inc., unless otherwise indicated. Information is prepared on the basis of generally accepted accounting principles (GAAP).

Important Information

Amerigo Financial Life and Annuity Insurance Company is authorized to conduct business in the District of Columbia and all states except NY.

Amerigo Elite 5 Annuity (Policy Series 318; Forms ICC20 318, AAA318) is underwritten by Amerigo Financial Life and Annuity Insurance Company (Amerigo), Kansas City, MO, and may vary in accordance with state laws. Some products and benefits may not be available in all states. Some riders are optional and available for an additional cost. Certain restrictions and variations apply. Consult contract and riders for all limitations and exclusions. For exact terms and conditions, please refer to the contract.

Neither Amerigo Financial Life and Annuity Insurance Company nor any agent representing Amerigo Financial Life and Annuity Insurance Company is authorized to give legal or tax advice. Please consult a qualified professional regarding the information and concepts contained in this material.

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