



**American Century Life Insurance Company of Texas**

*(a stipulated premium company)*

1333 W. McDermott Dr., Suite 150

Allen, TX 75013

Phone (855) 966-1111, Fax (855) 855-0181

**THIS IS AN EXACT COPY OF YOUR POLICY EXCEPT FOR YOUR SPECIFIC  
INFORMATION SUCH AS NAME, ADDRESS, AND PREMIUMS**

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**SINGLE PREMIUM DEFERRED ANNUITY**

This Policy is issued in consideration of the application, a copy of which is attached hereto and made a part hereof, and payment of the Single Premium.

The premium and interest credited thereon will accumulate until the Maturity Date or until You withdraw Your money. On the Maturity Date, We will start paying You an income based on the Settlement Option chosen by You.

**30-Day Right to Examine.** If /you are not satisfied with Your Policy, return it, along with a written request, to Us or the Agent from whom it was purchased within thirty (30) days after you receive it. Immediately upon such return or mailing of this Policy, it will be void from the beginning and the Single Premium paid will be promptly refunded to You.

**Please read your Policy carefully.** This contract is a legal agreement between the Owner and the Company. The terms of this contract are contained on this page and the following pages. Withdrawals from the contract may be subject to Market Value Adjustment and Withdrawal Charges as reflected on Page 2 and on Part 7. American Century Life Insurance Company of Texas and its agents or representatives do not give legal or tax advice. We recommend You consult Your own attorney, accountant or tax advisor to determine the suitability of the annuity in Your own situation.

Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an Annuity Policy containing any false, incomplete, or misleading information may be guilty of fraud.

The conditions and privileges set forth in this and the succeeding pages hereof constitute a part of this annuity contract as fully as though recited over the signatures thereto affixed.

Signed at the Home Office of American Century Life Insurance Company of Texas, of Allen, Texas, on the date of issue as shown below, which is the effective date hereof.

XXXXXXX  
Secretary

XXXXXXX  
President

**SINGLE PREMIUM DEFERRED ANNUITY**  
**With Market Value Adjustment Provision**  
**Which May Increase or Decrease Cash Surrender Values**  
Free Accumulated Interest Withdrawal  
Death Benefit Prior to Maturity  
Monthly Income at Maturity  
Non-Participating: Dividends Are Not Payable  
Waiver of Withdrawal Charges under Certain Conditions

## SINGLE PREMIUM DEFERRED ANNUITY

### ANNUITY SCHEDULE

Policy Number: XXXXXXXXXXXX  
 Single Premium: \$XX,XXX.XX  
 Annuitant Age: XX  
 Annuitant Sex: XX  
 Issue Date: XX/XX/XXXX  
 Maturity Date: XX/XX/XXXX  
 Annuitant: John Smith  
 Owner: John Smith  
 Beneficiary(ies): As designated in the application  
 Initial Guarantee Period: XX Years  
 Guaranteed Effective Annual Rate: XX.XX%  
 Minimum Partial Withdrawal Amount: \$XX.XX  
 Minimum Account Value Allowed: \$XX.XX  
 Withdrawal Charges (for amounts over the Free Withdrawal Amount):

Year	1	2	3	4	5	6	7	8	9	10
<b>5 Year</b>	9%	8%	7%	6%	5%					
<b>7 Year</b>	9%	8%	7%	6%	5%	4%	3%			
<b>10 Year</b>	9%	8%	7%	6%	5%	4%	3%	2%	1%	0.5%

During the last 30 days of each guaranteed period, the Withdrawal Charges will be waived.

During any Subsequent Guarantee Period, Withdrawal Charged Percentages and Market Value Adjustment will reset.

Market Value Adjustment (MVA) Formula:  $MVA = (A/B)^t$

Where

A is {1 + (the Constant Maturity Treasury Rate at the beginning of the current guarantee period)}

B is {1 + (the Constant Maturity Treasury Rate, on the day before the date of Surrender or Withdrawal)}

t is time remaining, in years, in the current guarantee period.

Index Used in Calculation of Market Value Adjustments: [5-Year] Constant Maturity Treasury Rate

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Sample

## **PART 1: DEFINITIONS**

**Annuitant.** The person on whose life the amount and duration of annuity payments depend. The Annuitant may not be changed on or after the Maturity Date.

**Beneficiary(ies).** The person(s) named in the application or in the most recent change recorded by Us who is (are) to receive any death benefit as described in Part 7 of this contract. If the Owner dies and there is no Beneficiary living at the time that any death benefit becomes payable, then that benefit will be paid to any contingent Beneficiary or, if none is then living, to the Owner's estate.

**Cash Surrender Value.** The Cash Surrender Value will be the Account Value multiplied by the MVA and subject to any applicable Withdrawal Charges. The Cash Surrender Value will never be less than the minimum required by the regulations of the state in which this annuity is issued.

**Contract Date.** The date We received and credited the Single Premium. The Contract Date is shown on Page 2.

**Contract Year.** Contract Years are twelve (12) month periods which start on the Contract Date and on the same month and day of each year thereafter.

**IRC.** The Internal Revenue Code of 1986, as amended. All references in this contract to any sections of the IRC or regulations include any amended or successor sections or regulations, as appropriate or required.

**IRS.** The United States Internal Revenue Service.

**Maturity Date.** The date this annuity contract ends. The Maturity Date is shown on Page 2, Annuity Schedule, and is based on the guaranteed period chosen by the Owner. The Maturity Date will not exceed 10 years from the date this annuity is issued. The Maturity Date cannot be later than the policy anniversary after the Annuitant 90<sup>th</sup> birthday.

**Market Value Adjustment (MVA).** This is an adjustment to the amount payable on withdrawal amounts and certain amounts applied to provide annuity payments prior to the end of any guarantee period. The adjustment reflects the change in interest rates since the beginning of that guarantee period.

The MVA can decrease or increase the Cash Surrender Value but will never cause the Cash Surrender Value to be less than the Minimum Guaranteed Surrender Value. In addition, any upward MVA adjustment would never be greater than the difference between the Cash Surrender Value prior to the MVA adjustment less the Minimum Guaranteed Surrender Value.

**Minimum Guaranteed Surrender Value.** (1) 87.5% of the Single Premium; less (2) Any withdrawal amount; plus (3) interest credited at the Minimum Guaranteed Surrender Value Interest Rate shown in the Data Section. The Minimum Guaranteed Surrender Value will never be less than the minimum required by the regulations of the state in which this annuity is issued.

**Owner.** The person named in the application who is entitled to the ownership rights described in this contract and as fully described in Part 3 of this contract.

**Subsequent Guarantee Period.** This means each successive guarantee period after the Initial Guarantee Period. During any Subsequent Guarantee Period interest will be credited at the Subsequent Guaranteed Interest Rate. Any Subsequent Guarantee Period will be of the same duration as the preceding guarantee period.

**Subsequent Guaranteed Interest Rate.** This is the interest rate, established by Us, which will be guaranteed during each Subsequent Guarantee Period.

**We, Our, Us, Company.** American Century Life Insurance Company of Texas.

**Written Request.** A request that is written, signed, dated, and notarized (if required) on a form satisfactory to, or provided by, Us and received at Our Home Office. We may require delivery of the contract to record the change.

**You, Your.** The Owner.

## **PART 2: GENERAL PROVISIONS**

**Entire Agreement.** The Entire Agreement consists of this contract and any application, amendment, rider, or endorsement which is attached to the contract or which was mailed to Your last known address.

No change or waiver of any provision of this contract can be made or will be valid unless agreed to by Our President, the Secretary, or a Vice President in Our Home Office. No agent or employee of the Company shall have authority to bind the Company or to amend, alter or change the written provisions of this contract. Any amendment, alteration, change or waiver of the provisions of this contract must be made in writing and signed by the President, the Secretary or a Vice President of the Company.

**Changes to the Contract.** After We receive and record a Written Request for a contract change, the change will take effect on the date the request was originally signed, even if You have subsequently died. However, the change will be subject to any payments made or actions taken by Us before the Written Request for change was received and recorded.

**Incontestability.** We will not contest this contract after the Contract Date, except as provided in the Misstatement of Age or Sex in this Part.

**Claims of Creditors.** To the extent permitted by law, no benefit paid, or to become payable, will be subject to any claim or process of law by any creditor.

**Conformity with Statutes.** If any provision in this contract is in conflict with the laws of the state which govern this contract, the provision will be deemed to be amended to conform with such laws.

**Annuitant's Issue Age.** The actual age of the Annuitant as of the Contract Date.

**Misstatement of Age or Sex:** If the age or the sex of the Annuitant has been misstated prior to making any annuity payments, the benefits will be those, which the Account Value would have purchased at the correct age and sex. Any underpayments will be made up immediately by the Company. Overpayments will be deducted from future payments.

**Our Liability.** We will not incur any liability or be responsible for any failure, in whole or in part, by You to comply with the provisions set forth in the IRC or any other law.

**Initial Premium Payment.** The Single Premium is required with the application as consideration for this annuity contract. The single premium is shown on the Page 2 – Annuity Schedule. This contract will remain in effect until the Maturity Date in accordance with its provisions.

**Premium Tax.** Some states impose a premium tax on annuities. In the event that a premium tax is imposed on the Single Premium, such tax will be deducted from the premium at the time of initial crediting. In the event that a premium tax is imposed at any other time, such tax will be deducted from any benefit payable under this contract.

**Settlement Options.** If this Policy is in force on the Maturity Date, the Account Value will be used to provide the Annuitant with a Life Income with 120 months certain (option 2 below). The Owner may instead elect to have the Account Value paid under one of the following options. All payment amounts will be based on interest of not less than [1.0%] per year and the [Annuity 2012 IAR Mortality table]. Settlement options and annuity payment amounts will be furnished upon request.

**Option 1: Life Income** - this option would pay the Account in monthly payments during the lifetime of the payee.

**Option 2: Life Income with 120 Months Certain** - this option would pay the Account in monthly payments for a guaranteed period of 120 months and thereafter during the lifetime of the payee. If the payee dies during the guaranteed period, the remaining payments for the 120-month guaranteed period would be paid to the Beneficiary.

**Option 3: Payment for a Fixed Period** - this option would pay the Account Value in monthly payments until the proceeds plus interest are exhausted.

**Additional Options:** The Company may make other options available.

**Minimum Payments:** The minimum payment under any option is \$100.00.

**Annuitization.** After the first Policy Anniversary, you may elect to annuitize this policy by selecting one of the Settlement Options and start receiving monthly payments. We have to receive Your written request for annuitization including the Settlement Option you select. Surrender Charges and Market Value Adjustment will be waived with payment period of 5 years or longer. We have 60 days from the date We received Your request to make the first payment. The minimum monthly payment amount must be \$100 or greater. If the withdrawal amount is less than \$100, We reserve the right to reduce the frequency of payments to an interval which will result in each payment being at least \$100. The payment to You will be made by an electronic transfer of funds ("EFT").

### **PART 3: OWNERSHIP OF THIS CONTRACT**

**General.** The Owner on the Contract Date is the person named in the application. If no Owner is designated, the Annuitant is the Owner.

**Rights of the Owner.** You may exercise all rights and privileges under this contract prior to the Maturity Date. Use of these rights may be subject to the consent of any assignee or irrevocable Beneficiary.

**Transfer or Assignment of Ownership.** Subject to the limitations described herein, You may transfer ownership or assign this contract. We will not be responsible for any payments We make or other action We take before the Written Request for transfer of ownership or assignment is received at Our Home Office. We are not responsible for the validity of the transfer or assignment. We may require delivery of the contract to record the transfer or assignment. Transfer or assignment of ownership may involve income tax consequences. Determination of the income tax consequences and payment of income tax liability due to transfer or assignment of ownership is the responsibility of the Owner. We will file all required reports to the IRS.

**Suitability.** This is designed as a long-term contract. Withdrawals from the contract may be subject to Withdrawal Charges as reflected on Page 2 and in Part 6.

#### **PART 4: BENEFICIARY**

**Change of Beneficiary.** Before the Maturity Date, You may change a Beneficiary or a contingent Beneficiary by Written Request. A Beneficiary named irrevocably may not be changed without the written consent of that Beneficiary.

**Payment to Beneficiaries.** Before making any payment, We may require evidence as to the identity, age, and other facts about any person or class designated as a Beneficiary. We are entitled to make payments based on that evidence.

**More than One Beneficiary:** if more than one Beneficiary is alive when the Owner dies and no specific allocation of benefits was provided, We will pay equal amount to all Beneficiaries.

#### **PART 5: VALUES**

**Required Standards.** All benefits and values equal or exceed those required by the state which governs this contract.

**Account Value.** The Account Value will be:

- (1) Net Premium received by Us; plus
- (2) All interest credited; less
- (3) Premium taxes, if any; less
- (4) Any previous Partial Withdrawals, including any Withdrawal Charges.

**Net Premium.** To determine the Net Premium, We deduct from the premium received the applicable premium tax, if any. The amount remaining is the Net Premium.

**Interest.** Interest will be credited to the Account Value each day from the date the premium is received, at a rate which is never less than the Guaranteed Effective Annual Rate on Page 2.

We may, at Our discretion, declare a current effective annual rate in excess of the guaranteed rate. We may change this interest rate from time to time, but not below the Guaranteed Effective Annual Rate on Page 2. However, interest already credited will not be affected by any such changes.

**Notice of Values.** At least once each year, We will send You a report of the current Account Value and all amounts added to and subtracted from the Account Value during the period covered by the report. The annual report will contain at least the following: (a) An indication that the cash value is prior to the application of any MVA formula; and (b) The MVA formula or MVA amount used to determine the cash surrender value.

**Renewal of Guarantee Period.** During the last 30 days before the end of any guarantee period, You may Request one of these options to take effect on Your next Contract Anniversary:

- (1) Continue Your contract for a Subsequent Guarantee Period of the same duration as the preceding guarantee period and at the applicable Subsequent Guaranteed Interest Rate;
- (2) Apply the Account Value to a Settlement Option;
- (3) Take a partial withdrawal, with MVA and Withdrawal Charge Percentages waived, and apply the remaining value to a Subsequent Guarantee Period of the same duration as the preceding guarantee period and at the applicable Subsequent Guaranteed Interest Rate; or
- (4) Surrender the entire contract with MVA and Withdrawal Charge Percentages waived.

We will notify You at least 45 days before the expiration of a guarantee period. Unless You Request one of the options shown above, Your contract will continue automatically for a Subsequent Guarantee Period, of the same duration as the preceding guarantee period, with a Subsequent Guaranteed Interest

Rate. The Subsequent Guarantee Period cannot extend beyond the Maturity Date shown in the Data Section.

**If Your contract is continued for a Subsequent Guarantee Period, the MVA, applicable Withdrawal Charge Percentage, and Withdrawal Charge Period shown in the Data Section apply to the new guarantee period.**

## **PART 6: WITHDRAWALS AND SURRENDER**

We must receive a Written Request from the Owner for any withdrawal or surrender.

**Income Tax Reporting.** Partial Withdrawals and Full Surrender may involve income tax consequences. Determination of income tax consequences and payment of income tax liability for any distribution is the responsibility of the Owner. We will make all required reports to the IRS.

**Free Withdrawal Amount.** An amount equal to 10% of the Account Value at the beginning of any 12 months period starting with the Issue Date. The Free Withdrawal Amount includes any and all withdrawals including Accumulated Interest Withdrawal. Free Withdrawal Charges are subject to Market Value Adjustment. Withdrawal Charges are waived on the Free Withdrawal Amount.

**Partial Withdrawals.** Partial Withdrawals over the Free Withdrawal Amount are subject to the Withdrawal Charges on Page 2. A portion of the Account Value may be withdrawn before the Maturity Date. The amount paid to You will be the Partial Withdrawal Amount Payable. Partial Withdrawals may not reduce the Account Value to less than the Minimum Account Value Allowed on Page 2. All Partial Withdrawals shall be treated first as a withdrawal of accrued interest earnings, and then as a withdrawal of premium.

**Partial Withdrawal Amount.** The amount You request to withdraw before the Maturity Date that is higher than the Free Withdrawal Amount.

**Partial Withdrawal Amount Payable.** This is the amount of proceeds payable if You take a partial withdrawal from this contract:

- (1) The Partial Withdrawal Amount, multiplied by the MVA; less
- (2) The Withdrawal Charges on page 2.

**Full Surrender.** This contract may be surrendered before the Maturity Date. The amount to be paid upon such surrender will be equal to the Cash Surrender Value as of the date We received Your Written Request.

**Surrender Requirements.** We will require:

- (1) Your Written Request; and
- (2) Return of this contract or a notarized lost policy affidavit to Us for a full surrender.

**Accumulated Interest Withdrawal.** You may withdraw the accumulated interest and the Withdrawal Charge Percentage and Market Value Adjustment will be waived. The withdrawal amount must be \$100 or greater. If the withdrawal amount is less than \$100, We reserve the right to reduce the frequency of payments to an interval which will result in each payment being at least \$100. The payment of interest to you will be made by an electronic transfer of funds ("EFT").

**Deferral of Payment.** We may defer payment for a period of not more than six (6) months after We receive the Written Request.



## **PART 7: DEATH BENEFITS**

### **DEATH OF OWNER**

**Notification of Death.** The death of the Owner must be reported to Us as soon as is reasonably possible. Any Death Benefit will be payable when We are notified of the Owner's death, and have received the required proof of death, this contract and other information which We may require. Proof of death means written notification delivered to the Company of the death of the Owner, accompanied by an original or certified copy of the death certificate.

The Death Benefit will be payable to the Beneficiary. If no Beneficiary is living on that date, benefits will be paid to the contingent Beneficiary, or if none is then living, to the Owner's estate. If more than one Beneficiary is to receive Death Benefit proceeds, they will be paid in equal shares unless You specify otherwise in writing.

If a person named to receive benefits is a minor, We will make all payments to the guardian of the minor's estate. We may require proof of the age of any such person.

**Death Before the Maturity Date.** While this contract is in force and prior to the Maturity Date, a Death Benefit will be payable upon Your death.

**Death Benefit.** The Death Benefit will be the Account Value as of the date of Your death. Withdrawal Charges and Market Value Adjustment will be waived.

If You die before the Maturity Date and Your surviving spouse is the sole Beneficiary, the Beneficiary may elect:

- (1) to be treated as a successor Owner of the contract. In this case, distributions are not required to begin until the Maturity Date;
- (2) to select one of the Settlement Options and start receiving monthly payouts; or
- (3) to receive the Death Benefit as a lump sum payment

### **DEATH OF THE ANNUITANT**

**Death Before Maturity Date.** No distribution is required nor will any death benefit be paid if an Annuitant dies before the Maturity Date unless the deceased Annuitant is also an Owner, in which case this section's DEATH OF OWNER-Death Before Maturity Date provision will apply. If the Annuitant dies before the Maturity Date, then the current Owner or Owner's designee will become the Annuitant.

**IMPORTANT INFORMATION ABOUT COVERAGE UNDER THE  
TEXAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION  
(For insurers declared insolvent or impaired on or after September 1, 2011)**

Texas law establishes a system to protect Texas policyholders if their life or health insurance company fails. The Texas Life and Health Insurance Guaranty Association (“the Association”) administers this protection system. Only the policyholders of insurance companies that are members of the Association are eligible for this protection which is subject to the terms, limitations, and conditions of the Association law. (The law is found in the *Texas Insurance Code, Chapter 463.*)

**It is possible that the Association may not protect all or part of your policy because of statutory limitations.**

**Eligibility for Protection by the Association**

When a member insurance company is found to be insolvent and placed under an order of liquidation by a court or designated as impaired by the Texas Commissioner of Insurance, the Association provides coverage to policyholders who are:

- Residents of Texas (**regardless of where the policyholder lived when the policy was issued**)
- Residents of other states, **ONLY** if the following conditions are met:
  1. The policyholder has a policy with a company domiciled in Texas;
  2. The policyholder’s state of residence has a similar guaranty association; and
  3. The policyholder is *not eligible* for coverage by the guaranty association of the policyholder’s state of residence.

**Limits of Protection by the Association**

**Accident, Accident and Health, or Health Insurance:**

- For each individual covered under one or more policies: up to a total of \$500,000 for basic hospital, medical-surgical, and major medical insurance, \$300,000 for disability or long term care insurance, or \$200,000 for other types of health insurance.

**Life Insurance:**

- Net cash surrender value or net cash withdrawal value up to a total of \$100,000 under one or more policies on a single life; or
- Death benefits up to a total of \$300,000 under one or more policies on a single life; or
- Total benefits up to a total of \$5,000,000 to any owner of multiple non-group life policies.

**Individual Annuities:**

- Present value of benefits up to a total of \$250,000 under one or more contracts on any one life.

**Group Annuities:**

- Present value of allocated benefits up to a total of \$250,000 on any one life; or
- Present value of unallocated benefits up to a total of \$5,000,000 for one contractholder regardless of the number of contracts.

**Aggregate Limit:**

- \$300,000 on any one life with the exception of the \$500,000 health insurance limit, the \$5,000,000 multiple owner life insurance limit, and the \$5,000,000 unallocated group annuity limit.

These limits are applied for each insolvent insurance company.

**Insurance companies and agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation, or inducement to purchase any form of insurance. When you are selecting an insurance company, you should not rely on Association coverage. For additional questions on Association protection or general information about an insurance company, please use the following contact information.**

Texas Life and Health Insurance  
Guaranty Association  
515 Congress Avenue, Suite 1875  
Austin, Texas 78701  
800-982-6362 or [www.txlifega.org](http://www.txlifega.org)

Texas Department of Insurance  
P.O. Box 149104  
Austin, Texas 78714-9104  
800-252-3439 or [www.tdi.texas.gov](http://www.tdi.texas.gov)