



# GAFRI News Bulletin

August 16, 2010

NB58-10GFR

## Changes to GAFRI Product Portfolio

As you may be aware, the 10-year Treasury rates that we tie our product rates to have experienced a continuing and significant drop. In the last three months, rates have dropped by more than 20%, as illustrated below:



Because of this, we will be making the following changes to our product portfolio **effective August 21, 2010**.

### Interest Rate Changes

- ★ **Fixed annuity rate changes:** Order tickets with checks received in the Home Office by end of business day Friday, August 20, 2010 will be processed with the previous rate. Transfers and rollovers received by August 20, 2010 must have the funds in the Home Office by Friday, September 17, 2010 to receive the previous rate.
- ★ **Fixed-indexed annuity rate changes:** Rates will be determined by the date money is received, regardless of the order ticket date.

### Bonus Changes

- ★ **GreatFlex 6<sup>SM</sup> (403(b) contracts):** The additional interest rate applied for 12 months from date of receipt to all purchase payments is decreasing to **1.50%**.
- ★ **American Freedom Stars & Stripes<sup>®</sup>:** The first-year interest rate bonus is decreasing to **0.25%**.

**Note the additional interest rate and bonus rate will be determined by the date money is received, regardless of the order ticket date.**

Please refer to the [Annuity Investors<sup>®</sup> Life](#) and [Great American Life<sup>®</sup>](#) rate charts for more information.

### Product Suspension

- ★ The **American Freedom Stars & Stripes Non-MVA** is suspended for new sales. Order tickets will be accepted through August 20, 2010 and funds must be received by September 17, 2010. Please note this product is only available in Indiana, New Jersey, Pennsylvania and Virginia.

### Commission Changes

- ★ The heaped commission option is being suspended for **GreatFlex 6 (403(b) contracts)**.
- ★ Commissions are decreasing for the following products:

Annuity Investors Life	Great American Life
FlexMax <sup>SM</sup>	American Freedom 10-ST <sup>®</sup>
FlexMax Plus <sup>SM</sup>	American Freedom Stars & Stripes
GreatFlex 6 (Non-qualified contracts)	American Icon <sup>®</sup> II
GreatFlex 6 (IRA contracts)	American Valor <sup>®</sup> II
	Secure American <sup>®</sup>
<i>Updated commission schedules will be available on our secured website on <b>August 23, 2010</b>.</i>	

We believe these changes will allow us to remain a financially strong and stable company for you and your clients. Thank you for your continued support of our company.