

## Portfolio Director®

### Fixed and Variable Annuity

Prospectus, May 1, 2018

**Go faster. Go more secure. Go paperless.**

**Enroll in Personal *Deliver-e*® today!**

- Convenient
- Secure
- Environmentally friendly

### Manage your account online

You will need to create an online security profile with a unique user ID and password.

With your PIN, you can also access your account via the 24-hour VALIC automated phone line at 1-800-448-2542.

- Print and download account transaction confirmations and tax statements
- View transaction history and download it to Quicken using Direct Connect<sup>SM</sup>
- Use the Account Aggregation feature to display information from other accounts in addition to your VALIC accounts
- Easily manage your personal profile to update your contact information (phone, address, email), update your beneficiaries, reset your password, and more

### With VALIC.com, you can initiate account transactions including:

- Change allocation
- Transfer money among investment options
- Rebalance account to your desired allocation mix
- Change contributions
- Automate future contribution increases

### Start exploring VALIC.com today!

- Visit VALIC.com
- Register for online access
- Follow steps to create a security profile

### Personal**Deliver**-

- It's easy to sign up
- Simply visit VALIC.com today to get started

### Please note:

Email delivery is not accessible to certain VALIC annuity contract owners.

### Sign up today at VALIC.com

We know privacy is important to you, so please be assured that your email address and other information you share with us is kept private and never sold. Review our Privacy Policy online for more information.

**Easy and secure. Sign up for Personal**Deliver**- today.**

**CLICK VALIC.com CALL 1-800-448-2542 VISIT your financial advisor**

Securities and investment advisory services offered through VALIC Financial Advisors, Inc. ("VFA"), member FINRA, SIPC and an SEC-registered investment advisor. VFA registered representatives offer securities and other products under retirement plans and IRAs, and to clients outside of such arrangements.

Annuities issued by The Variable Annuity Life Insurance Company ("VALIC"). Variable annuities distributed by its affiliate, AIG Capital Services, Inc. ("ACS"), member FINRA. VALIC, VFA and ACS are members of American International Group, Inc. ("AIG").

# The Variable Annuity Life Insurance Company

## Separate Account A

### Units of Interest Under Group and Individual

### Fixed and Variable Deferred Annuity Contracts

### Portfolio Director® Plus, Portfolio Director 2, and Portfolio Director

### For Series 1.00 to 12.00

May 1, 2018

#### Prospectus

The Variable Annuity Life Insurance Company (“VALIC”) offers certain series of Portfolio Director Plus, Portfolio Director 2, and Portfolio Director (referred to collectively as “Portfolio Director” in this prospectus), comprising group and individual fixed and variable deferred annuity contracts for Participants who receive certificates in certain employer-sponsored qualified retirement plans (the “Contracts”). Nonqualified contracts are also available for certain employer plans as well as for certain after-tax arrangements that are not part of an employer’s plan.

The Contracts permit Participants to invest in and receive retirement benefits in one or more Fixed Account Options and/or an array of Variable Account Options described in this prospectus. If your Contract is part of your employer’s retirement program, that program will describe which Variable Account Options are available to you. If your Contract is a tax-deferred nonqualified annuity that is not part of your employer’s retirement plan, those Variable Account Options that are invested in Mutual Funds available to the public outside of annuity contracts, life insurance contracts, or certain employer-sponsored retirement plans will not be available within your Contract.

Any guarantees under the Contract, including the death benefit, that exceed the value of your interest in the VALIC Separate Account A (“Separate Account”) are paid from our general account (and not the Separate Account). Therefore, any amounts that we may pay under the Contract in excess of your interest in the Separate Account are subject to our financial strength and claims-paying ability and our long-term ability to make such payments.

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This prospectus provides information employers and Participants should know before investing in the Contracts and will help each make decisions for selecting various investment options and benefits. Please read and retain this prospectus for future reference.

A Statement of Additional Information, dated May 1, 2018, contains additional information about the Contracts and is part of this prospectus. For a free copy call 1-800-448-2542. The table of contents for the Statement of Additional Information (“SAI”) is shown at the end of this prospectus. The SAI has been filed with the Securities and Exchange Commission (“SEC”) and is available along with other related materials at the SEC’s internet web site (<http://www.sec.gov>).

**Investment in the Contracts is subject to risk that may cause the value of the Owner’s investment to fluctuate, and when the Contracts are surrendered, the value may be higher or lower than the Purchase Payments.**

**The SEC has not approved or disapproved these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.**

## Variable Account Options

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#### VALIC Company I Funds

Asset Allocation Fund  
Blue Chip Growth Fund  
Broad Cap Value Income Fund  
Capital Conservation Fund  
Core Equity Fund  
Dividend Value Fund  
Dynamic Allocation Fund  
Emerging Economies Fund  
Foreign Value Fund  
Global Real Estate Fund  
Global Social Awareness Fund  
Global Strategy Fund  
Government Money Market I Fund  
Government Securities Fund  
Growth Fund  
Growth & Income Fund  
Health Sciences Fund  
Inflation Protected Fund  
International Equities Index Fund  
International Government Bond Fund  
International Growth Fund  
Large Cap Core Fund  
Large Capital Growth Fund  
Mid Cap Index Fund  
Mid Cap Strategic Growth Fund  
Nasdaq-100® Index Fund  
Science & Technology Fund  
Small Cap Aggressive Growth Fund  
Small Cap Fund  
Small Cap Index Fund  
Small Cap Special Values Fund  
Small-Mid Growth Fund  
Stock Index Fund  
Value Fund

#### VALIC Company II Funds

Aggressive Growth Lifestyle Fund  
Capital Appreciation Fund  
Conservative Growth Lifestyle Fund  
Core Bond Fund  
Government Money Market II Fund  
High Yield Bond Fund  
International Opportunities Fund  
Large Cap Value Fund  
Mid Cap Growth Fund  
Mid Cap Value Fund  
Moderate Growth Lifestyle Fund  
Small Cap Growth Fund  
Small Cap Value Fund  
Socially Responsible Fund  
Strategic Bond Fund

#### Public Funds

American Beacon Bridgeway Large Cap Growth Fund  
Ariel Appreciation Fund  
Ariel Fund  
Invesco Balanced-Risk Commodity Strategy Fund  
T. Rowe Price Retirement 2015 Fund  
T. Rowe Price Retirement 2020 Fund  
T. Rowe Price Retirement 2025 Fund  
T. Rowe Price Retirement 2030 Fund  
T. Rowe Price Retirement 2035 Fund  
T. Rowe Price Retirement 2040 Fund  
T. Rowe Price Retirement 2045 Fund  
T. Rowe Price Retirement 2050 Fund  
T. Rowe Price Retirement 2055 Fund  
T. Rowe Price Retirement 2060 Fund  
Vanguard Lifestrategy Conservative Growth Fund  
Vanguard Lifestrategy Growth Fund  
Vanguard Lifestrategy Moderate Growth Fund  
Vanguard Long-Term Investment-Grade Fund  
Vanguard Long-Term Treasury Fund  
Vanguard Wellington Fund  
Vanguard Windsor II Fund

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## Glossary of Terms

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Unless otherwise specified in this prospectus, the words “we,” “us,” “our,” “Company,” and “VALIC” mean The Variable Annuity Life Insurance Company and the words “you” and “your” mean the Participant, or the individual purchasing an individual Contract.

Other specific terms we use in this prospectus are:

**Account Value** — the total sum of your Fixed Account Option and/or Variable Account Option that has not yet been applied to your Payout Payments.

**Annuitant** — the individual (in most cases, you) to whom Payout Payments will be paid.

**Annuity Service Center** — VALIC Document Control, P.O. Box 15648, Amarillo, Texas 79105.

**Assumed Investment Rate** — The rate used to determine your first monthly payout payment per thousand dollars of account value in your Variable Account Option.

**Beneficiary** — the individual designated to receive Payout Payments upon the death of the Annuitant.

**Business Day** — any weekday that the New York Stock Exchange (“NYSE”) is open for trading. Normally, the NYSE is open Monday through Friday through 4:00 p.m. Eastern time (“Market Close”). On holidays or other days when the NYSE is closed, such as Good Friday, the Company is not open for business.

**Code** — the Internal Revenue Code of 1986, as amended.

**Contract Owner** — the individual or entity to whom the Contract is issued. For a group Contract, the Contract Owner will be the employer purchasing the Contract for a retirement plan.

**Division** — the portion of the Separate Account invested in a particular Mutual Fund. Each Division is a subaccount of VALIC Separate Account A.

**Fixed Account Option** — an account that is guaranteed to earn at least a minimum rate of interest while invested in VALIC’s general account.

**Guided Portfolio Advantage<sup>SM</sup> / Guided Portfolio Services<sup>®</sup> (“GPA” and “GPS”, respectively)** — are financial advice services offered by VALIC Financial Advisors, Inc., a registered investment adviser and Company subsidiary. A separate investment advisory fee and agreement are required for either of these services, if available under an employer’s retirement plan. The Living Benefits are not available with GPA or GPS.

**Home Office** — located at 2929 Allen Parkway, Houston, Texas 77019.

**Living Benefit** — an optional guaranteed minimum withdrawal benefit designed to help you create a guaranteed income stream for a specified period of time or as long as you and your spouse live, even if your entire Account Value has been reduced to zero. IncomeLOCK<sup>®</sup> +6, IncomeLOCK<sup>®</sup> +8 (together, “IncomeLOCK Plus”) and IncomeLOCK<sup>®</sup> are no longer available

for purchase. See “Appendix B” for information on these Living Benefits.

**Mutual Fund or Fund** — the investment portfolio(s) of a registered open-end management investment company, which serves as the underlying investment vehicle for each Division represented in VALIC Separate Account A.

**Participant** — the individual (in most cases, you) who makes purchase payments or for whom purchase payments are made.

**Participant Year** — a 12 month period starting with the issue date of a Participant’s Contract certificate and each anniversary of that date.

**Payout Payments** — annuity payments withdrawn in a steady stream during the Payout Period.

**Payout Period** — the time when you begin to withdraw your money in Payout Payments. This may also may be called the “Annuity Period.”

**Payout Unit** — a measuring unit used to calculate Payout Payments from your Variable Account Option. Payout Units measure value, which is calculated just like the Purchase Unit value for each Variable Account Option except that the initial Payout Unit includes a factor for the Assumed Investment Rate selected. Payout Unit values will vary with the investment experience of the VALIC Separate Account A Division.

**Proof of Death** — a certified copy of the death certificate, a certified copy of a decree of a court of competent jurisdiction as to death, a written statement by an attending physician, or any other proof satisfactory to VALIC.

**Purchase Payments** — an amount of money you or your employer pay to VALIC to receive the benefits of a Contract.

**Purchase Period** — the accumulation period or time between your first Purchase Payment and the beginning of your Payout Period (or surrender). Also may be called the “Accumulation Period.”

**Purchase Unit** — a unit of interest owned by you in your Variable Account Option.

**Systematic Withdrawals** — payments withdrawn on a regular basis during the Purchase Period.

**VALIC Separate Account A or Separate Account** — a segregated asset account established by VALIC under the Texas Insurance Code. The purpose of the VALIC Separate Account A is to receive and invest your Purchase Payments and Account Value in the Variable Account Option, if selected.

**Variable Account Option** — investment options that correspond to Separate Account Divisions available under the Contracts.

## Fee Tables

The following tables describe the fees and expenses that you may pay when buying, owning, and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the Contract, surrender the Contract, or transfer cash value between investment options.

### Contract Owner/Participant Transaction Expenses

Maximum Surrender Charge (1)	5.00%
Maximum Loan Application Fee (per loan)	\$75
State Premium Taxes (as a percentage of the amount annuitized) (2)	0-3.5%

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including the Variable Account Option fees and expenses.

### Separate Account Charges

Variable Account Option Maintenance Charge (3)	\$3.75 Per Quarter
Mortality and Expense Risk Separate Account Charges for each Variable Account Option (4) (as a percentage of assets invested):	Annual Separate Account Fee (%)
<b>VALIC Company I Funds (34 Funds) (5)</b>	1.00
<b>VALIC Company II Funds (15 Funds) (5)</b>	0.75
<b>Public Funds</b>	
American Beacon Bridgeway Large Cap Growth Fund, Investor Shares	1.00
Ariel Appreciation Fund, Investor Shares	1.00
Ariel Fund, Investor Shares	1.00
Invesco Balanced-Risk Commodity Strategy Fund, R5 Shares	1.00
T. Rowe Price Retirement 2015 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2020 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2025 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2030 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2035 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2040 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2045 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2050 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2055 Fund, Advisor Shares	1.00
T. Rowe Price Retirement 2060 Fund, Advisor Shares	1.00
Vanguard Lifestrategy Conservative Growth Fund, Investor Shares	1.25
Vanguard Lifestrategy Growth Fund, Investor Shares	1.25
Vanguard Lifestrategy Moderate Growth Fund, Investor Shares	1.25
Vanguard Long-Term Investment-Grade Fund, Investor Shares	1.00
Vanguard Long-Term Treasury Fund, Investor Shares	1.00
Vanguard Wellington Fund, Investor Shares	1.25
Vanguard Windsor II Fund, Investor Shares	1.25

### Optional IncomeLOCK Plus Fee

If you elected this optional Living Benefit feature, the fee for IncomeLOCK Plus is calculated as a percentage of the Benefit Base.(6)

<u>Number of Covered Persons</u>	<u>Initial Annual Fee Rate</u>	<u>Maximum Annual Fee Rate(7)</u>
For One Covered Person	1.10%	2.20%
For Two Covered Persons	1.35%	2.70%

## Underlying Mutual Fund Expenses

The next table shows the minimum and maximum total operating expenses charged by the Mutual Funds that you may pay periodically during the time that you own the Contract. More detail concerning each Mutual Fund's fees and expenses is contained in the prospectus for each Mutual Fund.

Total Annual Mutual Fund Operating Expenses	Minimum	Maximum
(Expenses that are deducted from the assets of a Mutual Fund, including management fees, distribution and/or service (12b-1) fees, and other expenses)	0.12%(8)	1.40%(8)

### Footnotes to the Fee Tables

(1) The maximum surrender charge is the lesser of 5% of the amount withdrawn or 5% of the Purchase Payments received within the past 60 months. If no Purchase Payments are received within the past 60 months, the surrender charge will be zero. Reductions in the surrender charge are available if certain conditions are met. See "Reduction or Waiver of Account Maintenance, Surrender, or Separate Account Charges" and "Exceptions to Surrender Charge."

(2) If applicable, state premium taxes of up to 3.5% may also be deducted when you begin the Payout Period. See *Premium Tax Charge* section and *Appendix C — State Contract Variability*.

(3) Reductions in the account maintenance charge are available if certain conditions are met. See "Reduction or Waiver of Account Maintenance, Surrender, or Separate Account Charges" and "Exceptions to Surrender Charge."

(4) See "Purchase Unit Value" in the SAI for a discussion of how the separate account charges impact the calculation of each Division's unit value. Reductions in the Separate Account Charges may be available for plan types meeting certain criteria. See "Reduction or Waiver of Account Maintenance, Surrender, or Separate Account Charges."

(5) See cover page for a list of the VALIC Company I and VALIC Company II Variable Account Options offered by this prospectus.

(6) The fee is assessed against the Benefit Base which determines the basis of the Covered Person(s) guaranteed lifetime benefit. The fee is deducted from your Account Value at the end of the first quarter following election and quarterly thereafter. For a complete description of how the Benefit Base is calculated, see "IncomeLOCK Plus in Appendix B."

(7) The Initial Annual Fee Rate is guaranteed not to change for the first Benefit Year. Subsequently, the fee rate may change quarterly subject to the parameters identified in the table below. Any fee adjustment is based on a non-discretionary formula tied to the change in the Volatility Index ("VIX<sup>®</sup>"), an index of market volatility reported by the Chicago Board Options Exchange. Your Fee Rate will increase or decrease on a Benefit Quarter Anniversary based on the change in the average value of the VIX from one Benefit Quarter to the next Benefit Quarter. For the formula to calculate the fee, see "Appendix B."

Number of Covered Persons	Minimum Annual Fee Rate	Maximum Annual Fee Rate	Maximum Annualized Fee Rate Decrease or Increase*
One Covered Person	0.60%	2.20%	+/-0.25%
Two Covered Persons	0.60%	2.70%	+/-0.25%

\* The fee rate can increase or decrease no more than 0.0625% each Benefit Quarter (0.25%/4).

In accordance with the investment requirements associated with the election of a Living Benefit, you may, but are not required to, invest a portion of your assets in the Dynamic Allocation Fund. The Dynamic Allocation Fund utilizes an investment strategy that is intended, in part, to maintain a relatively stable exposure to equity market volatility over time. Accordingly, when the equity market is in a prolonged state of higher volatility, your Fee Rate may be increased due to VIX indexing and the Dynamic Allocation Fund may decrease its exposure to equity markets, thereby potentially reducing the likelihood that you will achieve a higher Anniversary Value. Additionally, the increased fee will continue to be applied against your fixed and separate account assets. Conversely, when the equity market is in a prolonged state of lower volatility, your Fee Rate may be decreased and the Dynamic Allocation Fund may increase its exposure to equity markets, providing you with the potential to achieve a higher Anniversary Value.

(8) The Mutual Fund with the highest operating expenses is the American Beacon Bridgeway Large Cap Growth Fund. The Fund's Manager has contractually agreed to waive fees and/or reimburse expenses through April 30, 2018 to the extent that Total Annual Fund Operating Expenses exceed 1.19% (excluding taxes, interest, brokerage commissions, acquired fund fees and expenses, securities lending fees, expenses associated with securities sold short, litigation, and other extraordinary expenses). The contractual expense reimbursement can be changed only in the discretion and with the approval of a majority of the Fund's Board of Trustees. The Mutual Fund with the lowest operating expenses is the Vanguard LifeStrategy Conservative Growth Fund (0.12%). While the Vanguard LifeStrategy Conservative Growth Fund is the underlying Fund with the minimum total operating expenses within the Contract, the Vanguard Long-Term Treasury Fund has the lowest combined total operating expenses and associated Separate Account Charges (0.20% and 1.00%, respectively).



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## Examples

These examples are intended to help you compare the cost of investing in the Contract with the cost of investing in other variable annuity contracts. These costs include Contract Owner/Participant transaction expenses, Contract fees, Separate Account annual expenses and the Variable Account Option fees and expenses. Each example assumes that you invest a single Purchase Payment of \$10,000 in the Contract for the time periods indicated and that your investment has a 5% return each year. Neither example includes the effect of premium taxes upon annuitization, which, if reflected, would result in higher costs. Your actual costs may be higher or lower than the examples below.

The first set of examples assumes you invest in the Variable Account Option with the **maximum** total fund expenses (1.40%) and Separate Account Charges (1.00%) for total combined expenses of 2.40% (American Beacon Bridgeway Large Cap Growth Fund).

(1) If you surrender your Contract at the end of the applicable time period:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$719	\$1,276	\$1,852	\$2,871

(2) If you annuitize your Contract or you do *not* surrender your Contract:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$258	\$792	\$1,352	\$2,871

The second set of examples assumes you invest in the Variable Account Option with the **minimum** total fund expenses (0.20%) and Separate Account Charges (1.00%) for total combined expenses of 1.20% (Vanguard Long-Term Treasury Fund).

(1) If you surrender your Contract at the end of the applicable time period:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$604	\$925	\$1,233	\$1,599

(2) If you annuitize your Contract or you do *not* surrender your Contract:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$137	\$425	\$733	\$1,599

The third set of examples is applicable if you previously elected the IncomeLOCK Plus feature and assumes you invest in the Variable Account Option with the **maximum** total fund expenses (1.40%) and Separate Account Charges (1.00%) for total combined expenses of 2.40% (American Beacon Bridgeway Large Cap Growth Fund), and election of the IncomeLOCK Plus feature for Two Covered Persons (for the first year calculated at the initial annual fee rate of 1.35% and at the maximum annual fee rate of 2.70% for remaining years).

(1) If you surrender your Contract at the end of the applicable time period:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$847	\$2,016	\$3,053	\$5,186

(2) If you annuitize your Contract or you do not surrender your Contract (the IncomeLOCK Plus feature terminates at annuitization):

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$392	\$1,569	\$2,609	\$5,186

Note: These examples should not be considered representative of past or future expenses for any Variable Account Option or for any Mutual Fund. Actual expenses may be greater or less than those shown above. Similarly, the 5% annual rate of return assumed in the examples is not an estimate or guarantee of future investment performance.

**For Purchase Unit data for each of the Variable Account Options offered by this prospectus, which includes annual beginning and ending unit values and the number of units outstanding at the end of each period, see "Appendix A — Selected Purchase Unit Data."**



## Highlights

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The Portfolio Director Fixed and Variable Annuity is a Contract between you and the Company. It is designed to help you invest on a tax-deferred basis and meet long-term financial goals.

There are minimum Purchase Payment amounts required to purchase a Contract. Purchase Payments may be invested in a variety of variable and fixed account options. Like all deferred annuities, the Contract has a Purchase Period and a Payout Period. During the Purchase Period, you invest money in your Contract. The Payout Period begins when you start receiving income payments from your annuity to provide for your retirement.

**Purchase Requirements:** Purchase Payments may be made at any time and in any amount, subject to plan, VALIC, or Code limitations. The minimum amount to establish a new Multi-Year Enhanced Option guarantee period (MVA Band), as described in the Contract, may be changed from time to time by the Company. The maximum single payment that may be applied to any account without prior Home Office approval is \$1,000,000. *For more information on Purchase Payments, refer to the "Purchase Period."*

**Right to Cancel:** You may cancel your Contract within 20 days after receiving it (or whatever period is required in your state). We will return your original Purchase Payment or whatever your Contract is worth on the day that we receive your request, depending on your state law. *See "Other Contract Features."*

**Expenses:** There are fees and charges associated with the Contract. During the Purchase Period, if any portion of your account is invested in a Variable Account Option, a quarterly account maintenance charge of \$3.75 is charged to your account. The Contract maintenance charge may be waived for certain group contracts. We also deduct Separate Account Charges of up to 1.25% annually of the average daily value of your Contract allocated to the Variable Account Options. *See the "Fee Tables" and "Fees and Charges."*

**Living Benefits:** A Living Benefit is a guaranteed minimum withdrawal benefit and is designed to help you create a guaranteed income stream for as long as you live, or as long as you and your spouse live, even if the entire Account Value has been reduced to zero, provided withdrawals taken are within the parameters of the applicable feature. A Living Benefit may offer protection in the event your Account Value declines due to unfavorable investment performance, certain withdrawal activity, if you live longer than expected or any combination of these factors. Living Benefits (IncomeLOCK +6, IncomeLOCK +8 and IncomeLOCK) are no longer available for purchase. *See "Appendix B" for information on these Living Benefits.*

**Federal Tax Information:** Although deferred annuity contracts such as Portfolio Director can be purchased with after-tax dollars, they are primarily used in connection with

retirement programs that already receive favorable tax treatment under federal law.

Annuities, custodial accounts and trusts used to fund tax-qualified retirement plans and programs (such as those established under Code sections 403(b) or 401(k) and IRAs) generally defer payment on taxes and earnings until withdrawal. If you are considering an annuity to fund a tax-qualified plan or program, you should know that an annuity generally does not provide additional tax deferral beyond the tax-qualified plan or program itself. Annuities, however, may provide other important features and benefits such as the income payout option, which means that you can choose to receive periodic payments for the rest of your life or for a certain number of years, and a minimum guaranteed death benefit, which protects your Beneficiaries if you die before you begin the income payout option. Before purchasing a deferred annuity for use in a qualified retirement plan or program, you should seek tax advice from your own tax advisor. *For a more detailed discussion of these income tax provisions, see "Federal Tax Matters."*

**Surrender Charges:** Under some circumstances, a surrender charge is deducted from your account. These situations are discussed in detail in the section of this prospectus entitled "Fees and Charges — Surrender Charge." When this happens, the surrender charge is computed in two ways and you are charged whichever amount is less. The first amount is simply 5% of whatever amount you have withdrawn. The second amount is 5% of the contributions you have made to your account during the last 60 months. *See the above mentioned section for exceptions to this procedure.*

Withdrawals from a Multi-Year Enhanced Option prior to the end of the applicable MVA term will be subject to a market value adjustment unless an exception applies. This may increase or reduce the amount withdrawn.

However, the market value adjustment will not reduce the amount invested in the Multi-Year Enhanced Option below the guaranteed amount.

Withdrawals are always subject to your plan provisions and federal tax restrictions, which, for plans other than section 457(b) plans, generally include a tax penalty on withdrawals made prior to age 59½, unless an exception applies.

**Access to Your Money:** You may withdraw money from your Contract during the Purchase Period. You will pay income taxes on earnings and untaxed contributions when you withdraw them. Payments received during the Payout Period are considered partly a return of your original investment. A federal tax penalty may apply if you make withdrawals before age 59½. As noted above, a withdrawal charge may apply. *See "Surrender of Account Value" and "Federal Tax Matters."*

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**Loans:** Portfolio Director offers a tax-free loan provision for tax-qualified contracts, other than individual retirement plans (“IRAs”), which gives you access to your money in the Fixed Account Options (subject to a minimum loan amount of \$1,000). The availability of loans is subject to federal and state government regulations, as well as your employer’s plan provisions and VALIC policy. Generally, one loan per account will be allowed. Under certain, specific circumstances, a maximum of two loans per account may be allowed. VALIC reserves the right to change this limit. We may charge a loan application fee if permitted under state law. Keep in mind that tax laws restrict withdrawals prior to age 59½ and a tax penalty may apply (including on a loan that is not repaid). If you elected IncomeLOCK Plus, see Appendix B for limitations on your ability to take loans.

**Transfers:** There is no charge to transfer the money in your account among Portfolio Director’s investment options. You may transfer your Account Values between Variable Account Options at any time during the Purchase Period, subject to certain rules.

Your Account Value in the Short-Term Fixed Account must remain there for at least 90 days before it can be transferred to other investment options. Up to 20% of your Fixed Account Plus Account Value may be transferred during each Participant Year to other investment options. If you transfer assets from Fixed Account Plus to another investment option, any assets transferred back into Fixed Account Plus within 90 days will receive a different rate of interest, than that paid for new Purchase Payments.

Amounts invested in a Multi-Year Enhanced Option may be transferred to another investment option at the end of an MVA term without application of a market value adjustment.

Once you begin receiving payments from your account (called the Payout Period), you may still transfer funds among Variable Account Options once each Participant Year.

Transfers can be made by calling VALIC’s toll-free transfer service at 1-800-448-2542. *For more information on account transfers, see “Transfers Between Investment Options.”*

**Income Options:** When you are ready to begin taking income, you can choose to receive income payments on a variable basis, fixed basis, or a combination of both. You may also choose from five different income options, including an option for income that you cannot outlive. *See “Payout Period.”*

**Death Benefits:** Portfolio Director will pay death benefits during either the Purchase Period or the Payout Period. The death benefits are automatically included in your Contract for no additional fee. If death occurs during the Purchase Period, Portfolio Director offers an interest-guaranteed death benefit or the standard death benefit. If death occurs during the Payout Period, your Beneficiary may receive a death benefit depending on the Payout Option selected. Note that the death benefit provisions may vary from state to state. *See “Death Benefits.”*

**Inquiries:** If you have questions about your Contract, call your financial advisor or contact us at 1-800-448-2542.

**All material state variations are described in Appendix C.**

**Please read the prospectus carefully for more detailed information regarding these and other features and benefits of the Contract, as well as the risks of investing.**

## General Information

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### About the Contracts

The Contracts were developed to help you save money for your retirement. A group Contract is a Contract that is purchased by an employer for a retirement plan. The employer and the plan documents will determine how contributions may be made to the Contracts. For example, the employer and plan documents may allow contributions to come from different sources, such as payroll deductions or money transfers. The amount, number, and frequency of your Purchase Payments may also be determined by the retirement plan for which your Contract was purchased. Likewise, the employer’s plan may have limitations on partial or total withdrawals (surrenders), the start of annuity payments, and the type of annuity payout options you select.

The Contracts offer a combination of fixed and variable investment options that you, as a Participant, may choose to

invest in to help you reach your retirement savings goals. You should consider your personal risk tolerances and your retirement plan in choosing your investment options.

The retirement savings process with the Contracts will involve two stages: the accumulation Purchase Period, and the annuity Payout Period. The accumulation period is when you make contributions into the Contracts called “Purchase Payments.” The Payout Period begins when you decide to annuitize all or a portion of your Account Value. You can select from a wide array of payout options including both fixed and variable payments. For certain types of retirement plans, such as 403(b) plans, there may be statutory restrictions on withdrawals as disclosed in the plan documents. Refer to your plan document for guidance and any rules or restrictions regarding the accumulation or annuitization periods. *For more information, see “Purchase Period” and “Payout Period.”*

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## About VALIC

We were originally organized on December 21, 1955 as The Variable Annuity Life Insurance Company of America Incorporated, located in Washington, D.C. We reorganized in the State of Texas on August 20, 1968, as Variable Annuity Life Insurance Company of Texas. On November 5, 1968, the name was changed to The Variable Annuity Life Insurance Company. Our main business is issuing and offering fixed and variable retirement annuity contracts, like Portfolio Director. Our principal offices are located at 2929 Allen Parkway, Houston, Texas 77019. We have regional offices throughout the United States.

On August 29, 2001, SunAmerica Financial Group, Inc., formerly American General Corporation (“SAFG”), a holding company and VALIC’s indirect parent company, was acquired by American International Group, Inc., a Delaware corporation (“AIG”). As a result, VALIC is an indirect, wholly-owned subsidiary of AIG. AIG is a leading global insurance organization. AIG provides a wide range of property casualty insurance, life insurance, retirement products, and other financial services to commercial and individual customers in more than 80 countries and jurisdictions. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

More information about AIG may be found in the regulatory filings AIG files from time to time with the SEC at [www.sec.gov](http://www.sec.gov).

## American Home Assurance Company

The information below is applicable to you only if your Contract or Certificate was issued December 29, 2006 or earlier.

Insurance obligations under Contracts issued by the Company are guaranteed by American Home Assurance Company (“American Home”), an affiliate of the Company. Insurance obligations include, without limitation, Contract value invested in any available fixed account option, death benefits and income options. The guarantee does not guarantee Contract value or the investment performance of the Variable Account Options available under the Contracts. The guarantee provides that the Company’s Contract owners can enforce the guarantee directly.

American Home provided notice of termination of the General Guarantee Agreement dated March 3, 2003 (the “Guarantee”) with respect to Contracts issued by VALIC. The Guarantee terminated on December 29, 2006 at 4:00 p.m. Eastern time (“Point of Termination”). Pursuant to its terms, the Guarantee will not apply to any group or individual Contract or Certificate issued after the Point of Termination. The Guarantee will remain in effect for any Contract or Certificate issued prior to the Point of Termination until all insurance obligations under such Contracts or Certificates are satisfied in full. As described in the prospectus, VALIC will continue to remain obligated under all of

its Contracts and Certificates, regardless of issue date, in accordance with the terms of those Contracts and Certificates.

American Home is a stock property-casualty insurance company incorporated under the laws of the State of New York on February 7, 1899. American Home’s principal executive office is located at 175 Water Street, New York, New York 10038. American Home is licensed in all 50 states of the United States and the District of Columbia, as well as certain foreign jurisdictions, and engages in a broad range of insurance and reinsurance activities. American Home is an indirect wholly owned subsidiary of American International Group, Inc.

## About VALIC Separate Account A

When you direct money to the Contract’s Variable Account Options, you will be sending that money through VALIC Separate Account A. You do not invest directly in the Mutual Funds made available in the Contract. VALIC Separate Account A invests in the Mutual Funds on behalf of your account. VALIC acts as self custodian for the Mutual Fund shares owned through the Separate Account. VALIC Separate Account A is made up of what we call “Divisions.” Each Division invests in a different Mutual Fund made available through the Contract. For example, Division Ten represents and invests in the VALIC Company I Stock Index Fund. The earnings (or losses) of each Division are credited to (or charged against) the assets of that Division, and do not affect the performance of the other Divisions of VALIC Separate Account A.

VALIC established Separate Account A on July 25, 1979 under Texas insurance law. VALIC Separate Account A is registered with the SEC as a unit investment trust under the Investment Company Act of 1940, as amended, (the “1940 Act”). Units of interest in VALIC Separate Account A are registered as securities under The Securities Act of 1933, as amended (the “1933 Act”).

VALIC Separate Account A is administered and accounted for as part of the Company’s business operations. However, the income, capital gains or capital losses, whether or not realized, of each Division of VALIC Separate Account A are credited to or charged against the assets held in that Division without regard to the income, capital gains or capital losses of any other Division or arising out of any other business the Company may conduct. In accordance with the terms of the Contract, VALIC Separate Account A may not be charged with the liabilities of any other Company operation. As stated in the Contract, the Texas Insurance Code requires that the assets of VALIC Separate Account A attributable to the Contract be held exclusively for the benefit of the Contract owner, Participants, annuitants, and beneficiaries of the Contracts. The commitments under the Contracts are VALIC’s, and AIG and SAFG have no legal obligation to back these commitments.

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## Units of Interest

Your investment in a Division of VALIC Separate Account A is represented by units of interest issued by VALIC Separate Account A. On a daily basis, the units of interest issued by VALIC Separate Account A are revalued to reflect that day's performance of the underlying mutual fund minus any applicable fees and charges to VALIC Separate Account A.

## Distribution of the Contracts

As of the date of this prospectus, the principal underwriter and distributor for VALIC Separate Account A is AIG Capital Services, Inc. ("ACS" or "Distributor"). ACS, an affiliate of the Company, is located at 21650 Oxnard Street, Suite 750, Woodland Hills, California 91367-4997. *For more information about the Distributor, see "Distribution of Variable Annuity Contracts" in the SAI.*

The Contracts are sold by licensed insurance agents who are registered representatives of broker-dealers, which are members of the Financial Industry Regulatory Authority, unless such broker-dealers are exempt from the broker-dealer registration requirements of the Securities Exchange Act of 1934, as amended. VALIC receives payments from some Fund companies for exhibitor booths at meetings and to assist with the education and training of VALIC financial advisors.

VALIC sometimes retains and compensates business consultants to assist VALIC in marketing group employee benefit services to employers. VALIC business consultants are not associated persons of VALIC and are not authorized to sell or market securities or insurance products to employers or to group plan participants. The fees paid to such business consultants are part of VALIC's general overhead and are not charged back to employers, group employee benefit plans or plan participants.

VALIC compensates affiliated financial advisors through various methods of compensation. One component of compensation includes commissions, which may be up to 6.00% of each Purchase Payment during the first-year of the contract, up to 0.85% of Purchase Payments in subsequent years, and up to 5.00% on increases in the amount of periodic Purchase Payments in the year of the increase. If you own a Contract within an employer-sponsored retirement plan, your financial advisor may receive other forms of compensation in addition to or as an alternative to commissions. If you purchase a Contract as an IRA or as a non-qualified Contract, your financial advisor is paid a commission in amounts similar to those referenced above.

VALIC also distributes its products through independent broker-dealers, some of which are appointed by an employer to provide services in a retirement plan. Whether offered in a retirement plan or as an IRA or a non-qualified Contract, VALIC will pay independent broker-dealers for services/sales through the payment

of a commission up to 4.00% of each Purchase Payment and an annual trail (a reduced commission paid after the initial purchase).

For more information about how your financial advisor may be compensated, please contact your advisor.

In addition, the Company and the Distributor may enter into marketing and/or sales agreements with certain broker-dealers regarding the promotion and marketing of the Contracts. The sales commissions and any marketing arrangements as described are paid by the Company and are not deducted from Purchase Payments. We anticipate recovering these amounts from the fees and charges collected under the Contract. *See also the "Fees and Charges" section in this prospectus.*

## Administration of the Contracts

VALIC is responsible for the administrative servicing of your contract. Please contact the Annuity Service Center at 1-800-448-2542, if you have any comments, questions or service requests.

*Business Disruption and Cyber Security Risks.* VALIC relies heavily on interconnected computer systems and digital data to conduct its variable product business activities. Because VALIC's business is highly dependent upon the effective operation of its computer systems and those of its business partners, VALIC's business is vulnerable to disruptions from physical disruptions and utility outages, and susceptible to operational and information security risks resulting from information systems failure (e.g., hardware and software malfunctions) and cyber-attacks. These risks include, among other things, the theft, misuse, corruption and destruction of data maintained online or digitally, interference with or denial of service attacks on websites and other operational disruption and unauthorized release of confidential customer information. Such systems failures and cyber-attacks affecting VALIC, the underlying Funds, intermediaries and other affiliated or third-party service providers, as well as our distribution partners, may adversely affect VALIC and your Contract value. For instance, systems failures and cyber-attacks may interfere with the processing of Contract transactions, including the processing of orders from VALIC's website, our distribution partners, or with the underlying Funds, impact VALIC's ability to calculate Purchase Unit Values, cause the release and possible destruction of confidential customer or business information, impede order processing, subject VALIC and/or its service providers, distribution partners and other intermediaries to regulatory fines and financial losses and/or cause reputational damage. Cyber security risks may also impact the issuers of securities in which the underlying Funds invest, which may cause the Funds underlying your Contract to lose value. There can be no assurance that VALIC or our distribution partners or the underlying Funds or VALIC's service providers will avoid losses affecting your contract due to cyber-attacks or information security breaches in the future.



## Fixed and Variable Account Options

The Contracts offer a choice from among several Variable Account Options and three Fixed Account Options. Depending on the selection made by your employer's plan, if applicable, there may be limitations on which and how many investment options Participants may invest in at any one time. All options listed (except where noted) are available, generally, for 401(a), 403(a), 401(k), and 403(b) plans and 457(b) eligible deferred compensation plans, as well as individual retirement annuities.

This prospectus describes a Contract in which units of interest in VALIC's Separate Account A are offered. Portfolio Director will allow you to accumulate retirement dollars in Fixed Account Options and/or Variable Account Options. Variable Account Options are referred to as Divisions (subaccounts) in VALIC Separate Account A. Each Separate Account Division represents our investment in a different mutual fund. This prospectus

describes only the variable aspects of Portfolio Director except where the Fixed Account Options are specifically mentioned.

### Fixed Account Options

Portfolio Director features up to three guaranteed fixed options that are each part of the general account assets of the Company. These assets are invested in accordance with applicable state regulations to provide fixed-rate earnings and guarantee safety of principal. The guarantees under the Fixed Account Options are subject to our financial strength and claims-paying ability and our long-term ability to make such payments, and not the Separate Account. A tax-deferred nonqualified annuity may include the guaranteed fixed options. The Fixed Account Options are not subject to regulation under the 1940 Act and are not required to be registered under the 1933 Act.

#### Fixed Account Options

##### Fixed Account Plus

This account provides fixed-return investment growth for the long-term. It is credited with interest at rates set by VALIC. The account is guaranteed to earn at least a minimum rate of interest as shown in your Contract. Your money may be credited with a different rate of interest depending on the time period in which it is accumulated. Purchase Payments allocated to a Fixed Account Plus will receive a current rate of interest. There are limitations on transfers out of this option. If you transfer assets from Fixed Account Plus to another investment option, any assets transferred back into Fixed Account Plus within 90 days will receive a different rate of interest, than that paid for new Purchase Payments.

##### Short-Term Fixed Account

This account provides fixed-return investment growth for the short-term. It is credited with interest at rates set by VALIC, which may be lower than the rates credited to Fixed Account Plus, above. The account is guaranteed to earn at least a minimum rate of interest as shown in your Contract. Your money may be credited with a different rate of interest depending on the time period in which it is accumulated.

##### Multi-Year Enhanced Option ("Multi-Year Option")

This account is a long-term investment option, providing a guaranteed interest rate for a guaranteed period (three, five, seven, or ten years) ("MVA Term"). See your Contract for minimum investment amounts and other requirements and restrictions. This option may not be available in all employee plans or states. All MVA Terms may not be available. See your financial advisor for information on the MVA Terms that are currently offered.

Generally, for most series of Portfolio Director, a current interest rate is declared at the beginning of each calendar month, and is applicable to new contributions received during that month. Interest is credited to the account daily and compounded at an annual rate. You may obtain current interest rates by calling the Annuity Service Center or speaking with your financial advisor. VALIC guarantees that all contributions received during a calendar month will receive that month's current interest rate for the remainder of the calendar year. Our practice, though not guaranteed, is to continue crediting interest at that same rate for such purchase payments for one additional calendar year. Thereafter, the amounts may be consolidated with contributions made during other periods and will be credited with interest at a rate which the Company declares annually on January 1 and guarantees for the remainder of the calendar year. The interest rates and periods may differ between the series of Portfolio Director. Some series of Portfolio Director may offer a higher interest rate on Fixed Account Plus. This interest crediting policy is subject to change, but any changes made will not reduce the current rate below your contractually guaranteed minimum or reduce monies already credited to the account.

your contract. Factors that influence the declared fixed account renewal rate include, but are not limited to, the level of US treasury rates, credit spreads on corporate bonds and other fixed income instruments, company asset-liability matching strategies, the length of the contract withdrawal charge period and the number of years since your annuity contract was issued.

### Variable Account Options

The Contracts enable you to participate in Divisions that represent the Variable Account Options shown below. These Divisions comprise all of the Variable Account Options that are made available through VALIC Separate Account A. According to your retirement program, you may not be able to invest in all of the Variable Account Options described in this prospectus. You may be subject to further limits on how many options you may be invested in at any one time or how many of the options you are invested in may be involved in certain transactions at any one time. We reserve the right to limit the investment options available under your Contract if you elected a Living Benefit, as described in Appendix B below.

Your fixed account interest crediting rates are guaranteed for amounts allocated to each fixed account for up to 1 year. Thereafter, for fixed account options, VALIC will declare annual fixed account crediting rates each contract year, and this rate will never be lower than the minimum guarantee rate as referenced in

Several of the Variable Account Options offered through VALIC's Separate Account A are also available to the general public (retail investors) outside of annuity contracts, life insurance contracts, or certain employer-sponsored retirement plans. These funds are listed in the front of the prospectus as

“Public Funds.” If your Contract is a tax-deferred nonqualified annuity that is not part of your employer’s retirement plan, or if your Contract is issued under a deferred compensation plan (other than an eligible governmental 457(b) plan), those Variable Account Options that are invested in Public Funds will not be available within your Contract, due to Code requirements concerning investor control. Therefore, the nonqualified annuities listed above and ineligible deferred compensation 457(f) plans and private sector top-hat plans (generally, an unfunded deferred compensation plan maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly-compensated employees) may invest only in VALIC Company I and II.

The Variable Account Options shown below are grouped by asset class (e.g., domestic large-cap equity, small-cap equity, fixed income, and others). We also identify each Fund’s investment adviser and, if applicable, investment sub-adviser. **See the separate Fund prospectuses for more detailed information on each Fund’s management fees and total expenses, investment objective, strategies and risks, as well as a history of any changes to a Fund’s investment adviser or sub-adviser. You should read the prospectuses carefully before investing. Additional copies are available from VALIC at 1-800-448-2542 or online at [www.valic.com](http://www.valic.com).**

Refer to your employer’s retirement program documents for a list of the employer-selected Variable Account Options and any limitations on the number of Variable Account Options you may choose. All Funds may not be available for all plans or individual or group contracts.

Shares of certain of the Mutual Funds are also sold to separate accounts of other insurance companies that may or may not be affiliated with us. This is known as “shared funding.” These Mutual Funds may also be sold to separate accounts that act as the underlying investments for both variable annuity contracts and variable life insurance policies. This is known as “mixed funding.” There are certain risks associated with mixed and shared funding, such as potential conflicts of interest due to differences in tax treatment and other considerations, including the interests of different pools of investors. These risks may be discussed in each Mutual Fund’s prospectus.

Investors seeking to achieve long term retirement security generally are encouraged to give careful consideration to the benefits of a well balanced and diversified investment portfolio. As just one example, investing one’s total retirement savings in a limited number of investment options may cause that individual’s retirement savings to not be adequately diversified. Spreading those assets among different types of investments can help an investor achieve a favorable rate of return in changing market or economic conditions that may cause one category of assets or particular security to perform very well while causing another category of assets or security to perform poorly. Of course, diversification is not a guarantee of gains or against losses. However, it can be an effective strategy to help manage investment risk. The United States Department of Labor provides information about the importance of diversification online at [www.dol.gov/ebsa/investing.html](http://www.dol.gov/ebsa/investing.html).

SunAmerica Asset Management, LLC (“SunAmerica”) is affiliated with the adviser, VALIC, due to common ownership.

<u>Variable Account Options</u>	<u>Adviser/Sub-Adviser</u>	<u>Variable Account Options</u>	<u>Adviser/Sub-Adviser</u>
<b>Domestic Large-Cap Equity Asset Class</b>			
American Beacon Bridgeway Large Cap Growth Fund	Adviser: American Beacon Advisors, Inc. Sub-Adviser: Bridgeway Capital Management, Inc.	Large Cap Core Fund	Adviser: VALIC Sub-Adviser: Columbia Management Investment Advisors, LLC (“Columbia Management”)
Blue Chip Growth Fund	Adviser: VALIC Sub-Adviser: T. Rowe Price Associates, Inc. (“T. Rowe Price”)	Large Capital Growth Fund	Adviser: VALIC Sub-Adviser: Massachusetts Financial Services Company (“MFS”)
Broad Cap Value Income Fund	Adviser: VALIC Sub-Adviser: Barrow, Hanley, Mewhinney & Strauss, LLC (“Barrow Hanley”)	Large Cap Value Fund	Adviser: VALIC Sub-Advisers: BNY Mellon and Janus Capital Management LLC (“Janus”) Sub-Sub-Adviser: Perkins Investment Management LLC, an affiliate of Janus
Capital Appreciation Fund	Adviser: VALIC Sub-Adviser: BNY Mellon Asset Management North America Corporation (“BNY Mellon”)	Nasdaq-100® Index Fund	Adviser: VALIC Sub-Adviser: SunAmerica
Core Equity Fund	Adviser: VALIC Sub-Adviser: BlackRock Investment Management, LLC (“BlackRock”)	Socially Responsible Fund	Adviser: VALIC Sub-Adviser: SunAmerica
		Stock Index Fund	Adviser: VALIC Sub-Adviser: SunAmerica

<u>Variable Account Options</u>	<u>Adviser/Sub-Adviser</u>	<u>Variable Account Options</u>	<u>Adviser/Sub-Adviser</u>
Dividend Value Fund	Adviser: VALIC Sub-Advisers: BlackRock and SunAmerica	Value Fund	Adviser: VALIC Sub-Adviser: Wellington Management Company LLP (“Wellington Management”)
Growth & Income Fund	Adviser: VALIC Sub-Adviser: J.P. Morgan Investment Management Inc. (“JPMIM”)	Vanguard Windsor II Fund	Advisers: Barrow Hanley; Hotchkis and Wiley Capital Management, LLC; Lazard Asset Management LLC; Sanders Capital, LLC; and The Vanguard Group, Inc. (“Vanguard”)
Growth Fund	Adviser: VALIC Sub-Adviser: American Century Investment Management, Inc. (“American Century”)		
<b>Domestic Mid-Cap Equity Asset Class</b>			
Ariel Appreciation Fund	Adviser: Ariel Investments, LLC	Mid Cap Strategic Growth Fund	Adviser: VALIC Sub-Advisers: Janus and Allianz Global Investors U.S., LLC (“Allianz”)
Mid Cap Growth Fund	Adviser: VALIC Sub-Adviser: Wells Capital Management Incorporated (“Wells Capital”)	Mid Cap Value Fund	Adviser: VALIC Sub-Advisers: Boston Partners Global Investors, Inc. d/b/a Boston Partners and Wellington Management
Mid Cap Index Fund	Adviser: VALIC Sub-Adviser: SunAmerica	Small-Mid Growth Fund	Adviser: VALIC Sub-Adviser: Goldman Sachs Capital Management, LP (“Goldman Sachs”)
<b>Domestic Small-Cap Equity Asset Class</b>			
Ariel Fund	Adviser: Ariel Investments, LLC	Small Cap Index Fund	Adviser: VALIC Sub-Adviser: SunAmerica
Small Cap Aggressive Growth Fund	Adviser: VALIC Sub-Adviser: Victory Capital Management Inc.	Small Cap Special Values Fund	Adviser: VALIC Sub-Advisers: Wells Capital
Small Cap Fund	Adviser: VALIC Sub-Advisers: JPMIM, T. Rowe Price and Bridgeway Capital Management, LLC	Small Cap Value Fund	Adviser: VALIC Sub-Advisers: JPMIM
Small Cap Growth Fund	Adviser: VALIC Sub-Adviser: JPMIM		
<b>Global Equity Asset Class (International And Domestic)</b>			
Global Social Awareness Fund	Adviser: VALIC Sub-Adviser: SunAmerica	Global Strategy Fund	Adviser: VALIC Sub-Advisers: Franklin Advisers, Inc. and Templeton Investment Counsel, LLC
<b>International Equity Asset Class</b>			
Emerging Economies Fund	Adviser: VALIC Sub-Adviser: JPMIM	International Growth Fund	Adviser: VALIC Sub-Adviser: Morgan Stanley Investment Management Inc.
Foreign Value Fund	Adviser: VALIC Sub-Adviser: Templeton Global Advisors Limited		



<u>Variable Account Options</u>	<u>Adviser/Sub-Adviser</u>	<u>Variable Account Options</u>	<u>Adviser/Sub-Adviser</u>
International Equities Index Fund	Adviser: VALIC Sub-Adviser: SunAmerica	International Opportunities Fund	Adviser: VALIC Sub-Advisers: MFS and Delaware Investment Fund Advisers
<b>Specialty Asset Class</b>			
Global Real Estate Fund	Adviser: VALIC Sub-Advisers: Invesco Advisers, Inc. (“Invesco”) and Goldman Sachs Sub-Sub-Adviser: Invesco Asset Management Limited, an affiliate of Invesco	Invesco Balanced-Risk Commodity Strategy Fund	Adviser: Invesco
Health Sciences Fund	Adviser: VALIC Sub-Adviser: T. Rowe Price	Science & Technology Fund	Adviser: VALIC Sub-Advisers: T. Rowe Price, Allianz and Wellington Management
<b>Hybrid Asset Class (Equity and Fixed Income)</b>			
Aggressive Growth Lifestyle Fund	Adviser: VALIC Sub-Adviser: PineBridge Investments LLC (“PineBridge”)	T. Rowe Price Retirement 2040 Fund	Adviser: T. Rowe Price
Asset Allocation Fund	Adviser: VALIC Sub-Adviser: PineBridge	T. Rowe Price Retirement 2045 Fund	Adviser: T. Rowe Price
Conservative Growth Lifestyle Fund	Adviser: VALIC Sub-Adviser: PineBridge	T. Rowe Price Retirement 2050 Fund	Adviser: T. Rowe Price
Dynamic Allocation Fund	Adviser: VALIC Sub-Advisers: AllianceBernstein L.P. and SunAmerica	T. Rowe Price Retirement 2055 Fund	Adviser: T. Rowe Price
Moderate Growth Lifestyle Fund	Adviser: VALIC Sub-Adviser: PineBridge	T. Rowe Price Retirement 2060 Fund	Adviser: T. Rowe Price
T. Rowe Price Retirement 2015 Fund	Adviser: T. Rowe Price	Vanguard LifeStrategy Conservative Growth Fund	The LifeStrategy Funds do not employ an investment advisor, but benefit from the investment advisory services provided to the underlying funds in which they invest. The investment advisor to the underlying funds is Vanguard.
T. Rowe Price Retirement 2020 Fund	Adviser: T. Rowe Price	Vanguard LifeStrategy Growth Fund	
T. Rowe Price Retirement 2025 Fund	Adviser: T. Rowe Price	Vanguard LifeStrategy Moderate Growth Fund	
T. Rowe Price Retirement 2030 Fund	Adviser: T. Rowe Price		
T. Rowe Price Retirement 2035 Fund	Adviser: T. Rowe Price	Vanguard Wellington Fund	Adviser: Wellington Management
<b>Fixed Income Asset Class</b>			
Capital Conservation Fund	Adviser: VALIC Sub-Adviser: PineBridge	Government Money Market II Fund	Adviser: VALIC Sub-Adviser: SunAmerica
Core Bond Fund	Adviser: VALIC Sub-Adviser: PineBridge	Government Securities Fund	Adviser: VALIC Sub-Adviser: JPMIM
Government Money Market I Fund	Adviser: VALIC Sub-Adviser: SunAmerica	Strategic Bond Fund	Adviser: VALIC Sub-Adviser: PineBridge

<u>Variable Account Options</u>	<u>Adviser/Sub-Adviser</u>	<u>Variable Account Options</u>	<u>Adviser/Sub-Adviser</u>
High Yield Bond Fund	Adviser: VALIC Sub-Adviser: Wellington Management	Vanguard Long-Term Investment-Grade Fund	Advisers: Wellington Management and Vanguard
Inflation Protected Fund	Adviser: VALIC Sub-Adviser: PineBridge	Vanguard Long-Term Treasury Fund	Adviser: Vanguard
International Government Bond Fund	Adviser: VALIC Sub-Adviser: PineBridge		

The Dynamic Allocation Fund has an investment strategy that may serve to reduce the risk of investment losses that could require the Company to use its own assets to make payments in connection with certain guarantees under the Contract. In addition, the Dynamic Allocation Fund may enable the Company to more efficiently manage its financial risks associated with guarantees like living and death benefits, due in part to a formula developed by affiliated insurance companies and provided to the Sub-advisers. The formula used by the Sub-advisers is described in the Fund’s prospectus and may change over time based on proposals by the Company. Any changes to the formula proposed by the Company will be implemented only if they are approved by the Fund’s investment adviser and the Fund’s Board of Directors, including a majority of the Independent Directors. **See the VALIC Company I prospectus and Statement of Additional Information for details.**

A detailed description of the fees and investment objective, strategies, and risks of each Mutual Fund can be found in the current prospectus for each Fund mentioned. These prospectuses are available online at [www.valic.com](http://www.valic.com).

## Purchase Period

The Purchase Period begins when your first Purchase Payment is made and continues until you begin your Payout Period. This period may also be called the accumulation period, as you save for retirement. Changes in the value of each Fixed and Variable Account Option are reflected in your overall Account Value. Thus, your investment choices and their performance will affect the total Account Value that will be available for the Payout Period. The amount, number, and frequency of your Purchase Payments may be determined by the retirement plan for which your Contract was purchased. The Purchase Period will end upon death, upon surrender, or when you complete the process to begin the Payout Period.

### Account Establishment

You may establish an account through a financial advisor. Initial Purchase Payments must be received by VALIC either with, or after, a completed application. If part of an employer-sponsored retirement plan, your employer is responsible for remitting Purchase Payments to us. The employer is responsible for furnishing instructions to us (a premium flow report) as to the amount being applied to your account (see below). Purchase Payments can also be made by you for IRAs and certain nonqualified Contracts (“individual contracts”).

The maximum single payment that may be applied to any account without prior Home Office approval is \$1,000,000. Minimum initial and subsequent Purchase Payments are as follows:

<u>Contract Type</u>	<u>Initial Payment</u>	<u>Subsequent Payment</u>
Periodic Payment . . . . .	\$ 30	\$ 30
Single Payment . . . . .	\$1,000	-0-

Periodic Payment minimums apply to each Periodic Payment made. The Single Payment minimum applies to each of your accounts.

When an initial Purchase Payment is accompanied by an application, we will promptly:

- Accept the application and establish your account within 2 Business Days. We will also apply your Purchase Payment by crediting the amount, effective the date we accept your application, to the Fixed or Variable Account Option(s) selected; or
- Request additional information to correct or complete the application. In the case of an individual variable annuity Contract, we will return the Purchase Payments within 5 Business Days if the requested information is not provided, unless you otherwise so specify. Once you provide us with the requested information, we will establish your account and apply your Purchase Payment, effective the date we accept your application, by crediting the amount to the Fixed or Variable Account Option(s) selected; or
- Reject the application and return the Purchase Payment.

If we receive Purchase Payments from your employer before we receive your completed application or enrollment form, we will not be able to establish a permanent account for you. If this occurs, we will take one of the following actions:

*Return Purchase Payments.* If we do not have your name, address or Social Security Number (“SSN”), we will return the Purchase Payment to your employer unless this information is immediately provided to us; or

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**Employer-Directed Account.** At the direction of your employer, provided on a form acceptable to VALIC and accompanied by certain necessary information (such as name, address, and SSN), we may establish an account for you. In that case we will deposit your Purchase Payment in an “Employer-Directed” account invested in a Money Market Division, or other investment options chosen by your employer, and provide a Contract or certificate. If you want a financial advisor to assist you in allocating these amounts, you will first need to provide certain personal and financial information that may be required by the advisor in order to provide such assistance; or

**Starter Account.** If we have your name, address and SSN, but we do not have an agreement with your employer for employer directed accounts, we will deposit your Purchase Payment in a “starter” account invested in the Money Market Division option available for your plan or other investment options chosen by your employer. We will send you a follow-up letter requesting the information necessary to complete the application, including your allocation instructions. You may not transfer these amounts until VALIC has received a completed application or enrollment form.

If mandated under applicable law, we may be required to reject a Purchase Payment. We may also be required to block a Contract Owner’s account and thereby refuse to pay any request for transfers, withdrawals, surrenders, loans or death benefits, until instructions are received from the appropriate regulatory authority.

### **When Your Account Will Be Credited**

Depending on your retirement plan, Purchase Payments may be made by your employer for your account or by you for an IRA or certain nonqualified Contracts. It is the employer’s or the individual’s responsibility to ensure that the Purchase Payment can be promptly posted to the appropriate account(s).

A Purchase Payment must be “in good order” before it can be posted to your account. “In good order” means that all required information and/or documentation has been supplied and that the funds (check, wire, or ACH) clearly identify the individual SSN or Group Number to which they are to be applied. To ensure efficient posting for Employer-Directed accounts, Purchase Payment information must include complete instructions, including the group name and number, each employee’s name and SSN, contribution amounts (balanced to the penny for the total purchase) and the source of the funds (for example, employee voluntary, employer mandatory, employer match, transfer, rollover or a contribution for a particular tax year). Purchase Payments for individual accounts must include the name, SSN, and the source of the funds (for example, transfer, rollover, or a contribution for a particular tax year).

If the Purchase Payment is in good order as described and is received by our bank by Market Close, the appropriate account(s) will be credited the Business Day of receipt. Purchase Payments in good order received after Market Close will be credited the next Business Day.

Note that if the Purchase Payment is not in good order, the employer or individual will be notified promptly. No amounts will be posted to any accounts until all issues with the Purchase Payment have been resolved. If a Purchase Payment is not received in good order, the purchase amounts will be posted effective the Business Day all required information is received.

### **Purchase Units**

A Purchase Unit is a unit of interest owned by you in your Variable Account Option. Purchase Unit values are calculated each Business Day following Market Close. Purchase Units may be shown as “Number of Shares” and the Purchase Unit values may be shown as “Share Price” on some account statements. *See “Purchase Unit Value” in the SAI for more information and an illustration of the calculation of the unit value.*

### **Calculation of Value for Fixed Account Options**

The Fixed Account Plus and the Short-Term Fixed Accounts are part of the Company’s general assets. The Multi-Year Option may be invested in either the general assets of the Company or in a separate account of the Company, depending upon state requirements. You may allocate all or a portion of your Purchase Payment to the Fixed Account Options listed in the “Fixed and Variable Accounts Options” section in this prospectus. Purchase Payments you allocate to these Fixed Account Options are guaranteed to earn at least a minimum rate of interest. Interest is paid on each of the Fixed Account Options at declared rates, which may be different for each option. With the exception of a market value adjustment, which generally will be applied to withdrawals or transfers from a Multi-Year Option prior to the end of an MVA term, we bear the entire investment risk for the Fixed Account Options. All Purchase Payments and interest earned on such amounts in your Fixed Account Option will be paid regardless of the investment results experienced by the Company’s general assets. The minimum amount to establish each new Multi-Year Option guarantee period (MVA Band), as described in the Contract, may be changed from time to time by the Company.

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The value of your Fixed Account Option is calculated on a given Business Day as shown below:

$$\begin{aligned} & \text{Value of Your Fixed Account Options*} \\ = & \textbf{(equals)} \\ & \text{All Purchase Payments made to the Fixed Account Options} \\ + & \textbf{(plus)} \\ & \text{Amounts transferred from Variable Account Options to the} \\ & \text{Fixed Account Options} \\ + & \textbf{(plus)} \\ & \text{All interest earned} \\ - & \textbf{(minus)} \\ & \text{Amounts transferred or withdrawn from Fixed Account} \\ & \text{Options (including applicable fees and charges)} \end{aligned}$$

\* This value may be subject to a market value adjustment under the Multi-Year Option.

### Calculation of Value for Variable Account Options

You may allocate all or a portion of your Purchase Payments to the Variable Account Options listed in this prospectus as permitted by your retirement program. An overview of each of the Variable Account Options may be found in the “Fixed and Variable Account Options” section in this prospectus and in each Mutual Fund’s prospectus. The Purchase Unit value of each Variable Account Option will change daily depending upon the investment performance of the underlying Mutual Fund (which may be positive or negative) and the deduction of the Separate Account Charges. See “Fees and Charges.” Your account will be credited with the applicable number of Purchase Units. If the Purchase Payment is in good order as described and is received by our bank by Market Close, the appropriate account(s) will be credited the Business Day of receipt and will receive that Business Day’s Purchase Unit value. Purchase Payments in good order received by our bank after Market Close will be credited the next Business Day and will receive the next Business Day’s Purchase Unit value. Because Purchase Unit values for each Variable Account Option change each Business Day, the number of Purchase Units your account will be credited with for subsequent Purchase Payments will vary. Each Variable Account Option bears its own investment risk. Therefore, the value of your account may be worth more or less at retirement or withdrawal.

During periods of low short-term interest rates, and in part due to Contract fees and expenses, the yield of the Government Money Market I or II Fund may become extremely low and possibly negative. If the daily dividends paid by the underlying mutual fund are less than the daily portion of the Separate Account Charges, the Purchase Unit value will decrease. In the case of negative yields, your investment in the Variable Account Option, which invests in the Government Money Market I or II Fund, will lose value.

### Premium Enhancement Credit

From time to time, VALIC may offer a 2% premium enhancement credit (“Premium Enhancement”) to a Participant meeting certain criteria as described below. The Premium Enhancement will be added to the Account Value as earnings, allocated to the Fixed and Variable Account Options in the same manner as the Participant’s Eligible Deposits to the account.

#### Eligibility Criteria

*Participants.* An “Eligible Participant” is any Participant establishing a new Portfolio Director account in the nonqualified or IRA markets that is subject to a full Contract surrender charge.

*Rollover Deposits.* A Premium Enhancement of 2% will be paid following the receipt and crediting of an initial Purchase Payment of \$50,000 or more that is rolled over or transferred directly to VALIC from a non-VALIC retirement contract or program (“Eligible Deposit”) on or after the endorsement effective date. We will total all such Eligible Deposits that we receive within a 90-day period from the date of the initial Purchase Payment in order to meet the \$50,000 minimum requirement. An Eligible Deposit does not include a Purchase Payment made after 90 days from the initial Purchase Payment; a periodic Purchase Payment made to the Contract under a salary reduction arrangement; a Purchase Payment attributable to employer contributions; or a transfer or exchange from any other VALIC product. Eligibility for the Premium Enhancement will immediately end if an Eligible Participant takes a withdrawal from the Contract any time after we credit a Premium Enhancement to the Account Value. Participants may not transfer amounts in and out of a Contract to receive multiple bonuses on the same monies.

*Contracts.* This program is available only to Portfolio Director accounts in the nonqualified and IRA markets at this time. This does not include the Portfolio Director Freedom Plus IRA Contract.

#### Important Information Applicable to the Premium Enhancement Credit

The Premium Enhancement will not be counted as premium for contribution limits and is not considered to be an “Eligible Purchase Payment” for the Living Benefits; however, any earnings on the Premium Enhancement will be included as a part of the Anniversary Value. The Premium Enhancement will be immediately available for withdrawal, annuitization or payment of a death benefit; thus, the participant will be vested in the amount of the Premium Enhancement. The Premium Enhancement and any gains or losses attributable to it will be treated as “earnings” for all purposes under the Contract. As such, the Premium Enhancement will be subject to all of the

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rights and limitations that would otherwise apply under the Contract to earnings, gains or other credits. We may offer this Premium Enhancement program for certain periods each year. We reserve the right to modify, suspend or terminate the Premium Enhancement for Contracts that have not yet been issued. Additionally, we reserve the right to withhold payment of the Premium Enhancement until the expiration of the Contract's free look period. The Premium Enhancement may not be available in all states or through the broker-dealer with which your financial advisor is affiliated. Check with your financial advisor for availability and any other restrictions.

### Stopping Purchase Payments

You may stop Purchase Payments at any time. You may resume Purchase Payments thereafter during the Purchase

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## Transfers Between Investment Options

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You may transfer all or part of your Account Value between the various Fixed and Variable Account Options in Portfolio Director without a charge. Transfers may be made during the Purchase Period or during the Payout Period, subject to certain restrictions. **We reserve the right to limit the number, frequency (minimum period of time between transfers) or dollar amount of transfers you can make and to restrict the method and manner of providing or communicating transfers or reallocation instructions.** You will be notified of any changes to this policy through newsletters or information posted online at [www.valic.com](http://www.valic.com).

### During the Purchase Period — Policy Against Market Timing and Frequent Transfers

VALIC has a policy to discourage excessive trading and market timing. Our investment options are not designed to accommodate short-term trading or "market timing" organizations, or individuals engaged in certain trading strategies, such as programmed transfers, frequent transfers, or transfers that are large in relation to the total assets of a mutual fund. These trading strategies may be disruptive to mutual funds by diluting the value of the fund shares, negatively affecting investment strategies and increasing portfolio turnover. Excessive trading also raises fund expenses, such as recordkeeping and transaction costs, and harms fund performance. Further, excessive trading of any amount, including amounts less than \$5,000, harms fund investors, as the excessive trader takes security profits intended for the entire fund, in effect forcing securities to be sold to meet redemption needs. The premature selling and disrupted investment strategy causes the fund's performance to suffer, and exerts downward pressure on the fund's price per share.

Period. The value of the Purchase Units will continue to vary, and your Account Value will continue to be subject to charges. The Account Value will be considered surrendered when you begin the Payout Period. You may not make Purchase Payments during the Payout Period.

If both your Account Value and Purchase Payments (less any withdrawals) fall below \$300, and you do not make any Purchase Payments for at least a two year period, we may close the account and pay the Account Value to the Participant. We will not assess a surrender charge in this instance. Any such account closure will be subject to applicable distribution restrictions under the Contract and/or under your employer's plan.

Accordingly, VALIC implemented certain policies and procedures intended to hinder short-term trading. If you sell Purchase Units in a Variable Account Option valued at \$5,000 or more, whether through an exchange, transfer, or any other redemption, you will not be able to make a purchase of \$5,000 or more in that same Variable Account Option for 30 calendar days.

This policy applies only to investor-initiated trades of \$5,000 or more, and does not apply to the following:

- Plan-level or employer-initiated transactions;
- Purchase transactions involving transfers of assets or rollovers;
- Retirement plan contributions, loans, and distributions (including hardship withdrawals);
- Roth IRA conversions or IRA recharacterizations;
- Systematic purchases or redemptions; or
- Trades of less than \$5,000.

Transfers resulting from your participation in the GPS Portfolio Manager Program or GPA Program administered by VALIC Financial Advisors, Inc. will not count against these transfer limitations.

As described in a Fund's prospectus and statement of additional information, in addition to the above, fund purchases, transfers and other redemptions may be subject to other investor trading policies, including redemption fees, if applicable. Certain Funds may set limits on transfers in and out of a Fund within a set time period in addition to or in lieu of the policy above. Also, an employer's benefit plan may limit an investor's rights to transfer.



We intend to enforce these investor trading policies uniformly. We make no assurances, however, that all the risks associated with frequent trading will be completely eliminated by these policies and/or restrictions. If we are unable to detect or prevent market timing activity, the effect of such activity may

result in additional transaction costs for the investment options and dilution of long-term performance returns. Thus, your account value may be lower due to the effect of the extra costs and resultant lower performance. We reserve the right to modify these policies at any time.

The Fixed Account Options are subject to additional restrictions:

<u>Fixed Account Option</u>	<u>Value</u>	<u>Frequency</u>	<u>Other Restrictions</u>
Fixed Account Plus:	Up to 20% per Participant Year	At any time	If you transfer assets from Fixed Account Plus to another investment option, any assets transferred back into Fixed Account Plus within 90 days may receive a different rate of interest than your new Purchase Payments.(1)
	100%	At any time	If Account Value is less than or equal to \$500.
Short-Term Fixed Account:	Up to 100%	At any time	After a transfer into the Short-Term Fixed Account, you may not make a transfer from the Short-Term Fixed Account for 90 days.(2)
Multi-Year Option(3):	Up to 100%	At any time	Withdrawals or Transfers subject to market value adjustment if prior to the end of an MVA term. Each MVA Band will require a minimum transfer amount, as described in the Contract.(4)

- (1) Your employer may further limit or expand the restrictions. We may charge for those modified restrictions if specified in your employer's retirement plan.
- (2) VALIC may change this holding period at any time in the future, but it will never be more than 180 days.
- (3) The Multi-Year Option may not be available unless it has been selected as an option for your employer's retirement plan.
- (4) The minimum transfer amount may be changed from time to time by the Company.

Contracts issued in connection with certain plans or programs may have different transfer restrictions due to the higher interest rates offered on Fixed Account Plus. From time to time we may waive the 20% transfer restriction on Fixed Account Plus for transfers to the Multi-Year Option or to other investment options.

Financial advisors or authorized broker-dealer employees who have received client permission to perform a client-directed transfer of value via the telephone or internet will follow prescribed verification procedures.

### **Communicating Transfer or Reallocation Instructions**

Transfer instructions may be given by telephone, through the internet (VALIC Online), using the self-service automated phone system (VALIC by Phone), or in writing. We encourage you to make transfers or reallocations using VALIC Online or VALIC by Phone for most efficient processing. We will send a confirmation of transactions to the Participant within five days from the date of the transaction. It is your responsibility to verify the information shown and notify us of any errors within 30 calendar days of the transaction.

When receiving instructions over the telephone or online, we follow appropriate procedures to provide reasonable assurance that the transactions executed are genuine. Thus, we are not responsible for any claim, loss or expense from any error resulting from instructions received over the telephone or online. If we fail to follow our procedures, we may be liable for any losses due to unauthorized or fraudulent instructions. We reserve the right to modify, suspend, waive or terminate these transfer provisions at any time.

### **Effective Date of Transfer**

The effective date of a transfer will be:

- The date of receipt, if received in our Home Office before Market Close; otherwise,
- The next date values are calculated.

Generally, no one may give us telephone instructions on your behalf without your written or recorded verbal consent.

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## Transfers During the Payout Period

During the Payout Period, transfer instructions must be given in writing and mailed to our Home Office. Transfers may be made between the Contract's investment options subject to the following limitations:

<u>Payout Option</u>	<u>% of Account Value</u>	<u>Frequency</u>
Variable Payout:	Up to 100%	Once every 365 days
Combination Fixed and Variable Payout:	Up to 100% of money in variable option payout	Once every 365 days
Fixed Payout:	Not permitted	N/A

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## Fees and Charges

By investing in Portfolio Director, you may be subject to these fees and charges:

- Account Maintenance Charge
- Surrender Charge
- Premium Tax Charge
- Separate Account Charges
- Market Value Adjustment
- Other Charges

These fees and charges are applied to the Fixed and Variable Account Options in proportion to the Account Value as explained below. Unless we state otherwise, we may profit from these fees and charges. *For additional information about these fees and charges, see the "Fee Tables."* In addition, certain charges may apply to the Multi-Year Option, which are discussed at the end of this section. More detail regarding Mutual Fund fees and expenses may be found in the prospectus for each Mutual Fund, available at [www.valic.com](http://www.valic.com).

### Account Maintenance Charge

During the Purchase Period an account maintenance charge of \$3.75 will be deducted on the last Business Day of each calendar quarter if any of your money is invested in the Variable Account Options. We will sell Purchase Units from your account to pay the account maintenance charge. If all your money in the Variable Account Options is withdrawn, or transferred to a Fixed Account Option, the charge will be deducted at that time. The charge will be assessed pro-rata among the Variable Account Options that make up your Account Value. We do not charge an account maintenance charge during the Payout Period.

The account maintenance charge is to reimburse the Company for our administrative expenses. This includes the expense for establishing and maintaining the record keeping for the Variable Account Options. Certain Contracts may not be subject to this charge, as described below.

### Surrender Charge

When you withdraw money from your account, you may be subject to a surrender charge that will be deducted from the amount withdrawn. If you request a partial surrender of your Account Value, a surrender charge would apply to any amount that exceeds the 10% free withdrawal allowed for any Participant Year. See below for exceptions to this charge. It is assumed that any new Purchase Payments are withdrawn before older ones; thus, the last dollar in is the first dollar out. See below for exceptions to this procedure. *For information about your right to surrender, see "Surrender of Account Value" in this prospectus.*

Amounts exchanged from other contracts issued by the Company may or may not be subject to a surrender charge. After the exchange, it is assumed that any new Purchase Payments are withdrawn before the exchanged amount. *For more information, see "Exchange Privilege" in the SAI.*

### Amount of Surrender Charge

A surrender charge will be the lesser of:

- Five percent (5%) of the amount of all Purchase Payments received during the past 60 months; or
- Five percent (5%) of the amount withdrawn.

### 10% Free Withdrawal

In any Participant Year, up to 10% of the Account Value may be withdrawn without a surrender charge. The surrender charge will apply to any amount withdrawn that exceeds this 10% limit. The percentage withdrawn will be determined by dividing the amount withdrawn by the Account Value just prior to the withdrawal. If more than one withdrawal is made during a Participant Year, each percentage will be added to determine at what point the 10% limit has been reached.

These 10% withdrawals without charge do not reduce Purchase Payments for the purpose of computing the surrender charge. If a surrender charge is applied to all or part of a Purchase Payment, no surrender charge will be applied to such Purchase Payment (or portion thereof) again. There may be a 10%



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premature distribution tax penalty for taking a withdrawal prior to age 59½. See “Federal Tax Matters” for more information.

### *Exceptions to Surrender Charge*

No surrender charge will be applied:

- To money applied to provide a Payout Option;
- To death benefits;
- If no Purchase Payments have been received during the 60 months prior to the date of surrender;
- If your account has been in effect for 15 years or longer;
- If your account has been in effect for 5 years or longer, and you have attained age 59½;
- To “No Charge Systematic Withdrawals”;
- Under certain contracts, to withdrawals under the No Charge Minimum Distribution provisions;
- If, after the original Contract issue date, you have become totally and permanently disabled, defined as follows: you are unable, due to mental or physical impairment, to perform the material and substantial duties of any occupation for which you are suited by means of education, training or experience; the impairment must have been in existence for more than 180 days; the impairment must be expected to result in death or be long-standing and indefinite and proof of disability must be evidenced by a certified copy of a Social Security Administration determination or a doctor’s verification; or
- If you are at least 55 years old, are no longer employed by the employer that established the plan, and your account under the plan was established at least 5 years prior to the date of surrender.
- For Contracts issued to individuals in the State of Oregon, no surrender charge will be applied to withdrawals if your account has been in effect for 10 years or longer. In addition, we will treat funds withdrawn from such Contract, when such funds are subject to surrender charges, as attributable to Purchase Payments withdrawn on a first-in-first out basis. This procedure applies to Contracts issued on and after July 1, 2017. The amount of the surrender charge for such Contracts will be the lesser of: five percent (5%) of the amount withdrawn which is attributable to Purchase Payments received during the most recent 60 months; or five percent (5%) of the total amount withdrawn.

We may waive any otherwise applicable surrender charge if you reinvest the surrender proceeds in another VALIC product. You

will, however, be subject to a surrender charge, if any, in the newly acquired product under the same terms and conditions as the original product. For purposes of calculating any surrender charge due, you will be considered to have acquired the new product as of the date you acquired the original product.

### **Premium Tax Charge**

Premium taxes are imposed by some states, cities, and towns. The rate will range from 0% to 3.5%, depending on whether the Contract is qualified or nonqualified. Such tax will be deducted from the Account Value when annuity payments are to begin. We will not profit from this charge. See Appendix C for variations of the premium tax charge that may be applicable in your state.

### **Separate Account Charges**

The Separate Account Charges for each Variable Account Option are shown in the Fee Tables of this prospectus. The charges range from 0.75% to 1.25% depending on the Variable Account Option selected. The charge is deducted daily from the net assets. This charge is guaranteed and cannot be increased by the Company. These charges are to compensate the Company for assuming certain risks under Portfolio Director. The Company assumes the obligation to provide payments during the Payout Period for your lifetime, no matter how long that might be. In addition, the Company assumes the obligation, during the Purchase Period, to pay an interest guaranteed death benefit. The Separate Account charges also may cover the costs of issuing and administering Portfolio Director and administering and marketing the Variable Account Options, including but not limited to enrollment, participant communication and education. Separate Account Charges are applied to Variable Account Options during both the Purchase Period and Payout Period.

The Separate Account Charges may be reduced if issued to certain types of plans that are expected to result in lower costs to VALIC, as discussed below.

### *Reduction or Waiver of Account Maintenance, Surrender, or Separate Account Charges*

We may, as described below, determine that the account maintenance charge, surrender charges, or Separate Account charges for Portfolio Director may be reduced or waived. We may reduce or waive these charges if we determine that your retirement program will allow us to reduce or eliminate administrative or sales expenses that we usually incur for retirement programs. There are a number of factors we will review in determining whether your retirement program will

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allow us to reduce or eliminate these administrative or sales expenses:

- The type of retirement program. Certain types of retirement programs, because of their stability, can result in lower administrative costs.
- The nature of your retirement program. Certain types of retirement programs, due to the types of employees who participate, experience fewer account surrenders, thus reducing administrative costs.
- Other factors of which we are not presently aware that could reduce administrative costs.

We review the following additional factors to determine whether we can reduce or waive account maintenance charges:

- The frequency of Purchase Payments for your retirement program. Purchase Payments received no more than once a year can reduce administrative costs.
- The administrative tasks performed by your employer for your retirement program.

The employer sponsoring your retirement program can, through its method of remitting Purchase Payments, reduce administrative costs.

We review the following additional factors to determine whether we can reduce surrender charges:

- The size of your retirement program. A retirement program that involves a larger group of employees may allow us to reduce sales expenses.
- The total amount of Purchase Payments to be received for your retirement program. Larger Purchase Payments can reduce sales expenses.
- The use of mass enrollment or related administrative tasks performed by your employer for your retirement program.

We review the following additional factors to determine whether we can reduce the Separate Account charges:

- The frequency of Purchase Payments for your retirement program.
- The size of your retirement program.
- The amount of your retirement program's periodic Purchase Payment.
- The method of remitting periodic Purchase Payments.

In no event will the reduction or waiver of fees and charges be permitted where the reduction or waiver will unfairly discriminate against any person.

Additionally, under certain circumstances, and at VALIC's sole discretion, VALIC may issue a Contract credit for amounts transferred on behalf of a group contract from another plan or provider, pursuant to the terms of the Contract.

#### *Separate Account Expense Reimbursements or Credits*

Some of the Mutual Funds or their affiliates have an agreement with the Company to pay the Company for administrative, recordkeeping and shareholder services it provides to the underlying Fund. The Company may, in its discretion, apply some or all of these payments to reduce its charges to the Division investing in that Fund. We receive payments for the administrative services we perform, such as account recordkeeping, mailing of Fund related information and responding to inquiries about the Funds. Currently, these payments range from 0.00% to 0.35% of the market value of the assets invested in the underlying Fund as of a certain date, usually paid at the end of each calendar quarter.

We may also receive what is referred to as "12b-1 fees" from some of the Funds themselves. In addition, we may receive non-12b-1 service fees from certain funds. These fees are designed to help pay for our direct and indirect distribution costs. The 12b-1 fees and non-12b-1 service fees are generally equal to 0.25% of the daily market value of the assets invested in the underlying Fund.

We may use these 12b-1 and non-12b-1 service fees or a portion of the recordkeeping fees to directly reduce the Separate Account Charges; thus, the net Separate Account Charges are reflected in the Fee Tables. The Separate Account Charges are guaranteed and may not be increased for the life of the Contracts. From time to time some of these fund arrangements may be renegotiated so that we receive a greater payment than previously paid. These fee arrangements do not result in any additional charges to Contract Owners or Participants.

#### **Market Value Adjustment ("MVA")**

Under the Multi-Year Option, you may establish one or more new Multi-Year Option guarantee periods (MVA Bands) with a minimum amount, as described in the Contract, per MVA Band in states in which the Multi-Year Option has been approved. The Company may change the minimum from time to time. Each MVA Band will be guaranteed to receive a stated rate of interest through the end of the selected MVA term. We guarantee your Multi-Year Option will earn at least the lowest minimum interest rate applicable to any of the fixed interest options in the Contract. A withdrawal will generally be subject to a surrender charge if it exceeds the amount of any free withdrawal amount permitted under your Contract. Withdrawals or transfers from an MVA Band prior to the end of the MVA term will be subject to a market value adjustment, unless an exception applies. This adjustment may be positive or negative,

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based upon the differences in selected interest rates at the time the MVA Band was established and at the time of the withdrawal. This adjustment will not apply upon the Owner's death, or if the Contract Owner is not a natural person, upon the death of the Annuitant. This adjustment applies independently from surrender charges, and can apply to a 10% free withdrawal. The market value adjustment may be waived for distributions that are required under your Contract. It will also be waived for 30 days following the end of an MVA term. Loans are not available from the Multi-Year Option. Please review your Contract for additional information on the Multi-Year Option.

### **Other Charges**

We reserve the right to charge for certain taxes that we may have to pay. This could include federal income taxes. Currently, no such charges are being made.

## **Payout Period**

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The Payout Period begins when you decide to retire or when you elect to annuitize all or a portion of your Account Value. If your employer's plan permits, you may apply any portion of your Account Value to one of the types of payout options listed below. You may choose to have your payout option on either a fixed, a variable, or a combination payout basis. When you choose to have your payout option on a variable basis, you may keep the same Variable Account Options in which your Purchase Payments were made, or transfer to different ones. If you do not elect a payout option, the payout option will mirror the allocation of investment options in your Contract upon annuitization. For example, if your Account Value is allocated solely to the Variable Account Options upon annuitization and you have not made an election, a variable payout option will be applied, or if your Account Value is allocated to a Fixed Account Option a fixed payout option will be applied. Similarly, if your Account Value is allocated to both Fixed and Variable Account Options, a combination fixed and variable payout option will be applied.

### **Fixed Payout**

Under a fixed payout, you will receive payments that are fixed and guaranteed by the Company. The amount of these payments will depend on:

- Type and duration of payout option chosen;
- Your age or your age and the age of your survivor (1);
- Your gender or your gender and the gender of your survivor (1) (IRAs and certain nonqualified Contracts);
- The portion of your Account Value being applied; and
- The payout rate being applied and the frequency of the payments.

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(1) This applies only to joint and survivor payouts.

Fees for plan services provided by parties other than VALIC or its affiliates maybe assessed to participant accounts upon the direction or authorization of a plan representative. Additional fees may be withdrawn from client accounts in accordance with a client's independent investment advisory contract. Such withdrawals will be identified on applicable participant account reports or client statements.

Plan loans from the Fixed Account Options may be allowed by your employer's plan. Refer to your plan for a description of charges and other information concerning plan loans. We reserve the right to charge a fee of up to \$75 per loan (if permitted under state law) and to limit the number of outstanding loans.

If the benefit would be greater, the amount of your payments will be based on the current payout rate the Company uses for immediate annuity contracts.

### **Assumed Investment Rate**

An "Assumed Investment Rate" or "AIR" is the rate used to determine your first monthly Payout Payment per thousand dollars of account value in your Variable Account Option. When you decide to enter the Payout Period, you will select your Payout Option, your Annuity Date, and the AIR. You may choose an AIR ranging from 3.5% to 5% (as prescribed by state law). If you choose a higher AIR, the initial Annuity Payment will be higher, but later payments will increase more slowly during periods of good investment performance, and decrease faster during periods of poor investment performance. The dollar amount of the variable income payments stays level if the net investment return equals the AIR. Your choice of AIR may affect the duration and frequency of payments, depending on the Payout Option selected. For example, a higher AIR will generate a higher initial Payout Payment, but as Payout Payments continue they may become smaller, and eventually could be less than if you had initially selected a lower AIR. The frequency of the Payout Payments may lessen to ensure that each Payout Payment is at least \$25 per month.

### **Variable Payout**

With a variable payout, you may select from your existing Variable Account Options. Your payments will vary accordingly. This is due to the varying investment results that will be experienced by each of the Variable Account Options you selected. The Payout Unit value is calculated just like the Purchase Unit value for each Variable Account Option except that the Payout Unit value includes a factor for the AIR you

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select. *For additional information on how Payout Payments and Payout Unit Values are calculated, see the SAI.*

In determining your first Payout Payment, an AIR of 3.5% is used (unless you select a higher rate as allowed by state law). If the net investment experience of the Variable Account Option exceeds your AIR, your subsequent payments will be greater than your first payment. If the investment experience of the Variable Account Option is lower than your AIR, your subsequent payments will be less than your first payment.

### Combination Fixed and Variable Payout

With a combination fixed and variable payout, you may choose:

- From your existing Variable Account Options (payments will vary); with a
- Fixed payout (payment is fixed and guaranteed).

### Partial Annuitization

A Participant may choose to annuitize a portion of the Account Value. This will, in essence, divide the Account Value into two parts. The current non-annuitized part would continue as before, while the annuitized part would effectively be moved to a new Payout Payment account. Thus, the death benefit in such a situation would be reduced to the value of the amount remaining in the account minus the amount applied to Payout Payments. Depending on the payout option selected, there may also be a death benefit from the annuitized portion of the account, such as a payout for a guaranteed period.

### Payout Date

The payout date is the date elected by you on which the annuity Payout Payments will start. The date elected must be the first of any month. A request to start payments must be received in our Home Office on a form or through other media approved by VALIC. This request must be received by VALIC by at least the fifteenth (15th) day of the month prior to the month you wish your annuity payments to start. Your account will be valued ten days prior to the beginning of the month in which the Payout Payments will start.

The following additional rules also apply when determining the payout date:

- The earliest payout date for a nonqualified Contract, an IRA, or a Roth IRA, is established by the terms of the contract, and generally can be any time from age 50 to age 85, and may not be later than age 85 without VALIC's consent.
- The earliest payout date for all other qualified Contracts is generally subject to the terms of the employer-sponsored plan (including 403(b) plans and

programs) under which the Contract is issued and the federal tax rules governing such Contracts and plans.

- Distributions from qualified Contracts issued under employer-sponsored retirement plans generally are not permitted until after you stop working for the employer sponsoring the plan, unless you have experienced a qualifying financial hardship (or in the case of a 457(b) plan, an unforeseeable emergency) or unless you have become disabled.
- In certain cases, and frequently in the case of your voluntary deferrals to a 403(b) or a 401(k) plan, you may begin taking distributions when you attain age 59½ even if you are still working for the employer sponsoring the plan.
- Except in the case of nonqualified Contracts, IRAs, and Roth IRAs, distributions generally must begin no later than April 1 following the calendar year you reach age 70½ or the calendar year in which you retire, if later. Similar rules apply to IRAs, however distributions from those Contracts may not be postponed until after retirement.
- All Contracts require distributions to commence within a prescribed period after the death of the Contract Owner/Participant, subject to the specific rules which apply to the type of plan or arrangement under which the contract is issued.
- The Contract may also impose minimum amounts for annuity payments, either on an annual or on a more frequent periodic basis.

*For additional information on plan-level distribution restrictions and on the minimum distribution rules that apply to payments under 403(b), 401, 403(a) and 457 plans, simplified employee plans ("SEPs") or IRAs, see "Federal Tax Matters" in this prospectus and in the SAI.*

### Payout Options

You may specify the manner in which your Payout Payments are made. You may select one of the following options:

1. **Life Only** — payments are made only to you during your lifetime. Under this option there is no provision for a death benefit for the Beneficiary. For example, it would be possible under this option for the Annuitant to receive only one Payout Payment if the Annuitant died prior to the date of the second payment, or two if the Annuitant died before the third payment.
2. **Life with Guaranteed Period** — payments are made to you during your lifetime, but if you die before the guaranteed period has expired, your Beneficiary can receive payments for the rest of your guaranteed period, or take a lump-sum distribution.



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3. **Life with Cash or Unit Refund** — payments are made to you during your lifetime. These payments are based upon your life expectancy and will continue for as long as you live. If you do not outlive the life expectancy calculated for you, upon your death, your Beneficiary may receive an additional payment. The additional payment under a fixed annuity, if any, is equal to the fixed annuity value of the Contract Owner's Account at the time it was valued for the payout date, less the Payout Payments. The additional payment under a variable annuity, if any, is equal to the variable annuity value of the Contract Owner's Account as of the date we receive Proof of Death, less the Payout Payments.
  4. **Joint and Survivor Life** — payments are made to you during the joint lifetime of you and a second person. Upon the death of one, payments continue during the lifetime of the survivor. This option is designed primarily for couples who require maximum possible variable payouts during their joint lives and are not concerned with providing for beneficiaries at the death of the last survivor. For example, it would be possible under this option for the joint Annuitants to receive only one payment if both Annuitants died prior to the date of the second payment, or for the joint Annuitants to receive only one payment and the surviving Annuitant to receive only one payment if one Annuitant died prior to the date of the second payment and the surviving Annuitant dies prior to the date of the third payment. For example, if the Annuitant dies before receiving a Payout Payment the first Payout Payment will be made to the second designated person. If both the Annuitant and the second designated

person die before the first Payout Payment is made, no Payout Payments will be made.

5. **Payment for a Designated Period** — payments are made to you for a select number of years between five and 30. Upon your death, payments will continue to your Beneficiary until the designated period is completed.

### **Payout Information**

Once your Payout Payments have begun, the option you have chosen may not be stopped or changed. Any one of the Variable Account Options may result in your receiving unequal payments during the Payout Period. If payments begin before age 59½, you may suffer unfavorable tax consequences, in the form of a penalty tax, if you do not meet an exception under federal tax law. See *"Federal Tax Matters."*

Under certain retirement plans, federal pension law may require that payments be made under the joint and survivor life payout option.

Most Payout Payments are made monthly. The first Payout Payment must total at least \$25, and the annual payment must be at least \$100. If the amount of a payment is less than \$25, we reserve the right to reduce the frequency of payments so that each payment is at least \$25, subject to any limitations under the Contract or plan.

*For more information about payout options or enhancements of those payout options available under the Contract, see the SAI.*

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## **Surrender of Account Value**

### **When Surrenders Are Allowed**

You may withdraw all or part of your Account Value at any time before the Payout Period begins if:

- allowed under federal and state law; and
- allowed under your employer's plan.

For Purchase Payments that are contributions made under your employer's plan, such as a 401(a) or (k) qualified cash or deferred arrangement or a 403(b) plan, surrenders are subject to the terms of the plan, in accordance with the Code. Qualified plans often require certain conditions to be met before a distribution or withdrawal may take place. See *"Surrender Restrictions"* below.

*For an explanation of charges that may apply if you surrender your Account Value, see "Fees and Charges" in this prospectus. Additionally, you may incur a 10% federal tax penalty for partial or total surrenders made before age 59½.*

*Delay of payment.* We may be required under applicable law to block a request for a surrender until we receive instructions from the appropriate regulator, due to the USA Patriot Act. In addition, we may defer making payments from of the Fixed Account Options for up to six months, or less, if required by law. If payment is deferred, interest will accrue until the payment is made.

VALIC may be required to suspend or postpone the payment of a withdrawal for more than 7 days when: (1) the NYSE is closed (other than a customary weekend and holiday closings); (2) trading with the NYSE is restricted; (3) an emergency exists such that disposal of or determination of the value of shares of the Variable Account Options is not reasonably practicable; or (4) the SEC, by order, so permits for the protection of Contract Owners.

### **Surrender Process**

If you are allowed to surrender all or a portion of your Account Value during the Purchase Period as noted above, then you must complete a surrender request form or information

required in other approved media, and submit it to our Home Office or Annuity Service Center. We will mail the surrender value to you within seven calendar days after we receive your request if it is in good order. Good order means that all paperwork is complete and signed or approved by all required persons, and any necessary supporting legal documents or plan forms have been received in correct form.

We may be required to suspend or postpone payments if redemption of an underlying Fund's shares have been suspended or postponed. *See the applicable Fund prospectus for a discussion of the reasons why the redemption of shares may be suspended or postponed.*

We may receive a surrender for a Purchase Payment that has not cleared the banking system. We may delay payment of that portion of your surrender value until the check clears.

### Amount That May Be Surrendered

The amount that may be surrendered during the Purchase Period can be determined as follows:

$$\begin{array}{rcl} \text{Allowed} & = \text{(equals)} & \text{Your Account Value(1)} \\ \text{Surrender} & & \text{— (minus)} \\ \text{Value} & & \text{Any Applicable} \\ & & \text{Surrender Charge} \end{array}$$

(1) Equals the Account Value next computed after your properly completed request for surrender is received in our Home Office.

There is no guarantee that the surrender value in a Variable Account Option will ever equal or exceed the total amount of your Purchase Payments received by us. The surrender value in a Fixed Account Option will never be less than the Purchase Payments allocated to the Fixed Account Option (less amounts transferred to a Variable Account Option or withdrawn from the Fixed Account Option).

### Surrender Restrictions

Generally, Code section 403(b)(11) permits total or partial distributions from your voluntary contributions to a 403(b) contract only on account of hardship (employee contributions only without accrued interest), attainment of age 59½, separation from service, death or disability. Similar restrictions apply to any amount transferred to a 403(b) contract from a 403(b)(7) custodial account. In addition, beginning for contracts issued on or after January 1, 2009, employer contributions and non-elective contributions to a 403(b) annuity contract are subject to restrictions specified in Treasury regulations as specifically imposed under the employer's plan.

Under the **Texas State Optional Retirement Program**, no surrender or partial surrender will be allowed except upon attainment of age 70½, retirement or other termination of employment or death.

Under the **Florida State Optional Retirement Program**, no surrender or partial surrender of Purchase Payments made by the employer will be allowed except upon termination of employment, retirement or death. Benefit payments based on payments from the employer may not be paid in a lump sum or for a period certain, but must be paid under a life contingency option, except for:

- death benefits; and
- certain small amounts approved by the State of Florida.

Under the **Louisiana Optional Retirement Plan**, retirement benefits must be paid in the form of a lifetime income option. Single sum surrenders and partial surrenders out of the plan are not permitted, unless they are rollovers to another qualified plan or IRA, except for death benefits.

Other employer-sponsored plans may also impose restrictions on the timing and form of surrenders from the Contract.

### Partial Surrenders

You may request a partial surrender of your Account Value at any time during the Purchase Period, subject to any applicable surrender restrictions. A partial surrender plus any surrender charge will reduce your Account Value. You may specify an amount to be taken from each Fund or the amount will be distributed pro-rata against all Funds. If you do not specify, the distribution will be taken pro-rata against the Variable Account and Fixed Account Options.

The reduction in the number of Purchase Units credited to your Variable Account Option Account Value will equal:

$$\begin{array}{rcl} \text{The amount} & \div & \text{Your Purchase Units} \\ \text{surrendered from the} & \text{(divided} & \text{next computed after the} \\ \text{Variable Account Option} & \text{by)} & \text{written request for} \\ \text{+ (plus)} & & \text{surrender is received at} \\ \text{Any surrender charge} & & \text{our Home Office} \end{array}$$

The surrender value will be reduced by the full quarterly account maintenance charge in the case of a full surrender during a quarter. If your Account Value falls below a certain dollar amount and you do not make a Purchase Payment over a certain period of time, as specified in your Contract, we may close your account and pay the Account Value to you.

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## Systematic Withdrawals

You may elect to withdraw all or part of your Account Value under a systematic withdrawal method as described in your Contract (“No Charge” systematic withdrawals). There will be no surrender charge for withdrawals using this method, which provides for:

- Payments to be made to you; and
- Payment over a stated period of time, but not less than five years; and
- Payment of a stated yearly dollar amount or percentage (the amount or percentage may not exceed 20% of your Account Value at the time election is made).

We may require a minimum withdrawal amount under this method. The portion of your account that has not been withdrawn will continue to receive the investment return of the Variable Account Options that you selected. You may select the specific investment option(s) from which to take distributions for most payment options, or you may elect to have your payment distributed proportionally across all the funds in which you are invested, including the Multi-Year Option. A market value adjustment may apply to systematic withdrawals unless you choose the Fixed Interest Only payment option. Once begun, a “No Charge” systematic withdrawal election may not

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## Exchange Privilege

From time to time, we may offer to exchange certain fixed or variable contracts into Portfolio Director. Such an exchange offer will be made in accordance with applicable federal

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## Death Benefits

The Contracts will pay death benefits during either the Purchase Period or the Payout Period.

### The Process

VALIC requires that complete and acceptable documentation and paperwork be received from the Beneficiary in order to begin the death benefit payment process. First, Proof of Death is required. Proof of Death is defined as a certified copy of the death certificate, a certified copy of a decree of a court of competent jurisdiction as to death or a written statement by an attending physician. Additionally, the Beneficiary must include an election specifying the distribution method and any other form required by VALIC or a regulator to process the claim. The account will not be valued and any payments will not be made until all paperwork is complete and in a form acceptable to VALIC. Your Beneficiary may contact us at 1-800-448-2542 with any questions about required documentation and paperwork. Death benefits are paid only once per Contract.

be changed, but can be revoked at no charge. If revoked, a “No Charge” systematic withdrawal may not be elected again. Systematic withdrawals that are not “No Charge” systematic withdrawals can be changed, revoked, and/or reinstated. No more than one systematic withdrawal election may be in effect at any one time. We reserve the right to discontinue any or all systematic withdrawals or to change the terms, at any time.

### Distributions Required by Federal Tax Law

There will be no surrender charge on RMD’s if the withdrawal:

- Is made payable to you; and
- Does not exceed the amount required under federal tax law as determined by the values in your Portfolio Director Contract and VALIC.

You may select the specific investment option(s) from which to take distributions for most payment options, or you may elect to have your payment distributed proportionally across all the investment options in which you are invested, including the Multi-Year Option. This Contract feature will not be available in any year that an amount has been withdrawn under the “No Charge” systematic withdrawal method. *See “Federal Tax Matters” for more information about required distribution rules.*

securities laws and state insurance rules and regulations. We will provide the specific terms and conditions of any such exchange offer at the time the offer is made.

If your Account Value is reduced to zero, you may no longer make subsequent Purchase Payments or transfers, and no death benefit will be payable.

### Beneficiary Information

The Beneficiary may receive death benefits:

- In a lump sum;
- In the form of an annuity under any of the Payout Options;
- In partial payments over the Beneficiary’s life expectancy; or
- In a manner mutually agreeable between the Beneficiary and VALIC that is in accordance with applicable laws and regulations.

Payment of any death benefits must be within the time limits set by federal tax law, if any. In the case of an IRA, a spousal Beneficiary



may continue the Contract or may roll the funds over to an IRA. If the Beneficiary elects a life annuity for a designated or fixed period, the guarantee period cannot exceed the Beneficiary's life expectancy. After choosing a payment option, a Beneficiary may exercise many of the investment options and other rights that the Participant or Contract Owner had under the Contract.

### Special Information for Nonqualified Contracts

It is possible that the Contract Owner and the Annuitant under a nonqualified Contract may not be the same person. If this is the case, and the Contract Owner dies, there will be no death benefit payable since the death benefit is only due in the event of the Annuitant's death. However, the Contract will be assigned to the contingent owner, if any, or to the Contract Owner's estate. Such transfers may be considered a taxable event by the IRS. In general, payments received by your Beneficiaries after your death are taxed in the same manner as if you had received the payments. See "Federal Tax Matters."

### During the Purchase Period

Two types of benefits are available if death occurs during the Purchase Period: interest guaranteed death benefit and standard death benefit. The Beneficiary will receive the greater of these two benefits. The interest guaranteed death benefit ensures that the Beneficiary receives at least a minimum death benefit under the Contract, even if invested in Variable Account Options, while the standard death benefit guarantees the return of Purchase Payments less any prior withdrawals.

As indicated above, a Contract Owner may elect to annuitize only a certain portion and leave the remaining value in the account. The death benefit in such situations would include the value of the amount remaining in the account minus the amount applied to Payout Payments. Depending on the payout option selected, there may also be a death benefit from the annuitized portion of the account.

### Death Benefit Before Age of 70

The interest guaranteed death benefit is payable when death occurs prior to your reaching the age of 70, provided that the benefit is available in your state.

The interest guaranteed death benefit is generally calculated as is shown below. The calculation becomes more complex based upon the transfers between available investment options or product exchanges. Thus, the death benefit may only be calculated for a Beneficiary once VALIC receives all paperwork, including satisfactory proof of death, complete and in a form acceptable to VALIC.

*Step 1:* Determine your Fixed Account Option Value by taking the greater of:

Value of Fixed Account Option on date all paperwork is complete and in a form acceptable to VALIC

or

100% of Purchase Payments invested in Fixed Account Option

– **(minus)**

Amount of all prior withdrawals from the Fixed Account Option, charges and any portion of Account Value applied under a Payout Option

*Step 2:* Determine your Variable Account Option Value by taking the greater of:

Value of Variable Account Options on date all paperwork is complete and in a form acceptable to VALIC

or

100% of Purchase Payments invested in Variable Account Options

– **(minus)**

Amount of prior withdrawals (out of) or transfers (out of) the Variable Account Options

+ **(plus)**

Interest at an annual rate as specified in your Contract

*Step 3:* Add step 1 + 2 = *Death Benefit*

For purposes of this calculation amounts transferred into the Variable Account Option will be treated as Purchase Payments.

This value may be adjusted if the total amount of any death benefit exceeds the Account Value.

### Death Benefit On or After Age 70

The standard death benefit is payable if death occurs on or after age 70, or at any age in a state where the interest guaranteed death benefit is not available.

The standard death benefit will be the greater of:

Your Account Value on the date all paperwork is complete and in a form acceptable to VALIC

or

100% of Purchase Payments (to Fixed and/or Variable Account Options)

– **(minus)**

Amount of all Prior Withdrawals, Charges and any portion of Account Value applied under a Payout Option

### Adjusted Purchase Payment Amount

The information below is applicable to you only if you received a Death Benefit Endorsement or Amendatory Endorsement with your Contract or certificate.

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If the total amount of any death benefit payable from the Fixed and Variable Account Options under the Contract exceeds the Account Value as of the date all paperwork is complete and in a form acceptable to VALIC, then the total death benefit paid may be adjusted to limit the death benefit due to withdrawals. An Adjusted Purchase Payment Amount will be calculated, on the date all paperwork is complete and in a form acceptable to VALIC, determined as follows:

- A. 100% of Purchase Payments
- **(minus)**
- B. Gross Withdrawals (see below) and any portion of Account Value applied under a Payout Option
- + **(plus)**
- C. Interest on the result of A minus B at an annual rate as specified in your Contract (see below).

Each “Gross Withdrawal” is calculated by multiplying the Adjusted Purchase Payment Amount by a fraction. The numerator of the fraction is the amount of the withdrawal plus any associated fees and charges. The denominator of the fraction is the Account Value immediately prior to the withdrawal. Thus, each Gross Withdrawal will proportionately reduce the Adjusted Purchase Payment Amount. The interest adjustment in C. above is added only if you are under age 70 at the time of death.

The Contract death benefit and the Adjusted Purchase Payment Amount are compared. The lesser amount is then compared to the Account Value, and the beneficiary will receive the greater of those two amounts.

## Other Contract Features

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### Changes That May Not Be Made

The following terms in the Contracts may not be changed once your account has been established:

- The Contract Owner (except for an individual nonqualified Contract);
- The Participant; and
- The Annuitant.

### Change of Beneficiary

The Beneficiary (if not irrevocable) may usually be changed at any time.

Under some retirement programs, the right to name a Beneficiary other than the spouse or change a Beneficiary is subject to approval by the spouse. Also, the right to name a Beneficiary other than the spouse may be subject to certain laws and regulations applicable to the plan.

### During the Payout Period

If the Annuitant dies during the Payout Period, the Beneficiary may receive a death benefit depending on the payout option selected. The amount of death benefit will also depend on the payout option that you selected. The payout options available are described in the “Payout Period” section of this prospectus.

- If the life only option or joint and survivor life option was chosen, there will be no death benefit.
- If the life with guaranteed period option, life with cash or unit refund option or payment for a designated period option was chosen, and the entire amount guaranteed has not been paid, the Beneficiary may choose one of the following within 60 days after death benefits are payable:
  1. Receive the present value of any remaining payments in a lump sum; or
  2. Receive the remaining payments under the same terms of the guaranteed period option chosen by the deceased Annuitant; or
  3. Receive the present value of any remaining payments applied under the payment for a designated period option for a period equal to or shorter than the period remaining. Spousal Beneficiaries may be entitled to more favorable treatment under the Contract and/or under federal tax law, including additional permitted delays before beginning distributions, as well as being able to continue the Contract as their own and not as a beneficiary account.

If the Annuitant dies, and there is no Beneficiary, any death benefit will be payable to the Annuitant’s estate, except in the case of a nonqualified Contract where the Contract Owner and Annuitant are different, in which case the death benefit is paid to the Contract Owner or the Contract Owner’s estate.

If a Beneficiary dies while receiving payments, and there is no co-Beneficiary to continue to receive payments, any amount still due will be paid to the Beneficiary’s estate.

### Contingent Owner

The Contract Owner may name a contingent owner under an individual nonqualified Contract. During the Purchase Period, the contingent owner may be changed.

### Cancellation — The “Free Look” Period

The Contract Owner of a group Contract (employer) or individual Contract Owner may cancel a Contract by returning it to the

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Company within 20 days after it is received. (A longer period will be allowed if required under state law.) See “Appendix C — State Contract Variability.” The free look does not apply to Participant certificates except in a limited number of states. We will allocate Purchase Payments as instructed during the “free look” period. To cancel the Contract, the Contract Owner must send a written request for cancellation and return the Contract to us at our Home Office before the end of the “Free Look” period. A refund will be made to the Contract Owner within seven days after receipt of the Contract within the required period. Generally, the amount of the refund will be equal to all Purchase Payments received or, if more, the amount required under state law. Additionally, all Contracts issued as an IRA require the full return of Purchase Payments upon a free look. If your Contract was issued either in a state requiring return of Purchase Payments or as an IRA, and you cancel your Contract during the free look period, we return the greater of (1) your Purchase Payments; or (2) the Account Value on the day we receive your request in good order at the Annuity Service Center. As noted previously, we reserve the right to withhold payment of the Premium Enhancement until the expiration of the Contract’s free look period. See the “Purchase Period — Premium Enhancement” section for more information. The Contract will be void once we issue a refund.

### **We Reserve Certain Rights**

We may amend the Contracts to comply with changes in federal tax, securities, or other laws. We may also make changes to the Variable Account Options offered under the Contracts. For example, we may add new Variable Account Options to expand the offerings for an asset class. We may stop accepting

## **Voting Rights**

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As discussed in the “About VALIC Separate Account A” section of this prospectus, VALIC Separate Account A holds, on your behalf, shares of the Mutual Funds that comprise the Variable Account Options. From time to time, the Funds may be required to hold a shareholder meeting to obtain approval from their shareholders for certain matters.

### **Who May Give Voting Instructions**

During the Purchase Period, subject to any contrary provisions in the plan, the Contract Owner, Participant, or Beneficiary will have the right to give voting instructions to VALIC Separate Account A for the shareholder meetings, except as noted below. Proxy material and a form on which voting instructions may be given before the shareholder meeting is held will be mailed in advance of any shareholder meeting. Please vote each card received.

Participants in a nonqualified unfunded deferred compensation plan will not have the right to give voting instructions.

allocations and/or investments in a particular Variable Account Option if the shares of the underlying Fund are no longer available for investment or if, for example, further investment would be inappropriate. We may move assets and re-direct future premium allocations from one Variable Account Option to another in accordance with federal and state law and, in some cases, with SEC approval. The new Variable Account Option offered may have different fees, expenses, objectives, strategies and risks.

We may restrict your ability to combine Contracts and may modify or suspend or impose additional or different conditions with respect to options available under the Contracts, as may be allowed by federal or state law. We will not make any changes to the Contracts without Contract Owner and Participant permission except as may be allowed by federal or state law. We may add endorsements to the Contracts that would apply only to new Contract Owners and Participants after the effective date of the changes. These changes would be subject to approval by the Company and may be subject to approval by the SEC.

We reserve the right to operate VALIC Separate Account A as a management investment company under the applicable securities laws, and to deregister VALIC Separate Account A under applicable securities laws, if registration is no longer required.

### **Relationship to Employer’s Plan**

If the Contract is being offered under a retirement plan through your employer, you should always refer to the terms and conditions in your employer’s plan when reviewing the description of the Contracts in this prospectus.

### **Determination of Fund Shares Attributable to Your Account**

#### *During the Purchase Period*

The number of Fund shares attributable to your account will be determined on the basis of the Purchase Units credited to your account on the record date set for the Fund shareholder meeting.

#### *During the Payout Period or after a Death Benefit Has Been Paid*

The number of Fund shares attributable to your account will be based on the liability for future variable annuity payments to your payees on the record date set for the Fund shareholder meeting.

### **How Fund Shares Are Voted**

VALIC Separate Account A will vote all of the shares of the Funds it holds based on, and in the same proportion as, the

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instructions given by all Participants invested in that Fund entitled to give instructions at that shareholder meeting. VALIC Separate Account A will vote the shares of the Funds it holds for which it receives no voting instruction in the same proportion as the shares for which voting instructions have been received. One effect of proportional voting is that a small number of Contract Owners may determine the outcome of a vote. In the future, we may decide how to vote the shares of

VALIC Separate Account A in a different manner if permitted at that time under federal securities law.

In the event that shares of a Fund are owned by VALIC or an affiliated insurance company for their own benefit, such shares will be voted proportionally based on instructions received from Contract Owners.

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## Federal Tax Matters

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The Contracts provide tax-deferred accumulation over time, but may be subject to certain federal income and excise taxes, mentioned below. Refer to the SAI for further details. Section references are to the Code. We do not attempt to describe any potential estate or gift tax, or any applicable state, local or foreign tax law other than possible premium taxes mentioned under “Premium Tax Charge.” Discussions regarding the tax treatment of any annuity contract or retirement plans and programs are intended for general purposes only and are not intended as tax advice, either general or individualized, nor should they be interpreted to provide any predictions or guarantees of a particular tax treatment. Such discussions generally are based upon the Company’s understanding of current tax rules and interpretations, and may include areas of those rules that are more or less clear or certain. Tax laws are subject to legislative modification, and while many such modifications will have only a prospective application, it is important to recognize that a change could have retroactive effect as well. You should seek competent tax or legal advice, as you deem necessary or appropriate, regarding your own circumstances.

Contributions under any of these retirement arrangements generally must be made to a qualifying annuity Contract or to a qualifying trust or custodial account, in order for the contributions to receive favorable tax treatment as pre-tax (or Roth) contributions. Contracts purchased under these retirement arrangements are “Qualified Contracts.”

Note that the specific terms of the governing employer plan may limit rights and options otherwise available under a Contract. In addition, changes in the applicable laws or regulations may impose additional limitations or may require changes to the contract to maintain its status as a Qualified Contract.

In addition, the Contracts may be used as “Nonqualified Contracts.” Such nonqualified Contracts may be used to “informally” fund nonqualified deferred compensation plans, or they may serve as individual annuity contracts issued outside of the context of any formal employer retirement plan or arrangement. Nonqualified Contracts generally may invest only in Fixed Account Options and in mutual funds that are not available to the general public outside of annuity contracts or life insurance contracts. The restriction on including publicly available funds in nonqualified annuity contracts results from a longstanding IRS position articulated in a 1981 Revenue Ruling and added to the Code in 1984. The restriction generally does not apply to Qualified Contracts, as confirmed by the IRS in 1999 guidance.

### Types of Plans

Tax rules vary, depending on whether the Contract is offered under your employer’s tax-qualified retirement program, an individual retirement plan, or is instead a nonqualified Contract. The Contracts are used under the following types of retirement arrangements:

- Section 403(b) annuities for employees of public schools and section 501(c)(3) tax-exempt organizations;
- Section 401(a), 403(a) and 401(k) qualified plans (including plans for self-employed individuals);
- Section 408(b) traditional IRAs;
- Section 408A Roth IRAs;
- Section 457 deferred compensation plans of governmental and tax-exempt employers;
- Section 408(k) SEPs and SARSEPs; and
- Section 408(p) SIMPLE retirement accounts.

### Tax Consequences in General

Purchase Payments, distributions, withdrawals, transfers and surrender of a Contract can each have a tax effect, which varies with the governing retirement arrangement. Please refer to the detailed explanation in the SAI, the documents (if any) controlling the retirement arrangement through which the Contract is offered, and your personal tax advisor.

Purchase Payments under the Contracts can be made as contributions by employers or as pre-tax or after-tax contributions by employees, depending on the type of retirement program. Purchase Payments also can be made outside of an employer-sponsored retirement program.



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After-tax Purchase Payments, including after-tax employee contributions, generally constitute “investment in the Contract.” All Qualified Contracts receive deferral of tax on the inside build-up of earnings on invested Purchase Payments, until a distribution occurs. *See the SAI for a discussion of the taxation of distributions, including upon death, and special rules, including those applicable to non-natural owners of nonqualified Contracts.*

Transfers among investment options within a variable annuity Contract generally are not taxed at the time of such a transfer. However, in 1986, the IRS indicated that limitations might be imposed with respect to either the number of investment options available within a Contract, or the frequency of transfers between investment options, or both, in order for the Contract to be treated as an annuity Contract for federal income tax purposes. If imposed, VALIC can provide no assurance that such limitations would not be imposed on a retroactive basis to Contracts issued under this prospectus. However, VALIC has no present indications that the IRS intends to impose such limitations, or what the terms or scope of those limitations might be. In addition, based upon published guidance issued by the IRS in 1999, it appears likely that such limitations, if imposed, would only apply to nonqualified Contracts.

Distributions are taxed differently depending on the program through which the Contracts are offered and the previous tax characterization of the contributions to which the distribution relates. Generally, the portion of a distribution that is not considered a return of investment in the Contract is subject to income tax. For annuity payments, investment in the Contract is recovered ratably over the expected payout period. Special recovery rules might apply in certain situations. Non-periodic payments such as partial withdrawals and full surrenders during the Purchase Period are referred to as “amounts not received as an annuity” in the Code. These types of payments are generally taxed to the extent of any gain existing in the Contract at the time of withdrawal.

Amounts subject to income tax may also incur excise or penalty taxes, under certain circumstances. Generally, as more fully discussed in the SAI, taxable distributions received before you attain age 59½ are subject to a 10% penalty tax in addition to regular income tax, unless you make a rollover, in the case of a Qualified Contract, to another tax-deferred investment vehicle or meet certain exceptions. Note that a distribution from a 457(b) plan is not subject to the 10% tax penalty. And, if you have to report the distribution as ordinary income, you may need to make an estimated tax payment by the due date for the quarter in which you received the distribution, depending on the amount of federal tax withheld from the distribution. When calculating your tax liability to determine whether you need to make an estimated tax payment, your total tax for the year should also include the amount of the 10% additional tax on

early distributions unless an exception applies. Amounts eligible for grandfathered status afforded to pre-1982 accounts might be exempt from the 10% early withdrawal penalty. Please consult with your tax advisor concerning these exceptions, tax reporting, and the tax-related effects of an early distribution. Required tax withholding will vary according to the type of program, type of payment and your tax status. In addition, amounts received under all Contracts may be subject to state income tax withholding requirements.

The Pension Protection Act of 2006 created other distribution events and exemptions from the 10% early withdrawal penalty tax. These include payments to certain reservists called up for active duty after September 11, 2001 and payments up to \$3,000 per year made directly to an insurer for health, life and accident insurance by certain retired public safety officers. The Disaster Tax Relief and Airport and Airway Extension Act of 2017 and the Bipartisan Budget Act of 2018 provided relief from the 10% early withdrawal penalty tax for qualified hurricane distributions and qualified wildfire distributions from retirement funds.

On March 30, 2010, the Health Care and Education Reconciliation Act (“Reconciliation Act”) was signed into law. Among other provisions, the Reconciliation Act imposes a new tax on net investment income, which went into effect in 2013, at the rate of 3.8% of investment income in excess of applicable thresholds for Modified Adjusted Gross Income (\$250,000 for joint filers; \$125,000 for married individuals filing separately; and, \$200,000 for individual filers). An individual with MAGI in excess of the threshold will be required to pay this new tax on net investment income in excess of the applicable MAGI threshold. For this purpose, net investment income generally will include taxable withdrawals from a Non-Qualified contract, as well as other taxable amounts including amounts taxed annually to an owner that is not a natural person (see final paragraph in this section). This new tax generally does not apply to Qualified Contracts; however, taxable distributions from such contracts may be taken into account in determining the applicability of the MAGI thresholds.

It is the understanding of VALIC, confirmed by IRS Revenue Procedure 99-44, that a Qualified Contract described in section 401(a), 403(a), 403(b), 408(b) or 408A of the Code does not lose its deferred tax treatment if Purchase Payments under the Contract are invested in publicly available Mutual Funds.

It is also the understanding of VALIC that for each other type of Qualified Contract an independent exemption provides tax deferral regardless of how ownership of the Mutual Fund shares might be imputed for federal income tax purposes.

Investment earnings on contributions to nonqualified Contracts that are owned by non-natural persons (except for trusts or

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other entities as agent for a natural person) will be taxed currently to the Contract Owner and such Contracts will not be treated as annuities for federal income tax purposes.

#### *Important Information Regarding 403(b) Regulations*

On July 26, 2007, the Department of the Treasury published final 403(b) regulations that became largely effective on January 1, 2009. These comprehensive regulations include several rules and requirements, such as a requirement that employers maintain their 403(b) plans pursuant to a written plan. The final regulations, subsequent IRS guidance, and the terms of the written plan may impose restrictions on both new and existing contracts, including restrictions on the availability of loans, distributions, transfers and exchanges, regardless of when a contract was purchased.

In general, certain contracts originally established by a 90-24 transfer prior to September 25, 2007 are exempt (or grandfathered) from some of the requirements of the final regulations; provided that no salary reduction or other contributions have ever been made to the contract, and that no additional transfers are made to the contract on or after September 25, 2007. Further, contracts that are not grandfathered were generally required to be part of, and subject to the requirements of an employer's 403(b) plan upon its establishment, but no later than by January 1, 2009.

The rules in the final regulations generally do not affect a participant's ability to transfer some or all of a 403(b) account to

a state-defined benefit plan to purchase service credits, where such a transfer is otherwise consistent with applicable rules and requirements and with the terms of the employer's plan.

As a general matter, many Contracts that have received plan contributions after 2004, and all Contracts that have received plan contributions after 2008, are required to be included in the plan and in the plan's administrative coordination, even if the investment provider and the Contract are no longer permitted to receive new contributions and/or transfers. However, IRS guidance generally permits a plan sponsor to exclude a Contract where the plan sponsor has otherwise made a good faith effort to include the Contract issued by a provider that ceased to receive contributions prior to January 1, 2009, as well as such Contracts maintained by certain former employees. You should be aware, however, that some rules governing contracts inside and outside of the plan after 2008 are subject to different interpretations, as well as possible additional IRS guidance. In addition, a Contract maintained under a plan subject to the requirements of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") may be required to be included in the plan regardless of whether it remains eligible to receive contributions after a specified date. The foregoing discussion is intended as a general discussion of the requirements only, and you may wish to discuss the requirements of the regulations and/or the general information above with your tax advisor.

## **Legal Proceedings**

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At April 23, 2018, the Company was defending an appeal with respect to a lawsuit filed in the Circuit Court of Kanawha County, West Virginia on November 12, 2009 by The West Virginia Investment Management Board and The West Virginia Consolidated Public Retirement Board (the "WV Boards"). The litigation concerns a contractual dispute regarding whether the WV Boards were entitled in 2008 to the immediate and complete withdrawal of funds invested in an annuity product issued by VALIC. In 2016, the parties stipulated to resolve the matter through final and non-appealable arbitration before an arbitration panel composed of three West Virginia Business Court judges. The panel issued its decision on April 28, 2017, and no recovery was awarded to the WV Boards. Thereafter, the claims against VALIC were dismissed and the Company's accrual for this contingent liability was reversed. In May 2017, notwithstanding the parties' stipulation that the arbitral decision would be final and non-appealable, the WV Boards appealed the arbitration decision to the West Virginia Supreme Court of Appeals. The appeal remains pending.

Various federal, state and other regulatory agencies may from time to time review, examine or inquire into the operations, practices and procedures of the Company, such as through financial examinations, subpoenas, market conduct exams or regulatory inquiries. Based on the current status of pending regulatory examinations and inquiries involving the Company, the Company believes it is not likely that these regulatory examinations or inquiries will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Various other lawsuits against the Company have arisen in the ordinary course of business. As of April 23, 2018, the Company believes it is not likely that contingent liabilities arising from such lawsuits will have a material adverse effect on the Company's statutory financial statements.

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## Financial Statements

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Financial statements of VALIC and the Separate Account and American Home (if applicable to you) are included in the SAI. For additional information about the Contracts, you may request a copy of the SAI. We have filed the SAI with the SEC and have incorporated it by reference into this prospectus. You may obtain a free copy of the SAI if you write us at our Home Office, located at 2929 Allen Parkway, Houston, Texas, 77019 or call us at 1-800-448-2542.

Room in Washington, DC. Inquiries on the operations of the Public Reference Room may be made by calling the SEC at 1-202-942-8090. Reports and other information about the Separate Account are available on the SEC's Internet site at <http://www.sec.gov> and copies of this information may be obtained, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC, 100 F Street, N.E., Washington D.C. 20549-0506.

Information about the Separate Account, including the SAI, can also be reviewed and copied at the SEC's Public Reference

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## Appendix A — Selected Purchase Unit Data

Purchase units shown are for a Purchase Unit outstanding throughout the year for each Variable Account Option.\*

Fund Name	Year	Unit Value at 1/1	Unit Value at 12/31	Number of Units Outstanding at 12/31	Fund Name	Year	Unit Value at 1/1	Unit Value at 12/31	Number of Units Outstanding at 12/31
<b>VALIC Company I</b>									
Asset Allocation Fund (Division 5)	2017	7.853	8.805	9,912,600	Dividend Value Fund (Division 21)	2017	3.014	3.524	182,217,087
	2016	7.391	7.853	10,485,387		2016	2.609	3.014	195,018,399
	2015	7.500	7.391	11,229,279		2015	2.652	2.609	175,738,943
	2014	7.190	7.500	11,464,518		2014	2.453	2.652	208,754,524
	2013	6.262	7.190	11,432,199		2013	1.905	2.453	186,304,389
	2012	5.582	6.262	11,341,787		2012	1.709	1.905	163,254,122
	2011	5.586	5.582	10,743,259		2011	1.596	1.709	101,063,866
	2010	4.925	5.586	21,847,662		2010	1.413	1.596	68,862,420
	2009	4.024	4.925	11,080,728		2009	1.200	1.413	61,709,268
	2008	5.218	4.024	25,594,227		2008	1.871	1.200	69,182,773
Blue Chip Growth Fund (Division 72)	2017	1.871	2.523	213,205,602	Dynamic Allocation Fund (Division 103)	2017	1.175	1.398	164,520,988
	2016	1.873	1.871	234,887,542		2016	1.132	1.175	183,719,330
	2015	1.704	1.873	249,325,806		2015	1.198	1.132	200,438,926
	2014	1.577	1.704	255,293,080		2014	1.161	1.198	207,495,613
	2013	1.128	1.577	274,949,669		2013	0.998	1.161	157,565,861
	2012	0.965	1.128	290,732,124		2012	—	0.998	1,278
	2011	0.960	0.965	292,547,139	Emerging Economies Fund (Division 87)	2017	0.844	1.180	566,414,809
	2010	0.835	0.960	303,937,553		2016	0.765	0.844	588,962,730
	2009	0.589	0.835	367,144,690		2015	0.904	0.765	514,456,202
	2008	1.042	0.589	323,752,720		2014	0.967	0.904	524,801,471
Broad Cap Value Income Fund (Division 75)	2017	1.905	2.229	18,201,380		2013	1.004	0.967	461,831,807
	2016	1.690	1.905	19,267,145		2012	0.853	1.004	448,359,082
	2015	1.730	1.690	21,381,397		2011	0.991	0.853	183,542,976
	2014	1.625	1.730	22,365,875		2010	0.900	0.991	190,097,376
	2013	1.203	1.625	20,918,581		2009	0.701	0.900	206,475,201
	2012	1.066	1.203	20,711,268		2008	1.314	0.701	224,735,991
	2011	1.059	1.066	19,392,587	Foreign Value Fund (Division 89)	2017	1.293	1.497	437,310,515
	2010	0.935	1.059	16,472,333		2016	1.165	1.293	461,800,327
	2009	0.753	0.935	15,694,879		2015	1.269	1.165	502,945,232
	2008	1.161	0.753	16,324,261		2014	1.451	1.269	529,897,500
Capital Conservation Fund (Division 7)	2017	3.705	3.797	26,438,035		2013	1.161	1.451	533,756,939
	2016	3.659	3.705	25,066,756		2012	0.987	1.161	579,481,027
	2015	3.688	3.659	26,925,896		2011	1.147	0.987	642,061,277
	2014	3.515	3.688	28,654,292		2010	1.076	1.147	638,574,514
	2013	3.637	3.515	28,296,085		2009	0.738	1.076	577,553,905
	2012	3.463	3.637	35,290,472		2008	1.344	0.738	620,212,606
	2011	3.274	3.463	29,728,225	Global Real Estate Fund (Division 101)	2017	1.336	1.505	172,100,568
	2010	3.067	3.274	33,209,360		2016	1.319	1.336	210,495,647
	2009	2.790	3.067	26,677,114		2015	1.332	1.319	238,892,974
	2008	2.906	2.790	32,378,330		2014	1.201	1.332	267,978,180
Core Equity Fund (Division 15)	2017	3.655	4.380	48,506,718		2013	1.160	1.201	216,238,726
	2016	3.275	3.655	53,159,438		2012	0.894	1.160	241,543,325
	2015	3.370	3.275	59,276,410		2011	0.982	0.894	232,943,420
	2014	3.052	3.370	65,322,905		2010	0.839	0.982	213,011,694
	2013	2.286	3.052	71,971,776		2009	0.643	0.839	258,142,217
	2012	2.022	2.286	78,896,796		2008	—	0.643	243,173,392
	2011	2.052	2.022	86,784,230					
	2010	1.837	2.052	94,436,980					
	2009	1.505	1.837	104,827,771					
	2008	2.415	1.505	117,336,313					

\* The 2008 data for the Global Real Estate Fund begins on May 1, 2008, the date this Division was added to Portfolio Director. The 2011 data for the Invesco Balanced-Risk Commodity Strategy Fund begins on November 1, 2011, the date this Division was added to Portfolio Director. On March 23, 2012, the Lou Holland Growth Fund was merged into American Beacon Holland Large Cap Growth Fund. The data for 2011 and prior periods for the American Beacon Holland Large Cap Growth Fund (later referred to as the American Beacon Bridgeway Large Cap Growth II Fund) reflects the data for the Lou Holland Growth Fund. The 2012 data for the Dynamic Allocation Fund begins on December 26, 2012, the date this Division was added to Portfolio Director. While the T. Rowe Price Retirement Funds were added as Divisions on December 17, 2014, investments in the Divisions did not occur until 2015. On December 15, 2017, the American Beacon Bridgeway Large Cap Growth II Fund (formerly, the American Beacon Holland Large Cap Growth Fund) (“replaced option”) merged with and into the American Beacon Bridgeway Large Cap Growth Fund (“surviving option”). The surviving option, American Beacon Bridgeway Large Cap Growth Fund, was added as a Variable Account Option in your prospectus on such date.

<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>	<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>
Global Social Awareness Fund (Division 12)	2017	5.847	7.104	36,088,652	Health Sciences Fund (Division 73)	2017	4.033	5.098	120,429,800
	2016	5.522	5.847	38,124,466		2016	4.551	4.033	135,578,620
	2015	5.596	5.522	38,399,751		2015	4.081	4.551	163,117,194
	2014	5.235	5.596	42,855,429		2014	3.133	4.081	146,889,576
	2013	4.103	5.235	46,143,368		2013	2.095	3.133	136,545,423
	2012	3.533	4.103	42,760,926		2012	1.606	2.095	119,014,862
	2011	3.804	3.533	44,012,539		2011	1.469	1.606	103,364,423
	2010	3.423	3.804	52,474,118		2010	1.281	1.469	98,078,111
	2009	2.628	3.423	50,267,504		2009	0.984	1.281	105,320,949
	2008	4.423	2.628	70,913,038		2008	1.412	0.984	114,902,634
Global Strategy Fund (Division 88)	2017	1.883	2.117	145,920,891	Inflation Protected Fund (Division 77)	2017	1.281	1.330	312,352,863
	2016	1.806	1.883	163,523,909		2016	1.247	1.281	281,898,871
	2015	1.915	1.806	183,895,415		2015	1.299	1.247	308,672,313
	2014	1.900	1.915	195,648,003		2014	1.274	1.299	299,760,024
	2013	1.615	1.900	207,385,139		2013	1.383	1.274	277,565,988
	2012	1.365	1.615	211,834,246		2012	1.293	1.383	258,308,256
	2011	1.410	1.365	257,082,832		2011	1.186	1.293	220,201,675
	2010	1.275	1.410	273,106,060		2010	1.098	1.186	177,023,759
	2009	1.038	1.275	252,273,797		2009	1.012	1.098	143,606,653
	2008	1.324	1.038	284,368,915		2008	1.079	1.012	121,583,367
Government Money Market I Fund (Division 6)	2017	1.987	1.975	114,481,329	International Equities Index Fund (Division 11)	2017	1.795	2.211	506,101,313
	2016	2.007	1.987	123,629,671		2016	1.791	1.795	394,166,789
	2015	2.027	2.007	119,987,728		2015	1.827	1.791	396,429,084
	2014	2.047	2.027	123,650,875		2014	1.952	1.827	386,208,304
	2013	2.067	2.047	130,251,067		2013	1.657	1.952	422,010,815
	2012	2.088	2.067	134,317,148		2012	1.430	1.657	400,470,192
	2011	2.109	2.088	141,509,055		2011	1.662	1.430	454,616,647
	2010	2.129	2.109	139,892,360		2010	1.548	1.662	446,458,741
	2009	2.144	2.129	148,465,945		2009	1.206	1.548	408,178,586
	2008	2.119	2.144	179,084,738		2008	2.153	1.206	443,006,498
Government Securities Fund (Division 8)	2017	3.556	3.593	16,892,412	International Government Bond Fund (Division 13)	2017	2.979	3.188	46,965,550
	2016	3.549	3.556	19,501,841		2016	2.901	2.979	52,375,313
	2015	3.555	3.549	19,113,755		2015	3.031	2.901	41,460,619
	2014	3.403	3.555	20,195,666		2014	3.020	3.031	45,268,931
	2013	3.589	3.403	23,054,983		2013	3.232	3.020	46,400,845
	2012	3.496	3.589	22,678,354		2012	3.005	3.232	42,794,823
	2011	3.216	3.496	22,839,524		2011	2.905	3.005	52,050,637
	2010	3.125	3.216	28,341,239		2010	2.714	2.905	42,388,762
	2009	3.280	3.125	26,317,113		2009	2.457	2.714	40,686,385
	2008	3.019	3.280	40,652,547		2008	2.495	2.457	50,811,427
Growth Fund (Division 78)	2017	1.789	2.307	412,269,328	International Growth Fund (Division 20)	2017	2.613	3.302	87,409,448
	2016	1.724	1.789	388,095,512		2016	2.714	2.613	94,896,359
	2015	1.689	1.724	458,010,324		2015	2.755	2.714	105,372,533
	2014	1.541	1.689	464,072,864		2014	2.882	2.755	117,367,804
	2013	1.187	1.541	481,182,962		2013	2.411	2.882	129,867,358
	2012	1.044	1.187	528,155,797		2012	2.026	2.411	145,325,269
	2011	1.016	1.044	529,636,867		2011	2.269	2.026	150,087,437
	2010	0.906	1.016	551,249,645		2010	2.036	2.269	165,141,915
	2009	0.670	0.906	600,691,043		2009	1.519	2.036	173,448,999
	2008	1.122	0.670	656,297,029		2008	2.645	1.519	188,123,588
Growth & Income Fund (Division 16)	2017	3.814	4.572	21,697,261	Large Cap Core Fund (Division 76)	2017	2.368	2.848	44,924,193
	2016	3.463	3.814	22,529,695		2016	2.202	2.368	47,849,230
	2015	3.502	3.463	24,899,000		2015	2.159	2.202	55,708,727
	2014	3.099	3.502	26,151,817		2014	1.925	2.159	59,109,794
	2013	2.359	3.099	26,563,614		2013	1.429	1.925	61,886,026
	2012	2.102	2.359	27,951,197		2012	1.217	1.429	63,753,636
	2011	2.220	2.102	29,538,389		2011	1.242	1.217	65,336,534
	2010	1.997	2.220	31,055,345		2010	1.074	1.242	60,235,969
	2009	1.656	1.997	33,580,307		2009	0.785	1.074	72,316,023
	2008	2.645	1.656	37,648,494		2008	1.174	0.785	88,166,893

<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>	<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>
Large Capital Growth Fund (Division 79)	2017	1.772	2.256	151,262,122	Small Cap Fund (Division 18)	2017	4.929	5.598	46,776,607
	2016	1.686	1.772	163,329,304		2016	4.318	4.929	51,882,660
	2015	1.704	1.686	176,905,029		2015	4.580	4.318	57,724,906
	2014	1.544	1.704	191,046,750		2014	4.448	4.580	64,145,272
	2013	1.185	1.544	206,576,744		2013	3.200	4.448	71,381,164
	2012	1.065	1.185	227,063,833		2012	2.790	3.200	78,544,274
	2011	1.146	1.065	247,157,945		2011	2.839	2.790	87,744,409
	2010	1.002	1.146	266,574,438		2010	2.214	2.839	95,934,679
	2009	0.772	1.002	289,165,827		2009	1.742	2.214	105,352,371
	2008	1.268	0.772	317,488,578		2008	2.676	1.742	117,886,782
	Mid Cap Index Fund (Division 4)	2017	21.474	24.643		98,129,612	Small Cap Index Fund (Division 14)	2017	6.875
2016		17.981	21.474	106,216,675	2016	5.731		6.875	112,356,933
2015		18.627	17.981	111,598,951	2015	6.060		5.731	115,279,719
2014		17.196	18.627	118,008,435	2014	5.842		6.060	123,361,844
2013		13.048	17.196	125,006,956	2013	4.256		5.842	130,375,004
2012		11.215	13.048	131,802,264	2012	3.704		4.256	136,984,141
2011		11.559	11.215	139,014,512	2011	3.910		3.704	150,299,747
2010		9.248	11.559	167,554,750	2010	3.121		3.910	178,158,043
2009		6.755	9.248	150,937,855	2009	2.458		3.121	166,837,395
2008		10.811	6.755	187,891,321	2008	3.789		2.458	206,050,238
Mid Cap Strategic Growth Fund (Division 83)		2017	2.090	2.613	79,665,280	Small Cap Special Values Fund (Division 84)		2017	1.956
	2016	1.924	2.090	86,153,727	2016		1.522	1.956	96,731,540
	2015	1.996	1.924	95,511,744	2015		1.605	1.522	93,183,086
	2014	1.953	1.996	105,067,767	2014		1.515	1.605	101,453,298
	2013	1.423	1.953	115,522,045	2013		1.101	1.515	109,818,977
	2012	1.316	1.423	128,070,724	2012		0.972	1.101	123,878,008
	2011	1.426	1.316	145,399,643	2011		1.033	0.972	135,244,030
	2010	1.141	1.426	162,820,951	2010		0.858	1.033	149,043,435
	2009	0.784	1.141	174,642,716	2009		0.659	0.858	162,861,427
	2008	1.525	0.784	185,473,745	2008		1.032	0.659	178,261,651
	Nasdaq-100® Index Fund (Division 46)	2017	1.315	1.722	192,928,000		Small-Mid Growth Fund (Division 85)	2017	1.580
2016		1.244	1.315	185,888,804	2016	1.593		1.580	47,269,477
2015		1.151	1.244	189,969,327	2015	1.619		1.593	58,574,211
2014		0.979	1.151	181,413,144	2014	1.472		1.619	55,536,044
2013		0.726	0.979	168,103,592	2013	1.104		1.472	65,725,306
2012		0.622	0.726	172,385,275	2012	0.999		1.104	69,751,171
2011		0.610	0.622	147,793,034	2011	1.055		0.999	73,777,559
2010		0.515	0.610	152,993,906	2010	0.844		1.055	80,819,723
2009		0.334	0.515	159,058,882	2009	0.605		0.844	85,290,921
2008		0.587	0.334	131,648,872	2008	1.014		0.605	88,644,708
Science & Technology Fund (Division 17)		2017	5.338	7.469	126,278,517	Stock Index Fund (Division 10)		2017	9.608
	2016	5.024	5.338	131,172,929	2016		8.696	9.608	291,165,076
	2015	4.704	5.024	141,264,036	2015		8.692	8.696	309,489,081
	2014	4.152	4.704	152,393,259	2014		7.750	8.692	336,587,419
	2013	2.943	4.152	162,421,469	2013		5.934	7.750	356,180,679
	2012	2.651	2.943	178,461,643	2012		5.186	5.934	375,264,648
	2011	2.848	2.651	198,738,067	2011		5.144	5.186	398,646,448
	2010	2.356	2.848	221,693,654	2010		4.530	5.144	480,739,224
	2009	1.438	2.356	245,097,631	2009		3.627	4.530	435,420,314
	2008	2.689	1.438	257,209,740	2008		5.834	3.627	520,561,748
	Small Cap Aggressive Growth Fund (Division 86)	2017	2.151	2.937	35,716,728		Value Fund (Division 74)	2017	2.166
2016		2.135	2.151	37,341,453	2016	1.930		2.166	32,554,029
2015		2.124	2.135	41,832,812	2015	2.014		1.930	36,295,560
2014		1.952	2.124	38,029,319	2014	1.826		2.014	40,096,476
2013		1.317	1.952	43,227,734	2013	1.406		1.826	45,967,293
2012		1.156	1.317	43,036,493	2012	1.215		1.406	50,422,500
2011		1.300	1.156	46,417,390	2011	1.256		1.215	68,559,347
2010		1.028	1.300	52,542,913	2010	1.104		1.256	71,524,774
2009		0.678	1.028	51,663,514	2009	0.836		1.104	89,461,814
2008		1.152	0.678	43,117,503	2008	1.459		0.836	99,631,010

<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>	<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>
<b>VALIC Company II</b>					<b>International Opportunities Fund (Division 33)</b>				
Aggressive Growth Lifestyle Fund (Division 48)	2017	2.941	3.394	148,428,257		2017	2.182	3.018	191,372,537
	2016	2.724	2.941	151,724,193		2016	2.211	2.182	194,717,379
	2015	2.770	2.724	158,226,021		2015	2.053	2.211	230,164,248
	2014	2.675	2.770	157,831,426		2014	2.182	2.053	224,181,526
	2013	2.210	2.675	144,481,682		2013	1.815	2.182	227,763,862
	2012	1.933	2.210	127,721,427		2012	1.498	1.815	238,169,790
	2011	1.951	1.933	92,224,594		2011	1.878	1.498	302,524,054
	2010	1.695	1.951	66,017,184		2010	1.577	1.878	292,442,561
	2009	1.322	1.695	51,661,244		2009	1.265	1.577	316,175,936
	2008	1.987	1.322	43,700,400		2008	2.175	1.265	329,905,870
Capital Appreciation Fund (Division 39)	2017	1.737	2.133	15,067,252	Large Cap Value Fund (Division 40)	2017	3.107	3.548	45,742,585
	2016	1.715	1.737	16,762,772		2016	2.674	3.107	53,271,644
	2015	1.633	1.715	18,482,317		2015	2.771	2.674	51,680,485
	2014	1.515	1.633	20,405,157		2014	2.521	2.771	56,336,476
	2013	1.122	1.515	21,659,297		2013	1.877	2.521	60,432,399
	2012	0.958	1.122	23,617,555		2012	1.617	1.877	64,775,143
	2011	0.984	0.958	22,658,750		2011	1.704	1.617	78,162,609
	2010	0.867	0.984	23,528,273		2010	1.481	1.704	78,649,042
	2009	0.660	0.867	25,414,079		2009	1.354	1.481	85,633,772
	2008	1.192	0.660	27,906,873		2008	2.156	1.354	92,838,525
Conservative Growth Lifestyle Fund (Division 50)	2017	2.728	2.986	100,657,232	Mid Cap Growth Fund (Division 37)	2017	1.907	2.490	46,919,783
	2016	2.578	2.728	105,647,225		2016	1.835	1.907	45,174,629
	2015	2.633	2.578	108,672,128		2015	1.866	1.835	61,967,016
	2014	2.559	2.633	109,316,736		2014	1.840	1.866	60,301,358
	2013	2.358	2.559	96,736,358		2013	1.415	1.840	62,426,740
	2012	2.123	2.358	80,441,631		2012	1.281	1.415	71,170,383
	2011	2.068	2.123	50,013,534		2011	1.360	1.281	95,028,638
	2010	1.837	2.068	37,681,320		2010	1.121	1.360	102,450,795
	2009	1.531	1.837	25,909,997		2009	0.786	1.121	142,960,243
	2008	1.888	1.531	24,222,869		2008	1.484	0.786	148,636,778
Core Bond Fund (Division 58)	2017	2.008	2.085	399,437,044	Mid Cap Value Fund (Division 38)	2017	5.859	6.657	105,143,564
	2016	1.956	2.008	367,086,298		2016	5.176	5.859	125,670,581
	2015	1.974	1.956	409,985,415		2015	5.289	5.176	126,306,249
	2014	1.886	1.974	303,470,023		2014	4.993	5.289	128,256,862
	2013	1.936	1.886	302,031,627		2013	3.744	4.993	133,091,978
	2012	1.816	1.936	200,538,609		2012	3.097	3.744	143,237,727
	2011	1.723	1.816	172,596,496		2011	3.421	3.097	136,166,075
	2010	1.584	1.723	114,248,819		2010	2.821	3.421	114,350,420
	2009	1.376	1.584	70,040,116		2009	2.078	2.821	112,883,236
	2008	1.456	1.376	64,810,715		2008	3.415	2.078	120,463,020
Government Money Market II Fund (Division 44)	2017	1.209	1.204	70,076,229	Moderate Growth Lifestyle Fund (Division 49)	2017	2.993	3.375	239,754,874
	2016	1.218	1.209	76,056,955		2016	2.782	2.993	246,021,927
	2015	1.227	1.218	102,648,541		2015	2.830	2.782	249,674,163
	2014	1.236	1.227	91,586,462		2014	2.734	2.830	246,046,230
	2013	1.245	1.236	107,637,847		2013	2.362	2.734	218,376,320
	2012	1.255	1.245	101,208,543		2012	2.094	2.362	180,791,433
	2011	1.264	1.255	111,284,185		2011	2.083	2.094	128,021,253
	2010	1.274	1.264	106,677,105		2010	1.827	2.083	96,175,029
	2009	1.279	1.274	135,451,933		2009	1.460	1.827	74,992,233
	2008	1.260	1.279	195,844,578		2008	1.992	1.460	68,593,574
High Yield Bond Fund (Division 60)	2017	2.669	2.858	143,217,243	Small Cap Growth Fund (Division 35)	2017	2.778	3.900	26,382,353
	2016	2.381	2.669	138,831,817		2016	2.595	2.778	21,519,722
	2015	2.491	2.381	123,518,044		2015	2.648	2.595	25,250,387
	2014	2.440	2.491	112,780,938		2014	2.667	2.648	28,073,923
	2013	2.337	2.440	108,354,843		2013	1.819	2.667	31,219,056
	2012	2.070	2.337	108,507,775		2012	1.631	1.819	33,519,019
	2011	1.997	2.070	86,556,392		2011	1.715	1.631	35,002,239
	2010	1.773	1.997	85,272,412		2010	1.292	1.715	31,659,159
	2009	1.245	1.773	86,815,233		2009	0.945	1.292	26,637,546
	2008	1.825	1.245	86,682,126		2008	1.677	0.945	25,128,636

<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>	<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>			
Small Cap Value Fund (Division 36)	2017	4.349	4.530	76,512,154	Invesco Balanced-Risk Commodity Strategy Fund (Division 102)	2017	0.646	0.671	255,281,855			
	2016	3.369	4.349	94,129,852		2016	0.583	0.646	256,654,785			
	2015	3.631	3.369	102,585,454		2015	0.705	0.583	358,669,447			
	2014	3.466	3.631	120,572,074		2014	0.846	0.705	302,624,993			
	2013	2.564	3.466	123,444,686		2013	0.992	0.846	241,375,267			
	2012	2.245	2.564	136,086,201		2012	0.967	0.992	180,710,150			
	2011	2.452	2.245	139,441,971		2011	—	0.967	4,758,993			
	2010	1.964	2.452	146,284,682		T Rowe Price Retirement 2015 Fund (Division 104)	2017	1.037	1.161	6,467,254		
	2009	1.593	1.964	150,377,564			2016	0.978	1.037	5,134,987		
	2008	2.284	1.593	117,524,519			2015	—	0.978	1,948,218		
Socially Responsible Fund (Division 41)	2017	2.731	3.271	196,077,447	T Rowe Price Retirement 2020 Fund (Division 105)		2017	1.039	1.188	16,588,395		
	2016	2.487	2.731	221,973,402			2016	0.979	1.039	12,105,984		
	2015	2.478	2.487	240,963,183			2015	—	0.979	6,548,107		
	2014	2.161	2.478	242,917,949			T Rowe Price Retirement 2025 Fund (Division 106)	2017	1.042	1.211	13,933,713	
	2013	1.608	2.161	264,076,070				2016	0.981	1.042	8,873,080	
	2012	1.406	1.608	295,333,876				2015	—	0.981	4,650,550	
	2011	1.398	1.406	409,272,143				T Rowe Price Retirement 2030 Fund (Division 107)	2017	1.044	1.232	15,025,342
	2010	1.229	1.398	476,195,949		2016			0.982	1.044	8,070,123	
	2009	0.947	1.229	537,168,008		2015			—	0.982	4,634,341	
	Strategic Bond Fund (Division 59)	2017	2.795	2.963		164,781,486			T Rowe Price Retirement 2035 Fund (Division 108)	2017	1.045	1.248
2016		2.604	2.795	168,467,978	2016	0.984				1.045	6,675,379	
2015		2.675	2.604	176,746,030	2015	—				0.984	3,044,249	
2014		2.593	2.675	186,090,359	T Rowe Price Retirement 2040 Fund (Division 109)	2017				1.046	1.260	11,846,657
2013		2.606	2.593	186,485,323		2016	0.984			1.046	6,271,455	
2012		2.336	2.606	188,347,893		2015	—			0.984	3,417,161	
2011		2.256	2.336	162,185,471		T Rowe Price Retirement 2045 Fund (Division 110)	2017			1.047	1.265	7,025,498
2010		2.047	2.256	145,727,132			2016	0.984		1.047	3,680,281	
2009		1.637	2.047	132,844,492			2015	—		0.984	1,800,992	
Public Funds		2017	1.922	1.637			128,930,853	T Rowe Price Retirement 2050 Fund (Division 111)		2017	1.047	1.265
	American Beacon Bridgeway Large Cap Growth Fund (Division 90)	2017	—	1.014			31,755,517		2016	0.984	1.047	2,355,047
		2016	1.752	2.194			12,849		2015	—	0.984	973,495
		2015	1.737	1.752			16,266,867		T Rowe Price Retirement 2055 Fund (Division 112)	2017	1.046	1.265
		2014	1.650	1.737	18,404,403		2016			0.984	1.046	961,694
		2013	1.557	1.650	20,837,760		2015			—	0.984	463,103
		2012	1.190	1.557	23,153,719		T Rowe Price Retirement 2060 Fund (Division 113)			2017	1.047	1.265
		2011	1.071	1.190	26,529,443	2016				0.984	1.047	581,629
		2010	0.927	1.071	25,080,056	2015				—	0.984	406,231
		Ariel Appreciation Fund (Division 69)	2009	0.674	0.927	20,271,834				Vanguard LifeStrategy Conservative Growth Fund (Division 54)	2017	2.032
2008			1.044	0.674	16,563,913	2016		1.942			2.032	35,607,152
2017	3.360		3.829	76,145,758	2015	1.970		1.942			35,482,977	
2016	3.012		3.360	100,648,708	2014	1.865		1.970			35,502,846	
2015	3.249		3.012	96,732,440	2013	1.732		1.865	35,547,311			
2014	3.030		3.244	113,599,159	2012	1.606		1.732	35,294,428			
2013	2.093		3.030	117,594,730	2011	1.598		1.606	32,831,197			
2012	1.772		2.093	104,394,611	2010	1.456	1.598	31,863,845				
2011	1.931		1.772	110,259,195	2009	1.259	1.456	29,267,705				
2010	1.631		1.931	112,032,561	2008	1.585	1.259	29,098,257				
Ariel Fund (Division 68)	2009	1.011	1.631	118,116,686								
	2008	1.723	1.011	125,837,892								
	2017	3.544	4.066	76,013,684								
	2016	3.097	3.544	87,008,814								
	2015	3.262	3.097	94,375,118								
	2014	2.970	3.262	103,243,863								
	2013	2.073	2.970	111,663,269								
	2012	1.740	2.073	118,632,237								
	2011	1.983	1.740	132,467,517								
	2010	1.590	1.983	142,222,168								
2009	0.983	1.590	145,696,578									
2008	1.918	0.983	151,912,178									



<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>	<b>Fund Name</b>	<b>Year</b>	<b>Unit Value at 1/1</b>	<b>Unit Value at 12/31</b>	<b>Number of Units Outstanding at 12/31</b>
Vanguard LifeStrategy Growth Fund (Division 52)	2017	2.246	2.644	80,715,272	Vanguard Long-Term Treasury Fund (Division 23)	2017	3.252	3.496	49,087,553
	2016	2.099	2.246	83,255,640		2016	3.246	3.252	58,381,499
	2015	2.151	2.099	84,155,907		2015	3.330	3.246	56,135,735
	2014	2.032	2.151	85,659,260		2014	2.685	3.330	60,671,299
	2013	1.698	2.032	85,731,178		2013	3.118	2.685	66,236,397
	2012	1.503	1.698	83,681,008		2012	3.044	3.118	81,235,366
	2011	1.558	1.503	82,684,661		2011	2.378	3.044	85,528,223
	2010	1.371	1.558	79,140,490		2010	2.205	2.378	92,190,568
	2009	1.110	1.371	75,530,156		2009	2.533	2.205	102,397,220
	2008	1.714	1.110	71,279,560		2008	2.088	2.533	132,267,500
Vanguard LifeStrategy Moderate Growth Fund (Division 53)	2017	2.191	2.490	86,700,864	Vanguard Wellington Fund (Division 25)	2017	4.251	4.816	320,542,237
	2016	2.071	2.191	87,472,057		2016	3.877	4.251	333,558,273
	2015	2.109	2.071	91,429,302		2015	3.924	3.877	349,226,508
	2014	1.995	2.109	90,369,353		2014	3.618	3.924	363,005,183
	2013	1.756	1.995	90,571,117		2013	3.061	3.618	375,667,377
	2012	1.591	1.756	89,444,247		2012	2.754	3.061	385,144,392
	2011	1.606	1.591	86,842,878		2011	2.685	2.754	405,547,723
	2010	1.436	1.606	82,593,652		2010	2.451	2.685	434,480,517
	2009	1.208	1.436	77,302,792		2009	2.031	2.451	443,758,717
	2008	1.664	1.208	74,246,099		2008	2.646	2.031	477,990,784
Vanguard Long-Term Investment-Grade Fund (Division 22)	2017	3.387	3.753	62,916,293	Vanguard Windsor II Fund (Division 24)	2017	4.023	4.640	296,200,573
	2016	3.173	3.387	71,034,505		2016	3.591	4.023	321,567,382
	2015	3.277	3.173	60,679,559		2015	3.757	3.591	350,718,647
	2014	2.801	3.277	86,059,868		2014	3.423	3.757	374,431,862
	2013	3.006	2.801	65,853,008		2013	2.652	3.423	387,835,473
	2012	2.719	3.006	89,418,315		2012	2.301	2.652	412,181,555
	2011	2.344	2.719	73,731,572		2011	2.268	2.301	455,670,339
	2010	2.138	2.344	61,770,469		2010	2.077	2.268	488,978,581
	2009	1.986	2.138	59,897,315		2009	1.655	2.077	531,346,036
	2008	1.961	1.986	61,895,100		2008	2.648	1.655	530,919,431

This Appendix provides information on IncomeLOCK +6, IncomeLOCK +8 (together, “IncomeLOCK Plus”) and IncomeLOCK all of which are no longer available for purchase. Effective January 1, 2017, IncomeLOCK +6 is no longer available for purchase. Effective February 25, 2013, IncomeLOCK +8 was no longer available for purchase. *If you elected IncomeLOCK +8 or if you elected IncomeLOCK +6 prior to February 25, 2013, see “IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013” in this Appendix for specific provisions applicable to these products.*

An optional Living Benefit is designed to help you create a guaranteed income stream for as long as you live, or as long as you and your spouse live, even if the entire Account Value has been reduced to zero, provided withdrawals taken are within the parameters of the applicable feature. A Living Benefit may offer protection in the event your Account Value declines due to unfavorable investment performance, certain withdrawal activity, if you live longer than expected or any combination of these factors. If you decide not to take withdrawals under these features, or you surrender your Contract, you will not receive the guarantees of the Living Benefit. You could pay for this feature and not need to use it. Likewise, depending on your Contract’s market performance, you may never need to rely on the protections provided by a Living Benefit. If you elected IncomeLOCK Plus, you will not be able to take a loan while this Living Benefit is in effect.

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### **Living Benefit Defined Terms**

**Anniversary Value** — The Account Value minus any Ineligible Purchase Payments as measured on each Benefit Anniversary.

**Benefit Anniversary** — the first day of each Benefit Year.

**Benefit Base** — a component of the calculation of the Living Benefit, which is used to determine the Living Benefit fee, the MAWA and the Protected Income Payment.

**Benefit Quarter Anniversary** — is the first Business Day following each consecutive three month period starting on the Endorsement Date.

**Benefit Year** — each consecutive one year period starting on the Endorsement Date and each Benefit Anniversary, and ending on the day before the next Benefit Anniversary.

**Covered Person(s)** — the person or persons whose life or lives are used to determine the amount and duration of withdrawals under IncomeLOCK Plus. The Covered Persons are selected at the time IncomeLOCK Plus is elected and cannot be changed after the Endorsement Date.

**Eligible Purchase Payments** — are Purchase Payments or portions thereof made on or after the Endorsement Date that are included in the calculation of the Benefit Base (and the Income Credit Base and Minimum Benefit Base, if applicable, for IncomeLOCK Plus). Note that all Purchase Payments are not Eligible Purchase Payments for purposes of calculating the Benefit Base.

**Endorsement Date** — the date we issued the Living Benefit endorsement to your Contract.

**Excess Withdrawal** — any withdrawal or portion thereof that causes the total of all withdrawals for that Benefit Year to exceed the Maximum Annual Withdrawal Amount, except if taken to meet a required minimum distribution associated with the Contract to which a Living Benefit endorsement is attached.

**Income Credit** — is an amount that may be added to the Benefit Base during the Income Credit Period.

**Income Credit Base** — is a component of the calculation of IncomeLOCK Plus, which is used to determine the dollar amount of any Income Credit during the Income Credit Period.

**Income Credit Percentage** — a percentage used to calculate any available Income Credit for IncomeLOCK Plus on each Benefit Anniversary during the Income Credit Period.

**Income Credit Period** — is the first twelve Benefit Years during which we calculate an Income Credit that may be added to the Benefit Base for IncomeLOCK Plus.

**Ineligible Purchase Payments** — are Purchase Payments or portions thereof that are not included in the calculation of the Benefit Base (and the Income Credit Base and Minimum Benefit Base, if applicable, for IncomeLOCK Plus).

**Maximum Annual Withdrawal Amount** — the maximum amount that may be withdrawn each Benefit Year and is an amount calculated as a percentage of the Benefit Base.

**Minimum Benefit Base** — is the guaranteed minimum amount to which the Benefit Base could be increased on the 12th Benefit Anniversary for IncomeLOCK Plus, provided no withdrawals are taken prior to that anniversary while the Living Benefit endorsement is in effect.

**Protected Income Payment** — the amount to be paid each year over the remaining lifetime of the Covered Person(s) under IncomeLOCK Plus, after the Account Value is reduced to zero but the Benefit Base is still greater than zero.

### **IncomeLOCK Plus**

The IncomeLOCK Plus Living Benefit is a guaranteed minimum withdrawal benefit. You may elect IncomeLOCK Plus only on your original Contract issue date, subject to certain age requirements. You may elect to have the Living Benefit cover only your life or the lives of both you and your spouse. *If you elected IncomeLOCK +8 or if you elected IncomeLOCK +6 prior to February 25, 2013, see “IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013” in this Appendix for specific provisions applicable to these products.*

### **Fee Table**

The fees applicable to this Living Benefit are described below. You should keep in mind that an increase in the Benefit Base due to an adjustment to a higher Anniversary Value, an Income Credit, if applicable, or subsequent Eligible Purchase Payments will result in an increase to the dollar amount of the fee. Similarly, a decrease in the Benefit Base due to withdrawals will decrease the dollar amount of the fee.

The IncomeLOCK Plus fees are assessed as a percentage of the Benefit Base for all years in which the IncomeLOCK Plus benefit is in effect. The fee will be calculated and deducted on a proportional basis from your Account Value at the end of the first quarter following election and quarterly thereafter. *If you purchased IncomeLOCK +8 or if you purchased IncomeLOCK +6 prior to February 25, 2013, see “IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013” in this Appendix for specific provisions applicable to these products.*

<b>Number of Covered Persons</b>	<b>Initial Annual Fee Rate</b>	<b>Maximum Annual Fee Rate</b>	<b>Minimum Annual Fee Rate</b>	<b>Maximum Annualized Fee Rate Decrease or Increase*</b>
One Covered Person . . .	1.10%	2.20%	0.60%	+/-0.25%
Two Covered Persons . . .	1.35%	2.70%	0.60%	+/-0.25%

\* The fee rate can increase or decrease no more than 0.0625% each Benefit Quarter (0.25%/4).

The Initial Annual Fee Rate is guaranteed not to change for the first Benefit Year. Subsequently, the fee rate may change quarterly subject to the parameters identified in the table above. After the first Benefit Year, on each “Benefit Quarter Anniversary” (every consecutive three months starting on the Endorsement Date), we will deduct the fee in effect for the previous benefit quarter and determine the fee rate applicable to the next benefit quarter. Any fee adjustment is based on a non-discretionary formula tied to the change in the Volatility Index (“VIX®”), an index of market volatility reported by the Chicago Board Options Exchange. Your Fee Rate will increase or decrease on a Benefit Quarter Anniversary based on the change in the average value of the VIX from one Benefit Quarter to the next Benefit Quarter. *See “Fee Tables” in this prospectus. For the formula of how the fee is calculated, see “IncomeLock Plus Fee Formula” below.*

We will not assess a quarterly fee if you annuitize your Contract or if a death benefit is paid before the end of the benefit quarter. If IncomeLOCK Plus is still in effect while your Account Value is greater than zero, and you surrender your Contract, we will assess a pro-rata charge for the fee applicable to the benefit quarter in which the surrender occurs if you surrender your Contract before the end of a benefit quarter. The pro-rata fee is calculated by multiplying the fee by the number of days between the date the fee was last assessed and the date of surrender, divided by the number of days between the prior and the next benefit quarter anniversary. If your Account Value is reduced to zero before IncomeLOCK Plus has been cancelled, the fee will no longer be assessed.

### **IncomeLOCK Plus Fee Formula**

The fee for IncomeLOCK Plus is assessed against the Benefit Base and deducted from the Account Value at the end of each Benefit Quarter.

If you purchased your IncomeLOCK Plus endorsement prior to December 26, 2012, the value of the Volatility Index (“VIX”), an index of market volatility reported by the Chicago Board Options Exchange, used to calculate your fee is the value of the VIX at the end of the Benefit Quarter. If you purchased your IncomeLOCK Plus endorsement on or after December 26, 2012, the value of the VIX used to calculate your fee is the average of the VIX over the Benefit Quarter. The formula is the same, and the only difference is the value of the VIX that is used.

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The non-discretionary formula used in the calculation of the Annual Fee Rate applicable after the first Benefit Year is:

**Initial Annual Fee Rate + [0.05% x (Value of the VIX as of Market Close on each day the fee is calculated – 20)]**

The Initial Annual Fee Rate is guaranteed for the first Benefit Year. Subsequently, the fee rate may change quarterly subject to the parameters identified in the table above. Any fee adjustment is based on the non-discretionary formula stated above which is tied to the change in the VIX. If the value of the VIX increases or decreases on a Benefit Quarter Anniversary, your fee rate will increase or decrease accordingly.

You may find the value of the VIX for any given day by going to the Chicago Board Options Exchange website, [www.cboe.com](http://www.cboe.com).

### **IncomeLOCK Plus Features**

IncomeLOCK Plus offers guaranteed lifetime income plus the opportunity to increase income by locking in the greater of either the Contract's highest Anniversary Value or an annual Income Credit. IncomeLOCK +6 with a 6% Income Credit may be elected at the date of Contract issue. *If you purchased IncomeLOCK +8 or if you purchased IncomeLOCK +6 prior to February 25, 2013, see "IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013" in this Appendix for specific provisions applicable to these products.*

#### *Income Credit Options*

The annual Income Credit is an amount we may add to the Benefit Base each year for the first 12 Benefit Years. The Income Credit is reduced but not eliminated in any Benefit Year in which cumulative withdrawals are less than 6% of the Benefit Base, thereby providing a guarantee that income can increase during

#### *Investment Restrictions*

As long as your Living Benefit endorsement remains in effect, we require that you allocate your investments in accordance with the applicable minimum and maximum percentages applicable to the Living Benefit selected. All IncomeLOCK Plus endorsements require that 20% of your Purchase Payments (including Ineligible Purchase Payments) be allocated to Fixed Account Plus. All amounts not allocated to Fixed Account Plus, will be rebalanced on a quarterly basis through an automatic rebalancing program as discussed in more detail below.

The IncomeLOCK +6 (Options 1, 2 and 3) endorsement requires that the remaining 80% of Purchase Payments be allocated among the Dynamic Allocation Fund and the Group A Variable Account Options referenced below (excluding Fixed Account Plus and Short-Term Fixed Account). IncomeLOCK +6 (Custom Allocation) allows you to allocate Purchase Payments among the Variable Account Options from Groups A, B and C to create your personal investment portfolio, subject to the limitations provided in the table below, including that no more than 90% of each Purchase Payment may be allocated on a combined basis to Fixed Account Plus and Short-Term Fixed Account.

the first 12 years even after starting withdrawals. If you take withdrawals in any Benefit Year in excess of 6%, you will not receive any portion of the 6% Income Credit for that Benefit Year.

After the expiration of the Income Credit Period your Benefit Base may continue to be increased to lock in a higher Anniversary Value. In addition, if no withdrawals are taken during the first 12 years, on the 12th Benefit Anniversary, your Benefit Base will be increased to the Minimum Benefit Base if the Benefit Base is less than this Minimum Benefit Base. The Minimum Benefit Base is equal to 200% of the first Benefit Year's Eligible Purchase Payments.

#### *Amounts Received Under IncomeLOCK Plus — Summary*

If you elect IncomeLOCK+6, you may choose from Income Option 1, 2 or 3 or the Income Option with a Custom Allocation, which determines the withdrawal percentages you will receive while the Living Benefit is in effect.

You may begin taking withdrawals as early as age 45. The amounts you receive will vary based on (1) the income option you selected, (2) whether there are one or two Covered Persons, and (3) the age of the Covered Person(s) at the time of the first withdrawal. The percentage of the Benefit Base that is guaranteed by the Living Benefits: (1) while the Account Value is greater than zero ranges from 3.25% to 6.5%, and (2) once the Account Value has been reduced to zero ranges from 3% to 5%. *See the "IncomeLOCK Plus Options — Amounts Received Under the Benefit" in this Appendix for more detailed information.* Note, however, that taxable distributions received before you attain age 59½ are subject to a 10% penalty tax in addition to regular income tax unless an exception applies (both the penalty tax and the exceptions are discussed in the "Federal Tax Matters" section in this prospectus).

If you purchased IncomeLOCK +8 or if you purchased IncomeLOCK +6 prior to February 25, 2013, see "IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013" in this Appendix for more information regarding your investment restrictions.

<b>Investment Group</b>	<u>Group A: Bond, Cash and Fixed Accounts</u>	<u>Group B: Equity Maximum</u>	<u>Group C: Limited Equity</u>
<b>Investment Restrictions</b>	30%-Minimum 100%-Maximum	0%-Minimum 70%-Maximum	0%-Minimum 10%-Maximum
<b>Variable Account Options and/or Fixed Accounts</b>	Fixed Account Plus Short-Term Fixed Account Capital Conservation Fund Core Bond Fund Government Money Market I Fund Government Money Market II Fund Government Securities Fund Inflation Protected Fund International Government Bond Fund Strategic Bond Fund Vanguard Long-Term Investment Grade Fund Vanguard Long-Term Treasury Fund	Aggressive Growth Lifestyle Fund American Beacon Bridgeway Large Cap Growth Fund Asset Allocation Fund Blue Chip Growth Fund Broad Cap Value Income Fund Capital Appreciation Fund Conservative Growth Lifestyle Fund Core Equity Fund Dividend Value Fund Dynamic Allocation Fund Foreign Value Fund Global Social Awareness Fund Global Strategy Fund Growth Fund Growth & Income Fund High Yield Bond Fund International Equities Index Fund International Growth Fund Large Cap Core Fund Large Capital Growth Fund Large Cap Value Fund Mid Cap Index Fund Mid Cap Value Fund Moderate Growth Lifestyle Fund Socially Responsible Fund Stock Index Fund T. Rowe Price Retirement 2015 Fund T. Rowe Price Retirement 2020 Fund T. Rowe Price Retirement 2025 Fund T. Rowe Price Retirement 2030 Fund T. Rowe Price Retirement 2035 Fund T. Rowe Price Retirement 2040 Fund T. Rowe Price Retirement 2045 Fund T. Rowe Price Retirement 2050 Fund T. Rowe Price Retirement 2055 Fund T. Rowe Price Retirement 2060 Fund Value Fund Vanguard LifeStrategy Conservative Growth Fund Vanguard LifeStrategy Growth Fund Vanguard LifeStrategy Moderate Growth Fund Vanguard Wellington Fund Vanguard Windsor II Fund	Ariel Appreciation Fund Ariel Fund Emerging Economies Fund Global Real Estate Fund Health Sciences Fund International Opportunities Fund Invesco Balanced-Risk Commodity Strategy Fund Mid Cap Growth Fund Mid Cap Strategic Growth Fund Nasdaq-100® Index Fund Science and Technology Fund Small Cap Aggressive Growth Fund Small Cap Fund Small Cap Growth Fund Small Cap Index Fund Small Cap Special Values Fund



Investments are not permitted in the following:

Multi-Year Fixed Option – 3 years
Multi-Year Fixed Option – 5 years
Multi-Year Fixed Option – 7 years
Multi-Year Fixed Option – 10 years

#### *Automatic Allocation to Fixed Account Plus*

The 20% automatic allocation to Fixed Account Plus counts against the 30% of your investments that must be allocated to Group A (IncomeLOCK +6 endorsements with Custom Allocation only). The automatic allocation applies to all Purchase Payments, including Ineligible Purchase Payments that are not included in the calculation of the Benefit Base (and the Income Credit Base and Minimum Benefit Base, if applicable). The automatic allocation must remain invested in Fixed Account Plus for as long as the IncomeLOCK Plus benefit remains in effect. You may not transfer any portion of the automatic allocation to Fixed Account Plus to other investment options under the Contract. You may not request a specific percentage of any withdrawal be deducted solely from the automatic allocation to Fixed Account Plus. Rather, any withdrawal reduces the automatic allocation to Fixed Account Plus in the same proportion that the withdrawal reduces your Account Value.

#### *Asset Rebalancing Program*

We will automatically enroll you in an automatic asset rebalancing program, with quarterly rebalancing, because market performance and withdrawal activity may result in allocations inconsistent with the restrictions. We will also initiate immediate rebalancing in accordance with your automatic asset rebalancing instructions, after any of the following transactions:

- Any transfer or reallocation you initiate; or
- Any withdrawal you initiate.

If you initiate any transfer or reallocation, you must also at that time modify the automatic asset rebalancing instructions. Automatic transfers or Systematic Withdrawals will not result in immediate rebalancing but will wait until the next scheduled quarterly rebalancing.

Each Benefit Quarter, we will rebalance the Contract in accordance with the most current automatic asset rebalancing instructions on file. We will not rebalance your investment in Fixed Account Plus if it would result in the balance in Fixed Account Plus decreasing below the automatic allocation. If at any point for any reason, the automatic asset rebalancing instructions would result in allocations inconsistent with the restrictions, we will revert to your last instructions on file that are consistent with the restrictions whether for rebalancing or for allocation of a Purchase Payment and implement those at the next balancing.

You may modify the automatic asset rebalancing instructions at any time as long as they are consistent with the restrictions. If the Living Benefit is cancelled or terminated and the Contract remains in-force, investment restrictions will no longer apply.

We reserve the right to change the investment requirements at any time for prospectively issued Contracts. We may also revise the investment requirements for any existing Contract to the extent variable or fixed investment options are added, deleted, substituted, merged or otherwise reorganized. We will notify you of any changes to the investment requirements.

#### *Additional Important Information Applicable to IncomeLOCK Plus*

**If you elect IncomeLOCK Plus, you will not be able to take a loan while this Living Benefit is in effect. You will need to wait until after the 5th Benefit Year anniversary (the earliest IncomeLOCK Plus termination date), terminate IncomeLOCK Plus and then take a loan. When you terminate IncomeLOCK Plus, you will lose any benefits that you may have had with this feature.**

Withdrawals under these features are treated like any other withdrawal for the purpose of calculating taxable income, reducing your Account Value. The withdrawals count toward the 10% you may withdraw each Contract year without a surrender charge. *See the "Fees and Charges" section of this prospectus.*

Any withdrawals taken may be subject to a 10% tax penalty if you are under age 59½ at the time of the withdrawal. For information about how these features are treated for income tax purposes, you should consult a qualified tax advisor concerning your particular circumstances. If you set up required minimum distributions ("RMD") and have elected this feature, your distributions must be set up on the automated minimum distribution withdrawal program administered by our Annuity Service Center. Withdrawals greater than the RMD determined solely with reference to this Contract and the benefits thereunder, without aggregating the Contract with any other contract or account, may reduce the benefits of these features. In addition, if you have a qualified Contract, tax law and the terms of the plan may restrict withdrawal amounts. *See the "Surrender of Account Value" and "Federal Tax Matters" sections of this prospectus.*

IncomeLOCK Plus may only be elected on your original Contract issue date, provided you meet the applicable issue age requirements. Note that these features and/or their components may not be available in your state. *If you purchased IncomeLOCK +8 or if you purchased IncomeLOCK +6 prior to February 25, 2013, see "IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013" in this Appendix for specific provisions applicable to these products.* In addition, effective December 26, 2012, IncomeLOCK Plus is no longer available for new enrollments under plans which are subject to the

requirements of Title I of ERISA. This discontinuance will not affect participants who have already elected IncomeLOCK or IncomeLOCK Plus under such plans. Check with your financial advisor for availability and any additional restrictions.

Any amounts that we may pay under a Living Benefit in excess of your Account Value are subject to the Company's financial strength and claims-paying ability. **Excess Withdrawals may significantly reduce the value of or terminate the Living Benefit.**

### IncomeLOCK Plus Options

You may elect IncomeLOCK Plus only on your Contract issue date to cover either your life only or the lives of both you and your spouse. We refer to the person or persons whose lifetime withdrawals are guaranteed under IncomeLOCK Plus as the "Covered Person(s)." If your Contract is not owned by a natural person, references to Owner(s) apply to the Annuitant(s). *If you purchased IncomeLOCK +8 or if you purchased IncomeLOCK +6 prior to February 25, 2013, see "IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013" in this Appendix for specific provisions applicable to these products.*

IncomeLOCK +6 locks in the greater of two values in determining the Benefit Base. The Benefit Base determines the basis of the Covered Person(s)' guaranteed lifetime benefit which must be taken in a series of withdrawals. Each consecutive one-year period starting from the Endorsement Date is considered a Benefit Year. While the Benefit Base is greater than zero, the Benefit Base is automatically locked in on each Benefit Anniversary, to the greater of (1) the highest Anniversary Value, or (2) the Benefit Base increased by any available Income Credit. The Income Credit is reduced but not eliminated in any Benefit Year in which withdrawals are less than 6% of the Benefit Base, thereby providing a guarantee that income can increase during the first 12 years, even after starting withdrawals. There is an additional guarantee if you do not take any withdrawals before the 12th Benefit Anniversary (the "Minimum Benefit Base"). In that situation, the Benefit Base will be increased to the Minimum Benefit Base if the Benefit Base on the 12th Benefit Anniversary is less than the Minimum Benefit Base, which is equal to 200% of the first Benefit Year's Eligible Purchase Payments.

### Age Requirements and Covered Persons

To elect IncomeLOCK Plus, Covered Persons must meet the age requirements set forth below. The age requirement varies depending on the number of Covered Persons. The age requirements for other optional benefits and features under your Contract may be different than those listed here. You must meet the age requirement for those features in order to elect them.

If you elect one Covered Person:

	Covered Person	
	Minimum Age	Maximum Age
One Covered Person	45	80

If you elect two Covered Persons:

	Covered Person #1		Covered Person #2	
	Minimum Age	Maximum Age	Minimum Age	Maximum Age
Nonqualified: One Owner with Spousal Beneficiary	45	80	45	N/A(1)
Qualified: One Owner with Spousal Beneficiary	45	80	45	N/A(1)

- (1) The age requirement is based solely on the single owner for purposes of issuing the Contract with the Living Benefit. The spousal beneficiary's age is not considered in determining the maximum issue age of the second Covered Person.

Covered Persons can be any of the following:

If you elect one Covered Person:

- The Contract Owner
- The annuitant (for Contracts not naturally-owned)

If you elect two Covered Persons:

- The Contract Owner and the 100% spousal primary beneficiary
- The annuitant and the 100% spousal primary beneficiary (for Contracts not naturally-owned)
- Spousal joint annuitants (for Contracts not naturally-owned)

Ownership changes can affect IncomeLOCK Plus as follows:

If you elect one Covered Person:

An ownership change that removes the Covered Person cancels the feature. Ownership changes that do not cancel the feature:

1. Change from a natural to a non-natural Contract Owner: the natural Contract Owner and the annuitant must be the same person; and
2. Change from a non-natural Contract Owner to a natural Contract Owner: the new natural Contract Owner and the annuitant must be the same person.

If you elect two Covered Persons:

Ownership changes that do not eliminate the second Covered Person's guarantee include:

1. Change from a natural to a non-natural Contract Owner (the natural Contract Owner and the annuitant must be the same person); and
2. Change from a non-natural Contract Owner to a natural Contract Owner (the new natural Contract Owner and the annuitant must be the same person).

Ownership changes that eliminate the second Covered Person's guarantee, but still provide the life guarantee for the first Covered Person include:

1. Removal or replacement of the original spousal beneficiary; and
2. Removal of second Covered Person as Contract Owner or spousal beneficiary as a result of a divorce settlement.

Note also that if a Contract is non-naturally owned, a change of annuitant is not permitted.

*Amounts Received under the Benefit*

The amount you can receive differs depending on the Income Credit option you have elected and whether the Account Value is greater than or equal to zero. While the Account Value is greater than zero, the Maximum Annual Withdrawal Percentage represents the percentage of the Benefit Base used to calculate the Maximum Annual Withdrawal Amount that may be withdrawn each Benefit Year without decreasing the Benefit Base or Income Credit Base. If the Account Value has been reduced to zero, the Protected Income Payment Percentage represents the percentage of the Benefit Base used to calculate the Protected Income Payment that the client will receive each year over the remaining lifetime of the Covered Person(s). See "If your Account Value is Reduced to Zero" under the heading "Withdrawals under the Living Benefits" below.

The applicable Maximum Annual Withdrawal Percentage and Protected Income Payment Percentage depend on the attained age of the Covered Person(s) at the time of the first withdrawal under the benefit, as set forth below. The first percentage represents the Maximum Annual Withdrawal Percentage and the second percentage represents the Protected Income Payment Percentage for each of the options shown.

**IncomeLOCK +6**

Number of Covered Persons and Age of Covered Person at First Withdrawal	Income Option 1	Income Option 2	Income Option 3	Custom Allocation
One Covered Person (Age 64 and Younger)	5.0% / 3.0% *	5.0% / 3.0% *	3.75% for Life	4.5% / 3.0% *
One Covered Person (Age 65 and Older)	5.5% / 4.0%	6.5% / 3.0%	5.0% for Life	4.5% / 4.0%
Two Covered Persons (Age 64 and Younger)	4.5% / 3.0% *	4.5% / 3.0% *	3.25% for Life	4.0% / 3.0% *
Two Covered Persons (Age 65 and Older)	5.0% / 4.0%	6.0% / 3.0%	4.50% for Life	4.0% / 4.0%

\* The Protected Income Payment Percentage is 4% if the Benefit Base is increased to a new highest Anniversary Value on or after the Covered Person's 65<sup>th</sup> birthday or, if two Covered Persons are elected, on or after the younger Covered Person's 65<sup>th</sup> birthday.

*Calculation of the Value of each Component of the Benefit*

The benefit offered by IncomeLOCK Plus is calculated by considering the factors described below. *If you purchased IncomeLOCK +8 or if you purchased IncomeLOCK +6 prior to February 25, 2013, see "IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013" in this Appendix for specific provisions applicable to these products.*

First, we determine the initial Benefit Base. We reserve the right to limit the Account Value that will be considered in the initial Benefit Base to \$1.5 million (annual cap amount) without our prior approval. The initial Benefit Base is equal to the initial Purchase Payment, which must be at least \$50,000. In addition, certain Purchase Payments received during the first year after your Contract issue date will be considered Eligible Purchase Payments and will immediately increase the Benefit Base.

Any Purchase Payments made in contract year 1 in excess of the annual cap amount as well as all Purchase Payments received after the first contract year are considered Ineligible Purchase Payments, and are not included in the Benefit Base. Note that the earnings on Ineligible Purchase Payments, however, are included in the Anniversary Value. Total Eligible Purchase Payments are limited to \$1,500,000 (annual cap amount) without prior Company approval.

The Benefit Base is increased by each subsequent Eligible Purchase Payment, and is reduced proportionately for Excess Withdrawals, as defined below.

Second, we consider the Income Credit Period. The Income Credit Period is the period of time over which we calculate the Income Credit. The Income Credit Period begins on the Endorsement Date and ends 12 years thereafter. The Income Credit Period may not be extended.

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Third, we determine the Anniversary Value which equals your Account Value on any Benefit Anniversary minus any Ineligible Purchase Payments. The highest Anniversary Value is the current Anniversary Value that is greater than (1) all previous Anniversary Values; or (2) Eligible Purchase Payments.

Fourth, we determine the Income Credit Base which is used solely as a basis for calculating the Income Credit during the Income Credit Period. The initial Income Credit Base is equal to the initial Benefit Base. The Income Credit Base is increased by each subsequent Eligible Purchase Payment, and is reduced proportionately for Excess Withdrawals, as defined below.

Fifth, we determine the Income Credit.

The Income Credit is equal to 6% (“Income Credit Percentage”) of the Income Credit Base, on each Benefit Anniversary during the Income Credit Period. If you take withdrawals in a Benefit Year that are in total less than 6% of the Benefit Base (and therefore, less than your Maximum Annual Withdrawal Amount), the Income Credit Percentage on the Benefit Year anniversary is reduced by a percentage calculated as the sum of all withdrawals taken during the preceding Benefit Year, divided by the Benefit Base. For example, if you take a withdrawal that is equal to 4% of the Benefit Base, the Income Credit Percentage for that Benefit Year is reduced from 6% to 2%. However, if you take a withdrawal that is greater than the Maximum Annual Withdrawal Amount in the preceding Benefit Year, the Income Credit for that Benefit Year is equal to zero.

Sixth, we determine the Maximum Annual Withdrawal Amount, which represents the maximum amount that may be withdrawn each Benefit Year while the Account Value is greater than zero, without reducing the Benefit Base, and if applicable, the Income Credit Base. The Maximum Annual Withdrawal Amount is calculated by multiplying the Benefit Base by the applicable Maximum Annual Withdrawal Percentage. If your Account Value is reduced to zero but your Benefit Base is greater than zero, the Protected Income Payment is determined by multiplying the Benefit Base by the applicable Protected Income Payment Percentage.

Finally, we consider any Excess Withdrawals. We define Excess Withdrawals as any withdrawal in a Benefit Year taken after the Maximum Annual Withdrawal Amount has been withdrawn, or any portion of a withdrawal that causes the total withdrawals in a Benefit Year to exceed the Maximum Annual Withdrawal Amount.

#### *Increase of the Benefit Base and Income Credit Base*

On each Benefit Anniversary, the Benefit Base is automatically increased to the greater of (1) the highest Anniversary Value; or (2) the current Benefit Base plus the Income Credit, if any. In addition, the Benefit Base can also be increased to at least the

Minimum Benefit Base on the 12th Benefit Year anniversary, **provided no withdrawals are taken prior to that anniversary.**

On each Benefit Anniversary during the Income Credit Period (first 12 Benefit Years following the Endorsement Date), the Income Credit Base is automatically increased to the highest Anniversary Value, if the Benefit Base is also increased to the highest Anniversary Value. The Income Credit Base is not increased if an Income Credit is added to the Benefit Base.

Increases to your Benefit Base and Income Credit Base occur on Benefit Anniversaries while the Account Value is greater than zero. However, Eligible Purchase Payments can increase your Benefit Base and Income Credit Base at the time they are received. **Your Benefit Base and Income Credit Base will not increase if your Account Value was higher on days other than the Benefit Anniversary.**

In any Benefit Year during which subsequent Eligible Purchase Payments are allocated to your Contract, any remaining withdrawals of the Maximum Annual Withdrawal Amount will be based on the increased Maximum Annual Withdrawal Amount reduced by withdrawals previously taken in that Benefit Year. If the Benefit Base is increased on a Benefit Anniversary, the Maximum Annual Withdrawal Amount will be recalculated on that Benefit Anniversary, applicable to the coming Benefit Year, by multiplying the increased Benefit Base by the applicable Maximum Annual Withdrawal Percentage.

If the Account Value has been reduced to zero, the Benefit Base will no longer be recalculated on each Benefit Anniversary. *See “If your Account Value is Reduced to Zero” under the heading “Withdrawals under the Living Benefits” below.*

#### *Cancellation of IncomeLOCK Plus*

IncomeLOCK Plus may be cancelled by the Contract Owner on any Benefit Quarter Anniversary after the end of the 5<sup>th</sup> Benefit Year. Cancellation will be effective on the Benefit Quarter Anniversary following receipt of a cancellation request and the fee will continue to be deducted up to and including the cancellation effective date. Prior fees taken are not returned upon cancellation. Once IncomeLOCK Plus is cancelled, the guarantees under the benefit are terminated, investment limitations no longer apply to the Contract and you may not re-elect IncomeLOCK Plus.

#### *Automatic Termination of IncomeLOCK Plus*

The feature and its corresponding fees will automatically and immediately terminate upon the occurrence of one of the following:

1. Any Excess Withdrawal that reduces the Account Value and Benefit Base to zero.
2. A death benefit is paid, and the Contract is terminated.



3. Full surrender or termination of the Contract.
4. Full or partial annuitization of the Contract.
5. Upon the death of the single Covered Person (for single life benefit).
6. Upon the death of the second (surviving) Covered Person (for joint lives benefit).
7. Any change of ownership except as noted above.

Benefit Year up to the Maximum Annual Withdrawal Amount will not be assessed a surrender charge.

**You should not elect a Living Benefit if you plan to take Excess Withdrawals since those withdrawals may significantly reduce the value of or terminate the Living Benefit.**

#### *Withdrawal under IncomeLOCK Plus*

The Maximum Annual Withdrawal Amount, the Benefit Base and the Income Credit Base may change over time as a result of the timing and amount of withdrawals. If you take a withdrawal before the 12th Benefit Year anniversary, your Benefit Base is not eligible to be increased to the Minimum Benefit Base.

Withdrawals during a Benefit Year that in total are less than or equal to the Maximum Annual Withdrawal Amount will not reduce the Benefit Base or Income Credit Base. However, if you choose to take less than the Maximum Annual Withdrawal Amount in any Benefit Year, you may not carry over the unused amount for withdrawal in subsequent years.

Excess Withdrawals reduce your Benefit Base on the date the Excess Withdrawal occurs. Any Excess Withdrawal in a Benefit Year reduces the Benefit Base in the same proportion by which the Account Value is reduced by the Excess Withdrawal. As a result of a reduction of the Benefit Base, the new Maximum Annual Withdrawal Amount will be equal to the reduced Benefit Base multiplied by the applicable Maximum Annual Withdrawal Percentage. The last recalculated Maximum Annual Withdrawal Amount in a given Benefit Year is available for withdrawal at the beginning of the next Benefit Year and may be lower than the previous Benefit Year's Maximum Annual Withdrawal Amount. When the Account Value is less than the Benefit Base, Excess Withdrawals will reduce the Benefit Base by an amount which is greater than the amount of the Excess Withdrawal. In addition, no Income Credit will be added to the Benefit Base in that Benefit Year.

The impact of withdrawals on specific factors is further explained below:

**Benefit Base and Income Credit Base:** If the sum of withdrawals in any Benefit Year exceeds the Maximum Annual Withdrawal Amount, the Benefit Base and Income Credit Base will be reduced for those withdrawals. For each Excess Withdrawal taken, the Benefit Base and Income Credit Base are reduced in the same proportion by which the Account Value is reduced by the amount in excess of the Maximum Annual Withdrawal Amount.

**Maximum Annual Withdrawal Amount:** The Maximum Annual Withdrawal Amount is recalculated each time there is a change in the Benefit Base. Accordingly, if the sum of withdrawals in any

### **Withdrawals under the Living Benefits**

The timing and amount of withdrawals will affect the amounts received under the Living Benefits, as set forth below in greater detail.

The amount of any withdrawal for any Living Benefit which exceeds the Maximum Annual Withdrawal Amount because of RMDs required to comply with the minimum distribution requirements of the Code section 401(a)(9) and related provisions of the Code and regulations, as determined solely with reference to this Contract and the benefits thereunder, will not be treated as an Excess Withdrawal providing that all of the following conditions are met:

- (1) No withdrawals in addition to the RMD are taken in that same year;
- (2) Any RMD withdrawal is based only on the value of the Contract (including endorsements) and the benefits thereunder;
- (3) If the Endorsement Date is on or before the Required Beginning Date (RBD) of the RMD, you take the first yearly RMD withdrawal in the calendar year you attain age 70½, or retire, if applicable; and
- (4) You do not make any RMD withdrawal that would result in you being paid in any Benefit Year more than one calendar year's RMD amount.

Any portion of a RMD withdrawal that is based on amounts greater than those set forth above will be considered an Excess Withdrawal.

If you have elected IncomeLOCK +6 and the RMD amount is greater than the Maximum Annual Withdrawal Amount, but less than 6% of the Benefit Base, an Income Credit will be included in determining any Benefit Base increase in that Benefit Year.

Withdrawals made under these Living Benefits are treated like any other withdrawals under the Contract for purposes of calculating taxable income, reducing the Account Value, deducting applicable surrender charges or market value adjustments, applying fixed account withdrawal restrictions or free withdrawal amounts and any other features, benefits and conditions of the Contract. The sum of withdrawals in any



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Benefit Year does not exceed the Maximum Annual Withdrawal Amount for that year, the Maximum Annual Withdrawal Amount will not change for the next year unless your Benefit Base is increased. If you take an Excess Withdrawal, the Maximum Annual Withdrawal Amount will be recalculated by multiplying the reduced Benefit Base by the existing Maximum Annual Withdrawal Percentage. This recalculated Maximum Annual Withdrawal Amount is available for withdrawal at the beginning of the next Benefit Year and may be lower than your previous Maximum Annual Withdrawal Amount.

**Protected Income Payment:** If the Benefit Base is greater than zero, but the Account Value has been reduced to zero, we will pay any remaining Maximum Annual Withdrawal Amount for the current Benefit Year. Thereafter, you will receive the Protected Income Payment each year over the remaining lifetime of the Covered Person(s) which is calculated by multiplying the Benefit Base by the applicable Protected Income Payment Percentage. The Benefit Base is no longer increased on Benefit Anniversaries after the Account Value has been reduced to zero. As a result, the Protected Income Payment is calculated once and will not change. See “If your Account Value is Reduced to Zero” below.

*If your Account Value is Reduced to Zero*

All withdrawals from the Contract, including withdrawals under IncomeLOCK Plus, will reduce your Account Value. Unfavorable investment experience and/or fees may also reduce your Account Value. If the Account Value is reduced to zero but the Benefit Base is greater than zero, we will pay the remaining Maximum Annual Withdrawal Amount. Thereafter we will pay the Protected Income Payment over the remaining lifetime of the Covered Person(s).

**If an Excess Withdrawal reduces your Account Value to zero, no further benefits are payable under the Contract and your Contract along with IncomeLOCK Plus will terminate.**

If your Account Value is reduced to zero, you may no longer make subsequent Purchase Payments or transfers, and no death benefit is payable. Therefore, you should be aware that, particularly during times of unfavorable investment performance, withdrawals taken under IncomeLOCK Plus may reduce the Account Value to zero, thereby terminating any other benefits of the Contract. In addition, an Income Credit is not available if the Account Value is reduced to zero, even if a benefit remains payable.

When the Account Value equals zero but the Benefit Base is greater than zero, to receive any remaining Living Benefit, you must select one of the following options for payment:

1. The Protected Income Payment divided equally and paid on a monthly, quarterly, semi-annual or annual frequency

as selected by you until the date of death of the Covered Person(s); or

2. Any payment option mutually agreeable between you and us.

Once you elect a payment option, it cannot be changed. If you do not select a payment option above, the remaining benefit will be paid as an amount based on the Protected Income Payment Percentage. This amount will be divided equally and paid on a quarterly basis until the date of death of the Covered Person(s).

*Latest Annuity Date*

If the Account Value is greater than zero and you have reached the latest Annuity Date, if applicable, the Maximum Annual Withdrawal Amount is no longer available for withdrawal under IncomeLOCK Plus. Rather, the Protected Income Payment will be calculated by multiplying the Benefit Base by the Protected Income Payment Percentage and paid until the death(s) of the Covered Person(s), as discussed under “If your Account Value is Reduced to Zero” above.

If the Account Value and the Benefit Base are greater than zero on the latest Annuity Date, you must select one of the following options:

1. Annuitize the Account Value under the Contract’s annuity provisions; or
2. Elect to receive the Protected Income Payment on the latest Annuity Date, divided equally and paid on a monthly, quarterly, semi-annual or annual frequency as selected by you until the date of death of the Covered Person(s); or
3. Any payment option mutually agreeable between you and us.

If you do not elect an option listed above, on the latest Annuity Date, we may annuitize the Account Value in accordance with one of the single or joint life and period certain options under the Annuity Provisions of the Contract or payments that do not exceed your life expectancy as required by the Internal Revenue Service (“IRS”).

**Death Benefits under IncomeLOCK Plus**

If there is one Covered Person and that person dies, the surviving spousal Beneficiary may elect to:

1. Make a death claim if the Account Value is greater than zero, which terminates IncomeLOCK Plus and the Contract; or
2. Continue the Contract if the Account Value is greater than zero, without IncomeLOCK Plus and its corresponding fee.

If there are two Covered Persons, upon the death of one Covered Person, the surviving Covered Person may elect to:

1. Make a death claim if the Account Value is greater than zero, which terminates IncomeLOCK Plus and the Contract; or
2. Continue the Contract with IncomeLOCK Plus and its corresponding fee.

The components of IncomeLOCK Plus in effect at the time of such continuation will not change. The surviving Covered Person can elect to receive withdrawals in accordance with the provisions of IncomeLOCK Plus elected based on the age of the younger Covered Person at the time the first withdrawal was taken. If no withdrawals were taken prior to the continuation, the Maximum Annual Withdrawal Percentage and the Protected Income Payment Percentage will be based on the age of the surviving Covered Person at the time the first withdrawal is taken. If the continuation occurs during the Income Credit Period, the surviving Covered Person will continue to receive any increases to the Benefit Base for highest Anniversary Values or if applicable, any Income Credit while the Account Value is greater than zero. The surviving Covered Person is also eligible to receive the Minimum Benefit Base on the 12th Benefit Anniversary if no withdrawals have been taken during the first 12 Benefit Years following the Endorsement Date.

Upon the death of the Covered Person(s), if the Account Value is greater than zero, a Beneficiary who is not a Covered Person must make an election under the death benefit provisions of the Contract, which terminates IncomeLOCK Plus.

*For more information on death benefits, see "Death Benefits" in the prospectus.*

### **IncomeLOCK Plus Endorsements Issued Prior to February 25, 2013**

Effective February 25, 2013, the IncomeLOCK +8 living benefit is no longer available for purchase. If you elected IncomeLOCK +6 or IncomeLOCK +8 prior to February 25, 2013, the following provisions are applicable to this feature. All other IncomeLOCK Plus information provided in this Appendix under the heading "IncomeLOCK Plus" above applies to your Living Benefit except the following:

### **Fee Tables**

The IncomeLOCK Plus fee is calculated as a percentage of the Benefit Base.<sup>1</sup>

For Endorsement Dates of December 26, 2012 through February 24, 2013:

Number of Covered Persons	Initial Fee Rate	Maximum Annual Fee Rate <sup>2</sup>	Maximum Annualized Fee Rate Decrease or Increase <sup>3</sup>
One Covered Person	1.10%	2.20%	+/-0.25%
Two Covered Persons	1.35%	2.70%	+/-0.25%

For Endorsement Dates of May 1, 2012 through December 25, 2012:

Number of Covered Persons	Initial Fee Rate	Maximum Annual Fee Rate <sup>2</sup>	Maximum Annualized Fee Rate Decrease or Increase <sup>3</sup>
One Covered Person	1.30%	2.60%	+/-0.25%
Two Covered Persons	1.55%	3.10%	+/-0.25%

For Endorsement Dates prior to May 1, 2012:

Number of Covered Persons	Initial Fee Rate	Maximum Annual Fee Rate <sup>2</sup>	Maximum Annualized Fee Rate Decrease or Increase <sup>3</sup>
One Covered Person	1.10%	2.20%	+/-0.25%
Two Covered Persons	1.35%	2.70%	+/-0.25%

The fee rate can increase or decrease no more than 0.0625% each Benefit Quarter (0.25%/4).

### **IncomeLOCK Plus Features**

IncomeLOCK Plus offers guaranteed lifetime income plus the opportunity to increase income by locking in the greater of either the Contract's highest Anniversary Value or an annual Income Credit. IncomeLOCK Plus was available with two separate Income Credit options: IncomeLOCK +6, with a 6% Income Credit, and IncomeLOCK +8, with an 8% Income Credit. The annual Income Credit is an amount we may add to the Benefit Base each year for the first 12 Benefit Years. Although IncomeLOCK +6 is still available for purchase as of the date of

<sup>1</sup> The fee is assessed against the Benefit Base which determines the basis of the Covered Person(s) guaranteed lifetime benefit. The fee is deducted from your Account Value at the end of the first quarter following election and quarterly thereafter. *For a complete description of how the Benefit Base is calculated for IncomeLOCK Plus, see "IncomeLOCK Plus — IncomeLOCK Plus Options" in this Appendix.*

<sup>2</sup> The Initial Annual Fee Rate is guaranteed not to change for the first Benefit Year. Subsequently, the fee rate may change quarterly subject to the parameters identified in the table below. Any fee adjustment is based on a non-discretionary formula tied to the change in the Volatility Index ("VIX®"), an index of market volatility reported by the Chicago Board Options Exchange. If the VIX increases or decreases on a Benefit Quarter Anniversary, your fee rate will increase or decrease accordingly. *See "IncomeLOCK Plus — IncomeLOCK Plus Fee Formula" in this Appendix.*

<sup>3</sup> The Minimum Annual Fee Rate for IncomeLOCK Plus is 0.60%.

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this prospectus, IncomeLOCK +8 is no longer available as of February 25, 2013.

#### *Income Credit Options*

The annual Income Credit is an amount we may add to the Benefit Base each year for the first 12 Benefit Years.

For IncomeLOCK +6, the Income Credit is reduced but not eliminated in any Benefit Year in which cumulative withdrawals are less than 6% of the Benefit Base, thereby providing a guarantee that income can increase during the first 12 years even after starting withdrawals.

For IncomeLOCK +8, the Income Credit is only available in years when no withdrawals are taken.

After the expiration of the Income Credit Period your Benefit Base may continue to be increased to lock in a higher Anniversary Value. In addition, if no withdrawals are taken during the first 12 years, on the 12th Benefit Anniversary, your Benefit Base will be increased to the Minimum Benefit Base if the Benefit Base is less than this Minimum Benefit Base. The Minimum Benefit Base is equal to 200% of the first Benefit Year's Eligible Purchase Payments if the feature is added on the original Contract issue date or 200% of your Account Value on the Endorsement Date if the feature was added after your original Contract issue date and prior to May 1, 2012.

#### *Amounts Received Under IncomeLOCK Plus*

You may begin taking withdrawals as early as age 45. If you elected IncomeLOCK+6 on December 26, 2012 through February 24, 2013, the withdrawal percentage you receive while the Living Benefit is in effect varies according to the Income Credit Option you elected (Option 1, 2, 3 or Custom Allocation).

In addition, if you elected IncomeLOCK +6 or IncomeLOCK +8, your withdrawal percentage will vary primarily depending on (1) whether you elected one or two Covered Persons, (2) the age

of the Covered Person(s) at the time of the first withdrawal and (3) whether the Account Value is greater than or equal to zero.

While the Account Value is greater than zero, the MAWP represents the percentage of the Benefit Base used to calculate the MAWA that may be withdrawn each Benefit Year without decreasing the Benefit Base or Income Credit Base. If the Account Value has been reduced to zero, the PIPP represents the percentage of the Benefit Base used to calculate the Protected Income Payment that the client will receive each year over the remaining lifetime of the Covered Person(s). See "IncomeLOCK Plus — If your Account Value is Reduced to Zero" under the heading "Withdrawals under the Living Benefits" in the prospectus.

The percentage of the Benefit Base that is guaranteed by the Living Benefits while the Account Value is greater than zero, or the MAWP, ranges from 5% to 6% for IncomeLOCK Plus with an Endorsement Date prior to May 1, 2012 and ranges from 4.5% to 5.5% for IncomeLOCK Plus with an Endorsement Date of May 1, 2012 through December 25, 2012. The percentage of the Benefit Base that is guaranteed by the Living Benefits while the Account Value has been reduced to zero, or the PIPP, ranges from 3% to 4%. The MAWP and PIPP will vary based on (1) the Living Benefit selected (IncomeLOCK +6 or IncomeLOCK +8), (2) whether there are one or two Covered Person(s), (3) the age of the Covered Person(s) at the time of the first withdrawal, and (4) the Endorsement Date of the Living Benefit.

Note, however, that taxable distributions received before you attain age 59½ are subject to a 10% penalty tax in addition to regular income tax unless an exception applies (both the penalty tax and the exceptions are discussed in the "Federal Tax Matters" section in the prospectus).

The applicable MAWP and PIPP depend on the attained age of the Covered Person(s) at the time of the first withdrawal under the benefit, as set forth below. **The first percentage represents the MAWP and the second percentage represents the PIPP for each of the options shown.**

For IncomeLOCK Plus with an Endorsement Date on December 26, 2012 through February 24, 2013:

### IncomeLOCK +6

Number of Covered Persons and Age of Covered Person at First Withdrawal	Income Option 1	Income Option 2	Income Option 3	Custom Allocation
One Covered Person (Age 64 and Younger)	5.5% / 3%*	5.5% / 3%	3.75% for Life	4.5% / 3%*
One Covered Person (Age 65 and Older)	5.5% / 4%	6.5% / 3%	5% for Life	4.5% / 4%
Two Covered Persons (Age 64 and Younger)	5% / 3%*	5% / 3%	3.25% for Life	4% / 3%*
Two Covered Persons (Age 65 and Older)	5% / 4%	6% / 3%	4.50% for Life	4% / 4%

\* The PIPP is 4% if the Benefit Base is increased to a new Highest Anniversary Value on or after the Covered Person's 65<sup>th</sup> birthday or, if two Covered Persons are elected, on or after the younger Covered Person's 65<sup>th</sup> birthday.

### IncomeLOCK +8

Number of Covered Persons and Age of Covered Person at First Withdrawal	MAWP and PIPP
One Covered Person (Age 64 and Younger)	3.75% for Life
One Covered Person (Age 65 and Older)	4.75% for Life
Two Covered Persons (Age 64 and Younger)	3.25% for Life
Two Covered Persons (Age 65 and Older)	4.25% for Life

For IncomeLOCK Plus with an Endorsement Date of May 1, 2012 through December 25, 2012:

Number of Covered Persons and Age of Covered Person at First Withdrawal	IncomeLOCK +6	IncomeLOCK +8
One Covered Person (Age 64 and Younger)	5.5% / 3%	5% / 3%
One Covered Person (Age 65 and Older)	5.5% / 4%	5% / 4%
Two Covered Persons (Age 64 and Younger)	5% / 3%	4.5% / 3%
Two Covered Persons (Age 65 and Older)	5% / 4%	4.5% / 4%

### Investment Restrictions

As long as your Living Benefit endorsement remains in effect, we require that you allocate your investments in accordance with the applicable minimum and maximum percentages applicable to the Living Benefit selected. All IncomeLOCK Plus endorsements require that a percentage of your Purchase Payments (including Ineligible Purchase Payments) be allocated to Fixed Account Plus (15% if your Endorsement Date was before May 1, 2012 and 20% if your Endorsement Date was after May 1, 2012). All amounts not allocated to Fixed Account Plus, will be rebalanced on a quarterly basis through an automatic rebalancing program as discussed in more detail below.

For IncomeLOCK Plus with an Endorsement Date prior to May 1, 2012:

Number of Covered Persons and Age of Covered Person at First Withdrawal	IncomeLOCK +6	IncomeLOCK +8
One Covered Person (Age 64 and Younger)	6% / 3%	5.5% / 3%
One Covered Person (Age 65 and Older)	6% / 4%	5.5% / 4%
Two Covered Persons (Age 64 and Younger)	5.5% / 3%	5% / 3%
Two Covered Persons (Age 65 and Older)	5.5% / 4%	5% / 4%

*Living Benefits Elected on December 26, 2012 through February 24, 2013.* The IncomeLOCK +6 (Options 1, 2 and 3) and IncomeLOCK +8 endorsements require that the remaining 80% of Purchase Payments be allocated among the Dynamic Allocation Fund and the Group A Variable Account Options referenced below (excluding Fixed Account Plus and Short-Term Fixed Account). The IncomeLOCK +6 endorsement with Custom Allocation allows you to allocate Purchase Payments among the Variable Account Options from Groups A, B and C to create your personal investment portfolio, subject to the limitations provided in the table below, including that no more than 90% of each Purchase Payment may be allocated on a combined basis to Fixed Account Plus and Short-Term Fixed Account.

*Living Benefits Elected prior to December 26, 2012.* If you elected IncomeLOCK Plus prior to December 26, 2012, you may combine Variable Account Options from Groups A, B and C to create your personal investment portfolio in accordance with the minimum and maximum percentages below.

Investment Group	Investment Restrictions	Variable Account Options and/or Fixed Accounts
Group A: Bond, Cash and Fixed Accounts	30% <sup>4</sup> Minimum  100% Maximum	Fixed Account Plus Short-Term Fixed Account Capital Conservation Fund Core Bond Fund Government Money Market I Fund Government Money Market II Fund Government Securities Fund Inflation Protected Fund International Government Bond Fund Strategic Bond Fund Vanguard Long-Term Investment Grade Fund Vanguard Long-Term Treasury Fund

Investment Group	Investment Restrictions	Variable Account Options and/or Fixed Accounts
Group B: Equity Maximum	0% Minimum  70% Maximum	Aggressive Growth Lifestyle Fund American Beacon Bridgeway Large Cap Growth Fund Asset Allocation Fund Blue Chip Growth Fund Broad Cap Value Income Fund Capital Appreciation Fund Conservative Growth Lifestyle Fund Core Equity Fund Dividend Value Fund Dynamic Allocation Fund Emerging Economies Fund <sup>5</sup> Foreign Value Fund Global Social Awareness Fund Global Strategy Fund Growth Fund Growth & Income Fund High Yield Bond Fund International Equities Index Fund International Growth Fund Large Cap Core Fund Large Capital Growth Fund Large Cap Value Fund Mid Cap Index Fund Mid Cap Value Fund Moderate Growth Lifestyle Fund Socially Responsible Fund Stock Index Fund T. Rowe Price Retirement 2015 Fund T. Rowe Price Retirement 2020 Fund T. Rowe Price Retirement 2025 Fund T. Rowe Price Retirement 2030 Fund T. Rowe Price Retirement 2035 Fund T. Rowe Price Retirement 2040 Fund T. Rowe Price Retirement 2045 Fund T. Rowe Price Retirement 2050 Fund T. Rowe Price Retirement 2055 Fund T. Rowe Price Retirement 2060 Fund Value Fund Vanguard LifeStrategy Conservative Growth Fund Vanguard LifeStrategy Growth Fund Vanguard LifeStrategy Moderate Growth Fund Vanguard Wellington Fund Vanguard Windsor II Fund

<sup>4</sup> 20% of each investment, including Ineligible Purchase Payments (if any), is automatically allocated to Fixed Account Plus for as long as IncomeLOCK Plus remains in effect. (See also "Automatic Allocation to Fixed Account Plus" in this Appendix.)

<sup>5</sup> For Living Benefits with an Endorsement Date prior to November 1, 2011, the Emerging Economies Fund is in Group B. For Living Benefits with an Endorsement Date on or after November 1, 2011, the Emerging Economies Fund is in Group C.



Investment Group	Investment Restrictions	Variable Account Options and/or Fixed Accounts
Group C: Limited Equity	0% Minimum  10% Maximum	Ariel Appreciation Fund Ariel Fund Emerging Economies Fund <sup>5</sup> Global Real Estate Fund Health Sciences Fund International Opportunities Fund Invesco Balanced-Risk Commodity Strategy Fund Mid Cap Growth Fund Mid Cap Strategic Growth Fund Nasdaq-100® Index Fund Science and Technology Fund Small Cap Aggressive Growth Fund Small Cap Fund Small Cap Growth Fund Small Cap Index Fund Small Cap Special Values Fund Small Cap Value Fund Small-Mid Growth Fund

### *Asset Rebalancing Program.*

If you elected IncomeLOCK Plus, you are automatically enrolled in an automatic asset rebalancing program, with quarterly rebalancing, because market performance and withdrawal activity may result in allocations inconsistent with the investment restrictions noted above. We will also initiate immediate rebalancing in accordance with your automatic asset rebalancing instructions, after any of the following transactions:

- Any transfer or reallocation you initiate; or
- Any withdrawal you initiate.

If you initiate any transfer or reallocation, you must also at that time modify the automatic asset rebalancing instructions. Automatic transfers or Systematic Withdrawals will not result in immediate rebalancing but will wait until the next scheduled quarterly rebalancing.

Each Benefit Quarter, we will rebalance the Contract in accordance with the most current automatic asset rebalancing instructions on file. We will not rebalance your investment in Fixed Account Plus if it would result in the balance in Fixed Account Plus decreasing below the 15% or 20% automatic allocation referenced above. If at any point for any reason, the automatic asset rebalancing instructions would result in allocations inconsistent with the restrictions, we will revert to your last instructions on file that are consistent with the restrictions whether for rebalancing or for allocation of a Purchase Payment and implement those at the next balancing. See the “IncomeLOCK Plus Features — Asset Rebalancing Program” section of this Appendix for additional details of the automatic rebalancing program.

See the “IncomeLOCK Plus Features — Additional Important Information about IncomeLOCK Plus” section in this Appendix for information about your Living Benefit.

### **IncomeLOCK Plus Options**

If you elected IncomeLOCK +8, the Income Credit is eliminated in any Benefit Year in which you take a withdrawal.

### *Calculation of the Value of each Component of the Benefit*

The calculation of the initial Benefit Base for IncomeLOCK +6 with Endorsement Dates prior to December 26, 2012 and for IncomeLOCK +8 with Endorsement Dates prior to February 25, 2013 is set forth below. If you elected IncomeLOCK Plus on or after December 26, 2012, see the section of this Appendix titled “Calculation of the Value of each Component of the Benefit” under the heading “IncomeLOCK Plus — IncomeLock Plus Options.”

Investments are not permitted in the following:

Multi-Year Fixed Option – 3 years
Multi-Year Fixed Option – 5 years
Multi-Year Fixed Option – 7 years
Multi-Year Fixed Option – 10 years

### *Automatic Allocation to Fixed Account Plus*

We will automatically allocate 15% of each Purchase Payment to Fixed Account Plus if your Endorsement Date was prior to May 1, 2012 or 20% of each Purchase Payment to Fixed Account Plus if your Endorsement Date was after May 1, 2012.

The automatic allocation applies to all Purchase Payments, including Ineligible Purchase Payments that are not included in the calculation of the Benefit Base (and the Income Credit Base and Minimum Benefit Base, if applicable). The automatic allocation must remain invested in Fixed Account Plus for as long as the IncomeLOCK Plus benefit remains in effect. You may not transfer any portion of the automatic allocation to Fixed Account Plus to other investment options under the Contract. You may not request a specific percentage of any withdrawal be deducted solely from the automatic allocation to Fixed Account Plus. Rather, any withdrawal reduces the automatic allocation to Fixed Account Plus in the same proportion that the withdrawal reduces your Account Value.

<sup>5</sup> For Living Benefits with an Endorsement Date prior to November 1, 2011, the Emerging Economies Fund is in Group B. For Living Benefits with an Endorsement Date on or after November 1, 2011, the Emerging Economies Fund is in Group C.

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The calculation of other components of the Living Benefit, including the Income Credit Period, the Anniversary Value, the Income Credit Base, the Income Credit (if you elected IncomeLOCK +6), the MAWA and Excess Withdrawals, is calculated as set forth in the section of this Appendix titled *“Calculation of the Value of each Component of the Benefit” under the heading “IncomeLOCK Plus — IncomeLOCK Plus Options.”*

First, we determine the initial Benefit Base. If IncomeLOCK Plus was selected prior to May 1, 2012, the initial Benefit Base is equal to the Account Value on the Endorsement Date, which must be at least \$50,000. We reserve the right to limit the Account Value that will be considered in the initial Benefit Base to \$1.5 million without our prior approval. If IncomeLOCK Plus is selected at Contract issue, the initial Benefit Base is equal to the initial Purchase Payment, which must be at least \$50,000.

In addition, if IncomeLOCK Plus was selected prior to December 26, 2012, certain Purchase Payments received during the first five years after your Contract issue date will be considered Eligible Purchase Payments and will immediately increase the Benefit Base, as follows:

1. 100% of Purchase Payments received in the first contract year; and
2. Purchase Payments received in each of contract years 2-5, capped each year at an amount equal to 200% of the Purchase Payments received in contract year 1.

For example, if you made a \$100,000 Purchase Payment in contract year 1, Eligible Purchase Payments will include additional Purchase Payments of up to \$200,000 for contract years 2-5 for a grand total maximum of \$900,000 of Eligible Purchase Payments.

Any Purchase Payments made after your Endorsement Date (if IncomeLOCK Plus was selected after Contract issue), or any Purchase Payments made in contract years 2-5 in excess of the annual cap amount as well as all Purchase Payments received after the 5th contract year (if IncomeLOCK Plus is selected at Contract issue) are considered Ineligible Purchase Payments, and are not included in the Benefit Base.

If IncomeLOCK +8 was selected on December 26, 2012 through February 24, 2013, certain Purchase Payments received during the first year after your Contract issue date will be considered Eligible Purchase Payments and will immediately increase the Benefit Base.

Note that the earnings on Ineligible Purchase Payments, however, are included in the Anniversary Value. Total Eligible Purchase Payments are limited to \$1,500,000 without prior Company approval.

The Benefit Base is increased by each subsequent Eligible Purchase Payment, and is reduced proportionately for Excess Withdrawals.

If you elect IncomeLOCK +8, the Income Credit is 8% of the Income Credit Base, on each Benefit Anniversary during the Income Credit Period. The Income Credit may only be added to the Benefit Base if no withdrawals are taken in a Benefit Year. For example, if you take a withdrawal in Benefit Year 2, you will not be eligible for an Income Credit to be added to your Benefit Base on your second Benefit Anniversary; however, if you do not take a withdrawal in Benefit Year 3, you will be eligible for an Income Credit to be added to your Benefit Base on your third Benefit Anniversary.

*See “IncomeLOCK Plus Options — Cancellation of IncomeLOCK Plus” under the heading “IncomeLOCK Plus” for information on how you may cancel your Living Benefit.*

#### *Automatic Termination of IncomeLOCK Plus*

In addition to the termination events discussed in this Appendix in the section titled *“IncomeLOCK Plus Options — Automatic Termination of IncomeLOCK Plus”* under the heading *“IncomeLOCK Plus”*, the feature and its corresponding fees will automatically and immediately terminate upon the occurrence of one of the following:

1. The Contract Owner elects to take a loan from the Contract while the benefit is in effect.
2. The Contract Owner elects to add Guided Portfolio Services or Guided Portfolio Advantage while the benefit is in effect.

#### **Surrender of Account Value**

If you have elected IncomeLOCK +8, no Income Credit will be included in the calculation of the Benefit Base when an RMD is taken.

#### **Loans**

If you elected IncomeLOCK Plus prior to December 26, 2012 and then take a loan while your Living Benefit is in effect, the Living Benefit will automatically terminate and you will lose any benefits that you may have had with these features.

#### **IncomeLOCK**

IncomeLOCK, a Living Benefit, is no longer offered. If you elected IncomeLOCK, the following provisions are applicable to this feature.

In addition to the defined terms in the prospectus, the following defined terms are applicable to the IncomeLOCK Living Benefit:

**Anniversary Value** — the Account Value minus any Ineligible Purchase Payments, as measured on any Benefit Anniversary during the MAV Evaluation Period.

**Maximum Anniversary Value (“MAV”) Evaluation Period** — the period beginning on the Endorsement Date and ending on the 10th Benefit Anniversary for IncomeLOCK.

**Minimum Withdrawal Period (“MWP”)** — the minimum period over which you may take withdrawals under IncomeLOCK, if withdrawals are not taken under the lifetime withdrawal option.

### Extension Offer

The information below is important to you if you purchased a Contract between May 1, 2006 and July 5, 2010 and you elected the IncomeLOCK living benefit. As described in Appendix, the initial MAV Evaluation Period ends after the tenth contract year. On or about your tenth contract anniversary you will have an opportunity to extend the MAV Evaluation Period (the “Extension”) for an additional ten years. In choosing the Extension, your fee will change as detailed below. No other parameters or terms of your current benefit will change as a result of the Extension.

If you do not wish to elect the Extension, no further action is required by you. Your benefit will continue without change. You will continue to pay the same fee and can take the Maximum Annual Withdrawal Amount (MAWA) in effect at the end of the MAV Evaluation Period. However, your Benefit Base will no longer be adjusted for higher anniversary values. Please note that if you do not elect the Extension when it is offered, you will not be permitted to extend the MAV Evaluation Period in the future. As with all important financial decisions, we recommend that you discuss this with your financial advisor.

To elect the Extension, you must complete the Election Form you will receive. The terms of the Extension for Contracts purchased between May 1, 2006 and July 5, 2010 are detailed below. The MAV Evaluation Period may be extended for an additional 10 year period.

If you elect the Extension, the IncomeLOCK fee will be increased by 0.25% as follows:

<u>Current Maximum Annual Fee Rate</u>	<u>Annual Fee Rate After Extension</u>
0.65%	0.90%

As a reminder, you also have the option to cancel your IncomeLOCK living benefit on your tenth contract anniversary, or any contract anniversary thereafter. If you elect to cancel your IncomeLOCK living benefit, you will no longer receive the guarantees of IncomeLOCK and you will no longer be charged the fee.

### Fee Table

The IncomeLOCK fee is calculated as a percentage of the Benefit Base.<sup>6</sup>

<u>Fee Period</u>	<u>Maximum Annual Fee Rate</u>
All years	0.90% <sup>7</sup>

The fee will be calculated and deducted on a proportional basis from your Account Value on the last Business Day of each calendar quarter, starting on the first quarter following your Endorsement Date and ending upon termination of the benefit. If your Account Value and/or Benefit Base falls to zero before the feature has been terminated, the fee will no longer be deducted. We will not assess the quarterly fee if you surrender or annuitize your Contract before the end of a quarter.

### IncomeLOCK Features

IncomeLOCK provides for an automatic lock-in of the Contract’s highest Anniversary Value during the first ten years from the Endorsement Date (or twenty years, if the benefit is extended). You have the flexibility to receive income under the benefit when and how you need it. Each year, you can withdraw up to 5%, 7% or 10% of your Benefit Base (the total guaranteed amount available for withdrawal), depending on when you take your first withdrawal. A guaranteed lifetime income of 5% is also available if you wait until the Benefit Anniversary following

<sup>6</sup> IncomeLOCK is an optional guaranteed minimum withdrawal benefit. The fee will be calculated and deducted on a proportional basis from your Account Value on the last Business Day of each calendar quarter, starting on the first quarter following your Endorsement Date and ending upon termination of the benefit.

<sup>7</sup> For IncomeLOCK endorsements with an Endorsement Date from July 6, 2010 to April 30, 2012, the maximum annual fee is 0.70%, and for IncomeLOCK endorsements with an Endorsement Date prior to July 6, 2010, the maximum annual fee is 0.65%.

your 65<sup>th</sup> birthday to take your first withdrawal under the Living Benefit. The MAWP is as follows:

- Before 5th Benefit Year anniversary: 5%
- On or after 5th Benefit Year anniversary: 7%
- On or after 10th Benefit Year anniversary: 10%
- On or after 20th Benefit Year anniversary: 10%
- On or after the Benefit Anniversary following your 65<sup>th</sup> birthday (for lifetime withdrawals): 5%

*Investment Restrictions*

As long as your IncomeLOCK endorsement remains in effect, we require that you allocate your investments in accordance with the applicable minimum and maximum percentages below. You may combine Variable Account Options from Groups A, B and C to create your personal investment portfolio. IncomeLOCK endorsements with an Endorsement Date prior to July 6, 2010 are not subject to these investment restrictions.

Investment Group	Investment Restrictions	Variable Account Options and/or Fixed Accounts
Group A: Bond, Cash and Fixed Accounts	20% Minimum  100% Maximum	Fixed Account Plus Short-Term Fixed Account Capital Conservation Fund Core Bond Fund Government Money Market I Fund Government Money Market II Fund Government Securities Fund Inflation Protected Fund International Government Bond Fund Strategic Bond Fund Vanguard Long-Term Investment Grade Fund Vanguard Long-Term Treasury Fund

Investment Group	Investment Restrictions	Variable Account Options and/or Fixed Accounts
Group B: Equity Maximum	0% Minimum  70% Maximum	Aggressive Growth Lifestyle Fund American Beacon Bridgeway Large Cap Growth Fund Asset Allocation Fund Blue Chip Growth Fund Broad Cap Value Income Fund Capital Appreciation Fund Conservative Growth Lifestyle Fund Core Equity Fund Dividend Value Fund Dynamic Allocation Fund Emerging Economies Fund <sup>8</sup> Foreign Value Fund Global Social Awareness Fund Global Strategy Fund Growth Fund Growth & Income Fund High Yield Bond Fund International Equities Index Fund International Growth Fund Large Cap Core Fund Large Capital Growth Fund Large Cap Value Fund Mid Cap Index Fund Mid Cap Value Fund Moderate Growth Lifestyle Fund Socially Responsible Fund Stock Index Fund T. Rowe Price Retirement 2015 Fund T. Rowe Price Retirement 2020 Fund T. Rowe Price Retirement 2025 Fund T. Rowe Price Retirement 2030 Fund T. Rowe Price Retirement 2035 Fund T. Rowe Price Retirement 2040 Fund T. Rowe Price Retirement 2045 Fund T. Rowe Price Retirement 2050 Fund T. Rowe Price Retirement 2055 Fund T. Rowe Price Retirement 2060 Fund Value Fund Vanguard LifeStrategy Conservative Growth Fund Vanguard LifeStrategy Growth Fund Vanguard LifeStrategy Moderate Growth Fund Vanguard Wellington Fund Vanguard Windsor II Fund

<sup>8</sup> For Living Benefits with an Endorsement Date prior to November 1, 2011, the Emerging Economies Fund (formerly Global Equities Fund) is in Group B. For Living Benefits with an Endorsement Date on or after November 1, 2011, the Emerging Economies Fund is in Group C.

Investment Group	Investment Restrictions	Variable Account Options and/or Fixed Accounts
Group C: Limited Equity	0% Minimum  10% Maximum	Ariel Appreciation Fund Ariel Fund Emerging Economies Fund <sup>8</sup> Global Real Estate Fund Health Sciences Fund International Opportunities Fund Invesco Balanced-Risk Commodity Strategy Fund Mid Cap Growth Fund Mid Cap Strategic Growth Fund Nasdaq-100® Index Fund Science and Technology Fund Small Cap Aggressive Growth Fund Small Cap Fund Small Cap Growth Fund Small Cap Index Fund Small Cap Special Values Fund Small Cap Value Fund Small-Mid Growth Fund

**will lose any benefits that you may have had with this feature.** Withdrawals under this feature are treated like any other withdrawal for the purpose of calculating taxable income, reducing your Account Value. The withdrawals count toward the 10% you may remove each Contract year without a surrender charge. *See the “Fees and Charges” section of this prospectus.*

Any withdrawals taken may be subject to a 10% tax penalty if you are under age 59½ at the time of the withdrawal. For information about how these features are treated for income tax purposes, you should consult a qualified tax advisor concerning your particular circumstances. If you set up required minimum distributions (“RMD”) and have elected this feature, your distributions must be set up on the automated minimum distribution withdrawal program administered by our Annuity Service Center. Withdrawals greater than the RMD determined solely with reference to this Contract and the benefits thereunder, without aggregating the Contract with any other contract or account, may reduce the benefits of these features. In addition, if you have a qualified Contract, tax law and the terms of the plan may restrict withdrawal amounts. *See the “Surrender of Account Value” section of this prospectus, including the section in this Appendix, and the “Federal Tax Matters” section of this prospectus.*

Investments are not permitted in the following:

Multi-Year Fixed Option – 3 years
Multi-Year Fixed Option – 5 years
Multi-Year Fixed Option – 7 years
Multi-Year Fixed Option – 10 years

Any amounts that we may pay under a Living Benefit in excess of your Account Value are subject to the Company’s financial strength and claims-paying ability.

Contract Owners who elected IncomeLOCK prior to July 2, 2012 may select Guided Portfolio Advantage, a financial service offered by VALIC Financial Advisors, Inc.

#### *IncomeLOCK Components*

We reserve the right to change the investment requirements at any time for prospectively issued Contracts. We may also revise the investment requirements for any existing Contract to the extent variable or fixed investment options are added, deleted, substituted, merged or otherwise reorganized. We will notify you of any changes to the investment requirements

The benefit’s components and value may vary depending on when the first withdrawal is taken, the age of the Contract Owner at the time of the first withdrawal and the amount that is withdrawn. Your withdrawal activity determines the time period over which you are eligible to receive withdrawals. You will automatically be eligible to receive lifetime withdrawals if you begin withdrawals on or after the Benefit Anniversary following your 65th birthday and your withdrawals do not exceed the maximum annual withdrawal percentage of 5% in any Benefit Year. You may begin taking withdrawals under the benefit immediately following the date the IncomeLOCK endorsement is issued for your Contract. *See “Surrender of Account Value” in this Appendix for more information regarding the effects of withdrawals on the components of IncomeLOCK and a description of the effect of RMDs on the Living Benefit.*

#### *Additional Important Information about IncomeLOCK*

**If you take a loan after your IncomeLOCK Endorsement Date, the Living Benefit will automatically be terminated and you**

<sup>8</sup> For Living Benefits with an Endorsement Date prior to November 1, 2011, the Emerging Economies Fund (formerly Global Equities Fund) is in Group B. For Living Benefits with an Endorsement Date on or after November 1, 2011, the Emerging Economies Fund is in Group C.



The table below is a summary of the IncomeLOCK feature and applicable components of the benefit.

<b>Withdrawal</b>	<b>MAWP Prior to any Extension</b>	<b>Initial MWP Prior to Any Extension</b>	<b>MAWP if Extension is Elected</b>
Before 5th Benefit Anniversary . . . . .	5%	20 Years	5%
On or after 5th Benefit Anniversary. . . . .	7%	14.28 Years	7%
On or after 10th Benefit Anniversary . . . . .	10%	10 Years	7%
On or after 20th Benefit Anniversary . . . . .	10%	10 Years	10%
On or after the Benefit Anniversary following Contract owner's 65th birthday . . . . .	5%	Life of the Contract Owner <sup>9</sup>	5%

*Calculation of the value of each component of the Benefit*

First, we determine the Benefit Base. If IncomeLOCK was selected after Contract issue and prior to May 1, 2012, the initial Benefit Base is equal to the Account Value on the Endorsement Date, which must be at least \$50,000. We reserve the right to limit the Account Value that will be considered in the initial Benefit Base to \$1 million without our prior approval. If IncomeLOCK was selected at Contract issue, the initial Benefit Base is equal to the initial Purchase Payment, which must be at least \$50,000.

In addition, if IncomeLOCK was selected at Contract issue, the amount of Purchase Payments received during the first two years after your Endorsement Date will be considered Eligible Purchase Payments and will immediately increase the Benefit Base. Any Purchase Payments we receive after your Endorsement Date, if IncomeLOCK was selected after Contract issue (or more than two years after your Endorsement Date, if IncomeLOCK is selected at Contract issue) are considered Ineligible Purchase Payments. Eligible Purchase Payments are limited to \$1 million without our prior approval.

On each Benefit Anniversary throughout the MAV Evaluation Period, the Benefit Base automatically adjusts upwards if the current Anniversary Value is greater than both the current Benefit Base and any previous year's Anniversary Value. Other than reductions made for withdrawals (including Excess Withdrawals), the Benefit Base will only be adjusted upwards. Note that during the MAV Evaluation Period the Benefit Base will never be lowered if Anniversary Values decrease as a result of investment performance. *For effects of withdrawals on the Benefit Base, see the "Surrender of Account Value" section in this Appendix.*

Second, we consider the MAV Evaluation Period, which begins on the Endorsement Date and ends on the 10th anniversary of the Endorsement Date. Upon the expiration of the MAV Evaluation Period, you may contact us to extend the MAV Evaluation Period for an additional period as discussed further below.

Third, we determine the Anniversary Value, which equals your Account Value on any Benefit Anniversary during the MAV Evaluation Period, minus any Ineligible Purchase Payments. Note that the earnings on Ineligible Purchase Payments, however, are included in the Anniversary Value.

Fourth, we determine the MAWA, which represents the maximum amount that may be withdrawn each Benefit Year without creating an excess withdrawal and is an amount calculated as a percentage of the Benefit Base. The applicable MAWP is determined based on the Benefit Year when you take your first withdrawal, or, for lifetime withdrawals, the age of the owner when the first withdrawal is taken. Applicable percentages are shown in the IncomeLOCK summary table above. If the Benefit Base is increased to the current Anniversary Value, the MAWA is recalculated on that Benefit Anniversary using the applicable MAWP multiplied by the new Benefit Base. If the Benefit Base is increased as a result of Eligible Purchase Payments, the MAWA will be recalculated by multiplying the new Benefit Base by the applicable MAWP.

Lastly, we determine the MWP, which is the minimum period over which you may take withdrawals under this feature. The initial MWP is calculated when withdrawals under the benefit begin, and is re-calculated when the Benefit Base is adjusted to a higher Anniversary Value by dividing the Benefit Base by the MAWA. *See the summary table above for initial MWPs.* The MWPs will be reduced due to Excess Withdrawals. *For effects of withdrawals on the MWP, see the "Surrender of Account Value" section of this prospectus.*

*Cancellation of IncomeLOCK*

IncomeLOCK may be cancelled on the 5th Benefit Anniversary, the 10th Benefit Anniversary, or any Benefit Anniversary thereafter. Once IncomeLOCK is cancelled, you will no longer be charged a fee and the guarantees under the benefit are terminated. You may not extend the MAV Evaluation Period and you may not re-elect IncomeLOCK after cancellation.

*Automatic Termination of IncomeLOCK*

The feature automatically terminates upon the occurrence of one of the following:

1. The MWP has been reduced to zero unless conditions for lifetime withdrawals are met; or
2. Full or partial annuitization of the Contract; or
3. Full surrender of the Contract; or
4. A death benefit is paid, or

<sup>9</sup> Lifetime withdrawals are available so long as your withdrawals remain within the 5% MAWP indicated above. If withdrawals exceed the 5% MAWP in any Benefit Year, and if the excess is not solely a result of RMDs attributable to this Contract, lifetime withdrawals will no longer be available. Instead, available withdrawals are automatically recalculated with respect to the MWP and MAWP listed in the table above, based on the time of first withdrawal and reduced for withdrawals already taken.

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5. You elect to take a loan from the Contract; or
  6. Your spousal Beneficiary elects to continue the Contract without IncomeLOCK.

We also reserve the right to terminate the feature if withdrawals in excess of the MAWA in any Benefit Year reduce the Benefit Base by 50% or more.

Lifetime withdrawals will not be available in the event of:

1. An ownership change which results in a change of the older Contract Owner;<sup>10</sup> or
2. Withdrawals prior to the Benefit Anniversary following the 65th birthday of the Contract Owner; or
3. Death of the Contract Owner; or
4. A withdrawal in excess of the 5% MAWA.<sup>11</sup>

### **Surrender of Account Value**

The timing and amount of withdrawals will affect the amounts received under IncomeLOCK as set forth below in greater detail.

The amount of any withdrawal for IncomeLOCK which exceeds the MAWA because of RMDs required to comply with the minimum distribution requirements of the Code section 401(a)(9) and related provisions of the Code and regulations, as determined solely with reference to this Contract and the benefits thereunder, will not be treated as an excess withdrawal providing that all of the following conditions are met:

1. No withdrawals in addition to the RMD are taken in that same year;
2. Any RMD withdrawal is based only on the value of the Contract (including endorsements) and the benefits thereunder;
3. If the Endorsement Date is on or before the Required Beginning Date (RBD) of the RMD, you take the first yearly RMD withdrawal in the calendar year you attain age 70 ½, or retire, if applicable; and
4. You do not make any RMD withdrawal that would result in you being paid in any Benefit Year more than one calendar year's RMD amount.

Any portion of a RMD withdrawal that is based on amounts greater than those set forth above will be considered an excess

withdrawal. This will result in the cancellation of lifetime withdrawals and further may reduce your remaining MWP.

Withdrawals made under IncomeLOCK are treated like any other withdrawals under the Contract for purposes of calculating taxable income, reducing the Account Value, deducting applicable surrender charges or market value adjustments, applying fixed account withdrawal restrictions or free withdrawal amounts and any other features, benefits and conditions of the Contract. The sum of withdrawals in any Benefit Year up to the MAWA will not be assessed a surrender charge.

The MAWA, Benefit Base and MWP may change over time as a result of the timing and amounts of withdrawals.

If you elect to begin withdrawals prior to the Benefit Anniversary following your 65th birthday (if a jointly owned nonqualified Contract, prior to the 65th birthday of the older owner), you will not be eligible to receive lifetime withdrawals. If you begin withdrawals on or after the Benefit Anniversary following your 65th birthday (older owner 65th birthday if jointly owned) and wish to receive lifetime withdrawals, the MAWA is calculated as 5% of the Benefit Base. At any time, if the amount of withdrawals exceeds 5% of the Benefit Base in a Benefit Year, you will not be guaranteed to receive lifetime withdrawals. However, you can continue to receive withdrawals over the MWP in amounts up to the MAWA as described above, based on when you made your first withdrawal and reduced by withdrawals already taken.

Total withdrawals in any Benefit Year equal to or less than the MAWA reduce the Benefit Base by the amount of the withdrawal. Withdrawals in excess of the MAWA are considered Excess Withdrawals. We define Excess Withdrawals as either: 1) any withdrawal that causes the total withdrawals in a Benefit Year to exceed the MAWA; or 2) any withdrawal in a Benefit Year taken after the MAWA has been withdrawn. Excess Withdrawals will reduce the Benefit Base by the greater of: (a) the amount of the Excess Withdrawal; or (b) the relative size of the Excess Withdrawal in relation to the Account Value on the next Benefit Anniversary after the Excess Withdrawal. This means that if Account Value is less than the Benefit Base, withdrawals greater than the MAWA will result in a proportionately greater reduction of the Benefit Base (as described below), which will be more than the amount of the withdrawal itself. This will also reduce your MAWA.

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<sup>10</sup> If a change of ownership occurs from a natural person to a non-natural entity, the original natural older owner must also be the annuitant after the ownership change to prevent termination of lifetime withdrawals. A change of ownership from a non-natural entity to a natural person can only occur if the new natural owner was the original natural older annuitant in order to prevent termination of lifetime withdrawals. Any ownership change is contingent upon prior review and approval by the Company.

<sup>11</sup> However, if an RMD withdrawal for this Contract exceeds the MAWA, the ability to receive lifetime withdrawals will not be terminated as long as withdrawals of RMDs are determined solely with reference to this Contract and the benefits thereunder, without aggregating the Contract with any other contract or account. See the "Surrender of Account Value" section in this prospectus.

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The impact of withdrawals and the effect on each component of IncomeLOCK are further explained below.

**Account Value:** Any withdrawal reduces the Account Value by the amount of the withdrawal.

**Benefit Base:** Withdrawals reduce the Benefit Base as follows:

1. All withdrawals up to the MAWA, and any withdrawals in excess of the MAWA which are due solely to RMDs (as more specifically described above), will reduce the Benefit Base by the dollar amount of the withdrawal;
2. Excess Withdrawals as described above reduce the Benefit Base to the lesser of (a) or (b), where:
  - (a) is the Benefit Base immediately prior to the Excess Withdrawal minus the amount of the Excess Withdrawal, or;
  - (b) is the Benefit Base immediately prior to the Excess Withdrawal reduced in the same proportion by which the Account Value on the next Benefit Anniversary after the Excess Withdrawal is reduced by the amount of the Excess Withdrawal.

**Maximum Annual Withdrawal Amount (MAWA):** The MAWA will be adjusted as follows:

1. If there are no Excess Withdrawals in a Benefit Year, no further changes are made to the MAWA for the next Benefit Year.
2. If there are Excess Withdrawals in a Benefit Year, the MAWA will be recalculated on the next Benefit Anniversary. The new MAWA will equal the new Benefit Base on that Benefit Anniversary after the Withdrawal divided by the new MWP on that Benefit Anniversary. The new MAWA may be lower than your previously calculated MAWA.

**Minimum Withdrawal Period (MWP):** The MWP is calculated as follows:

1. If there are no Excess Withdrawals during a Benefit Year, the new MWP will be the Benefit Base after the withdrawal divided by the current MAWA.
2. If there are Excess Withdrawals during a Benefit Year, the new MWP will equal the MWP calculated at the end of the prior Benefit Year reduced by one year. In the case of lifetime withdrawals, such an Excess Withdrawal will cancel that period and the new MWP will be determined by dividing the new Benefit Base by the new MAWA.

#### *If your Account Value is Reduced to Zero*

If your Account Value is reduced to zero and the Benefit Base is greater than zero, subsequent Purchase Payments will no longer be accepted and a death benefit will not be payable. Further

payments under the Contract will be made according to your irrevocable election of one of the following two alternatives:

- (1) In a form acceptable to the Company, you may request a lump sum equal to the discounted present value of any remaining guaranteed payments under the benefit; or,
- (2) If no lump sum request is received by the Company during the period described in a notice provided to you by the Company, you will receive an annuity according to the annuitization provisions of your Contract. Absent an alternative election by you, the annuity will consist of annual payments equal to the MAWA, for a period of years equal to the remaining Benefit Base divided by the MAWA. Such payments will be made quarterly unless otherwise elected, and each individual periodic payment will be equal to the pro-rata portion of the annual MAWA based upon the frequency. Prior to the commencement of such payments, you may also elect to receive an alternative form of annuity, in any other actuarially equivalent form permitted under the Contract, subject to any applicable limitations under the Contract or the Plan.

#### *Extending the MAV Evaluation Period*

At the end of the MAV Evaluation Period, as long as the benefit is still in effect and the older owner is age 85 or younger, we guarantee that you will be given the opportunity to extend the MAV Evaluation Period for at least one additional evaluation period of 10 years. If you elect to extend the MAV Evaluation Period, the Benefit Base can continue to be adjusted upward as described above on each anniversary during the new MAV Evaluation Period. Also, if you extend the MAV Evaluation Period, you should note that the components of the feature, such as the fee and MAWP, will change to those in effect at the time you elect to extend. The components and fees may be different from when you initially elected the feature. Additional MAV Evaluation Periods may be offered at our sole discretion.

If you do not contact us to extend the MAV Evaluation Period, the Benefit Base will no longer be adjusted on subsequent Benefit Anniversaries. However, you can continue to take the MAWA in effect at the end of the last MAV Evaluation Period, subject to adjustments for withdrawals. You will continue to pay the fee at the rate that was in effect during the last MAV Evaluation Period and you will not be permitted to extend the MAV Evaluation Period in the future.

#### **Death Benefits**

##### *Spousal Beneficiary*

Upon the death of the Contract Owner, and subject to any applicable limitations in this Contract, the Code, or under the plan or arrangement under which the Contract is issued, your

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spousal Beneficiary may elect either (i) to receive a death benefit in accordance with one of the forms permitted under the provisions of this Contract (if the Account Value is greater than zero), (ii) continue this Contract and IncomeLOCK (except as noted below) or (iii) continue the Contract and cancel IncomeLOCK and its accompanying charge. Spousal continuation of the Contract (and IncomeLOCK) is not available if the Contract was set up under one of the following “qualified” plan types: 403(b), 401(k), 401(a) or 457(b). For these Contracts, a spousal Beneficiary, like a non-spousal Beneficiary, cannot continue IncomeLOCK and must take a death benefit under the terms of the Contract. A spousal Beneficiary may continue IncomeLOCK but only for nonqualified Contracts and IRA plan types (Roth IRA, traditional IRA, SEP, and Simple IRA). Upon election to continue the Contract and IncomeLOCK, your spousal Beneficiary will be subject to the terms and conditions of IncomeLOCK, including the charge. Upon the owner’s death, lifetime withdrawals under the IncomeLOCK end and are not available to your spousal Beneficiary. In this event, available withdrawals under IncomeLOCK are automatically recalculated with respect to the MWP and MAWP shown in the IncomeLOCK summary table above, based on the time of the first withdrawal under IncomeLOCK and reduced for withdrawals already taken. The Endorsement Date will not change as the result of spousal continuation.

### *Non-Spousal Beneficiary*

Upon the death of the Contract Owner, if the Account Value is greater than zero, IncomeLOCK will terminate, and your nonspousal Beneficiary(ies) must receive a death benefit in accordance with the otherwise applicable terms of this Contract. If the Account Value is zero upon your death (meaning that no death benefit is payable) but the MWP remaining is greater than zero, a nonspousal beneficiary will receive the remaining value in a lump sum equal to the discounted present value of any remaining guaranteed payments under IncomeLOCK. Upon your death, lifetime withdrawals under the IncomeLOCK end and any available withdrawals under this Endorsement are automatically recalculated with respect to the MWP and MAWP shown in the IncomeLOCK summary table above, based on the time of the first withdrawal under IncomeLOCK and reduced for withdrawals already taken.

### **Loans**

If you elected IncomeLOCK prior to December 26, 2012 and then take a loan while your Living Benefit is in effect, the Living Benefit will automatically terminate and you will lose any benefits that you may have had with these features.

### Appendix C — State Contract Variability

Prospectus	Provision Availability or Variation	Issue State
Annuity Date	You may switch to the Payout Period any time after your first Contract anniversary.	Florida
Free Look	If you are age 60 or older on the Contract issue date, the Free Look period is 30 days. If you direct that the premium be invested in the Fixed Account, the Free Look amount is calculated as the Purchase Payments paid. If you direct that the premium be invested in Variable Account Options, the Free Look amount is calculated as the greater of (1) Purchase Payments or (2) the value of your Contract plus any fees paid on the day we received your request in good order.	California
Free Look	The Free Look period is 21 days and the amount is calculated as the value of your Contract plus fees and charges on the day we receive your request in good order.	Florida
Free Look	The Free Look period is 20 days.	North Dakota
Premium Tax	We deduct premium tax charges of 0.50% for Qualified Contracts and 2.35% for Non-Qualified Contracts based on contract value when you begin the Payout Period.	California
Premium Tax	We deduct premium tax charges of 2.0% for Non-Qualified Contracts based on total Purchase Payments when you begin the Payout Period.	Maine
Premium Tax	We deduct premium tax charges of 3.5% for Non-Qualified Contracts based on contract value when you begin the Payout Period.	Nevada
Premium Tax	For the first \$500,000 in the Contract, we deduct premium tax charges of 1.25% for Non-Qualified Contracts based on total Purchase Payments when you begin the Payout Period. For any amount in excess of \$500,000 in the contract, we deduct front-end premium tax charges of 0.08% for Non-Qualified Contracts based on total Purchase Payments when you begin the Payout Period.	South Dakota
Premium Tax	We deduct premium tax charges of 1.0% for Qualified Contracts and 1.0% for Non-Qualified Contracts based on contract value when you begin the Payout Period.	West Virginia
Premium Tax	We deduct premium tax charges of 1.0% for Non-Qualified Contracts based on total Purchase Payments when you begin the Payout Period.	Wyoming
Surrender Charge	For Contracts issued to individuals in the State of Oregon, no surrender charge will be applied to withdrawals if your account has been in effect for 10 years or longer. In addition, we will treat funds withdrawn from such Contract, when such funds are subject to surrender charges, as attributable to Purchase Payments withdrawn on a first-in-first out basis. This procedure applies to Contracts issued on and after July 1, 2017. The amount of the surrender charge for such Contracts will be the lessor of: five percent (5%) of the amount withdrawn which is attributable to Purchase Payments received during the most recent 60 months; or five percent (5%) of the total amount withdrawn.	Oregon



## VFA — Business Continuity Statement

### Overview:

The scope of VALIC Financial Advisors, Inc. (VFA) business continuity planning today entails certain key VFA business operations and data center locations. Business continuity planning is the process which defines the procedures employed to ensure the timely and orderly resumption of a company's business, through its ability to execute plans with minimal interruption to time-sensitive business operations.

How well VFA is prepared to survive a business disruption with minimal interruption to its daily routine will depend on the elements identified and the provisions made for review, maintenance, quality assurance and accuracy of its business continuity plans. Specific plans have been developed and teams have been identified for each time-sensitive business operation. Each plan prioritizes the critical business functions and states a strategy for recovery within a specified timeframe.

AIG's Global Business Continuity Management department is responsible for the guidelines, methodologies, and framework to support the strategies for recovery. VALIC's business units and application support teams are responsible for developing and maintaining continuity plans that are compliant with the above mentioned guidelines, methodologies, and framework.

### VFA Business Continuity Objectives:

The objectives of the VFA Business Recovery Continuity Plan are to:

- Avoid or minimize deaths and injuries.
- Control and terminate incidents as quickly as possible.
- Prevent a minor incident from becoming a major disaster.
- Minimize commercial and reputation damage.
- Protect account assets and financial position.
- Minimize the risk of legal liabilities.
- Resume and recover any disrupted business function or operation rapidly and effectively.
- Ensure compliance with all applicable laws and regulations.
- Maintain confidence and good relations with public safety and regulatory agencies, customers, service providers, and other official parties.
- Satisfy the interests and concerns of VFA programs and other related business entities.

### VFA Business Continuity Guidelines:

The VFA Business Continuity Plans were developed in accordance with the AIG Corporate Business Continuity Management Business Policy. The AIG Business Continuity Management Business Policies are based on the BS25999 industry standard. The key elements of the policy include, Risk Assessment, Business Impact Analysis, Business Continuity Plan, and Plan Testing. These key elements are discussed below:

- **Risk Assessment** – There are numerous risks to any business. From natural to man-made, these risks can be or may become threats to our business. Threats with the greatest probability of occurrence for VFA include storms or hurricanes, high water or flooding, fire, bomb threats, terrorist attacks, breach of security and general service interruption. Facilities/Property Management performed a risk assessment for each building. Each business unit followed this up by assessing any additional risks that would pertain to their specific operation.
- **Business Impact Analysis** – Each VFA business unit is required to identify the time criticality of each business function, as well as the resources that the function needs to successfully recover. Additionally, each unit must review annually the time criticality of all business functions.
- **Business Contingency Plan** – VFA business units document and update annually a contingency plan to support the business unit's needs. Contingency plans include event management procedures, employee communication strategies, alternate site requirements, procedures for notifying clients, recovery management, and alternate site preparation checklists.

- **Plan Testing** – Once the recovery plan documentation is complete, it is tested regularly to ensure that recovery capability remains viable. At least one full-scale recovery simulation, or a series of logically organized, segmented exercises representing a full exercise, is conducted annually. In addition to full-scale recovery simulation tests, an annual tabletop/walkthrough exercise of the plan is conducted to gauge each participant's understanding of individual roles and responsibilities.

**VFA Recovery Strategies:**

Threats that materialize can cause varying degrees of outages. The VFA recovery strategies address loss of workspace, loss of technology, and loss of staff.

**VFA Disaster Recovery:**

VALIC's parent company, AIG, has implemented a two data center self-recovery strategy. Business applications are in production mode in one data center with fail-over to the second data center. Data is continually synchronized between the two locations thus minimizing the loss of data and providing for a symmetric rapid recovery solution. The two data centers are geographically dispersed with one in Fort Worth, Texas and the other in Livingston, New Jersey.

VFA and its clearing firm, National Financial Services, LLC (NFS), have an agreement in which NFS may provide trade execution, clearing, and other related services for your brokerage account. NFS backs up VFA's important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, VFA has been advised by NFS that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments in a timely manner.

VFA is also the Broker/Dealer of record on many accounts held directly at third party mutual fund and annuity companies. These third-party companies each have their own business continuity plan in place in case normal business operations are interrupted for any reason.

In the event VFA ceases operations, customers who have retail accounts with NFS may call the VFA customer service line at 866-544-4968. VFA customers who have accounts held directly with third party mutual fund or annuity companies should call those companies directly if they need to place a trade, request a distribution, or have questions about their account. Clients who have VALIC Annuity Accounts should contact the VALIC Contact Center line at 800-448-2542.

VALIC Financial Advisors, Inc., member of FINRA, SIPC and an SEC-registered investment advisor.

## FACTS

### WHAT DOES THE VARIABLE ANNUITY LIFE INSURANCE COMPANY (VALIC) DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and Medical Information
- Income and Credit History
- Payment History and Employment Information

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons VALIC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does VALIC share?	Can you limit this sharing?
<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, conduct research including data analytic or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> — to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

#### Questions?

Call 1-800-448-2542 or go to VALIC.com

## Who we are

**Who is providing this notice?** The Variable Annuity Life Insurance Company (VALIC) family of companies (a complete list is described below)

## What we do

**How does VALIC protect my personal information?** To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We restrict access to employees, representatives, agents, or selected third parties who have been trained to handle nonpublic personal information.

**How does VALIC collect my personal information?** We collect your personal information, for example, when you

- open an account or provide account information
- seek advice about your investments or tell us about your investment or retirement portfolio
- tell us about your investment or retirement earnings

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

**Why can't I limit all sharing?** Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes — information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

## Definitions

**Affiliates** Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include the member companies of American International Group, Inc.*

**Nonaffiliates** Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *VALIC does not share with nonaffiliates so they can market to you.*

**Joint Marketing** A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *VALIC does not jointly market.*

## Other important information

This notice is provided by The Variable Annuity Life Insurance Company (VALIC); VALIC Financial Advisors, Inc.; VALIC Retirement Services Company; American General Life Insurance Company; AIG Capital Services, Inc.; HRA Administrator, LLC; VALIC Company I; and VALIC Company II.

You have the right to see and, if necessary, correct personal data. This requires a written request, both to see your personal data and to request correction. We do not have to change our records if we do not agree with your correction, but we will place your statement in our file. If you would like a more detailed description of our information practices and your rights, please write us at: VALIC, PO Box 15648, Amarillo, TX 79105-5648

**For Vermont Residents only.** We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found using the contact information above for Questions.

**For California Residents only.** We will not share information we collect about you with nonaffiliated third parties, except as permitted by California law, such as to process your transactions or to maintain your account.

**For Nevada Residents only.** We are providing this notice pursuant to Nevada state law. You may be placed on our internal Do Not Call List by calling 800-448-2542. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: 702-486-3132; email: [aginfo@ag.nv.gov](mailto:aginfo@ag.nv.gov).

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