

# American Equity settles lawsuit

Company to credit customers up to \$16.4 million after allegations of improper annuity sales

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American Equity Investment Life Insurance Co. has agreed to credit customers as much as \$16.4 million to settle a class-action lawsuit alleging improper

sales of annuities.

A state judge in Kentucky approved a settlement on Friday that involves as many as 24,000 customers of West Des Moines-based American Equity.

Wendy Carlson, chief financial

officer and general counsel of American Equity, said Friday that the company did not admit any liability as part of the settlement. She described it as similar to a settlement in Florida, where the company agreed to increase

credits allowed on deferred annuities.

The credits would increase the value of the customers' policies, if they choose to take periodic payments after the annuity matures. American Equity settled a law-

suit in February by the Minnesota attorney general. Authorities alleged that American Equity sold annuities to people who were unsuited to that type of investment, and the company agreed to offer refunds to as many as 2,000 purchasers.

Equity-indexed annuities have

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