

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 19, 2005**

**AMERICAN EQUITY
INVESTMENT LIFE HOLDING COMPANY**

(Exact Name of Registrant as Specified in its Charter)

IOWA

(State or Other Jurisdiction
of Incorporation)

001-31911

(Commission File Number)

42-1447959

(IRS Employer
Identification No.)

5000 Westown Parkway, Suite 440, West Des Moines, Iowa

(Address of Principal Executive Offices)

50266

(Zip Code)

(515) 221-0002

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Material Agreements

From time to time, American Equity Investment Life Holding Company (the "Company") may issue stock options to its directors, officers, employees, consultants and advisors under and pursuant to the 1996 Stock Option Plan (as amended, the "1996 Plan"), which plan, and amendments thereto, were previously adopted by the Board and approved by the stockholders of the Company. The Company has previously filed the 1996 Plan with the SEC. A copy of the form of option agreement under the 1996 Plan is filed as Exhibit 10.1 to this Form 8-K.

From time to time, the Company may issue stock options to its employees under and pursuant to the 2000 Employee Stock Option Plan (as amended, the "2000 Employee Plan"), which plan, and amendments thereto, were previously adopted by the Board and approved by the stockholders of the Company. The Company has previously filed the 2000 Employee Plan with the SEC. A copy of the form of option agreement under the 2000 Employee Plan is filed as Exhibit 10.2 to this Form 8-K.

From time to time, the Company may issue stock options to its directors under and pursuant to the 2000 Director Stock Option Plan (as amended, the "2000 Director Plan"), which plan, and amendments thereto, were previously adopted by the Board and approved by the stockholders of the Company. The Company has previously filed the 2000 Director Plan with the SEC. A copy of the form of option agreement under the 2000 Director Plan is filed as Exhibit 10.3 to this Form 8-K.

On December 31, 2004, the Board of Directors of the Company approved the grant of options to purchase shares of common stock under the 2000 Employee Plan to the executive officers of the Company as set forth below, subject to the terms of the 2000 Employee Plan and the employee stock option agreements, attached hereto as Exhibits 10.4, 10.5, 10.6, 10.7, 10.8 and 10.9 to this Form 8-K.

<u>Name of Executive Officer</u>	<u>Number of Shares of Common Stock Available For Purchase</u>
Wendy L. Carlson	20,000
James M. Gerlach	17,500
John M. Matovina	20,000

Terry A. Reimer	17,500
Debra J. Richardson	20,000
Kevin R. Wingert	20,000

Item 9.01 Financial Statements and Exhibits

(c) Exhibits:

- 10.1 Form of Option Agreement under the 1996 Stock Option Plan.
- 10.2 Form of Option Agreement under the 2000 Employee Stock Option Plan.
- 10.3 Form of Option Agreement under the 2000 Director Stock Option Plan.
- 10.4 Employee Stock Option Agreement (Wendy L. Carlson).
- 10.5 Employee Stock Option Agreement (James M. Gerlach).
- 10.6 Employee Stock Option Agreement (John M. Matovina).
- 10.7 Employee Stock Option Agreement (Terry A. Reimer).
- 10.8 Employee Stock Option Agreement (Debra J. Richardson).
- 10.9 Employee Stock Option Agreement (Kevin R. Wingert).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 19, 2005

AMERICAN EQUITY INVESTMENT
LIFE HOLDING COMPANY

By: /s/ Wendy L. Carlson
Wendy L. Carlson
Chief Financial Officer
and General Counsel

EXHIBIT INDEX

**Exhibit
Number**

- 10.1 Form of Option Agreement under the 1996 Stock Option Plan.
- 10.2 Form of Option Agreement under the 2000 Employee Stock Option Plan.
- 10.3 Form of Option Agreement under the 2000 Director Stock Option Plan.
- 10.4 Employee Stock Option Agreement (Wendy L. Carlson).
- 10.5 Employee Stock Option Agreement (James M. Gerlach).
- 10.6 Employee Stock Option Agreement (John M. Matovina).
- 10.7 Employee Stock Option Agreement (Terry A. Reimer).
- 10.8 Employee Stock Option Agreement (Debra J. Richardson).
- 10.9 Employee Stock Option Agreement (Kevin R. Wingert).

INCENTIVE STOCK OPTION AGREEMENT

THIS INCENTIVE STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the day of _____, between American Equity Investment Life Holding Company (the “Company”) and _____ (the “Optionee”).

The Company hereby grants an option of _____ shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the Incentive Stock Option Plan, adopted by the Company on January 2, 1996, as amended (the “Plan”), the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is _____ for each share, the price being at least 100% of the fair market value as determined by the Board of Directors, of a share of the Stock on the date of the grant of this Option.

2. **Exercise of Option.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.

(a) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:

- (i) While the Optionee is employed by the Company, or within thirty (30) days of the termination of Optionee’s employment; provided that in the event the Optionee’s employment with the Company is terminated because of disability, as that term is defined in Section 105(d)(4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee’s employment is terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s employment by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
- (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.

(b) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

(c) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:

- (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);

1

(ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and

(iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any person or persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier’s check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to execution, attachment or similar process except with the express consent of the Company.

4. **Adjustments**

(a) Whenever a stock split, stock dividend or other similar change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercised, and (2) the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

(b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days’ written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee’s Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.

(c) Adjustments and determinations under this paragraph 4 shall be made by the Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.

5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it at its principal office, attention of the Secretary. Each notice to the Optionee or other person or persons then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.

6. **Benefits of Agreement.** This agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heirs, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.

2

7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESTMENT
LIFE HOLDING COMPANY**

By: _____
D. J. Noble, President

ATTEST:

Debra J. Richardson, Secretary

OPTIONEE:

By: _____

3

2000 EMPLOYEE STOCK OPTION AGREEMENT

THIS EMPLOYEE STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the day of _____, 2000, between American Equity Investment Life Holding Company (the “Company”) and _____ (the “Optionee”).

The Company hereby grants an option of _____ shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the Employee Stock Option Plan, adopted by the Company effective July 1, 2000, as amended (the “Plan”), the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is \$ _____ for each share, the price being at least 100% of the fair market value as determined by the Board of Directors, of a share of the Stock on the date of the grant of this Option.
2. **Exercise of Option and Vesting Schedule.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.
 - (a) **Vesting Schedule.** This Option will vest on the last day of the sixth full month after the date of this Agreement. Should the employment of the Optionee be terminated with or without cause (except for death or disability) prior to the date of vesting, then Optionee will forfeit all rights under this Agreement.
 - (b) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:
 - (i) While the Optionee is employed by the Company, or within thirty (30) days of the termination of Optionee’s employment; provided that in the event the Optionee’s employment with the Company is terminated because of disability, as that term is defined in Section 105(d) (4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee’s employment is terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s employment by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (c) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

- (d) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:
 - (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);
 - (ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and
 - (iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to executive, attachment of similar process except with the express consent of the Committee.
4. **Adjustments**
 - (a) Whenever a stock split, stock dividend or other relevant change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercise, and (2)

the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

- (b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee's Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.
 - (c) Adjustments and determinations under this paragraph 3 shall be made by the Board of Directors of Life Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.
5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it as its principal office, attention of the Secretary. Each notice to the Optionee or other person or person then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.
6. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heir, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the

2

Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.

7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESTMENT
LIFE HOLDING COMPANY**

By: _____
D. J. Noble, President

ATTEST:

Debra J. Richardson, Sr. Vice President & Corp. Secretary

OPTIONEE:

By: _____

3

2000 DIRECTOR STOCK OPTION AGREEMENT

THIS DIRECTOR STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the day of _____, 200 , between American Equity Investment Life Holding Company (the “Company”) and _____ (the “Optionee”).

The Company hereby grants an option of _____ shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the 2000 Director Stock Option Plan, adopted by the Company effective June, 22, 2000,, the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is \$ _____ for each share, the price being at least 100% of the fair market value of a share of the Stock on the date of the grant of this Option.
2. **Exercise of Option and Vesting Schedule.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.
 - (a) **Vesting Schedule.** This Option will vest on the last day of the sixth full month after the date of this Agreement. Should the Optionee resign or be terminated (except for death or disability) prior to the date of vesting, then Optionee will forfeit all rights under this Agreement.
 - (b) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:
 - (i) While the Optionee is a member of the board of directors of the Company, or within thirty (30) days of the resignation or termination of Optionee as a board member; provided that in the event the Optionee’s service with the Company is terminated because of disability, as that term is defined in Section 105(d) (4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee resigned or was terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s service by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (c) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

-
- (d) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:
 - (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);
 - (ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and
 - (iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to executive, attachment of similar process except with the express consent of the Committee.
4. **Adjustments**
 - (a) Whenever a stock split, stock dividend or other relevant change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercise, and (2) the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

- (b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee's Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.
- (c) Adjustments and determinations under this paragraph 3 shall be made by the Board of Directors of Life Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.

- 5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it as its principal office, attention of the Secretary. Each notice to the Optionee or other person or person then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.
- 6. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heir, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the

2

Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.

- 7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESTMENT
LIFE HOLDING COMPANY**

By: _____
D. J. Noble, President

ATTEST:

Debra J. Richardson, Sr. Vice President & Corp. Secretary

OPTIONEE:

By: _____

3

EMPLOYEE STOCK OPTION AGREEMENT

THIS EMPLOYEE STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the 31st day of December, 2004, between American Equity Investment Life Holding Company (the “Company”) and, **-Wendy Carlson-** (the “Optionee”).

The Company hereby grants an option of **-20,000-** shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the Employee Stock Option Plan, adopted by the Company effective July 1, 2000, as amended (the “Plan”), the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is **\$10.77** for each share, the price being at least 100% of the fair market value as determined by the Board of Directors, of a share of the Stock on the date of the grant of this Option.
2. **Exercise of Option and Vesting Schedule.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.
 - (a) **Vesting Schedule.** This Option will vest on the last day of the sixth full month after the date of this Agreement. Should the employment of the Optionee be terminated with or without cause (except for death or disability) prior to the date of vesting, then Optionee will forfeit all rights under this Agreement.
 - (b) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:
 - (i) While the Optionee is employed by the Company, or within thirty (30) days of the termination of Optionee’s employment; provided that in the event the Optionee’s employment with the Company is terminated because of disability, as that term is defined in Section 105(d) (4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee’s employment is terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s employment by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (c) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

1

-
- (d) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:
 - (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);
 - (ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and
 - (iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to executive, attachment of similar process except with the express consent of the Committee.
4. **Adjustments**
 - (a) Whenever a stock split, stock dividend or other relevant change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercise, and (2) the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

- (b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee's Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.
- (c) Adjustments and determinations under this paragraph 3 shall be made by the Board of Directors of Life Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.
5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it as its principal office, attention of the Secretary. Each notice to the Optionee or other person or person then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the

2

heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.

6. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heir, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.
7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESTMENT
LIFE HOLDING COMPANY**

By: /s/ D. J. Noble
D. J. Noble, President

ATTEST:

/s/ Debra J. Richardson
Debra J. Richardson, Sr. Vice President & Corp. Secretary

OPTIONEE:

By: /s/ Wendy Carlson

Wendy Carlson

3

EMPLOYEE STOCK OPTION AGREEMENT

THIS EMPLOYEE STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the 31st day of December, 2004, between American Equity Investment Life Holding Company (the “Company”) and, **-Jim Gerlach-** (the “Optionee”).

The Company hereby grants an option of **-17,500-** shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the Employee Stock Option Plan, adopted by the Company effective July 1, 2000, as amended (the “Plan”), the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is \$10.77 for each share, the price being at least 100% of the fair market value as determined by the Board of Directors, of a share of the Stock on the date of the grant of this Option.
2. **Exercise of Option and Vesting Schedule.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.
 - (a) **Vesting Schedule.** This Option will vest on the last day of the sixth full month after the date of this Agreement. Should the employment of the Optionee be terminated with or without cause (except for death or disability) prior to the date of vesting, then Optionee will forfeit all rights under this Agreement.
 - (b) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:
 - (i) While the Optionee is employed by the Company, or within thirty (30) days of the termination of Optionee’s employment; provided that in the event the Optionee’s employment with the Company is terminated because of disability, as that term is defined in Section 105(d) (4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee’s employment is terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s employment by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (c) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

1

-
- (d) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:
 - (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);
 - (ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and
 - (iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to executive, attachment of similar process except with the express consent of the Committee.
4. **Adjustments**
 - (a) Whenever a stock split, stock dividend or other relevant change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercise, and (2) the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

- (b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee's Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.
- (c) Adjustments and determinations under this paragraph 3 shall be made by the Board of Directors of Life Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.
5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it as its principal office, attention of the Secretary. Each notice to the Optionee or other person or person then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the

heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.

6. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heir, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.
7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESTMENT
LIFE HOLDING COMPANY**

By: /s/ D.J. Nobel
D.J. Noble, President

ATTEST:

/s/ Debra J. Richardson
Debra J. Richardson, Secretary

OPTIONEE:

By: /s/ Jim Gerlach

Jim Gerlach

EMPLOYEE STOCK OPTION AGREEMENT

THIS EMPLOYEE STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the 31st day of December, 2004, between American Equity Investment Life Holding Company (the “Company”) and, **-John Matovina-** (the “Optionee”).

The Company hereby grants an option of **-20,000-** shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the Employee Stock Option Plan, adopted by the Company effective July 1, 2000, as amended (the “Plan”), the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is **\$10.77** for each share, the price being at least 100% of the fair market value as determined by the Board of Directors, of a share of the Stock on the date of the grant of this Option.
2. **Exercise of Option and Vesting Schedule.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.
 - (a) **Vesting Schedule.** This Option will vest on the last day of the sixth full month after the date of this Agreement. Should the employment of the Optionee be terminated with or without cause (except for death or disability) prior to the date of vesting, then Optionee will forfeit all rights under this Agreement.
 - (b) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:
 - (i) While the Optionee is employed by the Company, or within thirty (30) days of the termination of Optionee’s employment; provided that in the event the Optionee’s employment with the Company is terminated because of disability, as that term is defined in Section 105(d) (4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee’s employment is terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s employment by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (c) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

1

-
- (d) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:
 - (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);
 - (ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and
 - (iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to executive, attachment of similar process except with the express consent of the Committee.
4. **Adjustments**
 - (a) Whenever a stock split, stock dividend or other relevant change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercise, and (2) the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

- (b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee's Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.
- (c) Adjustments and determinations under this paragraph 3 shall be made by the Board of Directors of Life Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.
5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it as its principal office, attention of the Secretary. Each notice to the Optionee or other person or person then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the

heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.

6. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heir, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.
7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESTMENT
LIFE HOLDING COMPANY**

By: /s/ D.J. Nobel
D.J. Noble, President

ATTEST:

/s/ Debra J. Richardson
Debra J. Richardson, Secretary

OPTIONEE:

By: /s/ John Matovina

John Matovina

EMPLOYEE STOCK OPTION AGREEMENT

THIS EMPLOYEE STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the 31st day of December, 2004, between American Equity Investment Life Holding Company (the “Company”) and, **-Terry Reimer-** (the “Optionee”).

The Company hereby grants an option of **-17,500-** shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the Employee Stock Option Plan, adopted by the Company effective July 1, 2000, as amended (the “Plan”), the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is \$10.77 for each share, the price being at least 100% of the fair market value as determined by the Board of Directors, of a share of the Stock on the date of the grant of this Option.
2. **Exercise of Option and Vesting Schedule.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.
 - (a) **Vesting Schedule.** This Option will vest on the last day of the sixth full month after the date of this Agreement. Should the employment of the Optionee be terminated with or without cause (except for death or disability) prior to the date of vesting, then Optionee will forfeit all rights under this Agreement.
 - (b) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:
 - (i) While the Optionee is employed by the Company, or within thirty (30) days of the termination of Optionee’s employment; provided that in the event the Optionee’s employment with the Company is terminated because of disability, as that term is defined in Section 105(d) (4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee’s employment is terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s employment by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (c) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

1

-
- (d) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:
 - (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);
 - (ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and
 - (iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to executive, attachment of similar process except with the express consent of the Committee.
4. **Adjustments**
 - (a) Whenever a stock split, stock dividend or other relevant change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercise, and (2) the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

- (b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee's Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.
- (c) Adjustments and determinations under this paragraph 3 shall be made by the Board of Directors of Life Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.
5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it as its principal office, attention of the Secretary. Each notice to the Optionee or other person or person then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the

heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.

6. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heir, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.
7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESTMENT
LIFE HOLDING COMPANY**

By: /s/ D.J. Nobel
D.J. Noble, President

ATTEST:

/s/ Debra J. Richardson
Debra J. Richardson, Secretary

OPTIONEE:

By: /s/ Terry Reimer

Terry Reimer

EMPLOYEE STOCK OPTION AGREEMENT

THIS EMPLOYEE STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the 31st day of December, 2004, between American Equity Investment Life Holding Company (the “Company”) and, **-Debbie Richardson-** (the “Optionee”).

The Company hereby grants an option of **-20,000-** shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the Employee Stock Option Plan, adopted by the Company effective July 1, 2000, as amended (the “Plan”), the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is \$10.77 for each share, the price being at least 100% of the fair market value as determined by the Board of Directors, of a share of the Stock on the date of the grant of this Option.
2. **Exercise of Option and Vesting Schedule.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.
 - (a) **Vesting Schedule.** This Option will vest on the last day of the sixth full month after the date of this Agreement. Should the employment of the Optionee be terminated with or without cause (except for death or disability) prior to the date of vesting, then Optionee will forfeit all rights under this Agreement.
 - (b) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:
 - (i) While the Optionee is employed by the Company, or within thirty (30) days of the termination of Optionee’s employment; provided that in the event the Optionee’s employment with the Company is terminated because of disability, as that term is defined in Section 105(d) (4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee’s employment is terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s employment by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (c) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

1

-
- (d) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:
 - (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);
 - (ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and
 - (iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to executive, attachment of similar process except with the express consent of the Committee.
4. **Adjustments**
 - (a) Whenever a stock split, stock dividend or other relevant change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercise, and (2) the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

- (b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee's Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.
- (c) Adjustments and determinations under this paragraph 3 shall be made by the Board of Directors of Life Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.
5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it as its principal office, attention of the Secretary. Each notice to the Optionee or other person or person then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the

2

heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.

6. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heir, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.
7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESMENT
LIFE HOLDING COMPANY**

By: /s/ D.J. Nobel
D.J. Noble, President

ATTEST:

/s/ Debra J. Richardson
Debra J. Richardson, Secretary

OPTIONEE:

By: /s/ Debbie Richardson

Debbie Richardson

3

EMPLOYEE STOCK OPTION AGREEMENT

THIS EMPLOYEE STOCK OPTION AGREEMENT, hereinafter referred to as the “Option” or the “Agreement,” is made effective as of the 31st day of December, 2004, between American Equity Investment Life Holding Company (the “Company”) and, **-Kevin Wingert-** (the “Optionee”).

The Company hereby grants an option of **-20,000-** shares of common stock of the Company, \$1.00 par value per share (“Stock”), to the Optionee at the price and in all respects subject to the terms, definitions and provisions of the Agreement, and the Employee Stock Option Plan, adopted by the Company effective July 1, 2000, as amended (the “Plan”), the terms and definitions of which are incorporated herein, unless the context implies otherwise.

1. **Option Price.** The option price is \$10.77 for each share, the price being at least 100% of the fair market value as determined by the Board of Directors, of a share of the Stock on the date of the grant of this Option.
2. **Exercise of Option and Vesting Schedule.** This Option is granted for a ten (10) year term and, therefore, may not be exercised after the expiration of ten (10) years from the date that it is granted. This Option shall become exercisable at any time subject to terms of this Agreement and applicable law.
 - (a) **Vesting Schedule.** This Option will vest on the last day of the sixth full month after the date of this Agreement. Should the employment of the Optionee be terminated with or without cause (except for death or disability) prior to the date of vesting, then Optionee will forfeit all rights under this Agreement.
 - (b) **Right to Exercise.** This Option shall be exercisable during the term of the Option, by the Optionee:
 - (i) While the Optionee is employed by the Company, or within thirty (30) days of the termination of Optionee’s employment; provided that in the event the Optionee’s employment with the Company is terminated because of disability, as that term is defined in Section 105(d) (4) of the Internal Revenue Code, as amended (the “Code”), the Option privileges, with respect to the shares purchasable by the Optionee as of the date that the Optionee’s employment is terminated, may be exercised by the Optionee within one (1) year after the termination of the Optionee’s employment by the Company. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (ii) If the Optionee should die during the option period while employed by the Company, the option privileges may be exercised in full by the legal representative of the Optionee’s estate, or by the person or persons to whom the Optionee’s rights under the Option shall have passed by will or the laws of descent and distribution within one (1) year after the Optionee’s date of death. However, nothing contained within this statement shall be construed to extend the ultimate term of this Option beyond the period of time as set out above in paragraph 2.
 - (c) **Restrictions on Exercise.** The minimum number of shares for which this Option may be exercised is 50 shares. In addition, as a condition to the Optionee’s exercise of this option, the Company may require the person exercising this Option to execute any buy-sell agreement in effect between the Company and its shareholders and to make such representations or warranties to the Company as may be required by applicable law or regulation.

1

- (d) **Method of Exercise.** This Option shall be exercisable by a written notice which shall:
 - (i) State the election to exercise the Option, the number of shares in respect of which it is being exercised (which may be no less than 50 shares), the person in whose name the stock certificate for such shares of Stock is to be registered, the person’s address and social security number (or if more than one, the names, addresses and social security numbers of such persons);
 - (ii) Contain such representations and agreements as to the holder’s investment intent with respect to such shares of Stock as may be satisfactory to the Company’s counsel; and
 - (iii) Be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any persons other than the Optionee, be accompanied by proof satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by certified or bank cashier check or by shares of the Company’s Stock and shall be delivered with the notice of exercise.

3. **Nontransferability of Option.** This Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee and after Optionee’s death by the legal representative of the Optionee’s estate or by the person or persons to whom the Optionee’s rights under the Option passed by will or the laws of descent and distribution. This Option shall not be pledged or hypothecated in any way and shall not be subject to executive, attachment of similar process except with the express consent of the Committee.
4. **Adjustments**
 - (a) Whenever a stock split, stock dividend or other relevant change in capitalization of the Company occurs, (1) the number of shares that can thereafter be purchased and the option price per share under each Option that has been granted and not exercise, and (2) the number of shares used in determining whether a particular Option is grantable thereafter shall be appropriately adjusted.

- (b) In the event of the dissolution or liquidation of the Company, any Option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each Optionee and each such Optionee shall have the right during such period to exercise Optionee's Option as to all or any part of the shares covered thereby, including shares as to which such Option would not otherwise be exercisable by reason of an insufficient lapse of time.
- (c) Adjustments and determinations under this paragraph 3 shall be made by the Board of Directors of Life Company, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.
5. **Notices.** Each notice relating to this Agreement shall be in writing and delivered in person or by certified mail to the proper address, and shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it as its principal office, attention of the Secretary. Each notice to the Optionee or other person or person then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the

heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by written notice to that effect.

6. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heir, legal representatives and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Optionee, the Optionee's heirs, legal representatives, or successors may have in respect to the Plan or any options or Stock granted or issued thereunder whether to the Optionee or to any other person.
7. **Resolution of Disputes.** Any dispute or disagreement which should arise under, or as a result of, or in any way relate to, the interpretation, construction or applicability of this Agreement will be determined by the Board of Directors of the Company. Any determination made hereunder shall be final, binding, and conclusive for all purposes.

IN WITNESS WHEREOF, the Company and the Optionee have caused this Agreement to be executed effective as of the day, month and year first above written.

**AMERICAN EQUITY INVESMENT
LIFE HOLDING COMPANY**

By: /s/ D.J. Nobel
D.J. Noble, President

ATTEST:

/s/ Debra J. Richardson
Debra J. Richardson, Secretary

OPTIONEE:

By: /s/ Kevin Wingert

Kevin Wingert