

Information Related To Disclosure In Participant-Directed Individual Account Plans
(Labor Regulations Section 2550.404a-5)
For The Calendar Year Ended December 31, 2016



The Commodore Spirit® Variable Annuity Contract (The Commodore Spirit)—Enhanced Version

For use with contract forms G801-BD(97)-3 and C801-BD(97)-3 (Contract form numbers may vary by state.)

Annuity Investors Life Insurance Company® (AILIC)

Annuity Investors® Variable Account B (Variable Account B)

P.O. Box 5423, Cincinnati OH 45201 / Phone 1-800-789-6771 / Fax 513-768-5115

OVERVIEW

The Employee Retirement Income Security Act of 1974 requires plan fiduciaries to act prudently and solely in the interest of the plan's participants and beneficiaries. When a plan assigns investment responsibilities to the plan's participants and beneficiaries, plan fiduciaries must take steps to ensure that participants and beneficiaries are made aware of their rights and responsibilities with respect to managing their individual plan accounts and are provided sufficient information regarding the plan to make informed decisions about the management of their individual accounts. This information should include a description of designated investment alternatives, their performance history, and related fees and expenses.

This document provides information about The Commodore Spirit Variable Annuity Contract and the investment options available under the contract. The information in this document is intended to assist you in complying with your obligations. If you have any questions about this information or would like additional information, please contact us at 1-800-789-6771.

LEGAL DISCLAIMERS

We are providing the information in this document solely to assist you in complying with Labor Regulations Section 2550.404a-5. Annuity Investors Life Insurance Company is not a fiduciary of the plan. We are not making any representation that the information provided in this document or available at the AILIC website complies with the requirements of Labor Regulations Section 2550.404a-5. You should seek advice on how to comply with this Regulation from your legal counsel.

Annuity Investors Life Insurance Company is not an investment advisor and the information provided in this document is not investment advice. A participant or beneficiary should consult his/her investment professional for advice based on his/her personal circumstances and financial situation.

We relied on information provided by the registered investment companies (Portfolios) in which the Variable Account C subaccounts (Subaccounts) invest or on information included in the Portfolio prospectuses when we prepared the attached information and calculated the average annual total returns of the Subaccounts and the total operating expenses of the Subaccounts. We gathered the information about the benchmarks and their performance from the Portfolio prospectuses. We did not independently verify any information provided by the Portfolios or included in their prospectuses.

ADDITIONAL INFORMATION

Glossary. A sample glossary of investment-related terms is available at www.ici.org/401k/11_401k_glos. This glossary is intended to help participants and beneficiaries better understand their options.

Requesting Information. For copies of any document or information listed below, contact us at 1-800-789-6771.

Portfolio Documents: Prospectuses, Statements of Additional Information, and annual and semi-annual shareholder reports

The Commodore Spirit Documents and Information: Prospectus, Statement of Additional Information, financial statements of Annuity Investors Variable Account B, and financial statements of Annuity Investors Life Insurance Company

Part I. Performance Information: Table 1

The Commodore Spirit® variable annuity contract is issued by Annuity Investors Life Insurance Company® (AILIC). The Commodore Spirit offers both variable and fixed investment options. The variable investment options are subaccounts of Annuity Investors® Variable Account B (Subaccounts). Each Subaccount is invested in shares of a registered investment company or a portfolio of a registered investment company (Portfolios).

Table 1 contains information about the performance of the Subaccounts. It shows how the Subaccounts have performed over time and allows a participant or beneficiary to compare them with an appropriate benchmark for the same time periods. Benchmarks do not reflect deductions for fees or expenses of the Subaccounts or Portfolios or taxes.

Past performance does not guarantee how an investment option will perform in the future. An investment in a Subaccount could lose money.

Additional Information Available on the Great American Insurance Annuity Group Website

- Information about the Subaccounts and the fees and the expenses of The Commodore Spirit is included in its prospectus. The Commodore Spirit prospectus is available at www.gaig.com/annuities/pages/variable-compliance-docs.aspx.
- Information about a Portfolio, including its objectives or goals, principal strategies and principal risks, portfolio turnover rate, and fees and expenses, is included in the Portfolio's prospectus. The Portfolio prospectuses are available at www.gaig.com/annuities/pages/variable-compliance-docs.aspx.
- Performance information for the Subaccounts, updated on a monthly basis, is available by clicking "View Current Performance" at www.gaig.com/annuities/pages/variable-annuities.aspx.

| TABLE 1 – Variable Return Investments | | Average Annual Total Returns | | | | Benchmarks | | | |
|---|---|------------------------------|--------|---------|-----------|--------------------------|--------------------------|------------------------|-----------|
| Name / Type of Option, Class of Shares and Benchmarks | | As of December 31, 2016 | | | | | | | |
| Equity Subaccounts | | 1 year | 5 year | 10 year | inception | 1 year | 5 year | 10 year | inception |
| 1 | American Century Variable Portfolios, Inc. VP Capital Appreciation Fund—Class I US equity mid cap: mid–cap growth <i>Benchmark:</i> Russell Midcap® Growth Index | –6.91% | 7.94% | 5.72% | n/a | 7.33% | 13.49% | 7.83% | n/a |
| 2 | American Century Variable Portfolios, Inc. VP Large Company Value Fund—Class I US equity large cap value: large value <i>Benchmarks:</i> (A) Russell 1000® Value Index (B) S&P 500® Index | 4.98% | 10.38% | 1.20% | n/a | (A) 17.34% (B) 11.96% | (A) 14.78% (B) 14.64% | (A) 5.72% (B) 6.94% | n/a |
| 3 | American Century Variable Portfolios, Inc. VP Mid Cap Value Fund—Class I US equity mid cap: mid–cap value <i>Benchmark:</i> Russell Midcap® Value Index | 12.50% | 13.08% | 6.48% | n/a | 20.00% | 15.69% | 7.58% | n/a |
| 4 | American Century Variable Portfolios, Inc. VP Ultra® Fund—Class I US equity large cap growth: large growth <i>Benchmarks:</i> (A) Russell 1000® Growth Index (B) S&P 500® Index | –5.70% | 10.31% | 4.86% | n/a | (A) 7.08% (B) 11.96% | (A) 14.48% (B) 14.64% | (A) 8.33% (B) 6.94% | n/a |
| 5 | Davis Variable Account Fund, Inc. Davis Value Portfolio—Share Class: n/a (closed to new investors) US equity large cap blend: large blend <i>Benchmark:</i> S&P 500® Index | 1.65% | 9.18% | 1.33% | n/a | 11.96% | 14.66% | 6.95% | n/a |
| 6 | Deutsche Investments VIT Funds Deutsche Small Cap Index VIP—Class A US equity small cap: small blend <i>Benchmark:</i> Russell 2000® Index | 10.70% | 10.85% | 3.60% | n/a | 21.31% | 14.46% | 7.07% | n/a |

| TABLE 1 – Variable Return Investments | | Average Annual Total Returns | | | | Benchmarks | | | |
|---|--|------------------------------|--------|--------|-----|--|--|-------------------------------------|-----|
| Name / Type of Option, Class of Shares and Benchmarks | | As of December 31, 2016 | | | | | | | |
| 7 | Dreyfus Investment Portfolio MidCap Stock Portfolio —Service Shares US equity mid cap: mid–cap blend Benchmark: S&P MidCap 400® Index | 4.93% | 11.70% | 4.67% | n/a | 20.74% | 15.33% | 9.16% | n/a |
| 8 | Dreyfus Investment Portfolios Technology Growth Portfolio —Initial Shares Technology sector equity: technology Benchmarks: (A) S&P 500® Index (B) Morgan Stanley High-Technology 35 Index | -5.43% | 9.24% | 5.94% | n/a | (A) 11.94% (B) 13.63% | (A) 14.65% (B) 17.24% | (A) 6.94% (B) 9.17% | n/a |
| 9 | Dreyfus Stock Index Fund, Inc. —Initial Shares US equity large cap blend: large blend Benchmark: S&P 500® Index | 1.48% | 10.96% | 3.52% | n/a | 11.94% | 14.65% | 6.94% | n/a |
| 10 | The Dreyfus Sustainable U.S. Equity Portfolio, Inc. —Initial Shares US equity large cap blend: large blend Benchmark: S&P 500® Index | 0.16% | 9.24% | 4.05% | n/a | 11.94% | 14.65% | 6.94% | n/a |
| 11 | Dreyfus Variable Investment Fund Appreciation Portfolio —Initial Shares US equity large cap blend: large blend Benchmark: S&P 500® Index | -2.28% | 4.89% | 2.52% | n/a | 11.94% | 14.65% | 6.94% | n/a |
| 12 | Dreyfus Variable Investment Fund Growth and Income Portfolio —Initial Shares US equity large cap growth: large growth Benchmark: S&P 500® Index | -0.18% | 11.33% | 3.47% | n/a | 11.94% | 14.65% | 6.94% | n/a |
| 13 | Dreyfus Variable Investment Fund Opportunistic Small Cap Portfolio —Initial Shares US equity small cap: small blend Benchmark: Russell 2000® Index | 6.78% | 12.47% | 1.61% | n/a | 21.31% | 14.46% | 7.07% | n/a |
| 14 | Franklin Templeton Variable Insurance Products Trust Templeton Foreign VIP Fund —Class 2 Global equity large cap: foreign large value Benchmarks: (A) MSCI EAFE Index (B) MSCI All Country World ex–US Index | -3.00% | 1.09% | -2.71% | n/a | (A) 1.51% (B) 5.01% | (A) 7.02% (B) 5.48% | (A) 1.22% (B) 1.42% | n/a |
| 15 | Invesco Variable Insurance Funds Invesco V.I. American Value Fund —Series I US equity mid cap: mid–cap value Benchmarks: (A) Russell Midcap® Value Index (B) S&P 500® Index (C) Lipper VUF Mid–Cap Value Funds Index | 5.22% | 9.11% | 3.90% | n/a | (A) 20.00% (B) 11.96% (C) 18.83% | (A) 15.70% (B) 14.66% (C) 14.77% | (A) 7.59% (B) 6.95% (C) 6.78% | n/a |

| TABLE 1 – Variable Return Investments | | Average Annual Total Returns | | | | Benchmarks | | | |
|---|--|------------------------------|--------|-------|-------|--|--|--------------------------------------|-----|
| Name / Type of Option, Class of Shares and Benchmarks | | As of December 31, 2016 | | | | | | | |
| 16 | Invesco Variable Insurance Funds Invesco V.I. Comstock Fund —Series I US equity large cap value: large value <i>Benchmarks:</i> (A) Russell 1000® Value Index (B) S&P 500® Index (C) Lipper VUF Large–Cap Value Funds Index | 7.24% | 11.19% | 3.05% | n/a | (A) 17.34% (B) 11.96% (C) 15.55% | (A) 14.80% (B) 14.66% (C) 13.79% | (A) 5.72% (B) 6.95% (C) 5.46% | n/a |
| 17 | Invesco Variable Insurance Funds Invesco V.I. Core Equity Fund —Series I US equity large cap blend: large blend <i>Benchmarks:</i> (A) Russell 1000® Index (B) S&P 500® Index (C) Lipper VUF Large–Cap Core Funds Index | 0.05% | 6.88% | 2.43% | n/a | (A) 12.05% (B) 11.96% (C) 10.97% | (A) 14.69% (B) 14.66% (C) 13.76% | (A) 7.08% (B) 6.95% (C) 6.24% | n/a |
| 18 | Invesco Variable Insurance Funds Invesco V.I. Diversified Dividend Fund —Series I US equity large cap value: large value <i>Benchmarks:</i> (A) Russell 1000® Value Index (B) S&P 500® Index (C) Lipper VUF Large–Cap Value Funds Index | 4.55% | 12.17% | 3.28% | n/a | (A) 17.34% (B) 11.96% (C) 15.55% | (A) 14.80% (B) 14.66% (C) 13.79% | (A) 5.72% (B) 6.95% (C) 5.46% | n/a |
| 19 | Invesco Variable Insurance Funds Invesco V.I. Global Health Care Fund —Series I Healthcare sector equity: health <i>Benchmarks:</i> (A) MSCI World Health Care Index (Net) (B) MSCI World Index SM (Net) (C) Lipper VUF Health/Biotechnology Funds Classification Average | –21.43% | 9.67% | 4.51% | n/a | (A) –6.81% (B) 7.51% (C) –9.72% | (A) 13.44% (B) 10.41% (C) 17.69% | (A) 7.41% (B) 3.83% (C) 10.86% | n/a |
| 20 | Invesco Variable Insurance Funds Invesco V.I. Mid Cap Growth Fund —Series I US equity mid cap: mid–cap growth <i>Benchmarks:</i> (A) Russell Midcap® Growth Index (B) S&P 500® Index (C) Lipper VUF Mid–Cap Growth Funds Index | –9.35% | 7.31% | n/a | 6.68% | (A) 7.33% (B) 11.96% (C) 4.48% | (A) 13.51% (B) 14.66% (C) 11.60% | (A) 7.83% (B) 6.95% (C) 7.21% | n/a |
| 21 | Invesco Variable Insurance Funds Invesco V.I. Small Cap Equity Fund —Series I US equity small cap: small blend <i>Benchmarks:</i> (A) Russell 2000® Index (B) S&P 500® Index (C) Lipper VUF Small–Cap Core Funds Index | 1.83% | 7.50% | 3.41% | n/a | (A) 21.31% (B) 11.96% (C) 22.53% | (A) 14.46% (B) 14.66% (C) 14.05% | (A) 7.07% (B) 6.95% (C) 7.00% | n/a |

| TABLE 1 – Variable Return Investments | | Average Annual Total Returns | | | | Benchmarks | | | |
|---|---|------------------------------|--------|--------|-----|--------------------------------------|--|-------------------------------------|-----|
| Name / Type of Option, Class of Shares and Benchmarks | | As of December 31, 2016 | | | | | | | |
| 22 | Janus Aspen Series Janus Aspen Enterprise Portfolio —Institutional Shares US equity mid cap: mid–cap growth <i>Benchmark:</i> Russell Midcap® Growth Index | 2.13% | 12.00% | 6.94% | n/a | 7.33% | 13.51% | 7.83% | n/a |
| 23 | Janus Aspen Series Janus Aspen Forty Portfolio —Institutional Shares US equity large cap growth: large growth <i>Benchmarks:</i> (A) Russell 1000® Growth Index (B) S&P 500® Index | –7.93% | 11.87% | 5.63% | n/a | (A) 7.08% (B) 11.96% | (A) 14.50% (B) 14.66% | (A) 8.33% (B) 6.95% | n/a |
| 24 | Janus Aspen Series Janus Aspen Global Research Portfolio —Institutional Shares (closed to new investors) Global equity: world stock <i>Benchmarks:</i> (A) MSCI World Index SM (B) MSCI All Country World Index SM | –8.06% | 6.86% | –0.67% | n/a | (A) 7.51% (B) 7.86% | (A) 10.41% (B) 9.36% | (A) 3.83% (B) 3.56% | n/a |
| 25 | Janus Aspen Series Janus Aspen Overseas Portfolio —Institutional Shares Global equity large cap: foreign large blend <i>Benchmarks:</i> (A) MSCI All Country World ex–U.S. Index SM (B) MSCI EAFE® Index | –16.48% | –5.42% | –6.29% | n/a | (A) 4.50% (B) 1.00% | (A) 5.00% (B) 6.53% | (A) 0.96% (B) 0.75% | n/a |
| 26 | Janus Aspen Series Janus Aspen Research Portfolio —Institutional Shares US equity large cap growth: large growth <i>Benchmarks:</i> (A) Russell 1000® Growth Index (B) S&P 500® Index (C) Core Growth Index | –9.60% | 9.58% | 3.41% | n/a | (A) 11.96% (B) 7.08% (C) 9.50% | (A) 14.66% (B) 14.50% (C) 14.59% | (A) 6.95% (B) 8.33% (C) 7.65% | n/a |
| 27 | Morgan Stanley Variable Insurance Fund, Inc. Mid Cap Growth Portfolio —Class I US equity mid cap: mid–cap growth <i>Benchmark:</i> Russell Midcap® Growth Index | –18.78% | 1.32% | 1.70% | n/a | 7.33% | 13.51% | 7.83% | n/a |
| 28 | Morgan Stanley Variable Insurance Fund, Inc. U.S. Real Estate Portfolio —Class I Real estate sector equity: real estate <i>Benchmarks:</i> (A) FTSE NAREIT Equity REITs Index (B) S&P 500® Index | –3.36% | 7.17% | 0.62% | n/a | (A) 8.52% (B) 11.96% | (A) 12.01% (B) 14.66% | (A) 5.08% (B) 6.95% | n/a |

| TABLE 1 – Variable Return Investments | | Average Annual Total Returns | | | | Benchmarks | | | |
|--|--|-------------------------------------|---------------|----------------|------------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Name / Type of Option, Class of Shares and Benchmarks | | As of December 31, 2016 | | | | | | | |
| 29 | Oppenheimer Variable Account Funds Oppenheimer Capital Appreciation Fund/VA —Non-Service Shares US equity large cap growth: large growth <i>Benchmarks:</i> (A) S&P 500 Index (B) Russell 1000 Growth Index | -12.28% | 7.97% | 1.89% | n/a | (A) 11.96% (B) 7.08% | (A) 14.66% (B) 14.50% | (A) 6.95% (B) 8.33% | n/a |
| 30 | Oppenheimer Variable Account Funds Oppenheimer Main Street Fund/VA ®—Non-Service Shares US equity large cap blend: large blend <i>Benchmark:</i> S&P 500 Index | 1.39% | 11.07% | 3.30% | n/a | 11.96% | 14.66% | 6.95% | n/a |
| Fixed Income and Bond Subaccounts | | 1 year | 5 year | 10 year | inception | 1 year | 5 year | 10 year | inception |
| 31 | Invesco Variable Insurance Funds Invesco V.I. High Yield Fund —Series I High yield fixed income: high yield bond <i>Benchmarks:</i> (A) Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index (B) Bloomberg Barclays U.S. Aggregate Index (C) Lipper VUF High Yield Bond Funds Classification Average | 0.99% | 2.47% | 2.82% | n/a | (A) 17.13% (B) 2.65% (C) 13.08% | (A) 7.36% (B) 2.23% (C) 6.20% | (A) 7.55% (B) 4.34% (C) 6.06% | n/a |
| 32 | Morgan Stanley Variable Insurance Fund, Inc. Core Plus Fixed Income Portfolio —Class I US fixed income: intermediate-term bond <i>Benchmark:</i> Bloomberg Barclays U.S. Aggregate Index | -4.06% | 0.07% | 0.05% | n/a | 2.65% | 2.23% | 4.34% | n/a |
| 33 | PIMCO Variable Insurance Trust PIMCO Real Return Portfolio —Administrative Class Inflation linked: inflation-protected bond <i>Benchmark:</i> Bloomberg Barclays U.S. TIPS Index | -4.96% | -4.00% | 0.69% | n/a | 4.68% | 0.89% | 4.36% | n/a |
| 34 | PIMCO Variable Insurance Trust PIMCO Total Return Portfolio —Administrative Class US fixed income: intermediate-term bond <i>Benchmark:</i> Bloomberg Barclays U.S. Aggregate Index | -7.45% | -1.58% | 1.90% | n/a | 2.65% | 2.23% | 4.34% | n/a |
| Allocation Subaccounts | | 1 year | 5 year | 10 year | inception | 1 year | 5 year | 10 year | inception |
| 35 | ALPS Variable Insurance Trust Morningstar Balanced ETF Asset Allocation Portfolio —Class II Moderate allocation: 50% to 70% equity <i>Benchmarks:</i> (A) 42% Russell 3000 TR USD/ 18% MSCI ACWI Ex USA IMI NR USD/ 32% Bloomberg Barclays U.S. Universal TR USD/ 6% Citi WGBI NonUSD USD/ 2% BofAML U.S. Treasury Bill 3 Mon TR USD Index (B) Dow Jones Moderate U.S. Portfolio Index (C) 60% S&P 500 Index/ 38% Bloomberg Barclays U.S. Aggregate Bond Index/ 2% The Bank of America Merrill Lynch (BoA ML) 3 Month Treasury Bill Index | -1.72% | 2.48% | n/a | -0.38% | (A) 7.66% (B) 9.26% (C) 8.26% | (A) 7.95% (B) 9.76% (C) 9.64% | n/a | (A) 4.87% (B) 6.29% (C) 5.93% |

| TABLE 1 – Variable Return Investments | | Average Annual Total Returns | | | | Benchmarks | | | |
|---|---|------------------------------|--------|-------|--------|---------------------------------------|---------------------------------------|------------------------|-------------------------------------|
| Name / Type of Option, Class of Shares and Benchmarks | | As of December 31, 2016 | | | | | | | |
| 36 | ALPS Variable Insurance Trust Morningstar Conservative ETF Asset Allocation Portfolio—Class II Cautious allocation: 15% to 30% equity <i>Benchmarks:</i> (A) 14% Russell 3000 TR USD/ 6% MSCI ACWI Ex USA IMI NR USD/ 58% Bloomberg Barclays U.S. Universal TR USD/ 12% Citi WGBI NonUSD USD/ 10% BofAML U.S. Treasury Bill 3 Mon TR USD Index (B) Dow Jones Conservative U.S. Portfolio Index (C) 20% S&P 500 Index/ 73% Bloomberg Barclays U.S. Aggregate Bond Index/ 7% The Bank of America Merrill Lynch (BoA ML) 3 Month Treasury Bill Index | -5.54% | -1.78% | n/a | -1.10% | (A) 4.68% (B) 3.62% (C) 4.39% | (A) 3.80% (B) 4.39% (C) 4.56% | n/a | (A) 4.18% (B) 5.06% (C) 4.70% |
| 37 | ALPS Variable Insurance Trust Morningstar Growth ETF Asset Allocation Portfolio—Class II Aggressive allocation: 70% to 85% equity <i>Benchmarks:</i> (A) 56% Russell 3000 TR USD/ 24% MSCI ACWI Ex USA IMI NR USD/ 15% Bloomberg Barclays U.S. Universal TR USD/ 3% Citi WGBI NonUSD USD/ 2% BofAML U.S. Treasury Bill 3 Mon TR USD Index (B) Dow Jones Moderately Aggressive U.S. Portfolio Index (C) 80% S&P 500 Index/ 20% Bloomberg Barclays U.S. Aggregate Bond Index | -0.51% | 4.10% | n/a | -0.56% | (A) 8.94% (B) 11.33% (C) 10.15% | (A) 9.89% (B) 12.03% (C) 12.18% | n/a | (A) 4.90% (B) 6.69% (C) 6.38% |
| 38 | ALPS Variable Insurance Trust Morningstar Income and Growth ETF Asset Allocation Portfolio— Class II Cautious allocation: 30% to 50% equity <i>Benchmarks:</i> (A) 28% Russell 3000 TR USD/ 12% MSCI ACWI Ex USA IMI NR USD/ 46% Bloomberg Barclays U.S. Universal TR USD/ 9% Citi WGBI NonUSD USD/ 5% BofAML U.S. Treasury Bill 3 Mon TR USD Index (B) Dow Jones Moderately Conservative U.S. Portfolio Index (C) 40% S&P 500 Index/ 55% Bloomberg Barclays U.S. Aggregate Bond Index/ 5% The Bank of America Merrill Lynch (BoA ML) 3 Month Treasury Bill Index | -3.80% | 0.27% | n/a | -0.82% | (A) 6.22% (B) 6.95% (C) 6.32% | (A) 5.91% (B) 7.34% (C) 7.09% | n/a | (A) 4.61% (B) 5.74% (C) 5.35% |
| 39 | Calamos® Advisors Trust Calamos® Growth and Income Portfolio—Share Class: n/a (closed to new investors) Aggressive allocation: 70% to 85% equity <i>Benchmarks:</i> (A) Value Line Convertible Index (B) S&P 500 Index | -3.85% | 3.74% | 1.61% | n/a | (A) 19.00% (B) 11.96% | (A) 11.65% (B) 14.66% | (A) 8.43% (B) 6.95% | n/a |

| TABLE 1 – Variable Return Investments | | Average Annual Total Returns | | | | Benchmarks | | | |
|---|--|------------------------------|---------------|----------------|------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------------|
| Name / Type of Option, Class of Shares and Benchmarks | | As of December 31, 2016 | | | | | | | |
| 40 | Janus Aspen Series Janus Aspen Balanced Portfolio —Institutional Shares Moderate allocation: 50 to 70% equity <i>Benchmarks:</i> (A) S&P 500® Index (B) Bloomberg Barclays U.S. Aggregate Bond Index (C) Balanced Index | -5.55% | 5.48% | 4.14% | n/a | (A) 11.96% (B) 2.65% (C) 7.84% | (A) 14.66% (B) 2.23% (C) 9.07% | (A) 6.95% (B) 4.34% (C) 6.06% | n/a |
| 41 | Oppenheimer Variable Account Funds Oppenheimer Conservative Balanced Fund/VA —Non-Service Shares Cautious allocation: 30% to 50% equity <i>Benchmarks:</i> (A) Russell 3000 Index (B) Bloomberg Barclays U.S. Aggregate Bond Index (C) Reference Index | -4.90% | 3.90% | -2.67% | n/a | (A) 12.74% (B) 2.65% (C) 6.34% | (A) 14.67% (B) 2.23% (C) 6.67% | (A) 7.07% (B) 4.34% (C) 5.92% | n/a |
| 42 | The Timothy Plan The Timothy Plan Conservative Growth Portfolio Variable Series — Share class: n/a (closed to new investors) Cautious allocation: 30% to 50% equity <i>Benchmark:</i> Dow Jones Global Moderate Portfolio Index | -4.31% | 0.28% | -0.78% | n/a | 7.67% | 7.37% | 5.08% | n/a |
| 43 | The Timothy Plan The Timothy Plan Strategic Growth Portfolio Variable Series — Share class: n/a (closed to new investors) Moderate allocation: 50% to 70% equity <i>Benchmark:</i> DJ Global Moderately Aggressive Portfolio Index | -4.68% | 2.20% | -1.45% | n/a | 9.31% | 9.34% | 5.37% | n/a |
| Target Fund Subaccounts | | 1 year | 5 year | 10 year | inception | 1 year | 5 year | 10 year | inception |
| 44 | Wilshire Variable Insurance Trust 2015 ETF Fund —Share Class: n/a Target date 2000–2020; target date 2015 <i>Benchmarks:</i> (A) Wilshire 5000 Index SM (B) S&P Target Date 2015 Index | -3.66% | 2.20% | 0.14% | n/a | (A) 13.37% (B) 6.55% | (A) 14.71% (B) 6.78% | (A) 7.17% (B) 4.49% | n/a |
| 45 | Wilshire Variable Insurance Trust 2025 ETF Fund —Share Class: n/a Target date 2021–2045; target date 2025 <i>Benchmarks:</i> (A) Wilshire 5000 Index SM (B) S&P Target Date 2025 Index | -3.42% | 2.70% | -0.42% | n/a | (A) 13.37% (B) 7.82% | (A) 14.71% (B) 8.37% | (A) 7.17% (B) 4.78% | n/a |
| 46 | Wilshire Variable Insurance Trust 2035 ETF Fund —Share Class: n/a Target date 2021–2045; target date 2035 <i>Benchmarks:</i> (A) Wilshire 5000 Index SM (B) S&P Target Date 2035 Index | -3.09% | 3.70% | -0.87% | n/a | (A) 13.37% (B) 8.86% | (A) 14.71% (B) 9.59% | (A) 7.17% (B) 4.86% | n/a |

| TABLE 1 - Variable Return Investments | | Average Annual Total Returns As of December 31, 2016 | | | | Benchmarks | | | |
|---|---|---|--------|---------|-----------|------------|--------|---------|-----------|
| Name / Type of Option, Class of Shares and Benchmarks | | 1 year | 5 year | 10 year | inception | 1 year | 5 year | 10 year | inception |
| Money Market Subaccounts | | 1 year | 5 year | 10 year | inception | 1 year | 5 year | 10 year | inception |
| 47 | Dreyfus Variable Investment Fund Government Money Market Portfolio—Share Class: n/a US money market: prime money market Benchmark: n/a | -5.37% | -3.85% | -3.10% | n/a | n/a | n/a | n/a | n/a |

Notes to Table 1—Variable Return Investments

General Note

Fund and portfolio names are as of May 1, 2017. The average annual total returns of a Subaccount reflect the performance of the corresponding underlying fund or portfolio. See the underlying fund and portfolio prospectuses for more information about benchmarks.

Notes for Equity Subaccounts

The Dreyfus Sustainable U.S. Equity Portfolio, Inc. The fund changed its investment objective and strategy on May 1, 2017. Prior to May 1, 2017, its investment objective was to provide capital growth, with current income as a secondary goal. To pursue these goals, until May 1, 2017, the fund, under normal circumstances, invested in the common stocks of companies that, in the opinion of the fund's management, met traditional investment standards and conducted their business in a manner that contributed to the enhancement of the quality of life in America. To determine whether a company contributed to the enhancement of the quality of life in America, the fund considered the company's record in the areas of (1) protection and improvement of the environment and the proper use of natural resources, (2) occupational health and safety, (3) consumer protection and product purity, and (4) equal employment opportunity. In addition, prior to May 1, 2017, investment decisions for the fund were made by members of the Active Equity Team of Mellon Capital Management Corporation, an affiliate of Dreyfus, who managed the fund as employees of Dreyfus.

Franklin Templeton Variable Insurance Products Trust—Templeton Foreign VIP Fund. The MSCI All Country World ex-US Index is replacing the MSCI EAFE Index as the Fund's benchmark.

Invesco Variable Insurance Funds—Invesco V.I. Mid Cap Growth Fund Series I. Series I shares' performance prior to June 1, 2010 is that of the predecessor fund's Class II shares at net asset value and reflects the expenses applicable to the predecessor fund.

Janus Aspen Series—Janus Global Research Portfolio. For certain periods, the Portfolio's performance reflects the effect of expense waivers. Without the effect of these expense waivers, the Portfolio's performance would have been lower.

Janus Aspen Series—Janus Research Portfolio. The Core Growth Index is an internally-calculated, hypothetical combination of unmanaged indices that combines total returns from the Russell 1000 Growth Index (50%) and the S&P 500 Index (50%).

Notes for Fixed Income and Bond Subaccounts

Morgan Stanley Variable Insurance Fund, Inc.—Core Plus Fixed Income Portfolio. During 2016, the Fund received proceeds related to certain non-recurring litigation settlements. Had these settlements not occurred, the Fund's returns would have been lower.

PIMCO Variable Insurance Trust—Real Return Portfolio and Total Return Portfolio. The Portfolio's performance information reflects applicable fee waivers and/or expense limitations in effect during the periods presented. Absent such fee waivers and/or expense limitations, if any, performance would have been lower.

Notes for Allocation Subaccounts

ALPS Variable Investment Trust—Morningstar Balanced ETF Asset Allocation Portfolio. Effective as of April 31, 2017, the Portfolio changed its benchmark from the Dow Jones Moderate U.S. Portfolio Index to the New Benchmark described above.

ALPS Variable Investment Trust—Morningstar Conservative ETF Asset Allocation Portfolio. Effective as of April 31, 2017, the Portfolio changed its benchmark from the Dow Jones Conservative U.S. Portfolio Index to the New Benchmark described above.

ALPS Variable Investment Trust—Morningstar Growth ETF Asset Allocation Portfolio. Effective as of April 31, 2017, the Portfolio changed its benchmark from the Dow Jones Moderately Aggressive U.S. Portfolio Index to the New Benchmark described above.

ALPS Variable Investment Trust—Morningstar Income and Growth ETF Asset Allocation Portfolio. Effective as of April 31, 2017, the Portfolio changed its benchmark from the Dow Jones Moderately Conservative U.S. Portfolio Index to the New Benchmark described above.

Janus Aspen Series—Janus Balanced Portfolio. The Balanced Index is an internally-calculated, hypothetical combination of unmanaged indices that combines total returns from the S&P 500 Index (55%) and the Bloomberg Barclays U.S. Aggregate Bond Index (45%).

Oppenheimer Variable Account Funds—Oppenheimer Conservative Balanced Fund/VA. The Fund's Reference Index is a customized weighted index currently comprised of 65% of the Bloomberg Barclays U.S. Aggregate Bond Index and 35% of the Russell 3000 Index.

Part I. Performance Information: Table 2

The Commodore Spirit® variable annuity contract is issued by Annuity Investors Life Insurance Company® (AILIC). The Commodore Spirit offers both variable and fixed investment options. The fixed investment options are part of AILIC's general account. Guarantees related to these fixed investment options are subject to AILIC's long-term financial strength and claims-paying ability.

Table 2 contains information about the rates of return of the fixed investment options, the term or length of time that a participant or beneficiary will earn a guaranteed rate of return for options with a guarantee period, and other information relevant to performance.

Additional Information Available By Phone

- Guaranteed minimum interest rates and current interest rates applicable to the fixed investment options are available at 1-800-789-6771.
- Information about the interest rates applicable to funds already allocated to the fixed investment options by a participant or beneficiary is also available at 1-800-789-6771.

Additional Information Available on the Great American Insurance Annuity Group Website

Information about the fixed investment options and the fees and expenses of The Commodore Spirit is included in its prospectus, which is available at www.gaig.com/annuities/pages/variable-compliance-docs.aspx.

| TABLE 2 – Fixed Return Investments | | | |
|---|----------------------------------|---------|--|
| Name / Objective | Return | Term | Other |
| Fixed Accumulation Account The fixed accumulation account provides a minimum rate of return. | See explanation in Other column. | None | Amounts allocated to this account will receive a stated rate of interest equal to or greater than the minimum required under the laws of the state when and where the contract is issued. AILIC may from time to time pay a higher current interest rate for this account. The rate of return for the fixed accumulation account on January 2, 2017 was 3.00%. |
| Fixed Account Option One Year Guarantee Interest Rate Option (currently not available) This fixed account option provides a guaranteed rate of return for one year. | See explanation in Other column. | 1 year | Amounts allocated to this option will receive a stated rate of interest for a one-year period. The stated rate of interest will not change during the one-year period. The stated rate of interest will be equal to or greater than the minimum required under the laws of the state when and where the contract is issued. This option was not available on December 31, 2016. |
| Fixed Account Option Three-Year Guarantee Interest Rate Option This fixed account option provides a guaranteed rate of return for three years. | See explanation in Other column. | 3 years | Amounts allocated to this option will receive a stated rate of interest for a three-year period. The stated rate of interest will not change during the three-year period. The stated rate of interest will be equal to or greater than the minimum required under the laws of the state when and where the contract is issued. The guaranteed rate of return a three-year term that began on January 2, 2017 was 3.00%. |
| Fixed Account Option Five-Year Guarantee Interest Rate Option This fixed account option provides a guaranteed rate of return for five years. | See explanation in Other column. | 5 years | Amounts allocated to this option will receive a stated rate of interest for a five-year period. The stated rate of interest will not change during the five-year period. The stated rate of interest will be equal to or greater than the minimum required under the laws of the state when and where the contract is issued. The guaranteed rate of return for a five-year term that began on January 2, 2017 was 3.00%. |
| Fixed Account Option Seven-Year Guarantee Interest Rate Option This fixed account option provides a guaranteed rate of return for seven years. | See explanation in Other column. | 7 years | Amounts allocated to this option will receive a stated rate of interest for a seven-year period. The stated rate of interest will not change during the seven-year period. The stated rate of interest will be equal to or greater than the minimum required under the laws of the state when and where the contract is issued. The guaranteed rate of return for a seven-year term that began on January 2, 2017 was 3.00%. |

Part II. Fee and Expense Information: Table 3

Table 3 shows fee and expense information related to The Commodore Spirit. Table 3 shows the total annual operating expenses for the Subaccounts listed in Table 1. The total annual operating expenses of a Subaccount are expenses that reduce its rate of return. Total annual operating expenses of each Subaccount include: (1) the total annual operating expenses of the underlying Portfolio; (2) a mortality and expense risk charge of **0.95%**; and (3) an administration charge of **0.15%**. The fixed investment options do not incur any annual expenses.

Information about shareholder-type fees related to The Commodore Spirit is set out in the chart below Table 3. These fees are in addition to the total annual operating expenses of the Subaccounts. The Subaccounts, the Portfolios, and the fixed investment options do not charge any shareholder-type fees.

A summary of restrictions and limitations that apply to purchase payments, allocations, transfers, withdrawals, and active trading is set out in the chart below Table 3.

The cumulative effect of fees and expenses can substantially reduce the growth of retirement savings. Visit the Department of Labor's Web site for an example showing the long-term effect of fees and expenses at http://www.dol.gov/ebsa/publications/401k_employee.html.

Fees and expenses are only one of many factors to consider when deciding to invest in an option. Participants and beneficiaries may also want to think about whether an investment in a particular option, along with their other investments, will help them to achieve their financial goals.

Additional Information Available on the Great American Insurance Annuity Group Website

Information about a Portfolio's fees and expenses and restrictions related to active trading are included in the Portfolio's prospectus. Information about the fees and the expenses of The Commodore Spirit and restrictions and limitations related to purchases, allocations, transfers, withdrawals and active trading is included in its prospectus. The Portfolio prospectuses and The Commodore Spirit prospectus is available at www.gaig.com/annuities/pages/variable-compliance-docs.aspx.

| TABLE 3 – Fees and Expenses | | Total Annual Operating Expenses For Year Ended December 31, 2016 | |
|-----------------------------|--|--|----------------------|
| Name / Type of Option | | Expenses as a % | Expenses per \$1,000 |
| Equity Subaccounts | | | |
| 1 | American Century Variable Portfolios, Inc.—VP Capital Appreciation Fund—Class I | 2.10% | \$21.00 |
| 2 | American Century Variable Portfolios, Inc.—VP Large Company Value Fund—Class I | 2.01% | \$20.10 |
| 3 | American Century Variable Portfolios, Inc.—VP Mid Cap Value Fund—Class I | 2.11% | \$21.10 |
| 4 | American Century Variable Portfolios, Inc.—VP Ultra® Fund—Class I | 2.11% | \$21.10 |
| 5 | Davis Variable Account Fund, Inc.—Davis Value Portfolio—Share class: n/a | 1.72% | \$17.20 |
| 6 | Deutsche Investments VIT Funds—Deutsche Small Cap Index VIP—Class A | 1.63% | \$16.30 |
| 7 | Dreyfus Investment Portfolios—MidCap Stock Portfolio—Service Shares | 2.20% | \$22.00 |
| 8 | Dreyfus Investment Portfolios—Technology Growth Portfolio—Initial Shares | 1.93% | \$19.30 |
| 9 | Dreyfus Stock Index Fund, Inc.—Initial Shares | 1.37% | \$13.70 |
| 10 | The Dreyfus Sustainable U.S. Equity Portfolio, Inc.—Initial Shares | 1.96% | \$19.60 |
| 11 | Dreyfus Variable Investment Fund—Appreciation Portfolio—Initial Shares | 1.92% | \$19.20 |
| 12 | Dreyfus Variable Investment Fund—Growth and Income Portfolio—Initial Shares | 2.00% | \$20.00 |
| 13 | Dreyfus Variable Investment Fund—Opportunistic Small Cap Portfolio—Initial Shares | 1.96% | \$19.60 |
| 14 | Franklin Templeton Variable Insurance Products Trust—Templeton Foreign VIP Fund— Class 2 | 2.18% | \$21.80 |
| 15 | Invesco Variable Insurance Funds—Invesco V.I. American Value Fund—Series I | 2.10% | \$21.00 |
| 16 | Invesco Variable Insurance Funds—Invesco V.I. Comstock Fund—Series I | 1.89% | \$18.90 |
| 17 | Invesco Variable Insurance Funds—Invesco V.I. Core Equity Fund—Series I | 1.93% | \$19.30 |
| 18 | Invesco Variable Insurance Funds—Invesco V.I. Diversified Dividend Fund—Series I | 1.80% | \$18.00 |
| 19 | Invesco Variable Insurance Funds—Invesco V.I. Global Health Care Fund—Series I | 2.09% | \$20.90 |

| TABLE 3 – Fees and Expenses | | Total Annual Operating Expenses For Year Ended December 31, 2016 | |
|------------------------------------|--|---|-----------------------------|
| | Name / Type of Option | | |
| 20 | Invesco Variable Insurance Funds—Invesco V.I. Mid Cap Growth Fund—Series I | 2.13% | \$21.30 |
| 21 | Invesco Variable Insurance Funds—Invesco V.I. Small Cap Equity Fund—Series I | 2.06% | \$20.60 |
| 22 | Janus Aspen Series—Janus Aspen Enterprise Portfolio—Institutional Shares | 1.84% | \$18.40 |
| 23 | Janus Aspen Series—Janus Aspen Forty Portfolio—Institutional Shares | 1.84% | \$18.40 |
| 24 | Janus Aspen Series—Janus Aspen Global Research Portfolio—Institutional Shares (closed to new investors) | 1.77% | \$17.70 |
| 25 | Janus Aspen Series—Janus Aspen Overseas Portfolio—Institutional Shares | 1.62% | \$16.20 |
| 26 | Janus Aspen Series—Janus Aspen Research Portfolio—Institutional Shares | 1.74% | \$17.40 |
| 27 | Morgan Stanley Variable Insurance Fund, Inc.—Mid Cap Growth Portfolio—Class I | 2.24% | \$22.40 |
| 28 | Morgan Stanley Variable Insurance Fund, Inc.—U.S. Real Estate Portfolio—Class I | 2.16% | \$21.60 |
| 29 | Oppenheimer Variable Account Funds—Oppenheimer Capital Appreciation Fund/VA—Non-Service Shares | 1.93% | \$19.30 |
| 30 | Oppenheimer Variable Account Funds—Oppenheimer Main Street Fund® /VA—Non-Service Shares | 1.89% | \$18.90 |
| | Fixed Income and Bond Subaccounts | Expenses as a % | Expenses per \$1,000 |
| 31 | Invesco Variable Series Funds—Invesco V.I. High Yield Fund—Series I | 2.08% | \$20.80 |
| 32 | Morgan Stanley Variable Insurance Fund, Inc. —Core Plus Fixed Income Portfolio—Class I | 1.82% | \$18.20 |
| 33 | PIMCO Variable Insurance Trust—PIMCO Real Return Portfolio—Administrative Class | 2.01% | \$20.10 |
| 34 | PIMCO Variable Insurance Trust—PIMCO Total Return Portfolio—Administrative Class | 1.76% | \$17.60 |
| | Allocation Subaccounts | Expenses as a % | Expenses per \$1,000 |
| 35 | ALPS Variable Insurance Trust—Morningstar Balanced ETF Asset Allocation Portfolio—Class II | 2.03% | \$20.30 |
| 36 | ALPS Variable Insurance Trust—Morningstar Conservative ETF Asset Allocation Portfolio—Class II | 2.11% | \$21.10 |
| 37 | ALPS Variable Insurance Trust—Morningstar Growth ETF Asset Allocation Portfolio—Class II | 2.01% | \$20.10 |
| 38 | ALPS Variable Insurance Trust—Morningstar Income and Growth ETF Asset Allocation Portfolio—Class II | 2.06% | \$20.60 |
| 39 | Calamos® Advisors Trust—Calamos Growth and Income Portfolio—Share class: n/a (closed to new investors) | 2.68% | \$26.80 |
| 40 | Janus Aspen Series—Janus Aspen Balanced Portfolio—Institutional Shares | 1.74% | \$17.40 |
| 41 | Oppenheimer Variable Account Funds—Oppenheimer Conservative Balanced Fund/VA—Non-Service Shares (closed to new investors) | 2.04% | \$20.40 |
| 42 | The Timothy Plan—The Timothy Plan Conservative Growth Portfolio Variable Series—Share class: n/a (closed to new investors) | 1.53% | \$15.30 |
| 43 | The Timothy Plan—The Timothy Plan Strategic Growth Portfolio Variable Series— Share class: n/a (closed to new investors) | 1.49% | \$14.90 |
| | Target Fund Subaccounts | Expenses as a % | Expenses per \$1,000 |
| 44 | Wilshire Variable Insurance Trust—2015 ETF Fund—Share class: n/a | 1.70% | \$17.00 |
| 45 | Wilshire Variable Insurance Trust—2025 ETF Fund—Share class: n/a | 1.70% | \$17.00 |
| 46 | Wilshire Variable Insurance Trust—2035 ETF Fund—Share class: n/a | 1.70% | \$17.00 |
| | Money Market Subaccounts | Expenses as a % | Expenses per \$1,000 |
| 47 | Dreyfus Variable Investment Fund—Government Money Market Portfolio—Share class: n/a | 1.72% | \$17.20 |

Shareholder-Type Fees (Fees Charged Directly Against Participant's or Beneficiary's Investment)

| | | | |
|---|---|--|--|
| <p>Contingent Deferred Sales Charge. A contingent deferred sales charge (CDSC) may apply on partial or full surrenders. The charge does not apply to earnings. The CDSC is calculated separately for each purchase payment. The maximum CDSC is 7% of the purchase payment. See Table 4 for more information. These charges may be waived under certain circumstances.</p> | <p>Certificate Maintenance Fee. An annual certificate maintenance fee of \$30 applies. This fee may be waived under certain circumstances.</p> | <p>Transfer Fee. A transfer fee applies to each transfer in excess of 12 in any certificate year. The current transfer fee is \$25. This fee may be waived under certain circumstances.</p> | <p>Interest on Loans. If loans are available under the contract and the participant borrows money under the loan provisions, AILIC will charge interest on the loan. AILIC currently charges 6% interest on loans. AILIC will charge a higher interest rate if the plan administrator directs AILIC to do so.</p> |
|---|---|--|--|

| Restrictions and Limitations | |
|--|--|
| Flexible and Periodic Purchase Payments | <p>Minimum monthly payment under periodic payment program: \$50 Minimum additional payment: \$50 Maximum: As allowed by IRS regulations Purchase payments are subject to tax law and applicable employer plan restrictions.</p> |
| Single Purchase Payments | <p>Minimum: \$2,000 Minimum additional payment: \$50 Maximum: As allowed by IRS regulations Purchase payments are subject to tax law and applicable employer plan restrictions.</p> |
| Minimum Allocation or Transfer to Investment Options | <ul style="list-style-type: none"> • To any Subaccount OR to the fixed accumulation account: \$10 • To any fixed account option with a guarantee period: \$2,000 <p>No amount may be allocated or transferred to an option with a guarantee period that extends beyond the annuity commencement date. For contracts issued after May 1, 2004 for states where AILIC has received regulatory approval, amounts may be allocated or transferred to the Three-Year, Five-Year and Seven-Year Guarantee Interest Rate Options only during the first certificate year.</p> |
| Minimum Transfer from Investments Options | <ul style="list-style-type: none"> • From any Subaccount: \$500 or balance if less than \$1,000 • From the fixed accumulation account OR from any fixed account option with a guarantee period: \$500 or balance if less |
| Maximum Transfer from Fixed Options | <ul style="list-style-type: none"> • From the fixed accumulation account during any certificate year: 20% of value of participant's interest in account as of his/her most recent certificate anniversary • From any fixed account option with a guarantee period if the option is not maturing: 20% of value of participant's interest in option as of his/her most recent certificate anniversary • From any fixed account option with a guarantee period if the option is maturing: Balance of participant's interest in option <p>No transfer may be made from a fixed option before the participant's first certificate anniversary. Amounts transferred from any fixed option to a Subaccount may not be transferred back to any fixed option for a period of six months from the date of the original transfer.</p> |
| Withdrawals | <p>Minimum: \$500 After a withdrawal, the remaining surrender value in a participant's account must be at least \$500. Withdrawals and full surrenders are subject to tax law or employer plan restrictions on withdrawals or surrenders.</p> |
| Active Trading Restrictions | <p>If a participant's transfer events exceed 12 in one certificate year, AILIC will automatically require the participant to submit transfer requests via regular first-class U.S. mail and will not accept transfer requests from the participant that are sent by any other means. In addition, a Portfolio may impose restrictions on a participant account under policies designed to deter excessive trading, short-term market timing transactions, and other abusive trading practices. Additional information about these restrictions is set out in the Portfolio prospectuses.</p> |

Part III. Annuity Information: Table 4

Table 4 focuses on The Commodore Spirit annuity contract. Annuities are insurance contracts that allow the participant or beneficiary to receive a guaranteed stream of payment at regular intervals, usually beginning when the participant retires and lasting for his/her entire life or a fixed period he/she selects. Annuities are issued by insurance companies. Guarantees of an insurance company are subject to its long-term financial strength and claims-paying ability.

Additional Information Available on the Great American Insurance Annuity Group Website

The Commodore Spirit prospectus includes information about: (1) its objectives or goals; (2) fees that will reduce account values; (3) guaranteed income payments, including any limitations on the right of participants or beneficiaries to receive such payments; (4) costs and / or factors taken into account in determining the price of benefits under the guaranteed income payments; and (5) contract limitations on the ability of participants or beneficiaries to withdraw or transfer amounts and fees or charges applicable to such withdrawals or transfer. The Commodore Spirit prospectus is available at www.gaig.com/annuities/pages/variable-compliance-docs.aspx.

| TABLE 4 | Annuity Options |
|--|--|
| Name | The Commodore Spirit Variable Annuity Contract (The Commodore Spirit) The interests of individual participants under a contract are evidenced by certificates of participation. In this table, "you" and "your" refer to an individual participant or beneficiary. |
| Issuer | Annuity Investors Life Insurance Company (AILIC) |
| Objective/Goal | The contract is a group deferred variable annuity. The contract is designed to be a long-term investment, to meet retirement and other long-range goals. |
| Benefits: Annuity Benefit | <u>Annuity Benefit.</u> The contract will provide a guaranteed stream of annuity benefit payments to you at some future date. These payments will be based on your account value, which will depend on the performance of the investment options that you choose. The annuity benefit amount will be reduced by any fees and charges under the contract, any applicable premium tax or other tax not previously deducted, and by the outstanding balance of any loans. |
| Benefits: Death Benefit Version 1 | <p><u>Death Benefit.</u> The contract includes a death benefit payable to your beneficiary if you die during the accumulation period. The death benefit amount will be reduced by any fees and charges under the contract, any applicable premium tax or other tax not previously deducted, and by the outstanding balance of any loans.</p> <p>Death Benefit—Version 1—Form number G801-BD(97)-3 with no death benefit endorsement. This death benefit applies to master group contracts issued before June 1, 2003, and to certain master group contracts issued after that date, and to all certificates issued to participants under those particular master group contracts.</p> <p><i>Certificate issued before age 80</i></p> <ul style="list-style-type: none"> • If you die before age 80 and before the annuity commencement date, the death benefit will be an amount equal to the largest of the following three amounts: (1) your account value on the death benefit valuation date; (2) the total purchase payments, with interest at 3% per year compounded annually, less any withdrawals and any CDSC that applied to those amounts; or (3) the largest account value on any certificate anniversary after the fourth certificate anniversary and prior to the death benefit valuation date, less any withdrawals after such account value was determined and any CDSC that applied to those amounts. • If you die after age 80 and before the annuity commencement date, the death benefit and will be an amount equal to the largest of the following three amounts: (1) your account value on the death benefit valuation date; (2) the total purchase payments, with interest at 3% per year compounded annually through the certificate anniversary prior to your 80th birthday, less any withdrawals and any CDSC that applied to those amounts; or (3) the largest account value on any certificate anniversary after the fourth certificate anniversary and prior to your 80th birthday, less any withdrawals after such account value was determined and any CDSC that applied to those amounts. <p><i>Certificate issued after age 80</i> If you die before the annuity commencement date, the death benefit will be the greater of (1) the account value on the death benefit valuation date; and (2) the total purchase payments, less any withdrawals and any CDSC that applies to those amounts.</p> |

| TABLE 4 | Annuity Options (continued) | | | | | | | | | | | | | | | | | | |
|--|--|--------------------|------------------|---------|---------|---------|---------|-----------------|---------|-----------------|------|----|----|----|----|----|----|----|----|
| Benefits: Death Benefit Version 3 | <p>Death Benefit. The contract includes a death benefit payable to your beneficiary if you die during the accumulation period. The death benefit amount will be reduced by any fees and charges under the contract, any applicable premium tax or other tax not previously deducted, and by the outstanding balance of any loans.</p> <p>Death Benefit—Version 3—Form number G801-BD(97)-3 with 2003 Death Benefit Endorsement. This death benefit applies to master group contracts issued on or after June 1, 2003, and all certificates issued to participants under those particular master group contracts.</p> <p>This death benefit will be based on the greater of (1) your account value on the death benefit valuation date; (2) the total purchase payments, reduced proportionally for withdrawals, including any charges or adjustments applicable to such withdrawals; or (3) the historic high value.</p> <p>The historic high value is the lesser of (a) 200% of the total purchase payments, reduced proportionally for withdrawals, including any charges and adjustments applicable to such withdrawals; and (b) the high value, reduced proportionally for withdrawals, including any charges and adjustments applicable to such withdrawals.</p> <p>The high value is the largest account value on the fifth or any subsequent certificate anniversary, but before the death benefit valuation date and prior to age 65.</p> <ul style="list-style-type: none"> • If the certificate was issued after your 60th birthday, then there is no high value or historic high value. • If the death benefit valuation date is before the fifth certificate anniversary, then there is no high value or historic high value. | | | | | | | | | | | | | | | | | | |
| Benefits: Settlement Options | <p>Settlement Options. AILIC will make periodic payments in any form of settlement option acceptable to it at the time of an election. The standard forms of settlement options are: (1) payments for a fixed period you select; (2) payments for as long as you live and, if you select a fixed period and you die during the fixed period, payments for the rest of the period; (3) payments for as long as you live and, if the secondary annuitant you designate survives you, 50% of the payment amount for as long as the secondary annuitant lives; and (4) payments for as long as you live.</p> <p>Periodic payments under a settlement option are affected by various factors, including length of the payment period, life expectancy of the annuitant, frequency of the payment interval, and payment form selected. Benefit payments may be calculated and paid as a variable dollar benefit, as a fixed dollar benefit, or as a combination of both.</p> | | | | | | | | | | | | | | | | | | |
| Pricing Factors | <p>The cost of your right to receive annuity benefit payments and the cost of the death benefit are included in mortality and expense risk charge of 0.95% and the administration charge of 0.15%. The mortality and expense risk charge compensates AILIC for the mortality risks it assumes because of its obligation to make annuity benefit payments and death benefit payments, and for expense risks that AILIC assumes because its actual expenses in administering the Spirit contracts and Variable Account B could exceed the amount AILIC receives through other contract fees. The administration charge offsets expenses incurred in administering the contracts and the variable account. The rates shown are annual rates.</p> <p>The 1983 Group Annuity Table with interest at 3% per year, compounded annually, is used to compute all guaranteed settlement option factors, values, and benefits under your certificate.</p> | | | | | | | | | | | | | | | | | | |
| Fees | <p>A contingent deferred sales charge (CDSC) may apply on partial or full surrenders. The charge does not apply to earnings. The CDSC is calculated separately for each purchase payment. The CDSC rate depends on how many years have elapsed since the date of receipt of the purchase payment.</p> <table border="1" data-bbox="338 1036 1503 1101"> <thead> <tr> <th>Full years elapsed</th> <th>Less than 1 year</th> <th>1 year</th> <th>2 years</th> <th>3 years</th> <th>4 years</th> <th>5 years</th> <th>6 years</th> <th>7 years or more</th> </tr> </thead> <tbody> <tr> <td>CDSC</td> <td>7%</td> <td>6%</td> <td>5%</td> <td>4%</td> <td>3%</td> <td>2%</td> <td>1%</td> <td>0%</td> </tr> </tbody> </table> <p>An annual certificate maintenance fee of \$30 applies. It is deducted from amounts allocated to the variable investment options. A transfer fee applies to each transfer in excess of 12 in any certificate year. The current transfer fee is \$25. These charges and fees may be waived under certain circumstances.</p> <p>If loans are available under your certificate and you borrow money under the loan provisions, AILIC will charge interest on the loan. AILIC currently charges 6% interest on loans. AILIC will charge a higher interest rate if the plan administrator directs AILIC to do so.</p> | Full years elapsed | Less than 1 year | 1 year | 2 years | 3 years | 4 years | 5 years | 6 years | 7 years or more | CDSC | 7% | 6% | 5% | 4% | 3% | 2% | 1% | 0% |
| Full years elapsed | Less than 1 year | 1 year | 2 years | 3 years | 4 years | 5 years | 6 years | 7 years or more | | | | | | | | | | | |
| CDSC | 7% | 6% | 5% | 4% | 3% | 2% | 1% | 0% | | | | | | | | | | | |
| Limitations | <p>Limitations on Annuity Benefit Payments. If the amount of any regular payment under the form of settlement option elected would be less than \$50, an alternative form of settlement option will have to be elected. Unless AILIC agrees otherwise, your annuity commencement date generally cannot be later than the certificate anniversary following your 70th birthday. A fixed period of less than five years is available only as a death benefit settlement option.</p> <p>Other Contract Limitations. Restrictions and limitations on purchase payments, allocations, transfers, withdrawals and active trading are summarized in the chart set out below Table 3.</p> | | | | | | | | | | | | | | | | | | |
| Additional Information | <p>This table contains a summary of certain features of The Commodore Spirit. For more information about these features, see the contract prospectus and supplements, which are available at www.gaic.com/annuities/pages/variable-compliance-docs.aspx.</p> <p>Guarantees related to The Commodore Spirit are subject to AILIC's long-term financial strength and claims-paying ability.</p> | | | | | | | | | | | | | | | | | | |