

AMERICAN EQUITY INVESTMENT LIFE HOLDING CO  
Form 10-Q/A  
March 13, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q/A**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2007

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number : 001-31911

**American Equity Investment Life Holding Company**

(Exact name of registrant as specified in its charter)

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**Iowa**  
(State of Incorporation)  
  
**5000 Westown Parkway, Suite 440**  
**West Des Moines, Iowa**  
(Address of principal executive offices)

**42-1447959**  
(I.R.S. Employer Identification No.)

**50266**  
(Zip Code)

Registrant's telephone number, including area code

**(515) 221-0002**  
(Telephone)

Securities registered pursuant to Section 12(b) of the Act:

**Title of each class**  
Common Stock, par value \$1

**Name of each exchange on which registered**  
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value \$1

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes  No

APPLICABLE TO CORPORATE ISSUERS:

Shares of common stock outstanding at October 31, 2007: 56,885,720

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**EXPLANATORY NOTE**

We are amending our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 as filed with the Securities and Exchange Commission on November 2, 2007 to restate our consolidated financial statements as of September 30, 2007 and for the three and nine months ended September 30, 2007 and the related disclosures. We identified an error in the calculation of the policy benefit reserves for our index annuities in accordance with Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*. See Note 2, Restatement of Unaudited Consolidated Financial Statements of the notes to the unaudited consolidated financial statements for a discussion of the effect of the restatements. We have also restated our unaudited consolidated financial statements as of June 30, 2007 and for the three and six months ended June 30, 2007 and the related disclosures for this error. This Form 10-Q/A does not reflect events that occurred after the November 2, 2007 filing date of the Quarterly Report on Form 10-Q that was originally filed or modify or update the disclosures presented in the original Form 10-Q, except to reflect the matters described above. Other events occurring after the filing of the original Form 10-Q or other disclosures necessary to reflect subsequent events have been addressed in our reports filed with the Securities and Exchange Commission subsequent to the filing of the original Form 10-Q.

**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY****CONSOLIDATED BALANCE SHEETS****(Dollars in thousands, except per share data)**

	<b>September 30, 2007 (Unaudited) As Restated</b>	<b>December 31, 2006</b>
<b>Assets</b>		
Investments:		
Fixed maturity securities:		
Available for sale, at fair value (amortized cost: 2007 -\$5,037,465; 2006 - \$4,297,182)	\$ 4,885,762	\$ 4,177,029
Held for investment, at amortized cost (fair value: 2007 -\$4,929,991; 2006 - \$4,871,237)	5,290,679	5,128,146
Equity securities, available for sale, at fair value (cost: 2007 -\$98,618; 2006 - \$46,000)	89,839	45,512
Mortgage loans on real estate	1,827,050	1,652,757
Derivative instruments	350,364	381,601
Policy loans	421	419
Total investments	12,444,115	11,385,464
Cash and cash equivalents	9,237	29,949
Coinsurance deposits - related party	1,738,058	1,841,720
Accrued investment income	86,704	68,323
Deferred policy acquisition costs	1,219,709	1,088,890
Deferred sales inducements	545,285	427,554
Deferred income taxes	86,136	73,831
Income taxes recoverable	7,678	4,526
Other assets	48,944	69,866
Total assets	\$ 16,185,866	\$ 14,990,123

**AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY**  
**CONSOLIDATED BALANCE SHEETS (Continued)**  
**Dollars in thousands, except per share data)**

	<b>September 30, 2007 (Unaudited) As Restated</b>	<b>December 31, 2006</b>
<b>Liabilities and Stockholders Equity</b>		
Liabilities:		
Policy benefit reserves:		
Traditional life and accident and health insurance products	\$ 106,074	\$ 93,632
Annuity and single premium universal life products	14,317,921	13,114,299
Other policy funds and contract claims	123,817	128,579
Other amounts due to related parties	41,285	45,504
Notes payable	264,092	266,383
Subordinated debentures	268,299	268,489
Amounts due under repurchase agreements	306,657	385,973
Other liabilities	146,629	92,198
Total liabilities	15,574,774	14,395,057
Stockholders equity:		
Common stock, par value \$1 per share, 125,000,000 shares authorized; issued and outstanding: 2007 - 53,862,054 shares (excluding 3,023,666 treasury shares); 2006 - 53,500,926 shares (excluding 2,664,448 treasury shares)	53,862	53,501
Additional paid-in capital	388,932	389,644
Unallocated common stock held by ESOP: 2007 - 650,000 shares	(7,001)	
Accumulated other comprehensive loss	(49,365)	(38,769)
Retained earnings	224,664	190,690
Total stockholders equity	611,092	595,066
Total liabilities and stockholders equity	\$ 16,185,866	\$ 14,990,123

*See accompanying notes to unaudited consolidated financial statements*

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	Restated		Restated	
<b>Revenues:</b>				
Traditional life and accident and health insurance premiums	\$	3,344	\$	3,313