



Fidelity &  
Guaranty Life®

# FG Guarantee-Platinum® 7

A Single Premium, Fixed Deferred Annuity  
*featuring a 7-year rate guarantee*



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FG Guarantee-Platinum 7 is a single premium, fixed deferred annuity

## What is that?

**Single Premium:** The annuity is a single premium annuity which means you make a single lump sum premium payment at issue.

**Deferred:** The annuity is deferred which means maturity date and annuitization does not begin immediately. You pay no current income tax on interest earned. Taxes are deferred until you withdraw your earnings.<sup>1</sup>

**Fixed:** The annuity is a fixed annuity which means that Fidelity & Guaranty Life Insurance Company declares and guarantees a fixed rate of interest.

**Annuity:** An annuity is a vehicle to provide payments to the holder at specified intervals. It is designed to be a long-term retirement tool and not be used to meet short-term financial goals.

<sup>1</sup> Tax deferral offers no additional value if the annuity is used to fund a qualified plan such as an IRA and may not be available if the owner of the annuity is not a natural person such as a corporation or certain types of trusts.

*In this document are important points to think about before you buy the **FG Guarantee-Platinum® 7** annuity from Fidelity & Guaranty Life Insurance Company. Fidelity & Guaranty Life has prepared this summary to help you understand FG Guarantee-Platinum 7's many options, advantages and limitations.*

*Your agent will provide to you the **FG Guarantee-Platinum 7** Statement of Understanding disclosure form. Please review the Statement of Understanding, then confirm your understanding by completing and signing the Applicant Acknowledgement on the last page.*

*Whether you want your annuity to become a source of guaranteed income payments, or continued tax-deferred interest accumulation, **FG Guarantee-Platinum 7** can provide the means.*

## Certainty!

*Know your rate for the guarantee period.*

## Flexibility

*Flexibility to continue for another period or search out other opportunities.*

# FG Guarantee-Platinum 7

## 1. HOW DOES IT WORK?

### A. *Your annuity offers competitive interest* **FEATURING A SEVEN-YEAR RATE GUARANTEE PERIOD**

You start with a seven-year interest rate guarantee period, a period during which the credited rate is guaranteed<sup>1</sup>. The guarantee period begins on the date of issue, and subsequent guarantee periods begin immediately following the end of each prior guarantee period. The credited interest rate is applied to your account value during the initial guarantee period. We will never credit less than the minimum guaranteed interest rate, which will be established between 1% and 3% and is set as issue for the life of the contract.

### B. *with no currently taxable income* **TAXES ARE DEFERRED UNTIL YOU WITHDRAW YOUR EARNINGS**

Unlike many taxable traditional savings vehicles, you pay no current income tax on interest earned within your annuity. Taxes are deferred until you withdraw your earnings.

### C. *and grants you flexibility for the future* **YOU HAVE THE FLEXIBILITY TO CONTINUE FOR ANOTHER SEVEN-YEAR PERIOD OR SEARCH OUT OTHER OPPORTUNITIES**

When your guarantee period expires, Fidelity & Guaranty Life will automatically renew your annuity for the same period at the then-current interest rate. If you renew after you attain age 91, your surrender charges will be 0% for the duration of your contract. If you would prefer to withdraw some or all of your account value at the end of any guarantee period, you will have a 30-day window to do so, free of any surrender charges and Market Value Adjustment (MVA).

At the end of each guarantee period, we will provide you with a new declared interest rate for the new guarantee period.

<sup>1</sup> See your agent for the current credited rate.

#### Getting Started with

### FG Guarantee-Platinum 7

- ✓ Minimum premium of \$20,000.
- ✓ A seven-year interest rate guarantee period.
- ✓ 100% of your premium goes to work for you right away!

#### Guarantees

The minimum guaranteed surrender value (MGSV) is the minimum you would receive if you surrender your contract. It is meant to provide a known value, a floor, and is required of products of this type. The minimum guaranteed surrender value is 87.5% of your premiums compounding at the minimum guaranteed surrender value rate. That rate is between 1% and 3%, is set at issue and fixed for the life of your contract.

## 2. HOW DO I GET INCOME FROM MY ANNUITY?

There are several ways to access your account value, including transforming your account into annuity payments. If you take withdrawals during the surrender charge period, you may be assessed a surrender charge and MVA if the amount withdrawn is in excess of the free amount. In addition, you may be subject to a 10% penalty tax if you are under age 59½ at the time of the distribution.

If your annuity was issued in connection with a tax qualified plan (such as an IRA), you may be required to take minimum guaranteed distributions beginning at age 70½.

### Partial withdrawals and options for systematic withdrawals

Withdrawals up to the amount of accumulated interest may be made free of surrender charge and MVA.

You may make scheduled systematic withdrawals of at least \$100 with just one request and unscheduled withdrawals (up to four times per year) in an amount of at least \$500. Withdrawals in excess of the accumulated interest on the annuity will be subject to surrender charges and MVA. Interest will not be credited to any amounts withdrawn.

### Annuity payouts

From day one of your annuity, you may elect to have the account value paid to you under an annuity option.

### Payment in the event of death

If you should die before the annuity date, your beneficiary will receive the account value of your annuity. Surrender charges do not apply at death. Any gain in the annuity would be subject to income tax. If you should die after the annuity date, any benefits payable to your beneficiary would depend on the income option chosen.

### Surrender Charges

#### What happens if I take some or all of the money from my annuity?

Withdrawals in excess of the accumulated interest on the annuity will be subject to surrender charges and MVA. The surrender charges for FG Guarantee-Platinum 7 will be 9% in the first year and decrease by 1% per year throughout the rate guarantee period.

At the end of each guarantee period, you have 30 days in which to surrender this annuity with no surrender charge and MVA. If you do not surrender within those 30 days, this annuity will automatically renew into a new guarantee period of the same length with a new set of identical surrender charges. If you renew after you attain age 91, your surrender charges will be 0% for the duration of your contract.

#### 7 year guarantee period

Years in current Guarantee Period:	1	2	3	4	5	6	7
Surrender Charge:	9%	8%	7%	6%	5%	4%	3%

Example of renewing with the same guarantee period: Maria purchases an FG Guarantee-Platinum 7 annuity with a seven-year guaranteed rate period. Her surrender charges will begin at 9% in the 1st year, and decrease to 8% in the 2nd year, 7% in the 3rd year, 6% in the 4th year, 5% in the 5th year, 4% in the 6th year and 3% in the 7th year. At the end of the 7th year, Maria chose to renew her annuity into a new seven-year interest guarantee period at the then current interest rate. Surrender charges will also be reset, so that in the 8th year of Maria's annuity (or the first year of the renewal period) the surrender charge will again be 9%. Surrender charges will continue to follow the same pattern throughout each renewal period. Maria's surrender charge will be 8% in the 9th year, 7% in the 10th year, etc.

#### Is there a way to withdraw money during the surrender charge period without paying surrender charges?

You will not pay a surrender charge or have the MVA applied if you withdraw up to the amount of accumulated interest.

Surrender charges and MVA will not apply if you qualify for a waiver under the riders listed below.

- **Nursing Home Benefit Rider<sup>1</sup>** *If you are confined to a licensed nursing home for more than 60 days, and your confinement begins at least one year after the annuity's date of issue, surrender charges and MVA will be waived on withdrawals made during the period of your confinement.*
- **Terminal Illness Benefit Rider<sup>2</sup>** *If a licensed physician certifies that you have been diagnosed with an illness or condition that causes your life expectancy to be less than one year, and the diagnosis takes place at least one year after the annuity's date of issue, surrender charges and MVA will be waived during this period of terminal illness.*

You will not pay surrender charges or have MVA applied if you surrender within 30 days following the end of each guarantee period.

You will not pay surrender charges or have MVA applied if you elect an annuity option within 30 days following the end of each guarantee period.

Your spouse will not pay a surrender charge or have MVA applied if you die unless your spouse is the beneficiary and elects to continue the contract.

If you renew after you attain age 91, your surrender charges will be 0% for the duration of your contract.

<sup>1</sup> Not available in MA.

<sup>2</sup> Not available in MA or ME.



## DO I PAY ANY FEES OR CHARGES?

Your single premium is available to earn interest from the date your annuity is issued. Surrender charges and MVA apply.

### Market Value Adjustment

A Market Value Adjustment (MVA) is an adjustment made during each of the surrender charge periods to the portion of the account value withdrawn or applied to an annuity option that exceeds the free withdrawal amount. The MVA is in addition to the applicable surrender charge amount. The MVA may increase or decrease the amount of the withdrawal or the surrender value depending on the change in interest rates since you purchased your annuity. Generally, if interest rates have risen since you purchased your annuity, the MVA will decrease your surrender value; and if interest rates have fallen, the MVA will increase your surrender value. The net total of all MVA and surrender charges will not reduce the surrender value to an amount which is less than the minimum guaranteed surrender value.

The MVA is based on a formula that takes into account changes in yields of the U.S. Treasury Constant Maturity Series (7 year maturity to correspond with the applicable guarantee period of the annuity) between the date of contract issue and the date of the withdrawal. We multiply the amount of the account value withdrawn or applied to an annuity option that is subject to the MVA by the Market Value Adjustment Factor. The Market Value Adjustment Factor is equal to:

$$1 - \left( \frac{1 + A}{1 + B + .0025} \right)^{N/12}, \text{ where:}$$

A and B are index rates based on the Treasury Constant Maturity Series (7 year maturity) published by the Federal Reserve;

A is the index rate determined as of the beginning of the current surrender charge period;

B is the index rate determined as of the date we receive the surrender or annuitization request; and

N is the number of months remaining to the end of the current surrender charge period, rounded up to the next higher number of months.

A positive MVA will decrease the surrender value, and a negative MVA will increase the surrender value.

## DOES THIS AFFECT MY TAXES?

### *How will payouts and withdrawals from my annuity be taxed?*

The annuity is tax-deferred, which means you don't pay taxes on the interest it earns until the money is paid to you. When you take payouts or make a withdrawal, you pay ordinary income taxes on the earned interest. All withdrawals are taxed for qualified plans, not just earnings. Withdrawals are treated as coming from earnings first and then as a return of your premium. Payments under an annuity option are treated as coming partially from earnings and partially as return of premium. You may pay a federal income tax penalty on earnings you withdraw before age 59 ½. [If your state imposes a premium tax, it may be deducted from the money you receive].<sup>1</sup>

You may exchange one tax-deferred annuity for another without paying taxes on the earnings when you make the exchange. Before you do, compare the benefits, features, and costs of the two annuities. You may pay a surrender charge on the annuity you are exchanging.

Information provided regarding tax or estate planning should not be considered tax or legal advice. Consult your own tax professional or attorney regarding your unique situation.

### *Does buying an annuity in a retirement plan provide extra tax benefit?*

Buying an annuity within an IRA, 401(k) or other tax-deferred retirement plan doesn't give you any extra tax benefit. The annuity is tax-deferred, which means you generally don't pay taxes on the money until it is paid to you. Payments under an annuity payment plan are generally entirely taxable under most traditional IRA plans.<sup>2</sup> Choose the annuity based on its other features and benefits as well as its risks and costs, not its tax benefits. Please consult your tax advisor regarding your unique situation.

<sup>1</sup> Internal Revenue Code provides that if an annuity is held by a non-natural person and such person is not holding as an agent for a natural person, the contract shall not be treated as an annuity contract for income tax purposes.

<sup>2</sup> Taxation of IRA plans vary depending on the type of IRA, traditional IRA, Roth IRA, SEP IRA you own.

## 5.

## WHAT ELSE DO I NEED TO KNOW?

### Other Information

- We may change your annuity contract from time to time to follow federal or state laws and regulations. If we do, we'll tell you about the changes in writing.
- You have a set number of days (at least 10) to look at the annuity after you buy it. If you decide during that time that you don't want it, you can return the annuity and get all of your premium back, less any prior withdrawals. Read the cover page of your annuity contract as soon as you receive it to understand how many days you have to decide if you want to keep it.
- At least once each year, we will send you a report of the current annuity values.
- We pay the agent, broker or firm for selling the annuity to you.
- Certain tax qualified annuities are subject to minimum required distributions which generally require that distributions begin no later than your attainment of age 70½ or retirement, whichever is later, and that amounts be paid to you over a period not longer than your life expectancy.
- Your annuity values are guaranteed by the stability and claims-paying ability of Fidelity & Guaranty Life Insurance Company. As a Legal Reserve Company, Fidelity & Guaranty Life Insurance Company is required by state regulation to maintain reserves equal to or greater than guaranteed surrender values.



## FG Guarantee-Platinum 7

### 6. WHAT SHOULD I KNOW ABOUT FIDELITY & GUARANTY LIFE?

Incorporated in 1959, Fidelity & Guaranty Life Insurance Company has a solid commitment to serving the individuals it knows best – middle market consumers seeking the protection, accumulation potential and income features of life insurance and annuity products. Fidelity & Guaranty Life offers its series of focused life insurance and annuity products through its network of independent marketing organizations. Insurance products are offered through Fidelity & Guaranty Life Insurance Company in every state, other than New York, as well as the District of Columbia. In New York, products are offered through a wholly owned subsidiary, Fidelity & Guaranty Life Insurance Company of New York. Each company is solely responsible for its contractual commitments.

Contracts issued by Fidelity & Guaranty Life Insurance Company, Des Moines, IA.

Fidelity & Guaranty Life Insurance Company offers a diverse portfolio of fixed and indexed interest annuities and optional additional features. Before purchasing, consider your financial situation and alternatives available to you. Your Fidelity & Guaranty Life Insurance Company financial professional can help you determine the best alternatives for your goals and needs, or visit us at [www.fglife.com](http://www.fglife.com) for more information.

Form Numbers: FGL SPDA-MY-F (7-04); et al.

Optional provisions and riders may have limitations, restrictions and additional charges.

Subject to state availability. Certain restrictions may apply.

This product is offered on a group or individual basis as determined by state approval.

Terms and conditions are set forth in the group certificate and master contract and are subject to the laws of the state in which they were issued.

Surrender charges and MVA may apply to withdrawals. Withdrawals may be taxable and may be subject to penalties prior to age 59½. Withdrawals will reduce available death benefit.

This document is not a legal contract. For the exact terms and conditions, please refer to the annuity contract.

Information provided regarding tax or estate planning should not be considered tax or legal advice. Consult your own tax professional or attorney regarding your unique situation.

Annuities are long-term vehicles to help with retirement income needs.

Interest rates subject to change at insurer's discretion and are effective annual rates.

A market value adjustment may apply to withdrawals and may increase or decrease the surrender value.

1.888.513.8797 [www.fglife.com](http://www.fglife.com)

No bank guarantee. • Not FDIC/NCUA/NCUSIF insured. • May lose value if surrendered early.





# FG Guarantee-Platinum 7® – Statement of Understanding

INSURER: FIDELITY & GUARANTY LIFE INSURANCE COMPANY

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Thank you for your interest in the FG Guarantee-Platinum 7 annuity from Fidelity & Guaranty Life Insurance Company (the “Company”). It is important that you understand the benefits, features, and limitations of this annuity before making your purchasing decision. Please read the following information and sign the last page of this disclosure document to acknowledge your understanding of the annuity policy (“Policy”) for which you are applying. This document is intended to provide you with a summary of the Policy, including benefits and limitations. To the extent the consumer product brochure conflicts with any information in this document, this document controls. To the extent this document conflicts with any provision of the Policy, the Policy controls. When you receive your Policy; read it carefully.

## **What is the FG Guarantee-Platinum 7 annuity?**

FG Guarantee-Platinum 7 is a Single Premium Fixed Deferred Annuity. It is available with a seven year interest rate guarantee period with flexibility to continue to renew for subsequent seven year guarantee period or search out other opportunities at the end of each guarantee period. You may deposit a single lump sum premium (the amount of money you pay into the Policy) at issue. Your premium (the amount of money you pay at issue) must be at least \$20,000 and may not exceed \$1,000,000. The Policy is primarily intended for customers seeking a long-term retirement savings vehicle.

## **What if I decide I do not want my Policy after it is delivered?**

After receipt of the Policy, it may be returned within the free look period for an unconditional refund of the premium. The free look period is the amount of time you have to request a refund. The actual free look period is stated on the cover page of your Policy.

## **How much interest will be credited to my Policy?**

- **Account Value**

The Account Value equals the single premium, plus all interest credited thereon; less any amounts previously withdrawn, less surrender charges (explained below) thereon, plus/minus Market Value Adjustment (MVA) as applicable.

The account value is reduced by withdrawals of any type; any surrender charges thereon, and any positive MVA as applicable.

- **Interest**

We will declare an initial fixed interest rate and renewal fixed interest rates that will determine the fixed rate of interest credited. This rate is guaranteed never to be less than the minimum guaranteed accumulation interest rate of 1.00%. Interest is credited daily. The initial fixed interest rate is guaranteed for the seven-year interest rate guarantee period. The guarantee period begins on the date of issue, and subsequent guarantee periods begin immediately following the end of each prior guarantee period. At the end of each subsequent guarantee period, we will declare a renewal fixed interest rate that will be guaranteed for the following 7-year guarantee period.

## **Do I have access to my Policy value before the Annuity Date (the date the Policy starts annuity payments)?**

Yes, the FG Guarantee-Platinum 7 provides access to the values of your Policy in several ways. However, any values accessed during the guarantee period may also be subject to a surrender charge and an MVA as applicable.

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- **Penalty Free Withdrawal**

Surrender charges and MVA (as applicable) will not apply to any partial withdrawal amounts of accumulated interest, required minimum distributions, or any payments received under the Terminal Illness Rider or Nursing Home Rider (described below). Withdrawals from your annuity are taxable and may result in a tax penalty for those under the age 59 ½. Please consult with a tax advisor prior to utilizing these provisions.

Any required minimum distribution under the Internal Revenue Code attributable to your Policy is part of and is not in addition to any applicable penalty free withdrawal amount. Please refer to the IRA Disclosure Statement for additional information.

## **Penalty free withdrawal benefits under the Terminal Illness Rider**

If you (as owner) meet all the conditions stated below and you become Terminally Ill (the owner has a total and permanent disability that results in having a life expectancy of twelve (12 months or less), you may withdraw all or part of your account value without application of a surrender charge and Market Value Adjustment as applicable.

You qualify for this benefit if:

- Terminal Illness is diagnosed at least 1 year after the policy's Date of Issue; and
- Written proof of the Terminal Illness is received at our home office. This proof must include, but is not limited to, certification by a physician who provides medical care to you in connection with your Terminal Illness. We reserve the right to obtain a second medical certification, at our expense, from a physician selected by us.

There is no additional charge for this benefit. This rider is not available in Maine, Massachusetts, or the state of Washington.

## **Penalty free withdrawal benefits under the Nursing Home Rider**

If you (as owner) meet all the conditions stated below and you become confined to a Nursing Home (a state-licensed, nursing long-term care facility that provides skilled, continuous nursing care or services under the supervision of a licensed nurse or physician), you may withdraw all or part of your account value without application of a surrender charge and Market Value Adjustment as applicable.

You qualify for this benefit if:

- Confinement to such Nursing Home first begins at least 1 year after the policy's Date of Issue;
- Confinement has continued for at least 60 consecutive days;
- Surrender/withdrawal is made while you are confined; and
- Written proof of confinement is received at our home office.

There is no additional charge for this benefit. The Nursing Home Rider is not available in Massachusetts and the state of Washington.

## **What is the death benefit?**

If the owner dies before the Maturity Date, the ownership of the Policy passes to the person(s) living in the order as follows:

- Surviving joint owner, if any;
- Beneficiary

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- Contingent beneficiary
- Estate of the last owner to die.

If a spousal continuation does not apply or is not invoked, the Policy must be fully surrendered and receive a distribution of the entire proceeds within 5 years of the owner's death except that a non-spouse may elect to begin receiving payments with respect to his or her proportionate share within 1 year from the date of the death provided such payments are distributed over the life or a period not to exceed the life expectancy of such person. No surrender charge and Market Value Adjustment will be deducted. The surrender value will equal the total account value. If the spouse of the first owner to die elects to continue the Policy, surrender charges and Market Value Adjustment if applicable will continue to apply. Spousal continuation can only apply once. It cannot apply a second time if the surviving spouse continues the Policy, remarries and then dies.

## What happens on the Policy's Annuity Date?

On the Policy's Annuity Date, you will receive the entire value of your Policy in the form of annuity payments. There are a number of payout options from which to select. Regardless of the payout option selected, once the amount of the payments is determined, your payments are guaranteed and can never be changed. You should review the available payout options with your tax advisor to select the most appropriate one based on your financial situation.

## What if I decide to surrender (cancel) my Policy prior to the Annuity Date?

Prior to the Annuity Date, you may decide to surrender your Policy. If you elect to do this, the Company will pay you the Policy's surrender value, except as provided in the 'Waiver of Surrender Charge' provision of your contract. The surrender value is equal to the account value, less any applicable surrender charges, plus/minus any applicable Market Value Adjustment.

## What is a surrender charge?

A surrender charge is the cost you incur if the Policy is surrendered or if any amount withdrawn exceeds the penalty free withdrawal amount during the period the surrender charge schedule is in effect. The surrender charge on these amounts is applied at the time of the surrender or withdrawal. Any amount withdrawn above the penalty free withdrawal amount will be multiplied by the applicable percentages below, which determines the amount of the surrender charge.

## Surrender Charge Schedule

Years into Guarantee Period	1	2	3	4	5	6	7
Percentage	9%	8%	7%	6%	5%	4%	3%

At the end of each guarantee period, you will receive 30 days to surrender the Policy with no surrender charges and MVA applied. If you do not surrender within this timeframe the Policy will automatically renew into a new guarantee period of the same guarantee period with a new set of identical surrender charges.

**If you surrender the Policy before the end of any guarantee period, you may receive less than your premium.**

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## What is a Market Value Adjustment?

A Market Value Adjustment (MVA), as applicable, is an adjustment made during the time the surrender charge schedule is in effect to the portion of the account value, withdrawn or applied to an annuity option that exceeds the penalty free withdrawal amount. The MVA is in addition to the applicable surrender charge amount. The MVA may increase or decrease the amount of the withdrawal or the surrender value depending on the change in interest rates since you purchased your annuity. Generally, if interest rates have risen since you purchased your annuity, the MVA will decrease your surrender value; and if interest rates have fallen, the MVA will increase your surrender value. The net total of all MVA and surrender charges will not reduce the surrender value to an amount which is less than 87.5% of premium paid accumulated at the minimum guaranteed accumulation interest rate, less any amounts previously surrendered accumulated at the minimum guaranteed accumulation interest rate.

The MVA is based on a formula that takes into account changes in yields of the U.S. Treasury Constant Maturity Series between the beginning of the MVA period and the date of the withdrawal. The Market Value Adjustment Factor is equal to:

$$1 - \left( \frac{1 + A}{1 + B + .0025} \right)^{\frac{N}{12}}, \text{ where:}$$

- \* A and B are index rates based on the Treasury Constant Maturity published by the Federal Reserve for a security with time to maturity equal to MVA period;
- \* A is the index rate determined at the beginning of MVA period;
- \* B is the index rate determined as of the date we receive the surrender or annuitization request; and
- \* N is the number of months remaining to the end of the current MVA period, rounded up to the next higher number of months.

When we receive a surrender request, the portion of the account value withdrawn or applied to an annuity option will have an MVA applied in addition to any surrender charge if applicable.

The net total of all MVA and surrender charges will not reduce the surrender value to an amount which is less than the minimum guaranteed surrender value.

A positive MVA will decrease the surrender value, and a negative MVA will increase the surrender value.

For Policies issued in Pennsylvania a positive MVA will not exceed the remaining surrender charge; the maximum decrease to the otherwise payable surrender value will be an amount equal to the remaining surrender charge.

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The following are examples of both a negative and a positive Market Value Adjustment:

## TCM Rate Decreases from 3.00% to 2.00%

TCM rate at beginning of period (A)	3.00%
Premium	100,000.00
Surrender Charge Lengths (months)	60
TCM rate at surrender (B)	2.00%
Number of months remaining (N)	36
Account Value Surrendered	106,090.00
Free Withdrawal Allowed	6,090.00
Surrender Amount subject to charges	100,000.00
Surrender Charge Percentage	7.00%
Surrender Charge	7,000.00
MVA Factor $1 - [(1+A)/(1+B+.0025)]^{N/12}$	-2.22%
Amount Subject to Market Value Adjustment	100,000.00
Market Value Adjustment	-2,216.67

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AV Surrendered	106,090.00
Surrender Charge	7,000.00
MVA	-2,216.67

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<b>Surrender Value</b>	<b>101,306.67</b>
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## TCM Rate Increases from 3.00% to 4.00%

TCM rate at beginning of period (A)	3.00%
Premium	100,000.00
Surrender Charge Lengths (months)	60
TCM rate at surrender (B)	4.00%
Number of months remaining (N)	36
Account Value Surrendered	106,090.00
Free Withdrawal Allowed	6,090.00
Surrender Amount subject to charges	100,000.00
Surrender Charge Percentage	7.00%
Surrender Charge	7,000.00
MVA Factor $1 - [(1+A)/(1+B+.0025)]^{N/12}$	3.55%
Amount Subject to Market Value Adjustment	100,000.00
Market Value Adjustment	3,554.16

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AV Surrendered	106,090.00
Surrender Charge	7,000.00
MVA	3,554.16

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**Surrender Value** **95,535.84**

## Are there any tax consequences if I take withdrawals from my policy?

Income tax on interest credited to an annuity is deferred until withdrawals are taken. When you surrender or take a withdrawal from your Policy, you may be subject to federal and state income tax on a portion or the entire amount withdrawn. In addition to income tax, you may be subject to a 10% federal penalty tax before age 59 ½. When annuity payments are elected, a portion of each payment will be taxable and a portion will be treated as a non-taxable return of the Policy's cost basis. Distributions from a qualified annuity (e.g. IRA, 401(k), etc.) may also be taxable. You should consult with a tax advisor or attorney regarding the applicability of this information to your own situation.

## How is the insurance producer compensated?

The insurance producer earns a commission from the Company for each Policy sold. In addition to the commission paid to the insurance producer, override commissions or compensation will also be paid to agencies and/or independent marketing organizations (IMOs), which assist in the recruiting and training of selling producers. All commission or compensation will be paid by the Company, agency and/or IMO and will not be deducted from the premium paid for the Policy. In addition to such compensation and commissions, the Company, agency and/or IMO may provide education, training or other services including but not limited to meals and entertainment events, as non-cash compensation to the insurance producer. The Company may also provide the same to the agency or IMO. Additionally, if your agent meets certain sales production goals, your agent may qualify to participate in a deferred compensation or retirement saving program as well

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as receive errors and omission coverage through the Company. With respect to sales of annuity products that are not tax-qualified only, in the event certain sales volumes levels are met, insurance producers will receive additional compensation, as well as non-cash compensation including but not limited to prizes, trips and entertainment events from the Company, agency and/or IMO as a reward for achieving those sales volumes. If an agency or IMO meets certain sales production goals, it may receive additional compensation from the Company. With respect to sales of annuity products that are not tax-qualified only, in the event certain sales volumes levels are met, agencies or IMOs will receive additional non-cash compensation including but not limited to prizes, trips and entertainment events from the Company as a reward for achieving those sales volumes. Commissions and other compensation items impact pricing, including interest rates, cap rates and premium bonuses and may place limitations on access to your funds, such as surrender charges.

## **What other important information should I know about my Policy?**

- The guarantees provided by annuities are subject to the stability and claims paying ability of Fidelity & Guaranty Life Insurance Company and are NOT FDIC insured, are subject to investment risks, including interest-rate risk, and may experience loss of principal.
- If this annuity is being purchased to replace an existing life insurance policy or annuity policy, you should compare the two products carefully. You should consider any surrender charges and/or market value adjustments and/or premium bonus vesting schedules or recapture charges that may be incurred on the surrender of the existing policy.
- Tax-deferral offers no additional value if the annuity is used to fund a qualified plan, such as an IRA or 401k and may not be available if the owner of the annuity is not a natural person such as a corporation or certain types of trusts.
- It is within the Company's sole discretion to set the interest rates for this annuity, subject to any minimum or maximum guarantees contained in the Policy.
- This product is offered on a group or individual basis as determined by state approval.
- For group Policies, terms and conditions are set forth in the group certificate and master Policy and are subject to the laws of the state in which they were issued.
- Withdrawals in excess of the penalty free withdrawal amount may be subject to surrender charges and Market Value Adjustments if applicable.
- The Company's insurance producer may not make any statements that differ from what is stated in this disclosure form or the applicable product brochure. No promises or assurances have been made about the future values of any non-guaranteed elements of the annuity.
- This policy may be returned within the free look period (of no less than 10 days after you receive it) for an unconditional refund if you are dissatisfied with the policy for any reason.

# FG Guarantee-Platinum 7® – Statement of Understanding

INSURER: FIDELITY & GUARANTY LIFE INSURANCE COMPANY

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## TERMS OF YOUR ANNUITY POLICY

- **Minimum Guaranteed Accumulation Interest Rate:** Guaranteed never to be less than 1.00%.
- **Guarantee Period:** The time period during which the credited rate is guaranteed to remain the same. The Guarantee Period begins on the Date of Issue and subsequent Guarantee Periods begin immediately following the end of each prior Guarantee Period.
- **Surrender Charge:** Your annuity is subject to a surrender charge during each Guarantee Period. A surrender charge is the cost you incur on an amount surrendered or withdrawn that exceeds the penalty free withdrawal amount available under your annuity. The surrender charge is described in your annuity and summarized above under the heading “What if I decide to surrender (cancel) my policy?” The surrender charge is applied at the time of the surrender or withdrawal and is calculated by multiplying the applicable percentage shown in the table in the surrender charge section by the amount withdrawn in excess of the penalty free withdrawal amount.
- **Market Value Adjustment:** Your annuity is subject to a Market Value Adjustment, if applicable, during the Guarantee Period. The Market Value Adjustment is applied on an amount surrendered or withdrawn that exceeds the penalty free withdrawal amount. The Market Value Adjustment is described in your annuity and summarized above under the heading “What is a Market Value Adjustment?” The Market Value Adjustment may be positive or negative.

**Applicant Acknowledgement Form Instructions:**

**Please complete both Acknowledgements attached.**

**The entire Statement of Understanding and one copy of the Acknowledgement are to be retained by the Applicant.**

**The second copy of the Acknowledgement is to be sent with the application.**

# FG Guarantee-Platinum 7® – Statement of Understanding

INSURER: FIDELITY & GUARANTY LIFE INSURANCE COMPANY

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## Applicant Acknowledgement

By signing below, I acknowledge that I have read, or have been read this disclosure form and understand its contents. I have also received and reviewed the information contained in the FG Guarantee-Platinum 7 product brochure. I further understand that I have applied for a Single Premium Fixed Deferred Annuity. In doing so, I have discussed my financial status, tax status, current insurance products and investments (including my financial objectives) with my agent and believe this annuity will assist me in meeting my current financial needs and objectives. I also confirm that I have not been diagnosed with a Terminal Illness.

Owner/Applicant Name (Please print) \_\_\_\_\_

Owner/Applicant Signature \_\_\_\_\_

Phone # \_\_\_\_\_ Date \_\_\_\_\_

Joint Owner/Applicant Name (Please print) \_\_\_\_\_

Joint Owner/Applicant Signature \_\_\_\_\_

Phone # \_\_\_\_\_ Date \_\_\_\_\_

## Producer Confirmation

By signing below, I acknowledge that I have reviewed this disclosure form and the FG Guarantee-Platinum 7 product brochure with the applicant. I certify that a copy of this disclosure form, the FG Guarantee-Platinum 7 product brochure, the Buyer's Guide, as well as any advertisements, all of which were approved by the Company, used in connection with the sale of this annuity, have been provided to the applicant. I have not made any statements that differ from what is stated in this disclosure form or the brochure and no promises or assurances have been made about the future value of any non-guaranteed elements of the annuity. I acknowledge that I have carefully read and have complied with the FG Guarantee-Platinum 7 Product Training and understand the annuity features and limitations.

Producer Name (Please print) \_\_\_\_\_ Producer Number \_\_\_\_\_

Producer Signature \_\_\_\_\_

Business Address \_\_\_\_\_ City, State, Zip \_\_\_\_\_



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Owner/Applicant Name (Please print) \_\_\_\_\_

Owner/Applicant Signature \_\_\_\_\_

Phone # \_\_\_\_\_ Date \_\_\_\_\_

Joint Owner/Applicant Name (Please print) \_\_\_\_\_

Joint Owner/Applicant Signature \_\_\_\_\_

Phone # \_\_\_\_\_ Date \_\_\_\_\_

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Producer Name (Please print) \_\_\_\_\_ Producer Number \_\_\_\_\_

Producer Signature \_\_\_\_\_

Business Address \_\_\_\_\_ City, State, Zip \_\_\_\_\_