



Fidelity &  
Guaranty Life®



# FGNY Index-Choice<sup>SM</sup> 10

Flexible Premium Fixed Deferred Indexed Annuity  
*Protection and earnings potential for your savings*

Fidelity & Guaranty Life  
Insurance Company of New York



**FGNY Index-Choice 10** is a flexible premium fixed deferred indexed annuity

## What is that?

**Flexible Premium:** The annuity is a flexible premium annuity which means you can make multiple premium payments.

**Deferred:** The annuity is deferred which means 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 of New York guarantees a fixed rate of interest.

**Indexed:** The annuity is an indexed annuity which means that it offers indexed interest crediting options. The indexed interest crediting options will earn interest that depends on how a market index performs. **The annuity does not participate directly in any stock, bond or equity investments. You aren't buying shares of stock or an index.** Dividends paid on the stocks on which the indices are based are not part of the indexed interest crediting formula. Dividends have no effect on your annuity earnings.

**Annuity:** An annuity is a vehicle to provide payments to the holder at specified intervals, usually following retirement. It is designed to be a long-term retirement tool and not to 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 **FGNY Index-Choice<sup>SM</sup> 10** annuity from Fidelity & Guaranty Life Insurance Company of New York. Fidelity & Guaranty Life of New York has prepared this summary to help you understand **FGNY Index-Choice 10's** many options, advantages and limitations.*

*Your agent will provide to you the **FGNY Index-Choice 10** 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.*

## Outstanding features include:

### An adaptable combination of four interest options for your retirement dollars

✓ *Four interest crediting options that offer upside potential (subject to caps) with the flexibility of yearly reallocation*

✓ *For the fixed option, the initial interest rate is **GUARANTEED** for seven years, and the rate thereafter is guaranteed to be equal to or greater than guaranteed minimum effective annual interest rate declared in your annuity for the life of the annuity!*

*For the indexed options, any indexed interest is credited at the end of each index crediting period and your account will never decrease in value even if the index declines.*

## Strong Guarantees

✓ *Your account value is guaranteed to increase by at least the guaranteed minimum effective annual interest rate each year no matter how the market index performs over the period less surrenders and surrender charges.*

✓ *And features address unexpected events such as diagnosis of a terminal illness or nursing home confinement.*

# How does FGNY Index-Choice 10 work?<sup>1</sup>

## 1. HOW WILL THE VALUE OF MY ANNUITY GROW?

### A. FOUR INTEREST CREDITING OPTIONS THAT OFFER UPSIDE POTENTIAL (subject to caps)

Three of the four options in your annuity will earn interest based on formulas linked to changes in an index. These are subject to a cap rate (please see Interest Crediting Options 1 through 3 on the side box).

Indexed interest, is credited on each interest crediting option anniversary and, because indexed interest will never be less than the guaranteed minimum effective rate, your account value will never decrease due to a declining index.

The fourth interest crediting option is the fixed interest option. The initial interest rate is GUARANTEED for seven years, and the rate thereafter is guaranteed to be equal to or greater than guaranteed minimum effective annual interest rate declared in your annuity for the life of your annuity.

This adaptable combination of four interest crediting options offers you the flexibility to reallocate your account value between these options on each crediting option anniversary.

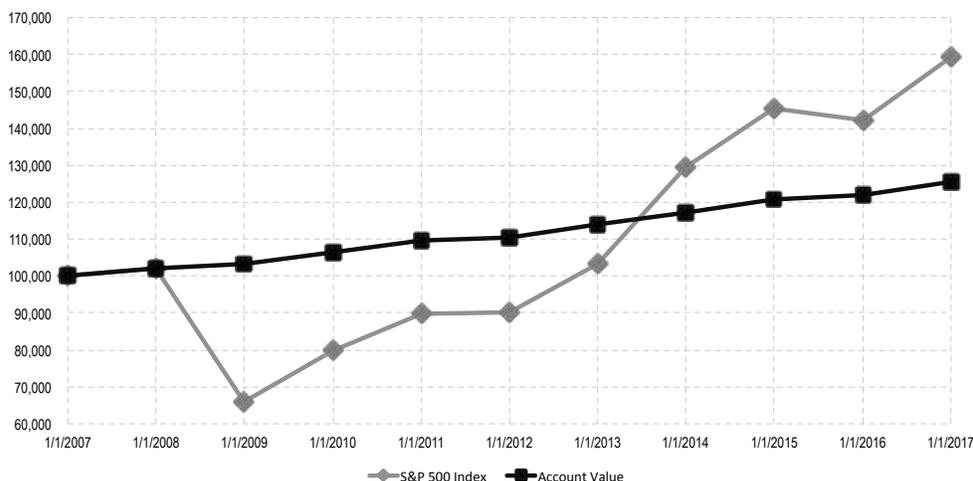
<sup>1</sup> See the FGNY Index-Choice 10 Statement of Understanding for additional details.

### Interest Crediting Options

1. **One-year S&P 500<sup>®</sup> monthly point-to-point with a cap**  
Minimum cap per year: 1%
2. **One-year S&P 500<sup>®</sup> monthly average with a cap**  
Minimum cap per year: 3.00%
3. **One-year S&P 500<sup>®</sup> annual point-to-point with a cap**  
Minimum cap per year: 3.00%
4. **Fixed interest option with a seven year initial interest rate guarantee**

\*If publication of the selected index is discontinued, or if we are unable to utilize it, or if the calculation is substantially changed, we will substitute a suitable alternative index and notify you at your last known address.

The following hypothetical example demonstrates how the account value of a FGNY Index-Choice 10 contract would have performed based on the non-guaranteed assumptions stated here: no premium bonus, no withdrawals, no rider charges, and no surrender charges.



This hypothetical example assumes a new FGNY Index-Choice 10 contract was issued on January 1, 2005, utilizing \$100,000 in premium allocated entirely to the one-year annual point-to-point with a cap Indexed Interest Crediting Option without any reallocation to other interest crediting options. This example further assumes the non-guaranteed cap rate was 3.00% and did not change throughout the entire period shown. In reality, cap rates are subject to change, subject to certain contractual minimum guarantees. The example further assumes that during the period shown, there were no additional premiums paid, no surrender, no withdrawals of any type and thus no surrender charges applied. It further assumes no optional riders were purchased, and thus no rider charges deducted. Although this product was not available for the time period referenced, actual historical prices of the S&P 500 Index have been used. The example is hypothetical, non-guaranteed and is not an indication of the annuity's past or future performance.

The use of alternate rates or assumptions would produce significantly different results.

The S&P 500 Index does not include dividends paid on the underlying stocks, and therefore does not reflect the total return of the underlying stocks; neither a market index nor any market indexed annuity is comparable to a direct investment in the financial markets. Indexed annuities do not directly participate in any stock or equity investments.

Minimum Guaranteed Surrender Value:  
100% of premium accumulating at 1.00%

## **B. PLUS A BONUS OF 2% OF YOUR INITIAL PREMIUM.**

- Your **FGNY Index-Choice 10** includes a premium bonus which will increase your initial premium by two percent.
- The two percent bonus will be credited to your account value immediately and you will be eligible to earn index credits. Any other premiums paid will not receive the two percent bonus.

*See the Statement of Understanding for detailed descriptions of the indexed interest crediting options. All of the indexed interest options may not always be available for new allocations. You may move your account value among the allocation interest crediting options on crediting option anniversaries. Any premium paid between anniversaries is allocated to the fixed interest option until the next applicable index crediting period at which time your premium will be allocated to the chosen indexed interest option.*

*Annuities are issued with an effective date of the 1st, 8th, 15th or 22nd of the month. Premiums are held without interest until the next available effective date. Special rules apply if one of these dates falls on a weekend or holiday.*

*If you withdraw money from an indexed interest option on any day other than an interest crediting option anniversary you will not earn indexed interest on the amount you withdraw but will be credited the guaranteed minimum effective annual interest rate declared in your annuity.*

*The minimum initial premium is \$10,000 and the minimum allocation to any option is \$2,000.<sup>1</sup>*

<sup>1</sup> Products that have premium bonuses may offer lower credited interest rates and/or lower index caps or participation rates than products that don't offer a premium bonus. Over time and under certain scenarios, the amount of the premium bonus may be offset by the lower interest rates and/or lower index cap rates or participation rates.

## **2. WHAT GUARANTEES ARE INCLUDED IN MY ANNUITY?**

### **MINIMUM GUARANTEES**

Your **FGNY Index-Choice 10** annuity contains a guaranteed rate of interest between 1% and 3%, which is set at issue and guaranteed for the life of the contract. You will receive the guaranteed minimum effective annual interest rate on 100% of your premium.

## **3. HOW DO I GET INCOME FROM MY ANNUITY?**

### **PARTIAL WITHDRAWALS AND OPTION FOR SYSTEMATIC WITHDRAWALS**

Each contract year (after the first contract year), you may withdraw, surrender charge free, 10% of your account value as of the prior anniversary, less any free withdrawals taken during the current contract year. If your annuity was issued in connection with a tax qualified plan, you may be required to take minimum distributions beginning at age 70 ½.

Before an annuity payment plan begins, you may take up to four withdrawals per year (\$500 minimum), or you may take regular systematic withdrawals on a monthly, quarterly, semi-annual or annual basis (\$100 minimum). Withdrawals that exceed the annual 10% free partial withdrawal allowed will be subject to surrender charges. Interest will not be credited to any amounts withdrawn.

### **ANNUITY PAYOUTS**

You may begin an annuity payment plan at any time after the first contract anniversary. Annuity payments after the first contract anniversary are based on the greater of the account value applied to the guaranteed purchase interest rate; or the account value, less a surrender charge which is equal to the lesser of 5% or the applicable surrender charge for that year. The account value, less the surrender charge, is applied to the current rate used to calculate any single premium immediate annuity offered by us. An annuity option may be changed anytime before annuity payments begin.

## PAYMENT IN THE EVENT OF DEATH

Should you die before annuity payments begin, the death benefit amount will be paid to the beneficiary named in your annuity. The value will not be less than the account value. If the beneficiary chooses to annuitize, the value paid will not be less than the account value applied to the guaranteed annuity purchase rates stated in the annuity.

### Account Value

The annuity's account value before the annuity date equals 100% of premiums paid plus interest, less any surrenders and surrender charges thereon.

### Surrender Value

The annuity's surrender value is the sum of the account value less surrender charges.

## SURRENDER CHARGES

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

A surrender charge applies for the first 10 years on full or partial surrenders (withdrawals in excess of the annual free amount allowed), and in calculating the annuity payments unless it does not apply under the conditions below.

Annuity Year:										
1	2	3	4	5	6	7	8	9	10	11+
Surrender Charge:										
10%	10%	10%	9%	8%	7%	6%	5%	4%	2%	0%

The surrender charge equals the surrender charge percentage for the applicable year multiplied by the amount of account value withdrawn.

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

Each contract year, after the first contract year, during the surrender charge period you may withdraw up to 10% premiums paid as of the prior anniversary, less any free withdrawals taken during the current contract year, without paying a surrender charge.

Surrender charges will not apply if you qualify for a waiver under:

- **Nursing Home Confinement** *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 will be waived on withdrawals made during the period of your confinement.*
- **Terminal Illness** *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 will be waived during this period of terminal illness.*

You will not pay surrender charges if annuity payments begin after the 10th contract year.

You will not pay a surrender charge if you die. If your spouse as beneficiary elects to continue the contract and subsequently surrenders, your spouse will be subject to a surrender charge if the surrender is within the surrender charge period.

## 4. DO I PAY ANY FEES OR CHARGES?

### FEES, EXPENSES AND OTHER CHARGES

Your full initial premium is available to potentially earn interest from the effective date of your annuity (surrender charges apply for the first 10 years on full or partial surrenders).

## 5. DOES THIS AFFECT MY TAXES?

### ***How will annuity payments 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. Withdrawals are treated as coming from earnings first and then as a return of your premium. Payments under an annuity payment plan are treated as coming part from earnings and part 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. 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. Also, you may start a new surrender charge period in the new annuity.

If your annuity was issued in connection with a tax qualified plan, you may be required to take minimum distributions beginning at age 70½.

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 for income tax purposes.

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 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 IRA plans.<sup>1</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> Taxation on IRA plans varies depending on the type of IRA, traditional IRA, Roth IRA, SEP IRA you own.

## 6. WHAT ELSE DO I NEED TO KNOW?

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### Other Information

- This annuity is designed for people who are willing to let their assets build for at least 10 years.
- 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 10 days 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 your premium back.
- 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. Compensation is not deducted from your premium.
- Required Minimum Distributions - Certain tax qualified annuities are subject to minimum required distributions which generally require that distributions begin no later than April 1st of the year following your attainment of age 70 ½ and that amounts be paid to you over a period not longer than your life expectancy.
- Your annuity values are guaranteed by Fidelity & Guaranty Life of New York. As a legal reserve company, Fidelity & Guaranty Life of New York is required by state regulation to maintain reserves equal to or greater than guaranteed surrender values.

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

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Incorporated in 1959, Fidelity & Guaranty Life has a solid commitment to serving the individuals it knows best – middle market consumers seeking the safety, protection, accumulation and income features of secure life insurance and annuity products. Fidelity & Guaranty Life Insurance Company will continue to offer its series of focused life insurance and annuity products through its independent network of master general agents 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.

Contracts issued by Fidelity & Guaranty Life Insurance Company of New York, New York, NY.

Fidelity & Guaranty Life Insurance Company of New York 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 of New York 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: NY FPDEIA-10 (09-11) et al.

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

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

Surrender charges may apply to withdrawals. Withdrawals may be taxable and, when made prior to age 59½, may result in tax penalties. Withdrawals will reduce available death benefit.

“S&P 500®” is a trademark of The McGraw-Hill Companies, Inc. and has been licensed for use by Fidelity & Guaranty Life Insurance Company of New York. Standard & Poor’s does not sponsor, endorse, promote, or make any representation regarding the advisability of purchasing the 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 investments to help with retirement income needs.

Indexed interest rates are subject to a cap. Caps are subject to change at the discretion of Fidelity & Guaranty Life Insurance Company of New York.

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

You are purchasing a fixed indexed annuity contract that provides minimum guaranteed surrender values. You should understand how the minimum guaranteed surrender values are determined and the product features used to determine the values. Even though contract values may be affected by external indices, the contract annuity is not an investment in the stock market and does not participate in any stock, bond, or equity investments.

**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



# FGNY Index-Choice 10 – Statement of Understanding

INSURER: FIDELITY & GUARANTY LIFE INSURANCE COMPANY OF NEW YORK

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Thank you for your interest in the FGNY Index Choice-10 annuity from Fidelity & Guaranty Life Insurance Company of New York (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 FGNY Index Choice-10 annuity?**

FGNY Index Choice-10 is a Flexible Premium Fixed Indexed Deferred Annuity. The policy is primarily intended for customers seeking a long-term retirement savings vehicle. You may deposit premium (the amount of money you pay into the policy) at any time prior to the Annuity Date (the date you must begin receiving annuity payments). Your initial premium (the amount of money you initially pay) must be at least \$10,000 and any additional premium (the amount of money you may add prior to the Annuity Date) must be at least \$2,000 and may not exceed \$1,000,000.

## **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 / Total Account Value**

Your policy has an account value which equals the sum of the fixed interest option and equity index option account values. These options are discussed below. The total account value is the sum of all the option account values.

Each Equity Index Option Account Value equals all premiums allocated thereto, plus any index credits; plus any interest credits for any amount withdrawn between policy anniversaries; plus any additional interest credited; plus account value reallocated from other options; less any amounts previously withdrawn, less surrender charges (explained below) thereon; less account value reallocated to other options.

The Fixed Interest Option Account Value equals all premiums allocated thereto, plus any interest credited; plus any additional interest credited; plus account value reallocated from other options; less any amounts previously withdrawn, less surrender charges (explained below) thereon; less account value reallocated to other options.

The option account values either grow based on the fixed interest option or potentially grow based on the equity index options explained below plus any additional interest credited when your contract is issued. You may choose any one or combination of them subject to the policy’s reallocation provisions. You may only reallocate values among options once a policy year. Reallocations are effective on the next policy anniversary. For all of the interest options, you must notify us of any reallocation at least 30 days prior to the policy anniversary. After the initial premium, any additional premium will be automatically allocated to the fixed interest option account value.

The option account values are reduced by withdrawals of any type and any surrender charges thereon.

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- **Fixed Interest Option**

We will declare an initial fixed interest rate and renewal fixed interest rates that will determine the fixed rate of interest credited to this option. These rates are guaranteed never to be less than the guaranteed minimum effective annual interest rate of 1.00%. The initial fixed interest rate is guaranteed for the first seven policy years only. At the end of the first seven policy years and any subsequent policy year, we will declare a renewal fixed interest rate that will be guaranteed for one policy year only. Interest credits are credited daily.

- **One-Year Annual Point-to-Point With A Cap Equity Index Option (S&P 500 Index)**

Any equity index credits for this option are calculated and credited only on an index crediting date by using a formula that takes into account the beginning and ending values of the S&P 500® Index for a 1-year index crediting period. The cap rate limits how much of any increase will be used to calculate any equity index credits. The cap rate is declared prior to each index crediting period.

We determine the index percentage change by subtracting the index value at the beginning of the index crediting period from the index value at the end of the index crediting period and then divide that value by the index value at the beginning of the index crediting period and then the result is subject to the applicable cap rate. The annual cap rate will never be less than 3.00% for this option. If the index percentage change is zero or negative, the Guaranteed Minimum Effective Annual Interest Rate is added. If the index percentage change limited by the annual cap is positive, this capped percentage is multiplied by the option's account value to determine the equity index credits. The equity index credits pursuant to this option will never be less than zero.

- **One-Year Monthly Point-to-Point With A Cap Equity Index Option (S&P 500 Index)**

Any equity index credits for this option are calculated and credited only on an index crediting date by using a formula that takes into account the monthly beginning and ending values of the S&P 500® Index during a 1-year index crediting period. We add together 12 months of capped monthly index percentage changes. The monthly cap rate is declared prior to each 1-year index crediting period.

The monthly index percentage change equals the index value of the current monthly anniversary divided by the index value on the prior monthly anniversary; minus one. A positive monthly index percentage change will be limited to a monthly cap rate. A negative monthly index percentage change will not be subject to any floor. The monthly cap rate for this option will never be less than 1.00%.

If the sum of the 12 monthly percentage changes is zero or negative, the Guaranteed Minimum Effective Annual Interest Rate will be added. If the sum of the 12 monthly percentage changes is positive this result will be multiplied by the option's account value to determine the amount of equity index credited. Equity index credits will never be less than zero.

- **One-Year Monthly Average With A Cap Equity Indexed Option (S&P 500 Index)**

Any equity index credits for this option are calculated and credited only on an index crediting date by using a formula that takes into account the average of 12 months of monthly values of the S&P 500® Index during a 1-year index crediting period. The index values are captured at one month intervals from the end of the first month of the 1-year index crediting period to the end of the last month of the 1-year index crediting period. The monthly average is the sum of these monthly index values divided by 12. The cap rate is declared prior to each index crediting period.

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The index percentage change equals the monthly average minus the index value on the first day of the 1-year index crediting period, divided by the index value on the first day of 1-year index crediting period. If the index percentage change limited by the annual cap rate is positive, that value is multiplied by the option's account value to determine the amount of equity index credited. If that value is zero or negative, the Guaranteed Minimum Effective Annual Interest Rate will be added.

The annual cap rate for this option will never be less than 3.00%. Equity Index credits will never be less than zero.

## **Does my policy have a premium bonus?**

Yes, you will receive a premium bonus (additional interest) of 2% of your initial premium paid that is eligible to earn interest immediately.

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

Yes, FGNY Index Choice-10 provides access to the value of your policy in several ways. However, any values accessed during the first ten policy years may also be subject to a surrender charge.

- **Partial Surrender Without Surrender Charges**

Surrender charges will not apply to any penalty free withdrawal amounts, required minimum distributions, or any payments received under the Waiver of Surrender Charges provision of your policy (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.

In the first policy year, all withdrawals will be subject to a surrender charge. After the first policy year, and prior to the end of the tenth policy year, up to 10% of the premiums paid is available without a surrender charge. If you withdraw less than the penalty free withdrawal amount in any policy year, your penalty free withdrawal amount in future policy years will not be increased. No surrender charge will apply after the end of the 10<sup>th</sup> policy year.

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

## **Penalty free withdrawal benefits under the Waiver of Surrender Charges**

Surrender charges do not apply when:

If you (as owner) meet all the conditions stated below and you become terminally ill (the owner has an illness or physical condition that results in having a life expectancy of 12 months or less), you may withdraw all or part of your account value without application of a surrender charge. You qualify for this benefit if:

- The 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.

If you (as owner) meet all the conditions stated below and you become confined to a nursing home you may withdraw all or part of your account value without application of a surrender charge. You qualify for this benefit if:

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- 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;
- The surrender is made while you are confined; and
- Written proof of confinement is received at our home office.

There is no additional charge for the Waiver of Surrender Charge benefit.

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

If the owner dies before the Annuity Date, the ownership of the policy passes to the person(s) living on the date of your death in the order as follows:

- Surviving joint Owner, if any;
- Beneficiary
- 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 owners 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 will be deducted. The surrender value will equal the account value.

A partial equity index credit, if any, will be calculated and credited under applicable equity indexed crediting options as if the date of death was on an index crediting date. After performing such calculation and crediting any applicable equity index credits, all equity index crediting will stop, and the fixed interest option rate will apply until the date of full surrender.

If the spouse of the first owner to die is a surviving owner and designated beneficiary of the policy they may elect to continue the policy. Surrender charges will continue to apply. Additionally, no partial equity index credit calculation will occur.

If the annuitant dies before the Annuity Date, no distribution is required nor will any death benefit be paid unless the deceased annuitant is also an Owner, in which case the above information would apply.

## **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. The surrender value is equal to the account value less any applicable surrender charges.

## **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

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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

End of Policy Year	1	2	3	4	5	6	7	8	9	10	11
Percentage	10%	10%	10%	9%	8%	7%	6%	5%	4%	2%	0%

### **If you surrender the policy before the end of the 10<sup>th</sup> policy year, you may receive less than your premium.**

The following chart shows hypothetical surrender charges to demonstrate sample surrender charges for the FGNY Index-Choice 10 product.

Policy Year	Hypothetical Account Value	Penalty Free Withdrawal	Surrender Charge Percentage*	Surrender Charge	Account Value less Surrender Charge	Surrender Value
1	100,000	0	12%	12,000	88,000	88,000
5	104,000	10,000	8%	7,520	96,480	96,480
10	110,000	11,000	3%	2,970	107,030	107,030
20	150,000	150,000	0%	0	150,000	150,000

\*Surrender Charge Percentages are based on a hypothetical Surrender Charge Schedule. Refer to your contract for the surrender charge percentage applicable each policy year.

### **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 of New York 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 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 and cap rates for this annuity, subject to any minimum or maximum guarantees contained in the policy.
- Withdrawals in excess of the penalty free withdrawal amount may be subject to surrender charges.
- Past performance of a market index is not an indication of future performance.
- 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.

## TERMS OF YOUR ANNUITY POLICY

- **Guaranteed Minimum Effective Annual Interest Rate:** For the account value, the interest rate is set at issue, guaranteed for until the Annuity Date and is guaranteed never to be less than 1.00%.
- **Surrender Charge:** Your annuity is subject to a surrender charge during the first 10 policy years. 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.

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## **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.**

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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 FGNY Index Choice-10 product brochure. I further understand that I have applied for a Flexible Premium Fixed Indexed 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.

PLEASE CHECK TO INDICATE one of these 2 statements:

I currently reside in a nursing home facility    or     I currently DO NOT reside in a nursing home facility

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 FGNY Index Choice-10 product brochure with the applicant. I certify that a copy of this disclosure form, the FGNY Index Choice-10 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 FGNY Index Choice-10 Product Training and understand the equity index annuity features and limitations.

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

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

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

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

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

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