



FG Income for LifeSM

Guaranteed Minimum
Withdrawal Benefit Rider



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Fidelity & Guaranty Life Insurance Company

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What is FG Income for Life?

FG Income for Life offers an innovative approach to guaranteed lifetime income for your clients with greater choice, flexibility and control.

FG Income for Life is an optional living benefit, available by rider, designed to accompany certain annuity products¹ from Fidelity & Guaranty Life Insurance Company. Through FG Income for Life, Fidelity & Guaranty Life provides flexible, guaranteed income without annuitization, allowing your clients to maintain control of their financial assets.

OVERVIEW

FG Income for LifeSM is an optional guaranteed minimum withdrawal benefit (available at an additional charge²) that must be elected at the time of application and is available in three versions depending on your client's needs:

- **Basic**
Offered with a 4% Annual Roll-up Feature³
- **Enhanced**
Offered with a 6% Annual Roll-up Feature³
- **7%**³

All of the above versions offer a minimum guaranteed roll-up of 3% annually.

PERIODS

FG Income for Life is made up of two periods, an accumulation period and a withdrawal period.

Accumulation Period – During the accumulation period the income base increases (rolls-up) at an annualized 4%, 6% or 7% (depending on the version selected) for a 10-year roll-up period, provided the annuitant does not elect to begin taking withdrawals, (which would end the roll-up period and the accumulation period, and begin the withdrawal period). During the accumulation period, FG Income for Life offers the unique benefit of 'restarting' a new 10-year period, which extends the accumulation period and continues the annualized 4%, 6% or 7% increase.

Restart – The ability to restart a new 10-year roll-up period and continue the accumulation period offers clients a tremendous amount of flexibility and control.

For example, perhaps your client has planned on needing income payments after nine years. After a few years, it becomes apparent that he/she really does not need to begin receiving income for another 10 years. Electing a restart would allow your client to continue to capitalize on the 4%, 6% or 7% roll-up feature, while still allowing access to the money should financial circumstances change again.

¹ Current guaranteed roll-up rates vary by product. In MD, FG Income for Life is available to applicants 50+. Please contact your Fidelity & Guaranty Life Master General Agent or visit SalesLinkSM for a complete list of annuity products offering FG Income for Life.

² Rider Charge - An annual charge is deducted from the account value on each anniversary beginning at the end of the first contract year. The charge is calculated as a percentage of the account value on the anniversary after the interest has been credited. The rider charge is guaranteed not to exceed 1.00%.

³ The 4%, 6% and 7% roll-up amounts are current guaranteed rates. Fidelity & Guaranty Life reserves the right to lower each of these rates upon restart and for future sales of FG Income for Life to not less than a minimum guaranteed rate of 3%.

Restart must be elected on a contract anniversary and can only occur between the start of the sixth contract year and prior to the end of year 10. The income base is increased to the account value, if greater, at the time of restart, which may cause the cost of rider charge to increase. Restart does not start a new set of surrender charges, and only one restart is permitted. If no restart is elected during the first 10-year period,³ the roll-up ends.

The accumulation period ends when the client elects to begin receiving income payments and the withdrawal period begins.

³ Rider charge continues.

Withdrawal Period

The withdrawal period begins when the owner elects to begin taking **FG** Income for Life withdrawal payments. The accumulation period ends and cannot be reinstated. No additional premium payments will be accepted once the withdrawal period has begun. The income base will increase to the account value (step-up), if the account value is larger at the time of election.

FG Income for Life Withdrawal Payment

The amount the owner chooses to withdraw each contract year during the withdrawal period.

- Payments cannot be elected until the first contract anniversary.
- Owner must be at least age 50.
- Payments may be annual, semiannual, quarterly or monthly and must be \$100 or greater.
- Payments may be stopped and started at any time as needed by the client.
- Guaranteed withdrawal percentage stays the same unless a step-up occurs.
- **FG** Income for Life payments exceeding contract free withdrawal limits may be subject to surrender charges.

Guaranteed Withdrawal Payment

The guaranteed withdrawal payment is the maximum amount that can be withdrawn each contract year (provided no excess withdrawals have been made) without negatively affecting the income base.

This amount is guaranteed to be paid for the annuitant's lifetime.

- Calculated by multiplying the income base by the guaranteed withdrawal percentage and is based on the age of the annuitant at the time income payments are elected.
- It is established at the beginning of the withdrawal period and changes only at step-up or in the case of excess withdrawal.

Guaranteed Withdrawal Percentage is determined at the beginning of the withdrawal period and based on annuitant's age at the time. The percentage is updated at the time of a step-up and then based on the annuitant's age at that time.

To determine the guaranteed withdrawal percentage, please refer to the table at the end of this guide.

Spousal Benefits

Guaranteed Withdrawal Payment - Joint Annuitant

FG Income for Life offers the ability to determine income for the lives of two people that are legal spouses. In the case of joint annuitants, the guaranteed withdrawal percentage is determined by the age based upon the younger of the two annuitants at the time income payments are elected. The guaranteed withdrawal payment is guaranteed to be paid until the death of the second annuitant.

To determine the guaranteed withdrawal percentage, please refer to the table at the end of this guide.

Spousal Continuation

In the case of a single annuitant, the legal spouse may continue the annuity upon the owner's death.

- If in the accumulation period, the benefits will be based on the successor owner, but charges will continue to be based on the first owner.
- If in the withdrawal period, **FG** Income for Life withdrawal payments will continue until the account value is reduced to zero. The guaranteed withdrawal percentage will remain the percentage at the time of the first owner's death.

**'Stepped-up' (Increased) Income Base
X Guaranteed Withdrawal Percentage**

Increased Guaranteed Withdrawal Payment

*Which means more potential income
for your client and their family!*

Step-up

A step-up occurs when the income base is increased to the account value, if the account value is larger. A step-up will occur automatically and is available each contract anniversary during the withdrawal period. The guaranteed withdrawal payment is recalculated at the time of step-up and will equal the newly 'stepped-up' income base multiplied by the new guaranteed withdrawal percentage (based on the annuitant's age at the time of step-up).

Excess Withdrawal

A withdrawal made that causes total withdrawals for the contract year to exceed the guaranteed withdrawal payment amount. This will negatively affect the guaranteed withdrawal payment amount. The income base will be reduced in proportion to the reduction in the account value. The annuitant has two options when this occurs:

1. Receive the unpaid portion of the **FG** Income for Life withdrawal payments for the contract year as a part of the withdrawal with no further installment payments until the next contract year.
2. Receive the larger withdrawal amount and continue to receive remaining installments of **FG** Income for Life withdrawal payments as scheduled.

Depending on the product to which this rider is attached, and the amount of the withdrawal, surrender charges and other penalties may apply.

FG Income for Life

Cost of Rider Charges*

Annual charges are deducted from the account value through the accumulation and withdrawal periods on each anniversary beginning at the end of the first contract year. Charges are calculated as a percentage of the account value on the anniversary after the interest has been credited.

Charges will be set at issue and are guaranteed for the initial roll-up period. The guaranteed maximum charge for both the basic and the enhanced versions is 1% of account value and is levied on the contract anniversary after interest is credited. Please refer to the monthly Interest Rate Announcement for current rates.

* **FG Income for Life** is an optional benefit rider that can be added to certain Fidelity & Guaranty Life annuities, at time of application, for an additional annual charge.

Tax Treatment

- Benefits will be taxed on an interest first basis.
- These payments do not constitute an annuitization and will not qualify for exclusion ratio treatment.
- Withdrawals will be subject to taxation and if taken prior to age 59 ½ may be subject to an IRS penalty tax.

Annuitization

Annuitization will follow the rules of the product to which the **FG Income for Life** is attached.

At contract maturity, should your client elect a payment option of income for life with no guaranteed period then the annuity payment amount is the greater of the annuity payment amount provided under the base contract for that payout option, and the guaranteed withdrawal payment. Should your client elect another annuity option per the contract, the annuity payment amount will be based on the contract's account value at the time of payout.

Termination

FG Income for Life terminates and the rider charge ceases when any of the following occur:

- Contract terminates for any reason.
- Annuitization occurs.
- Client chooses to cancel **FG Income for Life** (may be cancelled at any time).

Additional Rider Information

- Owner and annuitant must be the same person unless the owner is not a natural person.
- Premium may be allocated to any interest crediting option available within the contract to which the rider is attached (indexed or fixed).
- Issue ages for this rider are based on the contract to which it is attached.

FG Income for Life Calculator

The **FG Income for Life** calculator is available on SalesLinkSM. This great sales tool illustrates the **FG Income for Life** Guaranteed Minimum Withdrawal Benefit (GMWB) rider.

The calculator asks for the following variables:

Rider Version: Basic or enhanced

Solve For: Guaranteed withdrawal payment or required initial premium

Type of Annuitant: Single or joint

Age of Annuitant at Issue

Frequency of Withdrawal Payment: Annual, semiannual, quarterly, monthly

Initial Premium Amount

Premium Bonus (Depends on product purchased)

Accumulation Period (Years): 1–15

The calculator then figures either the guaranteed withdrawal payment or the initial premium required to reach a certain income payment level. This is a great way to illustrate different scenarios for clients and to help them find the best combination of options to suit their particular financial situations.

Guaranteed Withdrawal Payment

The guaranteed withdrawal payment amount is calculated by multiplying the income base by the guaranteed withdrawal percentage and is based on your clients' age at the time they elect to receive income payments.

Annuitant's Age	Single Annuitant	Joint Annuitant*
50-59	4%	3%
60-69	5%	4%
70-79	6%	5%
80-89	7%	6%
90+	8%	7%

*Based on the age of the younger annuitant

Waiting to Begin Lifetime Income Increases the Income Amount

The chart on the next page (page 6) illustrates the impact that waiting to begin lifetime annual income (guaranteed withdrawal payments) has on the amount of income available for payout; it is not an illustration of actual contract values. The **FG** Income for Life calculator can provide an illustration demonstrating the **FG** Income for Life guaranteed lifetime annual income amounts based upon the client's own age, intended premium and expected deferral (if any) before income begins. In the hypothetical example, note the effect of compound interest growth on the income base amount, as well as the lifetime annual income amount, the longer the client waits to begin taking income. The information in the table assumes an initial \$100,000 income base growing at a roll-up rate of 4% per year. The example assumes the lifetime annual income amount equals a percentage of the income base, where the percentage varies by annuitant's age as summarized in the table above.

FG Income for Life

Example of Minimum Lifetime Annual Income Assuming a 4% Roll-up Rate

Years from issue to first withdrawal	Income Base	LIFETIME ANNUAL INCOME AMOUNT			
		Issue Age 50	Issue Age 60	Issue Age 70	Issue Age 80
YEAR 1	\$104,000	\$4,160	\$5,200	\$6,240	\$7,280
YEAR 5	\$121,665	\$4,867	\$6,083	\$7,300	\$8,517
YEAR 10	\$148,024	\$7,401	\$8,881	\$10,362	\$11,842
YEAR 15	\$180,094	\$9,005	\$10,806	\$12,607	\$14,408
YEAR 20	\$219,112	\$13,147	\$15,338	\$17,529	\$19,720

The example above is hypothetical. With the **FG** Income for Life feature, the income base in the year the client elects to begin receiving their guaranteed lifetime annual income, and the lifetime annual income amount, will vary depending upon the amount of interest credited to the annuity each year, any bonus interest paid, and the step-up features of the **FG** Income for Life benefit. The **FG** Income for Life current roll-up rates are 4%, 6% or 7%; current rates are guaranteed for the initial 10 contract years. We reserve the right to change our current rates applied at issue or at restart, but never to less than the minimum guaranteed rate of 3%. If interest credited to the annuity causes the account value to exceed the value of the income base shown above then the income base will step-up to the account value at the time you elect to begin taking withdrawal payments.

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.

Rider Form number: OM GMWB-FA (01-09).

Guarantees are subject to the claims paying ability of Fidelity & Guaranty Life Insurance Company.

Contracts are issued by Fidelity & Guaranty Life Insurance Company, Baltimore, MD.

Subject to state availability. Certain restrictions may apply. 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 policy.

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.

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