


# Does diversification apply to life insurance?

## Yes, diversifying your allocations within an indexed universal life (IUL) policy may help reduce minimum-interest crediting periods

Diversification may not be the first thing that comes to mind when you think about life insurance, but it has a place when it comes to deciding where you allocate your premium dollars among the available crediting options in an IUL policy.

Whether your clients are considering the innovative Barclays Trailblazer Sectors 5 Index, the S&P 500® Index or one of our other indexed interest crediting options, selecting more than one option could:

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- Help reduce your chances for minimum interest in any given crediting period
  - Offer the potential for steadier growth over time

Read on to learn how it works in an F&G Freedom® IUL policy.

## A history lesson

Different indexes and different crediting methods are going to perform best under different conditions. The top-performing index and crediting method tends to vary from year-to-year. While a client might get lucky and pick correctly sometimes, the odds are low as you can see below. That's why it's important to consider diversification when looking at indexed interest crediting options.

## Hypothetical historical performance 2015-2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<div>WORSER</div> <div>BETTER</div>	S&P 500 1-yr PtP + Cap + High Par 3.78%	Barclays 1-yr PtP + Par + Spread 14.82%	Barclays 1-yr PtP + Par + Spread 25.83%	Barclays 1-yr PtP + Par + Spread 0.25%	Barclays 1-yr PtP + Par + Spread 33.15%	S&P 500 1-yr PtP + Cap 12.00%	S&P 500 1-yr Monthly PtP + Cap 21.05%	Barclays 1-yr PtP + Par + Spread 0.25%	S&P 500 1-yr PtP + Cap 12.00%	S&P 500 1-yr Monthly PtP + Cap 22.35%
	S&P 500 1-yr PtP + Cap 2.70%	S&P 500 1-yr PtP + Cap 10.70%	S&P 500 1-yr Monthly PtP + Cap 16.13%	S&P 500 1-yr PtP + Cap + High Par 0.25%	S&P 500 1-yr Monthly PtP + Cap 17.31%	S&P 500 1-yr PtP + Cap + High Par 9.50%	Dow Jones Real Estate 1-yr PtP + Par + Spread 17.41%	S&P 500 1-yr PtP + Cap + High Par 0.25%	S&P 500 1-yr Monthly PtP + Cap 11.74%	S&P 500 1-yr PtP + Cap 12.00%
	S&P 500 1-yr Monthly PtP + Cap 1.16%	S&P 500 1-yr PtP + Cap + High Par 9.50%	S&P 500 1-yr PtP + Cap 12.00%	S&P 500 1-yr PtP + Cap 0.25%	S&P 500 1-yr PtP + Cap 12.00%	S&P 500 1-yr Monthly PtP with Cap 1.56%	S&P 500 1-yr PtP + Cap 12.00%	S&P 500 1-yr PtP + Cap 0.25%	S&P 500 1-yr PtP + Cap + High Par 9.50%	S&P 500 1-yr PtP + Cap + High Par 9.50%
	Barclays 1-yr PtP + Par + Spread 0.25%	S&P 500 1-yr Monthly PtP + Cap 7.03%	S&P 500 1-yr PtP + Cap + High Par 9.50%	S&P 500 1-yr Monthly PtP + Cap 0.25%	Dow Jones Real Estate 1-yr PtP + Par + Spread 9.90%	Barclays 1-yr PtP + Par + Spread 0.25%	S&P 500 1-yr PtP + Cap + High Par 9.50%	S&P 500 1-yr Monthly PtP + Cap 0.25%	Dow Jones Real Estate 1-yr PtP + Par + Spread 0.52%	Dow Jones Real Estate 1-yr PtP + Par + Spread 5.95%
	Dow Jones Real Estate 1-yr PtP + Par + Spread 0.25%	Dow Jones Real Estate 1-yr PtP + Par + Spread 0.25%	Dow Jones Real Estate 1-yr PtP + Par + Spread 8.69%	Dow Jones Real Estate 1-yr PtP + Par + Spread 0.25%	S&P 500 1-yr PtP + Cap + High Par 9.50%	Dow Jones Real Estate 1-yr PtP + Par + Spread 0.25%	Barclays 1-yr PtP + Par + Spread 6.50%	Dow Jones Real Estate 1-yr PtP + Par + Spread 0.25%	Barclays 1-yr PtP + Par + Spread 0.25%	Barclays 1-yr PtP + Par + Spread 0.25%

S&P 500 1-year Point-to-Point with Cap and High Par
  S&P 500 1-year Monthly Point-to-Point with Cap
  S&P 500 1-year Point-to-Point with Cap
  Dow Jones US Real Estate 1-year Point-to-Point with Par and Spread
  Barclays 1-year Point-to-Point with Par and Spread

This chart shows the hypothetical historical performance of the index allocation options offered in the F&G Freedom IUL assuming purchase dates of 12/15/2014 through 12/15/2024. This data reflects the caps, spreads and/or participation rates as noted, which are hypothetical in nature, remain static throughout this time period, and are not guaranteed.

This scenario is unlikely to occur so actual interest crediting rates would have varied. Some performance figures predate the availability of F&G Freedom IUL, which was first available for purchase on 9/8/19.

In addition, the Barclays Trailblazer Sectors 5 Index was not available until 11/30/2015. Rates used in the analysis are those available as of 3/18/2025, including for years before the product or index may have been available.

## Experience the potential benefits of diversification within an IUL

The well-worn advice to not put all of your eggs in one basket has stuck around all these years — for good reason.

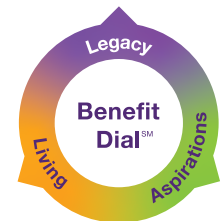
Thanks to the wide and ever-growing variety of index options and crediting methods we offer, you can find a number of valuable diversification possibilities available for your clients.

## While most competitors talk about avoiding zeroes, clients always earn interest with F&G Freedom

In addition, all of our IULs provide minimum guaranteed interest of 0.25% annually. That may not seem like much, but over time, that guaranteed growth can add up.

And, if clients keep their contracts for more than 10 years, an additional 0.25% persistency bonus can double that guaranteed interest to 0.50% annually in years 11+.

## For more details on Freedom or the value of diversification within our products, talk to your wholesaler or contact us today at [Life.Sales@fglife.com](mailto:Life.Sales@fglife.com).



"F&G" is the marketing name for Fidelity & Guaranty Life Insurance Company issuing insurance in the United States outside of New York. Life insurance and annuities issued by Fidelity & Guaranty Life Insurance Company, Des Moines, IA.

Subject to state availability. Certain restrictions may apply. Optional provisions and riders have limitations, restrictions and additional charges.

The example is hypothetical, non-guaranteed and is not an indication of the policy's and/or interest crediting option's past or future performance.

When allocating account value into the indexed interest accounts, it's important to understand how these accounts are managed. Fidelity & Guaranty Life Insurance Company places money into the indexed interest account up to twelve times per year on the 15th of every month (or the first business day thereafter).

Diversification cannot ensure a profit or guarantee against losses. No one crediting option will perform best in all market conditions.

Indexed interest rates may be subject to a cap, spread and/or participation rate. These are subject to change at the discretion of Fidelity & Guaranty Life Insurance Company. Interest rates are subject to change.

Surrenders, withdrawals and loans will reduce available death benefit and may be subject to surrender charges. Surrenders and withdrawals beyond basis may be taxable income and subject

to penalties if taken prior to age 59 ½. Excessive and unpaid loans will reduce policy values and may cause the policy to lapse. In order to receive favorable tax treatments on distributions made during the lifetime of the insured (including loans), a life insurance policy must satisfy a 7-pay premium limitation during the first seven policy years. A new 7-year limitation will be imposed after certain policy changes. Failure to satisfy this limitation would cause your policy to be considered a Modified Endowment Contract (MEC).

Volatility/risk control seeks to provide smoother returns and mitigate sharp market fluctuations. While this type of strategy can lessen the impact of market downturns, it can also lessen the impact of market upturns, potentially limiting upside potential.

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For more information about Barclays Trailblazer Sectors 5 index see <http://indices.barclays/trailblazer5>.