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Thinking

# At-a-Glance F&G Trailsetter<sup>SM</sup>

Fixed Indexed Universal Life Insurance

**Eligible ages**

**18-80**

**Minimum death benefit** **\$150,000** (face amount)

**Maximum premium** **\$500,000** (higher amounts need home office approval)

**Underwriting premium classes**

1. Premier Tobacco
  2. Premier Non-tobacco
  3. Express Standard Tobacco
  4. Express Standard Non-tobacco
- Substandard ratings are available.

**Exam-Free Underwriting**

Issue ages: **18-60** Issue face amount: **Through \$1,000,000<sup>1</sup>**  
A paramedical exam should not be ordered for applicants in the Exam-Free<sup>2</sup> program.

**Charges & fees**

- Deductions come from the account value. Charges are always taken from the most recent segments.
- The unit expense, contract fee, cost of insurance and cost of additional riders are deducted monthly.

<b>Maximum Information Report &amp; Partial Surrender Service Fee:</b>	\$25.00 each
<b>Premium Expense Charge<sup>3</sup></b>	Premium Expense Charge assessed only when premiums are paid.
<b>Monthly Unit Expense</b> (based on the higher of the current or initial face amounts; applies only to issue age 18-49)	Charge varies by issue age, gender and class; paid for 10 policy years, F&G reserves right to assess in subsequent years
<b>Monthly Contract Fee:</b>	\$9.00
<b>Monthly Cost of Insurance &amp; Additional Riders</b>	Varies

**Interest crediting options**

Account value can be allocated across the interest crediting options. Allocations can be changed on the anniversary date of each index crediting period, with at least 30 days' notice. Interest credited is guaranteed never to go below 0.25% annually.

<b>Index-based interest crediting</b> Cap, Participation and Spread rates: Set annually, in advance of each segment's interest crediting date, may change as the segment renews.	
<b>Balanced Asset 5 Index™</b>	• 1-year Annual Point-to-Point, 175% Participation Rate with Spread and 1.5% Bonus
<b>Balanced Asset 10 Index™</b>	• 1-year Annual Point-to-Point, 85% Participation Rate with Spread and 1.75% Bonus
<b>S&amp;P 500®</b>	• 1-year Annual Point-to-Point, 100% Participation Rate with Cap and 1.25% Bonus
<b>Fixed interest crediting</b> rate set once per year for each segment	

<sup>1</sup>For applicants who are not U.S. citizens or not Permanent Resident Cardholders, maximum Issue Face Amount for Exam-Free Underwriting: \$300,000. Exam-Free underwriting is not available in Puerto Rico.

<sup>2</sup>Policy approval is determined by a review of medical and personal history on the application, and may be subject to additional underwriting requirements at the discretion of F&G. Review F&G Underwriting Guidelines for additional details.

<sup>3</sup>Expense deducted from premiums: 19.50% (years 1-20), 2.50% (years 21+).

# Account Value Bonus

In policy years 2+, the account value in the index crediting options will receive an account value enhancement percentage as outlined in the contract. In policy years 11+, the account value in all interest crediting options will receive an additional 0.25% account value enhancement. This additional credit is only applied when the fixed interest option declared crediting rate exceeds the minimum guaranteed account value interest rate. Does not apply to loan collateral for fixed loans.

# Withdrawals

## Partial and full surrenders

The minimum partial withdrawal is \$500.

After the first policy year, withdrawals from a policy's surrender value may be made with a \$25 charge for each partial withdrawal. Up to 20.00% of the policy's surrender value may be withdrawn each year without incurring surrender charges.

Withdrawals and loans are deducted from the account value. **Partial and full surrenders incur surrender charges.**

## Surrender charges

A surrender charge may be assessed for a reduction in the face amount. The surrender charges vary by gender, risk class and age at issue. If coverage is increased, a new 15-year surrender charge period — with potentially different surrender charges — applies, based on the amount of the increase in coverage. The surrender value of the policy is the total account value less any outstanding loans, and the surrender charge.

## Loans

Fixed or variable loans may be made provided there is sufficient surrender value in the policy to cover the loan.

### Fixed Loans

Account value in excess of premiums paid will be available for a preferred loan. During the first 10 policy years, all loans are charged the declared annual interest rate, plus 2.00%. From policy years 11 on, the interest charged on preferred loans and the interest paid on the account value secured by the loan are the same – the declared annual interest rate – while the interest charged on other loans will be the declared annual interest rate, plus 2.00%.

### Variable Loans

The maximum variable loan rate is 5.00%. The interest on a variable loan is based on the Moody's Corporate Bond Index. The amount used as collateral for the loan continues to earn interest based on the interest crediting options selected by the owner. Depending on the Index's performance, the interest could be higher or lower than the interest rate on a fixed loan.

# Death benefits

A death benefit option change is permitted after the first policy year.  
Client must choose Option A or B:

### Option A

The greater of the face amount and the minimum death benefit required by law

### Option B

The greater of the (face amount + account value) and the minimum death benefit required by law

In the case of Option A, partial withdrawals will reduce the death benefit by at least the amount of the withdrawal.

### Changing Between Options A and B

If the insured changes from **Option A to B**, the face amount is decreased to equal the difference between the amount payable under Option A and the account value on the date of the change. The remaining face amount must be \$150,000 or more. The minimum face amount may be greater based on issue age and additional coverage riders.

If the insured changes from **Option B to A**, the face amount is increased to equal the amount payable under Option B on the effective date of change.

### Increasing or Decreasing the Face Amount

Until the policy anniversary following the insured's 80th birthday, the face amount may be adjusted annually: upward after the first policy year, and downward after the third.

The amount of any increase must be at least \$25,000 and the insured must give proof of insurability. On the date of the increase, there must be sufficient surrender value to cover the monthly deductions, or an additional payment must be made. The increased coverage will have its own surrender charge, unit expense charge and no-lapse premium amount.

The amount of any decrease must be at least \$5,000, and not reduce the face amount below \$150,000. Surrender charges, the unit expense charge and no-lapse premium amounts will be based on the original face amount.

# Riders

## Accelerated Benefit for Terminal Illness

With a life expectancy less than 2 years (12 months in Florida), may accelerate up to 100% of the policy's death benefit, not to exceed \$1,000,000. Paid prior to death so amount paid will be less than the amount accelerated. Subject to underwriting requirements. Policy death benefit will be reduced by the amount accelerated. The client should seek tax advice before exercising this rider.

## Accelerated Benefit for Critical Illness

May accelerate up to 100% of the policy's death benefit, not to exceed \$1,000,000. May not be available in all states, and some may restrict the illnesses to which it applies. Critical illness must occur on or after the effective date of the rider. Paid prior to death so amount paid will be less than the amount accelerated. Subject to underwriting requirements. Policy death benefit will be reduced by the amount accelerated. The client should seek tax advice before exercising this rider.

## Accelerated Benefit for Chronic Illness

May accelerate up to 25% of the policy's death benefit<sup>1</sup> if certified by a licensed health care practitioner in the previous 12 months as having a qualifying chronic illness. This rider will terminate when the accelerated amount is 100% of the death benefit or the lifetime maximum of \$1,000,000. Subsequent annual accelerations are available, upon qualification, until your client accelerates either 100% of the death benefit or the lifetime maximum of \$1,000,000. Paid prior to death so amount paid will be less than the amount accelerated. Subject to underwriting requirements. Policy death benefit will be reduced by the amount accelerated. The client should seek tax advice before exercising this rider.

## Waiver of Monthly Deductions

In the case of total disability for a continuous period of six months or more, F&G waives all monthly charges during disability. This prevents cancellation of coverage and keeps the surrender value from being depleted due to monthly charges.

## Waiver of Specified Premium

If the client has a disability, as defined in the rider, for more than 6 months, F&G will pay the amount specified in the rider to the policy each month while the client is disabled. This can help prevent the cancellation of coverage by continuing the planned funding.

## Accidental Death Benefit Rider

In the event of certain accident-related deaths occurring before the policy anniversary following the client's 70th birthday; the coverage provided by this rider may not exceed the lesser of \$250,000 and the policy face amount. The request must be made within 120 days of the accident, and the issue age must be 18-60.

## Overloan Protection Rider

This rider prevents the policy from entering a lapse status as the result of outstanding loans that exceed surrender value. Applies after 75th birthday if the policy has been in effect at least 15 years. Conditions must be met.

## Primary Insured Term Life Insurance Rider

This rider provides term life insurance of up to 9 times the base policy amount. No unit expense charges, but cost of insurance charges apply and may be different from the base coverage. A minimum premium is required, and it may be different from the base coverage premium. Surrender charges do not apply to term life insurance coverage. The term rider can provide additional coverage for a shorter period and be effective protection when the client has the greatest financial responsibilities. This rider is subject to specific underwriting qualifications.

## Spouse Term Life Insurance Rider

This rider provides annual, renewable term life insurance for the primary insured's legal spouse with a death benefit up to the primary insured's base policy amount. The spouse may choose his or her own beneficiary. Cost of insurance charges apply and may be different from the base policy. Surrender charges do not apply to term life insurance coverage. The rider can be converted to permanent life insurance while the base policy is still in effect, at any time before the policy anniversary following the primary insured's 65th birthday, within the first 5 years of the primary insured's coverage, or within 31 days following the primary insured's death.

## Children's Level Term Insurance Rider

This rider provides term life insurance for the primary insured's children until they reach age 25. Within 31 days before each child's 25th birthday, the term insurance may be converted to permanent life insurance. One monthly premium will insure all the insured's children up to a \$25,000 face amount.

# No-lapse Guarantee<sup>2</sup>

If the insured pays the minimum no-lapse premium amounts (increased for outstanding loan balances or partial withdrawals), this policy is guaranteed to remain in effect for 15 years (even if the surrender value is not enough to cover the policy's ongoing

charges and costs). Paying only the no-lapse premium amount may not be enough to keep the policy in effect after the 15-year no-lapse period.

# Additional Information

## Product illustrations

F&G Trailsetter is an illustrated product. In all states, an illustration must be prepared and delivered with the client's signature. The illustration must provide information on death benefit changes, in particular Option B to Option A, and coverage with no more than a 25% partial surrender per year. Illustration software is available on SalesLink® at [fglife.com](https://www.fglife.com).

<sup>1</sup>The 25% annual limit does not apply in California.

<sup>2</sup>May increase the likelihood that your surrender value will be insufficient to cover the monthly mortality costs and expense charges unless additional premium is paid. If additional premium is not paid, your policy may terminate.

# Guideline Premium Test (GPT)

This test requires that the sum of the premiums paid cannot at any time exceed the greater of the Guideline Single Premium (Maximum Single Premium) or the sum of the Guideline Level Premiums (Maximum Level Annual Premium). These limits are calculated by F&G using assumptions required by the Internal Revenue Code, as amended. The Guideline Premium Test also requires that the death benefit must always be greater than or equal to the account value multiplied by a specified corridor percentage (reflected on the information section of the contract). The applicable percentage varies by age at the beginning of the policy year.

## Annual statement

Each year the client receives a report summarizing all F&G Trailsetter activity. The report shows the account value, amount of premium paid, monthly deductions, interest credited, partial surrenders and any charges, paid and unpaid loans and loan interest, surrender value, the death benefit option, face amount and the current death benefit.

## Commissions

<b>Earn spread commission</b>	<ul style="list-style-type: none"><li>• Receive 9.5% of total paid premiums each year for up to 20 years.</li></ul>
<b>Earn account-value-based trail commission</b>	<ul style="list-style-type: none"><li>• Receive 20 basis points on the policy account value starting in month 13 for as long as the policy is active.</li><li>• Trail commission will be paid quarterly.</li></ul>

Questions? Contact us at [Life.Sales@fglife.com](mailto:Life.Sales@fglife.com)

800.445.6758 • [fglife.com](http://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.

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

Guarantees are based on the claims-paying ability of the issuing insurer, Fidelity & Guaranty Life Insurance Company, Des Moines, IA.

Policy form numbers ICC19-2003 (1-19), ICC19-2003 (1-19)T, LPI-2003 (1-19), LPI-2003 (1-19)T, ICC19-LRI-2015 (1-19), ICC19-LRI-2016 (1-19), ICC11-LRI1005 (10-11); LRI-2015 (1-19), LRI-2016 (1-19), LRI-1026 (10-11), ICC16-LRI-1114, ICC17-LRI-1115, ICC19-LRI-2010 (1-19), 16-LRI-1114, 17-LRI-1115, LRI-2019 (1-19), ICC18-LRI-1066 (06-18), ICC11-LRI1014 (10-11), ICC11-LRI1002 (10-11), ICC19-LRI-2011 (4-19), ICC19-LRI-2012 (3-19), ICC19-2013 (2-19), ICC20-LRI-2028 (1-20), LRI-1066 (06-18), LRI-1035 (08-19), LRI-1023 (10-11), LRI-2011 (4-19), LRI-2012 (3-19), LRI-2013 (2-19), LRI-2028 (1-20), ICC20-LRI-2026 (1-20), LRI-2026 (1-20).

The provisions, riders and optional additional features of this product have limitations and restrictions, and may have additional charges. Contracts are subject to state availability, and certain restrictions may apply.

Issuance may be dependent on answers to the health questions on the application.

Permanent life insurance is a long-term contract.

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

Information concerning tax or estate planning should not be considered tax or legal advice. Clients should consult their own tax professional or attorney regarding their unique situation.

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

It is important to note that when the declared participation rate is greater than 100% and the index change percentage at the end of the index term period is 0 or negative, no index interest credits will be applied to the account value.

Surrenders, withdrawals and loans will reduce available death benefit and may be subject to surrender charges. 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 client's policy to be considered a Modified Endowment Contract (MEC). Surrenders and withdrawals of earnings may be taxable income and subject to penalties if taken before age 59 ½.

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

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For more information on the Balanced Asset 10 index, see [indices.cibccm.com/CIBQB10E](http://indices.cibccm.com/CIBQB10E). For more information on the Balanced Asset 5 index, see [indices.cibccm.com/CIBQB05E](http://indices.cibccm.com/CIBQB05E).