

# When less is more

## How much is your premium bonus actually worth?

The larger the premium bonus percentage is on an annuity, the better – right? Not necessarily.

### First, let's consider the impact of fees.

To do so, we'll look at a hypothetical example with Performance Pro and a couple competitors using the following assumptions:

	Initial premium	Fixed interest rate	Premium bonus	Annual rider fee
<b>F&amp;G Performance Pro 10</b>	\$100,000	3.00%	15% <sup>1</sup>	.10%
<b>Competitor A</b>	\$100,000	3.30%	18%	.95%
<b>Competitor B</b>	\$100,000	2.65%	20%	1.20%

<sup>1</sup> For issue age 75 and under for most states.

This data is taken from publicly available information and believed to be current as of April 24, 2024.

Here's how the math works out for the 10-year surrender period:

	Performance Pro	Competitor A	Competitor B
<b>Initial premium</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
Growth on initial premium	\$34,227	\$36,654	\$28,262
<b>Premium bonus</b>	<b>\$15,000</b>	<b>\$18,000</b>	<b>\$20,000</b>
Growth on bonus	\$5,134	\$6,597	\$5,652
<b>Fees</b>	<b>\$(1,478)</b>	<b>\$(14,284)</b>	<b>\$(17,392)</b>
<b>Year 10 account value</b>	<b>\$152,883</b>	<b>\$146,967</b>	<b>\$136,522</b>
<b>Net bonus (bonus less fees)</b>	<b>\$13,522</b>	<b>\$3,716</b>	<b>\$2,607</b>

The premium bonus is calculated based on the first year premium and vests according to a vesting schedule over the duration of the surrender period.

When the cumulative fees are subtracted from the premium bonuses, the net result is **\$13,522 for Performance Pro**, **\$3,716 for Competitor A**, and **\$2,607 for Competitor B**.

Quite a big difference, and why less can mean more!

## Next, let's consider some of the additional benefits Performance Pro provides.

- Interest growth potential based on your choice of crediting options linked to six well-known market indexes, plus a fixed crediting option
- Partial withdrawals of up to 10% of the vested account value each contract year after year one with no surrender charges or market value adjustment (MVA) applied
- The Death Benefit is equal to the vested account value — including the total premium bonus (which fully vests at death), and is paid as a lump sum with no surrender charges or MVA applied
- Liquidity features for unexpected costs including home health care, nursing home care, or terminal illness<sup>2</sup>

<sup>2</sup> These are defined conditions, and benefits and availability may vary by state.

## The benefits of Performance Pro add up! Talk to your financial professional to learn more.

"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.

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

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

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

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.

This product is a deferred, fixed indexed annuity that provides a minimum guaranteed surrender value. You should understand how the minimum guaranteed surrender value is determined before purchasing an annuity contract.

An additional bonus interest rate is paid on this contract. Annuities that offer bonus interest features may have higher fees and charges, longer surrender charge periods, lower credited interest rates and/or lower cap rates than annuities that do not provide the bonus feature.

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

In years when no interest is credited, some indexed interest crediting options or riders may have rider fees deducted, which may decrease the annuity value.

Surrender charges and market value adjustment (MVA) may apply to partial and full surrenders. Surrenders may be taxable and may be subject to penalties prior to age 59 ½.

The provisions, riders and optional additional features of this product have limitations and restrictions, may have additional charges, and are subject to change. Contracts are subject to state availability, and certain restrictions may apply. See the Statement of Understanding for details.

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

Policy form numbers: API-1018 (06-11), ACI-1018 (06-11), ICC11-1035 (11-11), ARI-1045 (11-12), ARI-1049 (11-12), ARI-1050 (11-12), ARI-1051 (11-12), OM FPS -VAV (10-07), ARI-1054 (02-13), ARI-1056 (11-13), ARI-1075 (09-15), ICC20-AE-2037 (5-20), ICC20-AE-2038 (5-20), OM TSA 2009, ARI-1065 (11-13), ICC11-1036 (11-11), ICC11-1043 (11-11), ICC11-1044 (11-11), ICC11-1045 (11-11), ICC11-1047 (11-11), ICC14-1079 (04-14), ICC18-1065 (04-18)PP, ICC11-1054 (11-11), AE-2005 (10-18), ARI-1061 (11-13), ARI-1062 (11-13), ARI-1057 (08-13), ICC15-1108 (11-15), ICC15-1109 (11-15), ICC15-1093 (01-15), ICC15-1086 (2-15).