





# F&G Secure MYGA<sup>®</sup> with Suitability Product Training

**Multi-year guaranteed annuities with  
3-, 5-, and 7-year interest rate guarantees**

Not to be used with the offer or sale of annuities. Products not available in all states.



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# F&G Secure MYGA

F&G's Secure MYGA series of single premium deferred fixed annuities offers **3-, 5- or 7-year interest rate guarantee periods<sup>1</sup>** with the flexibility to renew for subsequent guarantee periods. These products are primarily intended for clients seeking a long-term retirement savings vehicle. Key features include:

- penalty-free withdrawals without surrender charges or market value adjustment (MVA)
- a death benefit, **and**
- access to the full account value during periods of qualifying nursing home care, or in the event of chronic or terminal illness with no surrender charges or MVA (these are defined conditions and benefits and availability may vary by state)
- annuitization

<sup>1</sup> Guarantee periods may vary by firm.



## **This training consists of:**

- ▶ **Secure MYGA 3, 5 & 7 features overview – Page 6**
- ▶ **Secure MYGA MVA features overview — Page 11**
- ▶ **Secure MYGA Non-MVA features overview — Page 15**
- ▶ **Secure MYGA ROP features overview — Page 20**
- ▶ **Additional information — Page 26**
- ▶ **Company suitability requirements — Page 33**
- ▶ **NAIC Best Interest requirements — Page 42**
- ▶ **Disclosures — Page 48**
- ▶ **Attestation — Page 50**

# Secure MYGA<sup>®</sup> 3, 5 & 7

(Only available in CA & MO)

Please refer to the F&G Secure MYGA 3, 5 and 7 Statement of Understanding (SOU) for full product details.

# F&G Secure MYGA 3, 5 & 7

Only available  
in CA & MO

## Issue ages

Non-qualified: **0-90** Qualified: **18-90**

- Non-qualified may have joint owners; eligibility is based on older owner's age

## Premium

Minimum: **\$20,000** Maximum: **\$1,500,000**

## Minimum guaranteed interest rate

- The credited rate will never be less than the guaranteed minimum fixed interest rate

## Death benefit

Prior withdrawals reduce benefit amount.

Paid as a lump sum of:

- Account value (unless the spouse, as beneficiary, of the first owner to die continues or succeeds ownership of the annuity)

## Annuitization

- Beginning at the first contract anniversary, the client may elect to have the account value annuitized under an annuity option

## Minimums

- Minimum surrender and withdrawal amount: \$500
- Minimum account balance after surrenders and withdrawals: \$500

## Qualified plans

- Rollovers from IRAs, 401(k), 403(b), pension or profit sharing plans

## Free look period

- 10 days or longer as required by state law

## Penalty-free surrenders and withdrawals

- Accumulated interest and any amount withdrawn during the first 30 days after any guarantee period

## Systematic withdrawal provision

Two automatic payment options for payment of either a specific amount or interest only on a repetitive basis

- Minimum payment per mode is \$100
- Frequency: monthly, quarterly, semiannual or annual

## Market value adjustment (MVA)

- Any withdrawal or surrender that incurs a surrender charge will incur an MVA. It may be positive or negative. The MVA is based on changes in rates between the date the contract was issued, and the date the withdrawal is processed. Generally, if rates have risen, the market value adjustment will decrease surrender value; if rates have fallen, it will increase surrender value. MVA does not apply in CA.

## Renewals

At the end of each guarantee period, there is a 30-day window to withdraw the account value without incurring surrender charges or an MVA. At the end of 30 days, F&G automatically renews the annuity for the same guarantee period, with the same surrender charge schedule. Unless there is a full surrender, this renewal process will continue until annuitization or death except in the states listed below.



## Renewals (continued)

In California, if a contract is not surrendered during the 30-day window at the end of the guarantee period, it automatically renews and the surrender charges continue to decline until 10 years from the date the contract was first issued, and do not begin again at 9%. The surrender charge percentage schedule is 9.00%, 8.00%, 7.00%, 6.00%, 5.00%, 4.00%, 3.00%, 2.00%, 1.00%, 1.00%, 0.00%.

## Surrender charge schedule

- The surrender charge will be 9% in the first year, decreasing throughout the initial fixed

Years into guarantee period	1	2	3	4	5	6	7	8+
F&G Secure MYGA 3	9.00%	8.00%	7.00%	0.00%				
F&G Secure MYGA 5	9.00%	8.00%	7.00%	6.00%	5.00%	0.00%		
F&G Secure MYGA 7	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	0.00%

<sup>1</sup>In CA, surrender charges continue to decline over 10 years and do not reset at 9%.

**For unexpected  
health care costs —  
access to account  
value with no surrender  
charge or MVA**

## **Nursing Home Confinement** (in a licensed nursing home)

- Confinement must begin at least 1 year after contract effective date
- Must be confined to nursing home for at least 60 days

## **Terminal Illness**

- Diagnosis must be made at least 1 year after contract effective date and certified by licensed physician
- Life expectancy must be less than 1 year

# Secure MYGA<sup>®</sup> MVA

**(Available in all states except CA, MO & NY)**

Please refer to the F&G Secure MYGA 3, 5 and 7 MVA Statement of Understanding (SOU) for full product details.

# F&G Secure MYGA MVA

Available in all  
states except  
CA, MO & NY

## Issue ages

- Non-qualified: **0-90** Qualified: **18-90**
- If joint owner, eligibility is based on older owner's age

## Premium

Minimum: **\$20,000** Maximum: **\$1,500,000**

## Minimum guaranteed interest rate

- The credited rate will never be less than the guaranteed minimum fixed interest rate

## Death benefit

Prior withdrawals reduce benefit amount.

- Paid as a lump sum of:
- Account value (unless the spouse, as beneficiary, of the first owner to die continues or succeeds ownership of the annuity)

## Annuitization

- Beginning at the first contract anniversary, the client may elect to have the account value annuitized under an annuity option

## Minimums

- Minimum surrender and withdrawal amount: \$500
- Minimum account balance after surrenders and withdrawals: \$2,000

## Qualified plans

- Rollovers from IRAs, 401(k), 403(b), pension or profit sharing plans

## Free look period

- 30 days or longer as required by state law

## Penalty-free surrenders and withdrawals

- Beginning in the first year, up to 10% of account value annually during the initial fixed interest rate guarantee period
- Any amount after the initial fixed interest rate guarantee period ends

## Systematic withdrawal provision

- Two automatic payment options for payment of either a specific amount or interest only on a repetitive basis
- Minimum payment per mode is \$100
  - Frequency: monthly, quarterly, semiannual or annual

## Market value adjustment (MVA)

- Scheduled and unscheduled withdrawals of principal are allowed, but surrender charges and MVA apply
- Any withdrawal or surrender that incurs a surrender charge will incur an MVA. It may be positive or negative. The MVA is based on changes in rates between the date the contract was issued, and the date the withdrawal is processed. Generally, if rates have risen, the market value adjustment will decrease surrender value; if rates have fallen, it will increase surrender value. State variations may apply.

## Renewals

After the initial guarantee period ends, the annuity will immediately enter into a new renewal rate guarantee period crediting a renewal fixed interest rate. At the end of any guarantee period, if the client leaves the account value in the product, it will automatically renew one year at a time with no additional surrender charges. That means, the client may withdraw the account value penalty-free at any time. Unless there is a full surrender, this renewal process will continue until annuitization or death. State variations may apply.

## Surrender charge schedule

- The surrender charge will be 9% in the first year, decreasing throughout the initial fixed interest rate guarantee period by 1% each contract year
- Upon renewal, a new one-year renewal interest rate guarantee period begins, and surrender charges no longer apply

Years into guarantee period <sup>1</sup>	1	2	3	4	5	6	7	8+
F&G Secure MYGA 3 MVA	9.00%	8.00%	7.00%	0.00%				
F&G Secure MYGA 5 MVA	9.00%	8.00%	7.00%	6.00%	5.00%	0.00%		
F&G Secure MYGA 7 MVA	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	0.00%

<sup>1</sup>Guarantee periods may vary by firm.

# Secure MYGA® Non-MVA

**(Available in all states except CA, MO & NY)**

Please refer to the F&G Secure MYGA 3, 5 and 7 Non-MVA Statement of Understanding (SOU) for full product details.

# F&G Secure MYGA Non-MVA

Available in all  
states except  
CA, MO & NY

## Issue ages

- Non-qualified: **0-90** Qualified: **18-90**
- If joint owner, eligibility is based on older owner's age

## Premium

Minimum: **\$20,000** Maximum: **\$1,500,000**

## Minimum guaranteed interest rate

- The credited rate will never be less than the guaranteed minimum fixed interest rate

## Death benefit

Prior withdrawals reduce benefit amount.

- Paid as a lump sum of:
- Account value (unless the spouse, as beneficiary, of the first owner to die continues or succeeds ownership of the annuity)

## Annuitization

- Beginning at the first contract anniversary, the client may elect to have the account value annuitized under an annuity option

## Minimums

- Minimum surrender and withdrawal amount: \$500
- Minimum account balance after surrenders and withdrawals: \$2,000

## Qualified plans

- Rollovers from IRAs, 401(k), 403(b), pension or profit sharing plans

## Free look period

- 30 days or longer as required by state law



## Penalty-free surrenders and withdrawals

- Beginning in the first year, up to 10% of account value annually during the initial fixed interest rate guarantee period
- Any amount after the initial fixed interest rate guarantee period ends
- Scheduled and unscheduled withdrawals of principal are allowed, but surrender charges apply

## Systematic withdrawal provision

Two automatic payment options for payment of either a specific amount or interest only on a repetitive basis

- Minimum payment per mode is \$100
- Frequency: monthly, quarterly, semiannual or annual

## Renewals

After the initial guarantee period ends, the annuity will immediately enter into a new renewal rate guarantee period crediting a renewal fixed interest rate. At the end of any guarantee period, if the client leaves the account value in the product, it will automatically renew one year at a time with no additional surrender charges. That means, the client may withdraw the account value penalty-free at any time. Unless there is a full surrender, this renewal process will continue until annuitization or death. State variations may apply.

## Surrender charge schedule

- The surrender charge will be 9% in the first year, decreasing throughout the initial fixed interest rate guarantee period by 1% each contract year
- Upon renewal, a new one-year renewal interest rate guarantee period begins, and surrender charges no longer apply

Years into guarantee period <sup>1</sup>	1	2	3	4	5	6	7	8+
F&G Secure MYGA 3 Non-MVA	9.00%	8.00%	7.00%	0.00%				
F&G Secure MYGA 5 Non-MVA	9.00%	8.00%	7.00%	6.00%	5.00%	0.00%		
F&G Secure MYGA 7 Non-MVA	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	0.00%

<sup>1</sup>Guarantee periods may vary by firm.

## For unexpected health care costs — access to account value with no surrender charge

These are defined conditions, and benefits and availability may vary by state.

## Impairment

- Impairment must begin at least 1 year after contract effective date
- Must be unable to perform at least 2 of 6 activities of daily living (for at least 60 days and expected to continue for at least 90 days after requesting withdrawal)

## Nursing Home Confinement (in a licensed nursing home)

- Confinement must begin at least 1 year after contract effective date
- Must be confined to nursing home for at least 60 days

## Terminal Illness

- Diagnosis must be made at least 1 year after contract effective date and certified by licensed physician
- Life expectancy must be less than 1 year

# Secure MYGA® ROP

**(Available in all states except CA, MO & NY)**

Please refer to the F&G Secure MYGA 3, 5 and 7 ROP Statement of Understanding (SOU) for full product details.

# F&G Secure MYGA ROP

Available in all  
states except  
CA, MO & NY

## Issue ages

- Non-qualified: **0-90** Qualified: **18-90**
- If joint owner, eligibility is based on older owner's age

## Premium

Minimum: **\$20,000** Maximum: **\$1,500,000**

## Minimum guaranteed interest rate

- The credited rate will never be less than the guaranteed minimum fixed interest rate

## Death benefit

Prior withdrawals reduce benefit amount.

- Paid as a lump sum of:
- Account value (unless the spouse, as beneficiary, of the first owner to die continues or succeeds ownership of the annuity)

## Annuitization

- Beginning at the first contract anniversary, the client may elect to have the account value annuitized under an annuity option

## Minimums

- Minimum surrender and withdrawal amount: \$500
- Minimum account balance after surrenders and withdrawals: \$2,000

## Qualified plans

- Rollovers from IRAs, 401(k), 403(b), pension or profit sharing plans

## Free look period

- 30 days or longer as required by state law

## Return of Premium (ROP) feature

A guarantee unique to  
F&G Secure MYGA ROP 3, 5 & 7.

## What is the ROP feature?

- The contract is guaranteed to return at least the original premium, assuming no excess withdrawals were taken previously.
- The ROP feature only applies during the initial fixed interest rate guarantee period.
- In some situations, the ROP amount could be lower than the contract's surrender value, at which point the payout would be the higher of the two numbers.

## When might the ROP feature be useful?

- The client's situation has changed and they need liquidity.
- Market conditions have changed and you or the client no longer think it's the best product for them.
- Rates have increased and the client can get a better rate if they open a different annuity.

## Penalty-free surrenders and withdrawals

- Beginning in the first year, up to 10% of account value annually during the initial fixed interest rate guarantee period
- Any amount after the initial fixed interest rate guarantee period ends

## Systematic withdrawal provision

- Two automatic payment options for payment of either a specific amount or interest only on a repetitive basis
- Minimum payment per mode is \$100
  - Frequency: monthly, quarterly, semiannual or annual

## Renewals

After the initial guarantee period ends, the annuity will immediately enter into a new renewal rate guarantee period crediting a renewal fixed interest rate. At the end of any guarantee period, if the client leaves the account value in the product, it will automatically renew one year at a time with no additional surrender charges. That means, the client may withdraw the account value penalty-free at any time. Unless there is a full surrender, this renewal process will continue until annuitization or death. State variations may apply.

## Surrender charge schedule

- The surrender charge will be 9% in the first year, decreasing throughout the initial fixed interest rate guarantee period by 1% each contract year
- Upon renewal, a new one-year renewal interest rate guarantee period begins, and surrender charges no longer apply

Years into guarantee period <sup>1</sup>	1	2	3	4	5	6	7	8+
F&G Secure MYGA 3 ROP	9.00%	8.00%	7.00%	0.00%				
F&G Secure MYGA 5 ROP	9.00%	8.00%	7.00%	6.00%	5.00%	0.00%		
F&G Secure MYGA 7 ROP	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	0.00%

<sup>1</sup>Guarantee periods may vary by firm.



## For unexpected health care costs — access to account value with no surrender charge

These are defined conditions, and benefits and availability may vary by state.

### Impairment

- Impairment must begin at least 1 year after contract effective date
- Must be unable to perform at least 2 of 6 activities of daily living (for at least 60 days and expected to continue for at least 90 days after requesting withdrawal)

### Nursing Home Confinement (in a licensed nursing home)

- Confinement must begin at least 1 year after contract effective date
- Must be confined to nursing home for at least 60 days

### Terminal Illness

- Diagnosis must be made at least 1 year after contract effective date and certified by licensed physician
- Life expectancy must be less than 1 year

# Additional information

Please refer to the relevant Statement of Understanding (SOU) for full product details.

## How is MVA calculated?

Amount of withdrawal x MVA adjustment factor

The MVA adjustment factor is:

$$1 - \left( \frac{1 + \text{rate at contract issue}}{1 + \text{rate when withdrawal processed} + 0.0025} \right)^{N/12}$$

N is the remaining months  
in the surrender charge  
schedule, rounded up to  
the next month

Rate in the formula refers to the U.S. Treasury Constant Maturity (TCM) Series 3, 5 and 7 year maturities.

**For Secure MYGA 3**, the MVA is based on changes in the yield of the U.S. TCM Series (3-year maturity) between the date of contract issue and the date the withdrawal is processed.

**For Secure MYGA 5**, the MVA is based on changes in the yield of the U.S. TCM Series (5-year maturity) between the date of contract issue and the date the withdrawal is processed.

**For Secure MYGA 7**, the MVA is based on changes in the yield of the U.S. TCM Series (7-year maturity) between the date of contract issue and the date the withdrawal is processed.

MVA is not applicable in CA.

## How is MVA calculated?

Amount of withdrawal x MVA adjustment factor

The MVA adjustment factor is:

$$1 - \left( \frac{1 + \text{rate at contract issue}}{1 + \text{rate when withdrawal processed} + \text{MVA offset}} \right)^{N/12}$$

N is the remaining months  
in the surrender charge  
schedule, rounded up to  
the next month

Rate in the formula refers to the Bloomberg Barclays US Aggregate Index Yield to Worst.

The MVA is based on changes in the yield of the applicable index between the date of contract issue and the date the withdrawal is processed.

Note that the MVA is an area where there are many state variations.

In the following states the MVA offset equals 0.25%: DE, FL, ND, SD. In the remaining available states, the MVA offset is not applicable.

MVA is not applicable in all states or for all products in the Secure MYGA series.

# Annuitization options

**The contract may be annuitized at any time after the first contract anniversary, and these are the payout options:**

- Income for a fixed period
- Life income with a guaranteed period
- Life income
- Joint & contingent life income
- Joint & survivor life income with a guaranteed period
- Joint & survivor life income
- Life income with a lump sum refund at death
- Period certain with a lump sum refund at death

All the payment options, except income for a fixed period and period certain with a lump sum refund at death, provide a guaranteed income your client cannot outlive.

Annuity payments are based on the account value of the annuity. Some states require waiver of surrender charges when payments begin.

# Does Secure MYGA suit your client?

You must have reasonable grounds to believe your recommendation to purchase, replace or exchange an annuity is suitable for your client, based on the client's disclosed insurance needs and financial state and objectives.

Before making a recommendation to your client:

## 1. Know your client

What are the client's future goals and needs? You must evaluate carefully and make every effort to understand the client's unique financial circumstances, objectives, needs and risk tolerance. Does the client have adequate remaining funds for emergencies, and access to sufficient liquid assets? Is the client comfortable there are no likely, foreseeable, significant adverse changes in income or expenses during the annuity surrender period that would affect his or her decision?

## 2. Inform your client

Make every reasonable effort to present the client with the information necessary to make a well-informed decision. Explain the key features and purpose of the annuity completely and accurately.

## 3. Believe it's right

You must believe the client will benefit from purchasing the annuity and that, as a whole, it is suitable for the client.

# If you are recommending that your client **replace or exchange** an annuity, you have additional responsibilities. You must also consider:

1. Will the client incur surrender charges?
2. Will the client benefit from product enhancements (such as riders)?
3. Has the client exchanged or replaced an annuity within the last 36 months (60 months for California or Minnesota clients)?
4. Does the client understand the various features of the annuity, both favorable and unfavorable? These include tax penalties, surrender charges, new surrender periods, and loss of existing benefits.
5. Will the client benefit from the new annuity's features?
6. Is the surrender and purchase transaction suitable?

The **NAIC's Suitability in Annuity Transactions Model Regulation** requires a licensed insurance producer to have reasonable grounds to believe the recommendation to purchase, replace or exchange an annuity is suitable, based on the client's disclosed insurance needs and financial objectives.

It is your responsibility, both as an appointed producer for F&G and a licensed insurance producer, to recommend the purchase, replacement or exchange of an annuity only after carefully evaluating the unique financial circumstances, objectives and needs of your client to determine if an annuity is suitable.



# Company suitability requirements

# Does F&G Secure MYGA suit your client?

F&G requires all producer recommendations for the purchase or replacement of annuity products to have a reasonable basis as to their suitability for the consumer, based on the information disclosed by the consumer to the producer at the time the recommendation is made.

We also require our appointed producers to make every reasonable effort to present each client with the information necessary to make well-informed decisions related to the purchase, exchange, or replacement of any annuity product. At a minimum, you and your client should be able to answer “yes” to each of the questions below prior to any completion of any annuity purchase, exchange or replacement:

- **Does the client understand the key features of the product?**
- **Does the client understand the purpose of the annuity?**
- **Does the client have adequate remaining funds in case of an emergency? Is the client comfortable there are no likely, foreseeable significant adverse changes in income or expenses during the annuity surrender period that may affect the client’s decision to purchase an annuity?**
- **If the client is replacing or exchanging another product with this annuity, does the client understand the advantages and disadvantages of the exchange, i.e., tax penalties, surrender charges, new surrender periods, loss of existing benefits? Will the consumer benefit from the new annuity’s features and enhancements such as any riders selected? Is the complete transaction (including surrender and purchase) suitable?**

# Suitability reviews

F&G has home office procedures for reviewing the suitability of annuity sales transactions. The process involves a review of information you submit with every application, including a review of our Suitability Acknowledgement Form (SAF). The SAF is reviewed to determine whether the suitability information provided in connection with the transaction:

- **Appears to reflect a reasonable basis as to suitability and should be accepted for issue**
- **Appears to lack a reasonable basis as to suitability and should be declined**
- **Requires further review of certain factors and should be held until we complete our review**

When additional review is required, F&G will conduct an elevated review of the suitability information, which may include:

- **Contacting producers by telephone with additional questions**
- **Conducting telephone interviews with applicants; and/or**
- **Requesting written responses and/or documentation from producers to support purchase, replacement or exchange recommendations**

F&G will decline transactions determined, via the suitability review process, to lack a reasonable basis as to their suitability. Also, F&G may offer your client the right to free-look an issued annuity at any time, and may reserve the right to charge back any commissions paid on that transaction.

# The financial professional's responsibility

Pursuant to the adopted NAIC Model Regulation on Suitability in Annuity Transactions, you must have reasonable grounds for believing that the recommendation of the purchase, exchange or replacement of an annuity is suitable based on the insurance needs and financial objectives disclosed by the consumer.

It is your responsibility to recommend the purchase, exchange or replacement of an annuity only after carefully evaluating the unique financial circumstances, objectives and needs of your customer and determining an annuity is suitable.

Prior to the recommendation to purchase, exchange or replace an annuity, you are also required to ensure the following:

- **The consumer has been reasonably informed of the material features of the annuity,**
- **The consumer will benefit from purchasing the annuity, and**
- **The annuity as a whole is suitable for the consumer.**

When a recommendation involves a replacement or exchange, you are also required to consider the following:

- **Will the consumer incur surrender charges?**
- **Will the consumer benefit from product enhancements (such as riders)?**
- **Has the consumer had another annuity exchanged or replaced within the preceding 36 months?**

# Suitability Acknowledgment Form (SAF)

The SAF is an essential part of F&G's suitability program and is required with every new application. The SAF is designed to help you assess your client's financial situation and determine whether an annuity is suitable by asking many of the questions to be considered prior to making an annuity recommendation, including, but not limited to:

- **What are your client's net worth and liquid assets?**
- **How much of your client's liquid assets will remain after the purchase of this annuity? Will your client's income after the purchase of this annuity sufficiently cover his or her living expenses?**
- **What is your client's monthly disposable household income?**
- **What is the source of the funds being used to purchase this annuity?**
- **What is your client's purpose for purchasing the annuity? (I.e. what financial goals will this annuity help you achieve?)**
- **Does the long term nature of an annuity product fit the client's time horizon? How long does your client intend to keep the annuity?**
- **What is your client's investment experience? What other products does your client currently own or has owned in the past?**
- **What is your client's federal tax bracket?**
- **How much risk is your client willing and able to sustain in exchange for potentially greater gain?**

# Documents and recordkeeping

- **When completing the SAF, remember to complete all blanks and answer all questions. Incomplete forms will cause an application to be deemed “Not in Good Order” and will delay suitability review and issuance of the annuity.**
- **F&G does not permit consumers to “opt out” of completing the SAF.**
- **Edits to information on the original SAF, including additional information not previously disclosed, must be initialed and dated by the proposed contract owner(s).**
- **Always keep copies of the SAF and all other documents, make notes of conversations with clients, and save any other information considered in your suitability assessment so you can demonstrate the basis for your recommendations.**
- **Promptly provide additional information to F&G when requested.**

# Whose suitability information should be collected?

- If the proposed owner of the contract is a natural person, but not the same as the annuitant, the SAF should be completed with the proposed owner's information.
- If the proposed owner is a revocable trust, the SAF should be completed with the grantor's information.
- For most other “non-natural” owners, (i.e., irrevocable trusts, custodial relationships, UTMA or UGMA contracts, corporations) the SAF should be completed with the beneficial owner's information, generally the proposed annuitant.

# Who should sign the SAF?

Both you and the proposed annuity owner(s) are required to sign the SAF. You should review each point of the form with your client to ensure your client is reminded of the key considerations in purchasing the annuity and acknowledging all of the information provided is complete and accurate to the best of your client's knowledge.

In cases where the proposed annuity owner is a non-natural person, the following guidelines generally apply:

- **If the proposed owner is a trust, the trustee must sign the SAF. A copy of the title page of the trust authorizing the trustee to perform financial transactions, and the signature page of the trust should be provided with new business paperwork.**
- **If the proposed owner is a corporation, the appropriate corporate representative must sign the SAF. A copy of the Corporate Resolution reflecting the signor has the authority to act on behalf of the corporation should be provided with new business paperwork.**
- **If the contract is an UTMA or UGMA, the parent/custodian must sign the SAF.**



# SAF definitions

**Household:** The Owner and Owner's spouse or partner. Or, an adult residing with the Owner and sharing finances (i.e., income and expenses) with the Owner.

**Owner:** A person who will own the annuity contract if issued. Owners have the right to make withdrawals, surrender or change the designated beneficiary. Owners may also be trusts, corporations and other non-natural persons.

**Monthly household income:** After-tax approximate household income of Owner and any spouse/partner including but not limited to earned and investment income, such as salary and wages, social security payments, pension and IRA payments, rental income, and interest and dividends earned on other financial instruments. (Income currently earned on financial instruments that will be used to fund the annuity purchase should not be included.)

**Monthly household expenses:** Approximate household expenses of the Owner and any spouse/partner including but not limited to rent/mortgage payments, utilities, travel and transportation, insurance premiums, healthcare including insurance premiums and any deductibles or copayments, debt repayment, support for dependents, membership costs, vacation costs, charitable contributions and property taxes.

**Monthly disposable household income:** Monthly household income minus monthly household expenses.

**Age:** Owner's legal age at time application is signed by the proposed owner.

**Emergency:** A significant unanticipated change in circumstances during the surrender charge period of the recommended annuity, including potential changes in medical expenses, financial situation, or living arrangements.

**Total Net Worth:** Total assets minus total liabilities.

**Liquid Assets:** Assets that can be accessed without substantial penalty such as checking and savings accounts, money markets, short term certificates of deposit, and no-load mutual funds.

**Source of funds:** The original source(s) of money used to purchase the annuity and make any subsequent premium deposits into the annuity.

**Distributions:** Payments or withdrawals to be taken from annuity.

**Risk tolerance:** Level of risk a consumer is willing and able to accept for potentially greater returns.

**Replacement:** A transaction in which a new annuity is to be purchased, and it is known or should be known to the producer, that by reason of the transaction, an existing annuity or life policy has been or is to be: (a) lapsed, forfeited, surrendered, or partially surrendered, assigned to the replacing insurer or otherwise terminated, (b) converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of non-forfeiture benefits or other policy values, (c) amended so as to affect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid; (d) reissued with any reduction in cash value, or (e) used in a financed purchase.

**Exchange:** A 1035 tax free exchange in which the Owner transfers money from one annuity to another annuity

# NAIC Best Interest requirements

As applicable on a state-by-state basis.

## I. Best Interest Addendum

The National Association of Insurance Commissioners (NAIC) adopted a revised Suitability in Annuity Transactions Model Regulation in 2020 to incorporate “best interest” requirements into existing suitability requirements. Producers who make recommendations of Company annuities to consumers in States which adopt the revised NAIC model regulation must abide by Company requirements for suitability as described on pages 25-36 of this training and follow additional requirements for best interest as described in this section.

While the information contained on pages 38-41 of this training generally describes responsibilities and requirements under the updated NAIC model regulation, Producers are always responsible for knowing and complying with the full requirements of all laws, rules and regulations applicable to the offering or sale of Company products in each respective jurisdiction.

## II. Best Interest Requirements

Producers are required, when making a recommendation of an annuity, to act in the best interest of the consumer under circumstances known at the time without placing the Producer’s or Company’s financial interest ahead of the consumer’s interest. A Producer has acted in the best interest of the consumer if the Producer satisfies obligations of care, disclosure, conflict of interest, and documentation as specified in the NAIC model regulation.

### Applicability

Suitability and best interest requirements apply to any recommendation or sale of an annuity by a Producer to a consumer. “Recommendation” means advice provided by a Producer to an individual consumer that was intended to result or does result in a purchase, an exchange or a replacement of an annuity in accordance with that advice.

The requirements also apply to any Producer who exercises material control or influence in the making of the recommendation and receives direct compensation as a result of the recommendation or sale, regardless of whether the Producer has had any direct contact with the consumer. Activities such as providing or delivering marketing or educational materials, product wholesaling or other back office product support, and general supervision of a Producer do not, in and of themselves, constitute material control or influence.

### Care Obligation

A Producer, in making a recommendation, shall exercise reasonable diligence, care, and skill to:

- Know the consumer’s financial situation, insurance needs and financial objectives
- Understand the available recommendation options after making a reasonable inquiry into options available to the Producer
- Have a reasonable basis to believe the recommended option effectively addresses the consumer’s financial situation, insurance needs and financial objectives over the life of the product, as evaluated in light of the consumer profile information, and
- Communicate the basis or bases of the recommendation.

Consumer profile information, as reflected in the Suitability Acknowledgement Form, characteristics of the insurer, and product costs, rates, benefits, and features are those factors generally relevant in deciding whether an annuity effectively addresses the consumer’s financial situation, insurance needs and financial objectives. The level of importance of each factor under the care obligation may vary depending on the facts and circumstances of a particular case but no factor should be considered in isolation.

The care obligation includes having a reasonable basis to believe the consumer would benefit from certain features of the annuity, such as annuitization, death or living benefit or other insurance-related features. The care obligation applies to the annuity as a whole and the underlying subaccounts to which funds are allocated at the time of purchase or exchange of an annuity, and riders and similar product enhancements.

In the case of an exchange or replacement of an annuity, the Producer shall consider the whole transaction, taking into consideration: whether the consumer will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits, such as death, living or other contractual benefits, or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements; whether the replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product; and whether the consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 60 months.

### **Disclosure Obligation**

Prior to recommendation or sale of an annuity, a Producer shall prominently disclose to the consumer certain information on a form substantially similar to the template prescribed by the NAIC. That information includes:

- A description of the scope and terms of the Producer's relationship with the consumer and the Producer's role in the transaction

- Whether the Producer is licensed and authorized to sell the following products:
  - Fixed annuities
  - Fixed indexed annuities
  - Variable annuities
  - Life insurance
  - Mutual funds
  - Stocks and bonds
  - Certificates of deposit
- A description of insurers that the Producer is authorized and appointed to sell insurance products for using the following descriptions:
  - One insurer
  - From two or more insurers, or
  - From two or more insurers although primarily contracted with one insurer
- A description of sources and types of cash compensation and non-cash compensation the Producer will be receiving, including whether the Producer will be compensated for the sale of a recommended annuity by commission as part of premium or other remuneration received from the insurer, intermediary or other producer or by fee as a result of a contract for advice or consulting services; and
- The right of the consumer to request additional information regarding cash compensation.

If a consumer requests additional information regarding cash compensation, the Producer shall disclose to the consumer a reasonable estimate of the amount of cash compensation that the Producer will receive which may be stated as a range of amounts or percentages; and whether the cash compensation is a one-time or multiple occurrence amount, and if a multiple occurrence amount, the frequency and amount of the occurrence, which may be stated as a range of amounts or percentages.

The Company may prescribe or recommend forms to be used by Producers for purposes of disclosing this information to consumers. This may include the Insurance Agent Disclosure Form For Annuities (ADMIN 5841) and Supplemental Cash Compensation Addendum (ADMIN 5842). By doing so, the Company seeks to ensure the required information is disclosed prominently to consumers who consider or purchase Company annuities. Producers are responsible for ensuring all information provided on such disclosure forms is accurate and complete.

### **Conflict of Interest Obligation**

The Producer shall identify and avoid or reasonably manage and disclose material conflicts of interest, including material conflicts of interest related to any ownership interest in an insurance company.

For purposes of this obligation, “material conflict of interest” means a financial interest of the Producer in the sale of an annuity that a reasonable person would expect to influence the impartiality of a recommendation. Material conflict of interest does not include cash compensation or non-cash compensation.

### **Documentation Obligation**

A Producer shall at the time of recommendation or sale make a written record of any recommendation and the basis for the recommendation.

Documentation includes any forms required by the Company (including but not limited to the Suitability Acknowledgement Form, Best Interest Supplement Form, Insurance Agent Disclosure for Annuities, and Supplemental Cash Compensation Disclosure as described herein). Producers are expected to make and keep their own written records to evidence discussions with consumers and decisions that are made which includes documenting the basis for recommendation and the reasons why the recommended annuity was selected over other product options.

Documentation pertaining to any recommendation should be retained at a minimum for the longer of whatever period is prescribed by the Producer’s agreement with the Company or whatever period is required by state law which can extend as much as ten years. Such records must be made available to the Company for review or audit upon request.

### III. Form Requirements

Where applicable, the Company requires a Best Interest Supplement form (“BIS”) (ADMIN 5840) be completed for each recommendation and sale to supplement the Suitability Acknowledgement Form (“SAF”) which serves as the source of consumer profile information. The BIS establishes that the applicant considered important information and the producer complied with specific requirements under best interest regulations.

As with the SAF, a sale will be deemed not-in-good-order unless and until the BIS is completed in full and signed by both consumer and Producer. The purpose of the BIS is to assist in determining the annuity recommendation is in the “best interest” of the applicant as that term is used in applicable laws or regulations. F&G does not accept opt-outs nor sales to a client contrary to the Producer’s recommendation.

The Company also requires each Producer taking part in making a recommendation or sale of an annuity to complete an Insurance Agent Disclosure Form For Annuities (ADMIN 5841) to satisfy the disclosure obligation described above. A properly completed form must be submitted with the recommended annuity application. Agents are also required to use the Supplemental Cash Compensation Addendum (ADMIN 5842) prescribed by the Company where a consumer requests additional information about the Producer’s cash compensation and retain a copy of the completed form in the Producer’s files.

### IV. Best Interest Supplement Review

The Company has established and maintains a system of supervision reasonably designed to achieve compliance with the updated NAIC model regulation for recommendations and sales in States where applicable. This includes supplementing home office procedures for reviewing the suitability of annuity sales transactions to include best interest considerations for recommendations and sales transactions in those States.

Among other things the completed BIS will be reviewed to determine that:

- The client acknowledges important information about the proposed transaction and annuity
- The client acknowledges the annuity recommendation is in his or her best interest
- Proper information is provided regarding any replacement occurring within the prior 60 months
- A summary of the basis of recommendation is provided
- The Producer acknowledges complying with best interest duties and obligations

In situations where additional information is required, F&G may follow up with the Producer or applicant as it would for suitability review and analysis purposes.

### V. Prohibition on Certain Forms of Compensation

The NAIC model regulation requires the Company to implement procedures to identify and eliminate any sales contests, sales quotas, bonuses, and non-cash compensation that are based on the sales of specific annuities within a limited period of time. Producers and any affiliated insurance agencies or marketing organizations, to the extent within the distribution hierarchy for sale of Company annuities, shall neither pay nor receive any form of compensation contrary to this prohibition.



Please follow up with your  
**broker dealer supervisor** for  
additional information on  
suitability requirements,  
forms and other details.



# Disclosures

“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.

F&G is not providing investment advice for any individual or any individual situation. Nothing in this product training should be read as investment advice.

F&G annuities are insurance products not guaranteed by any bank nor are they insured by FDIC, NCUA/NCUSIF, the Federal Government or any agency. They may lose value. There is no bank or credit union guarantee, and they are not a deposit. They may be offered only by a licensed insurance agent.

This product training is for financial professional use only. The term financial professional is not intended to imply engagement in an advisory business with compensation unrelated to sales. Financial professionals will be paid a commission on the sale of an F&G annuity.

F&G Secure MYGA 3,5 & 7, MVA, Non-MVA and ROP are Single Premium Deferred Annuities.

An annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses. An annuity is not a registered security.

F&G Secure MYGA MVA, Non-MVA and ROP are not available in CA, MO and NY.

F&G Secure MYGA 3, 5 and 7 is only available in CA and MO.

New Secure MYGA products (MVA, Non-MVA, ROP): A new 1-year guarantee period will begin after the end of the previous guarantee period.

Secure MYGA 1.0: There is a 30-day window at the end of each 3-, 5- or 7-year guarantee period where your client may withdraw all or part of the annuity value without application of surrender charges or market value adjustment. A new guarantee period and surrender charge period will begin after the end of the previous ones.

Withdrawals and surrender of taxable amounts are subject to ordinary income tax and, except for certain circumstances, will be subject to an IRS penalty if taken prior to age 59 ½. Withdrawals in year one or in excess of 10% in contract years 2 on are subject to surrender charges and an MVA. This may result in a loss of principal.

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.





**THANK YOU**

# Attestation

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