



Fidelity &  
Guaranty Life®

# FG Index-Choice® 10

Flexible Premium Fixed Deferred Indexed Annuity  
*Options for your retirement planning*



**FG Index-Choice 10**  
is a flexible premium fixed  
deferred indexed annuity

## What is that?

**Flexible Premium:** This means you can make multiple premium payments.

**Deferred:** This means the maturity date is in the future and annuitization does not begin immediately. Also, you pay no current income tax on interest earned. Taxes are deferred until you withdraw your earnings.<sup>1</sup>

**Fixed:** This means that on the fixed interest rate option, Fidelity & Guaranty Life Insurance Company guarantees for one year periods a fixed rate of interest.

**Indexed:** This means that it offers indexed interest crediting options. The indexed interest crediting options earn interest that depends in part on how a market index performs. You could earn an indexed interest, limited to the declared cap or declared fixed rate, as applicable. **You could never be credited less than 0%.**

The annuity does not participate in any stock, bond or equity investments. You aren't buying shares of stock or an index. Dividends paid on the stocks on which the indices are based don't increase your annuity earnings.

**Annuity:** An annuity is a vehicle to provide payments to the holder at specified intervals, usually following retirement. It is designed to be a long-term retirement tool and not to be used to meet short-term financial goals.

<sup>1</sup> Tax deferral offers no additional value if the annuity is used to fund a qualified plan, such as an IRA and may not be available if the owner of the annuity is not a natural person such as a corporation or certain types of trusts.

<sup>2</sup> A tax penalty could theoretically apply if the person is under 59 1/2.

*In this document are important points to think about before you buy the FG Index-Choice 10® annuity from Fidelity & Guaranty Life Insurance Company. Fidelity & Guaranty Life has prepared this summary to help you understand FG Index-Choice 10's many options, advantages and limitations. Your agent will provide to you the FG Index-Choice 10 Statement of Understanding disclosure form. Please review the Statement of Understanding, then confirm your understanding by completing and signing the Applicant Acknowledgement on the last page.*

## Product features include:

- ✓ *Minimum guarantees that protect your principal from market decline.*
- ✓ *Premium Bonus will increase premiums paid in the first year by 4%.*
- ✓ *Upside interest potential through six indexed-linked interest crediting options*
- ✓ *Downside protection – any indexed-linked interest credited is never taken away, due to market decline.*
- ✓ *A fixed interest option that provides a certain rate one year at a time.*
- ✓ *Liquidity for life's unexpected events. Surrender charges are waived for home health care, diagnosis of a terminal illness or nursing home confinement. These riders (addendums to the contract) provide full access to your account value without penalty.<sup>2</sup> (Certain conditions may apply and riders may not be available in all states.)*

## Guarantees

- ✓ *The minimum guaranteed surrender value (MGSV) is the minimum you would receive if you surrender your contract. It is meant to provide a known value, a floor, and is required of products of this type. The minimum guaranteed surrender value is 87.5% of your premiums compounding at the minimum guaranteed surrender value rate. That rate is between 1% and 3%, is set at issue and fixed for the life of your contract.*

# How does FG Index-Choice 10 work?<sup>1</sup>

## 1. HOW WILL THE VALUE OF MY ANNUITY GROW?

### Seven Interest Crediting Options That Offer Upside Potential (Subject To Caps/Spread/Declared Rate)

Six of the seven interest crediting options in your annuity will earn interest based on formulas linked to changes in an index. These are subject to a limit or cap/spread rate (please see Indexed-Linked Interest Crediting Options in the side box). You choose which Interest-Crediting Options you wish to participate in. With respect to the indexed interest crediting options, interest, if any, is credited on each crediting option's anniversary and, because indexed interest will never be less than 0%, your account value will never decrease due to a declining index or price.

The **seventh** interest crediting option is the Fixed Interest Option. The initial interest rate is GUARANTEED for one year, and the rate thereafter is declared in advance and guaranteed in one year increments. The rate is guaranteed never to be less than 1%.

FG Index-Choice 10 offers you the ability to reallocate your account value between these options at the end of each crediting option anniversary. You can also change your allocations for future premium at any time.

<sup>1</sup> See the FG Index-Choice 10 Statement of Understanding for additional details.

<sup>2</sup> Refer to your agent for the current caps and rates.

### Indexed Interest Crediting Options

#### S&P 500®

- ✓ One-year monthly point-to-point with a cap
- ✓ One-year annual point-to-point with a cap
- ✓ Two-year annual point-to-point with a cap
- ✓ Three-year annual point-to-point with a cap
- ✓ One-year monthly average with a cap
- ✓ One-Year annual point-to-point fixed declared rate on index gain

#### Fixed Interest Option<sup>2</sup>

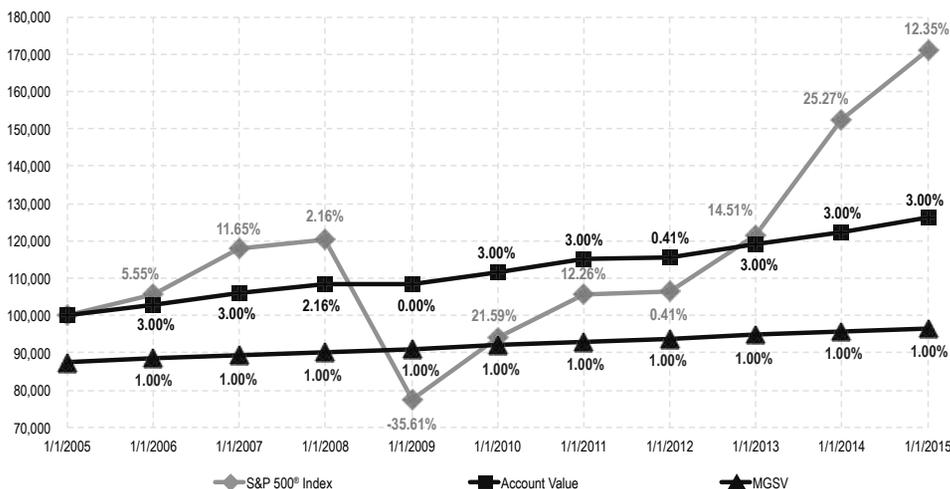
The interest rate your annuity is issued with is guaranteed for one year. After the first contract anniversary, we will declare, on or before each contract anniversary, a new interest rate that is guaranteed for one year.

Indexed-Linked Interest Crediting Options<sup>2</sup>:  
minimum caps

*Each interest crediting option has minimum caps per year. These are the lowest the rates could be set at each crediting option anniversary.*

- ✓ One-year monthly point-to-point with a cap.  
Minimum cap per month: 1%
- ✓ One-year annual point-to-point with a cap.  
Minimum cap per year: 1%
- ✓ Two-year annual point-to-point with a cap.  
Minimum cap per period: 2%
- ✓ Three-year annual point-to-point with a cap.  
Minimum cap per period: 2%
- ✓ One-year monthly average with a cap.  
Minimum cap per year: 1%
- ✓ One-year annual point-to-point fixed declared rate on index gain. Minimum declared rate per year: 1%

The following hypothetical example demonstrates how the account value of a FG Index-Choice 10 contract would have performed based on the non-guaranteed assumptions stated here: no premium bonus, no withdrawals, and no surrender charges or market value adjustments.



This hypothetical example assumes a new FG Index-Choice 10 contract was issued on January 1, 2005, utilizing \$100,000 in premium allocated entirely to the one-year annual point-to-point with a cap Indexed Interest Crediting Option without any reallocation to other interest crediting options. This example further assumes the non-guaranteed cap rate was 3.00% and did not change throughout the entire period shown. In reality, cap rates are subject to change, subject to certain contractual minimum guarantees. The example further assumes that during the period shown, there were no additional premiums paid, no surrender, no withdrawals of any type and thus no surrender charges or market value adjustments applied. Although this product was not available for the time period referenced, actual historical prices of the S&P 500 Index have been used. The example is hypothetical, non-guaranteed and is not an indication of the annuity's past or future performance.

The use of alternate rates or assumptions would produce significantly different results.

The S&P 500 Index does not include dividends paid on the underlying stocks, and therefore does not reflect the total return of the underlying stocks; neither a market index nor any market indexed annuity is comparable to a direct investment in the financial markets. Indexed annuities do not directly participate in any stock or equity investments.

Minimum Guaranteed Surrender Value:  
87.5% of premium accumulating at 1.00%

## 2. WHAT GUARANTEES ARE INCLUDED IN MY ANNUITY?

### 87.5% of Your Premium Compounding at a Rate Between 1% and 3% as a Minimum Guaranteed Surrender Value (MGSV)

Your annuity contains a protective floor. The minimum guaranteed surrender value on a full surrender is 87.5% of premium, plus daily interest accruing at the MGSV accumulation interest rate. That rate is between 1% and 3%, is set at issue and fixed for the life of the contract. The MGSV is reduced by prior withdrawals.

You will be paid the greater of the account value, less any applicable surrender charges, market value adjustment (MVA), and rider charges, and the MGSV.

### Plus a bonus of 4% of all premiums received in the first year – *How does it work?*

- Your annuity offers a 4% bonus on all premiums received in the first year credited to your account value on the day it is received.<sup>1</sup>
- This premium bonus applies to all premiums received in the first year of the contract, regardless of the interest crediting option to which it is applied. If placed in an indexed interest option, the premium bonus has the potential to earn index credits.

*See the Statement of Understanding for detailed descriptions of the indexed interest crediting options.*

*All of the indexed interest crediting options may not always be available for allocations. You may move your account value among the interest crediting options at the end of index crediting periods. Any premium paid between contract anniversaries is allocated to the fixed interest option until the next applicable indexed crediting period at which time your premium will be allocated to the chosen indexed interest option.*

*Annuities are issued with an effective date of the 1st, 8th, 15th or 22nd of the month. Premiums are held without interest until the next available effective date. Special rules apply if one of these dates falls on a weekend or holiday. If you withdraw money from an indexed interest crediting option on any day other than an interest crediting option anniversary you will not earn indexed interest on the amount you withdraw. The minimum initial premium to purchase this contract is \$10,000 and the minimum allocation to any option is \$2,000.*

## 3. HOW DO I GET INCOME FROM MY ANNUITY?

There are several ways to access your account value, including transforming your account in to annuity payments. If you take withdrawals and it is during the surrender charge period, you may be assessed a surrender charge and MVA if the amount withdrawn is in excess of the free amount. In addition, you may be subject to a 10% penalty free tax if you are under age 59½ at the time of the distribution.

### Partial Free Withdrawals

Each contract year (after the first contract year), you may withdraw, surrender charge free, 10% of your account value as of the prior anniversary, less any free withdrawals taken during the current contract year. If your annuity was issued in connection with a tax qualified plan, you may be required to take minimum distributions beginning at age 70½.

### Partial Withdrawals and Option for Systematic Withdrawals

Before annuity payments begin you may take up to four withdrawals per year (\$500 minimum), or you may take regular systematic withdrawals on a monthly, quarterly, semi-annual or annual basis (\$100 minimum). During the surrender charge period, withdrawals that exceed the annual 10% free partial withdrawal amount will be subject to surrender charges and MVA. Interest will not be credited to any amounts withdrawn if taken prior to the crediting interest date for the options you have chosen and are currently in.

### Annuity Payouts

You must begin receiving annuity payments no later than the maturity date. The maturity date is fixed at contract issue and is no later than the contract anniversary following the annuitant's (or the oldest annuitant's if a second annuitant is named) 100th birthday. Annuity payments are based on the surrender value.<sup>2</sup> An annuity option may be changed any time before annuity payments begin.

If your annuity was issued in connection with a tax qualified plan, you may be required to take minimum distributions beginning at age 70½.

<sup>1</sup> 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. For the following states, the bonus rate is 3%: CA, DE, NJ, NV, OH, OK, SC, TX & UT.

<sup>2</sup> For TX, surrender charges are waived for annuitization. Surrender charges are assessed for full surrenders.

## SURRENDER CHARGES

### ***What happens if I take out some or all of the money from my annuity?***

A surrender charge and MVA applies for the first ten years on full or partial surrenders in excess of the 10% annual free amount allowed, and in calculating the annuity payments unless they do not apply under the conditions below.

Annuity Year:										
1	2	3	4	5	6	7	8	9	10	11+
Surrender Charge:										
14%	13%	12%	11%	10%	8%	6%	4%	2%	1%	0%

The surrender charge equals the surrender charge percentage for the applicable year multiplied by the amount of account value that exceeds the penalty free amount available. Please review your annuity for the appropriate surrender charge schedule.<sup>1</sup>

### ***Is there any way to withdraw money during the surrender charge period without paying a surrender charge?***

Free partial withdrawals are available each contract year, after the first contract year, during the surrender charge period and you may withdraw up to 10% of your account value as of the prior anniversary.

Waiver of surrender charge riders are subject to state availability and are listed below.

- **Home Health Care Rider** *If the annuitant requires Home Health Care Services by a licensed Home Health Care provider as a result of being impaired in performing two out of six activities of daily living as outlined in your contract, and such care begins at least one year after the annuity's effective date, and the impairment has lasted at least 60 days and is expected to continue for at least 90 days following the request. Surrender charges and MVA will be waived on withdrawals made while the annuitant is impaired.*
- **Nursing Home Benefit Rider** *If you are confined to a licensed nursing home for more than 60 days, and your confinement begins at least one year after the annuity's effective date, surrender charges and MVA will be waived on withdrawals made during the period of your confinement.*
- **Terminal Illness Benefit Rider** *If a licensed physician certifies that you have been diagnosed with an illness or condition that causes your life expectancy to be less than one year, and the diagnosis takes place at least one year after the annuity's effective date, surrender charges and MVA will be waived during this period of terminal illness.*

Surrender charges and MVA are not imposed if you die. If your spouse as beneficiary elects to continue the contract and subsequently surrenders, your spouse will be subject to a surrender charge if within the surrender charge period.

<sup>1</sup> The following states follow an alternate surrender charge schedule: CA, DE, NJ, NV, OH, OK, SC, TX and UT. For these states, the surrender charge schedule is 9%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%, 0%. For IN, the surrender charge schedule is 12%, 11%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 0%.

## Payment In The Event Of Death

Should you die before annuity payments begin, we will pay the greater of the account value and the MGSV to the beneficiary named in your annuity.

We will also pay a partial interest credit, if applicable, up to the date of death.

## Account Value

The annuity's account value equals 100% of premium, plus bonus, plus interest credited to each interest crediting option, less any previous withdrawals and associated surrender charges and MVA. For an explanation of the MGSV please see page 2.

## Surrender Value

The annuity's surrender value is the greater of:

- Account value, less surrender charges; or
- Minimum guaranteed surrender value.

## 4. DO I PAY ANY FEES OR CHARGES?

### Fees, Expenses & Other Charges

Your full premium is available to potentially earn interest from the effective date of your annuity (surrender charges and MVA apply for the first ten contract years on full or partial surrenders in excess of the free amount).

## 5. DOES THIS AFFECT MY TAXES?

### ***How will annuity payments and withdrawals from my annuity be taxed?***

The annuity is tax-deferred, which means you don't pay taxes on the interest it earns until the money is paid to you. When you take payouts or make a withdrawal, you pay ordinary income taxes on the earned interest. Withdrawals are treated as coming from earnings first and then as a return of your premium. Payments under an annuity payment plan are treated as coming partially from earnings and partially as return of premium. You may pay a federal income tax penalty on earnings you withdraw before age 59½.

If your state imposes a premium tax, it may be deducted from the money you receive. You may exchange one tax-deferred annuity for another without paying taxes on the earnings when you make the exchange. Before you do, compare the benefits, features, and costs of the two annuities. You may pay a surrender charge on the annuity you are exchanging. Also, you may start a new surrender charge period in the new annuity.

If your annuity was issued in connection with a tax qualified plan, you may be required to take minimum distributions beginning at age 70½.

Internal Revenue Code provides that if an annuity is held by a non-natural person and such person is not holding as an agent for a natural person, the contract shall not be treated as an annuity for income tax purposes.

Information provided regarding tax or estate planning should not be considered tax or legal advice. Consult your own tax professional or attorney regarding your unique situation.

### ***Does buying an annuity in a retirement plan provide extra tax benefit?***

Buying an annuity within an IRA doesn't give you any extra tax benefit. The annuity is tax-deferred, which means you generally don't pay taxes on the money until it is paid to you. Payments under an annuity payment plan are generally entirely taxable under most IRA plans.<sup>1</sup> Choose the annuity based on its other features and benefits as well as its risks and costs, not its tax benefits. Please consult your tax advisor regarding your unique situation.

<sup>1</sup> Taxation on IRA plans varies depending on the type of IRA, traditional IRA, Roth IRA, SEP IRA you own.

## 6. WHAT ELSE DO I NEED TO KNOW?

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### Other Information

- This annuity is designed for people who are willing to let their assets build for at least ten years.
- We may change your annuity contract from time to time to follow federal or state laws and regulations. If we do, we'll tell you about the changes in writing.
- You have a set number of days (at least 10) to look at the annuity after you buy it. If you decide during that time that you don't want it, you can return the annuity and get your premium back. Read the cover page of your annuity contract as soon as you receive it to understand how many days you have to decide if you want to keep it.
- At least once each year, we will send you a report of the current annuity values.
- We pay the agent, broker, or firm for selling the annuity to you. Compensation is not deducted from your premium.
- Required Minimum Distributions – Certain tax qualified annuities are subject to required minimum distributions which generally require that distributions begin no later than April 1st of the year following your attainment of age 70½ and that amounts be paid to you over a period not longer than your life expectancy.
- Your annuity values are guaranteed by Fidelity & Guaranty Life Insurance Company. As a legal reserve company, Fidelity & Guaranty Life Insurance Company is required by state regulation to maintain reserves equal to or greater than guaranteed surrender values.

## 7. WHAT SHOULD I KNOW ABOUT FIDELITY & GUARANTY LIFE?

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Incorporated in 1959, Fidelity & Guaranty Life Insurance Company has a solid commitment to serving the individuals it knows best – middle market consumers seeking the safety, protection, accumulation and income features of life insurance and annuity products. Fidelity & Guaranty Life offers its series of focused life insurance and annuity products through its network of independent marketing organizations. Insurance products are offered through Fidelity & Guaranty Life Insurance Company 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.

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

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

Form numbers: API-1018(06-11), ACI-1018(06-11); et al.

Provisions and riders may have limitations and restrictions.

Subject to state availability. Certain restrictions may apply.

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

Terms and conditions are set forth in the group certificate and master contract and are subject to the laws of the state in which they were issued.

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

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Information provided regarding tax or estate planning should not be considered tax or legal advice. Consult your own tax professional or attorney regarding your unique situation.

Annuities are long-term vehicles to help with retirement income needs.

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

Interest rates subject to change at insurer’s discretion and are effective annual rates.

You are purchasing a fixed indexed annuity contract that provides minimum guaranteed surrender values. You should understand how the minimum guaranteed surrender values are determined and the product features used to determine the values. Even though contract values may be affected by external indices, the contract annuity is not an investment in the stock market and does not participate in any stock, bond, or equity investments.

**1.888.513.8797**    **[www.fglife.com](http://www.fglife.com)**

No bank guarantee. • Not FDIC/NCUA/NCUSIF insured. • May lose value if surrendered early.

