

Own Your  
Future



## Power Producer Program



# Own Your Future!

As a Power Producer with Fidelity & Guaranty Life you are entitled to be part of a non-qualified deferred compensation arrangement for Life and Annuity producers of Fidelity & Guaranty Life.

For agents who qualify to be a Power Producer, Fidelity & Guaranty Life makes regular credits to an account established by the company for your benefit.

The benefits of being a Power Producer are outstanding:

- Power Producer status allows you to build value in an account based on past and present sales - with no impact to your current compensation.
- The Power Producer credits you receive build on each other for each uninterrupted year of qualification - the program is progressive.
- You can be 100% vested in just six years if you qualify for six successive years.
- You direct the account investment options\*. Choose from a range of investment options based on your risk tolerance and individual needs!
- Allows participation in the FGL E&O company sponsored program. A benefit for Power Producers only; based on prior year qualification.

## Criteria to Qualify:

Credits to your account are based on your deferred production with Fidelity & Guaranty Life Insurance Company.

**Qualification criteria also require:**

- ***Paid applications on at least five (5) different lives per qualification period.***
- ***Must meet the minimum production amount for the calendar year.***
- ***The producer whose name appears on the applications as the Writing Agent will be credited the Power Producer credit.***
- ***If more than one Writing Agent name appears on the application, the Power Producer credit will be apportioned according to the percentage indicated for each agent.***

## Program Details

### YOUR FIRST YEAR

- You will be credited one unit of Power Producer credit when you reach the minimum production amount.
- Production above the minimum amount will be recognized with .5 credits – If you sell 1.5 times the minimum qualification amount, you will receive 1.5 credits.

*Example: 1,500,000 Power Producer points equals one (1) Power Producer credit.*

*One dollar of annuity premium or FG Life-Heritage is equal to one (1) point. One dollar of FG Life - Choice or FG Life- Elite premium is equal to 15 points.*

### SUBSEQUENT YEARS

- Each subsequent year you qualify to be a Power Producer, you will receive a credit for that year.
- You will ALSO receive credits for all of the prior years you qualified.

### THERE IS NO CAP ON THE NUMBER OF Power Producer CREDITS YOU CAN EARN!

You will begin to earn Power Producer credits when you meet the minimum production goal.

Once the value for a credit for a particular year is set, it will never change. Credits for past production, however, will be adjusted proportionally for lapses.

### YOU CONTROL THE INVESTMENT OPTIONS

You can direct how your account is invested\* among the options that are offered – and your account value can increase or decrease based on your selection of these investment options. It is as simple as going to <http://www.principal.com>.

### POWER PRODUCER VESTING SCHEDULE

A participant's account value vests over six qualifying years at the rate of 20% beginning with the second year of qualification. If a participant has qualified for the program for six years he/she may be fully vested.

QUALIFYING YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
VESTING PERCENTAGE	0%	20%	40%	60%	80%	100%

\* The Power Producer arrangement is unfunded. Your account value is a "bookkeeping" account that is subject to risk of forfeiture in the event of insolvency or bankruptcy of the Company, or such other claims as may be made by the general creditors of the Company.



# POWER PRODUCER PROGRAM Q&A *With the Power Producer Program, you could have the opportunity to enhance your commission earnings by an extra \$200,000 to \$400,000 (or more) over a 10-year period!*

**Q: When are Power Producer production goals for each year established?**

A: Production goals will be set and communicated to agents at the beginning of each year.

**Q: Do I start a new vesting schedule in subsequent years?**

A. No. The vesting schedule begins in the first year that you qualify as a Power Producer. As long as you continue to qualify every year, you will be 100% vested in six years.

**Q. May I use both my annuity production and life production to qualify as a Power Producer?**

A. Yes, as of 2014 production are combined.

**Q: Are there any disclaimers in regards to products included in the program?**

A: Yes, overall production is based on TAP and excludes FG Life-Gold (4.1.2014 thereafter) and POLI premium. FGL reserves the right to exclude additional products at its discretion.

**Q: When does the qualification period end to qualify to be a Power Producer?**

A: Refer to SalesLink for exact dates.

**Q: Can a group of agents under the same IMO pool their production to qualify to be a Power Producer?**

A: No. Only individual agents and their personal production qualify.

**Q: Will my Power Producer credits continue to vest in a year that I did not qualify for the program?**

A: No. Vesting pauses in a year that you do not qualify.

**Q: What happens if I fail to qualify for a given year?**

A: Failure to qualify for a particular year will not result in termination or forfeiture, but that year will not “count” in terms of credit or vesting purposes.

**Q: What if I fail to qualify for two consecutive years?**

A: Failure to qualify for two consecutive years will result in a forfeiture of all non-vested account value. An agent who subsequently qualifies again will begin with his/her vested account values and will continue on the same vesting schedule but will not have any previous qualifying years' premium to his/her credit.

**Q: What happens in the event of death, disability and/or hardship?**

A: Any participating agent who dies, or becomes permanently disabled, will be 100% vested in his/her account value. Such amount will be distributed from the Plan as soon as practicable, subject to reduction for any debts owed by the participating agent to the Company. In the event of death, the agent's account value shall be paid to the agent's beneficiaries in a lump sum. This amount will be reduced by any outstanding debts owed by the agent to the company. Upon written request, a participating agent may make hardship withdrawals from the Plan for unforeseeable emergencies that meet the Company's guidelines, which are based on federal tax law.

**Q. What are some of the events that qualify as unforeseeable emergencies, or hardships, under 409A?**

A. Following are some examples of events that qualify as hardships: 1. to pay medical expenses for the owner, spouse or other dependent, 2. to pay expenses for repair of damage to your principal residence that would qualify for the casualty deduction under section 165, 3. extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant.

**Q: Other than death, disability or hardship, when are withdrawals permitted?**

A: Withdrawals are not permitted under the plan due to federal tax law. Distributions will be made following separation from service and plan termination.

**Q. Which products count toward Power Producer production?**

A. Please visit SalesLink or contact your IMO for a current list of products that count towards the program.

**Q: What are the disclaimers around the E&O company sponsored program?**

A: For full details, visit the E&O Coverage section on SalesLink. The program is for Power Producers only and is based on prior year qualification. Producers must register every year to the company sponsored program. FGL does not reimburse for other carrier programs or agent purchased coverage.

**Q: Who do I contact for more information on becoming a Power Producer?**

A: Contact one of our representatives today at [power-producer@fglife.com](mailto:power-producer@fglife.com).

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

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 secure 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.

The Power Producer program is a non-qualified deferred bonus compensation plan for eligible appointed agents of Fidelity & Guaranty Life.

The terms and conditions of the Power Producer document will control with regard to a conflict with any representations made herein. Fidelity & Guaranty Life reserves the right to amend or otherwise change any terms and conditions of the plan document in its sole and absolute discretion, including the right to terminate the Power Producer program.



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