

# NY Spectrum Freedom Product Highlights

NY Spectrum Freedom is a flexible-premium, indexed annuity from Fidelity and Guaranty Life Insurance Company of New York. It is a highly competitive indexed annuity which offers a range of exceptional benefits. This product offers four interest-crediting options to assist your clients in meeting their financial goals. Clients can select from a monthly average, an annual point-to-point and a monthly point-to-point, all of which are linked to a formula based on changes in the S&P 500®; additionally, there is a traditional fixed interest account option.

<b>TYPE</b>	Flexible Premium* Deferred Indexed Annuity						
<b>OPTIONS</b>	◆ 1 Year, S&P 500 Monthly Point-to-Point	◆ 1 Year, S&P 500 Annual Point-to-Point					
	◆ 1 Year, S&P 500 Monthly Average	◆ Fixed Interest					
<b>MINIMUM PREMIUM</b>	\$10,000 (minimum \$2,000 per option)						
<b>MAXIMUM PREMIUM</b>	Home office approval is required for premiums in excess of \$1,000,000.						
<b>ISSUE AGES</b>	0-85 (age last birthday)						
<b>SIZZLE</b>	Client will always receive minimum guaranteed effective annual interest rate, regardless of the S&P 500's performance.						
<b>COMPENSATION</b>	Choice of upfront compensation or trail compensation for the life of the contract						
<b>LIQUIDITY FEATURES</b>	◆ Nursing Home	◆ Terminal Illness					
	◆ Annuitization after 5th Policy Year, without surrender charges	◆ 10% free partial withdrawal after first policy year					
	◆ Death						
<b>MGSV</b>	The minimum guaranteed surrender value on a full surrender is 100% of premium, plus daily interest accruing at the MGSV accumulation interest rate, less any current surrender charges. That rate is between 1% and 3%, is set at issue and fixed for the life of the contract. MGSV is reduced by prior withdrawals and adjusted for any reallocations.						
<b>WITHDRAWAL CHARGES</b>	Surrender charges apply for the first seven years on full or partial withdrawals as follows:						
<b>Annuity Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Surrender Charge</b>	10%	10%	10%	10%	8%	6%	3%
<b>ANNUITIZATION</b>	<p>In policy years 2 through 5, the amount of your annuity payments, less any applicable state or federal premium taxes, will be the greater of:</p> <ul style="list-style-type: none"> <li>◆ The account value applied to the guaranteed purchase interest-rate; or</li> <li>◆ The account value less a charge. The charge is the lesser of 5% or the applicable surrender charge for that year.</li> </ul> <p>Beginning in the sixth policy year, the amount available for annuitization is equal to the greater of the account value or the MGSV. The available amount is applied to the applicable annuitization factor. The following annuity types are available:</p> <ul style="list-style-type: none"> <li>◆ Income for a Fixed Period</li> <li>◆ Life Income with a Guaranteed Period</li> <li>◆ Life Income</li> <li>◆ Joint and Contingent Life Income</li> <li>◆ Joint and Survivor Life Income with a Guaranteed Period</li> <li>◆ Joint and Survivor Life Income</li> <li>◆ Life Income with a Lump Sum Refund at Death</li> </ul>						
<b>DEATH BENEFIT</b>	Surrender charges will be waived if the owner dies. The death benefit will be the greater of the account value or the minimum guaranteed surrender value.						

\*\$2,000 minimum additional premium

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## The Choices Clients Want:

- ◆ Choice of four interest-crediting options:
  - ◆ 1 Year, S&P 500 Monthly Point-to-Point
  - ◆ 1 Year, S&P 500 Monthly Average
  - ◆ 1 Year, S&P 500 Annual Point-to-Point
    - Annual interest crediting with compounding, account value vests annually
    - Caps are declared and guaranteed for the index crediting period (subject to a 1% minimum cap per month for monthly point-to-point; 3% minimum cap per year for annual point-to-point and monthly average)
    - If annual index credit is negative, clients are guaranteed to receive a guaranteed minimum effective annual interest rate set in advance, which is between 1% and 3%
    - 100% participation rate in indexing formula
  - ◆ One Fixed Interest Option
    - Guarantees a competitive interest rate for a seven-year period
- ◆ Short-term surrender charge period
- ◆ Client will always receive minimum guaranteed effective annual interest rate, regardless of the S&P 500's performance

## The Advantages You Want:

- Competitive commissions
- Full illustration support
- Expert and experienced sales representatives available for consultation on the phone or via e-mail
- The financial strength and stability of Fidelity and Guaranty Life of NY

## How Does NY Spectrum Freedom Work?

Your clients select whether they want interest credited to their annuity in the form of a fixed interest rate or based on a formula linked to changes in the S&P 500 using:

- One-year monthly point-to-point crediting
- Monthly average crediting
- Annual point-to-point crediting

If your clients make a full surrender, they will receive the sum of the account value (less surrender charges) or the total minimum guaranteed surrender value – whichever is greater.

## How the Account Value is Determined Using One-year Monthly Point-to-Point

1. The index value at the end of any given policy month will be compared to the index value at the beginning of that policy month to determine the point-to-point index change for that month.
2. The monthly point-to-point index change is determined by subtracting the prior month's index value from the current

month's index value and dividing it by the prior month's index value.

3. If this results in a positive index change and is not more than the declared cap, it is used as the capped index change for that month. If the index change is greater than the declared cap, the declared cap rate is used as the capped index change for that month. A negative monthly point-to-point index change is not subject to a cap.
4. At the end of the annual index crediting period, the sum of the 12 monthly capped index changes will be the index credit rate on the index crediting date. That rate will be multiplied by the option's account value to determine the total index credit. If the sum of the capped index changes results in a negative value, the guaranteed minimum effective annual interest rate (which is between one and three percent) will be applied.

## How the Annual Account Value is Determined Using Monthly Averaging

1. The index average, calculated at the end of the current year, is determined by averaging the index values (on a monthly basis) over the current year.
2. The index average for the current year is compared to the index value on the prior anniversary.
3. The index change is determined by subtracting the prior anniversary's index value from the index average and then dividing it by the prior anniversary's index value.
4. If this results in a positive index change and is not more than the declared cap but greater than the guaranteed minimum effective interest rate, it is applied as the index credit rate on the index crediting date.
5. If the index change is negative, the guaranteed minimum effective annual interest rate (which is between one and three percent) will be applied. If the index change is greater than the declared cap, the declared cap rate is credited to the account value. The cap is set at the beginning of each contract year and is guaranteed for one year.

## How the Account Value is Determined Using Annual Point-to-Point

1. The index value on the current year's anniversary is compared to the index value on the prior year's anniversary.
2. The index change is determined by subtracting the prior anniversary's index value from the current anniversary's index value and dividing it by the prior anniversary's index value.
3. If this results in a positive index change and is not more than the declared cap but greater than the guaranteed minimum effective interest rate, it is applied as the index credit rate on the index crediting date.

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4. If the index charge is negative, the guaranteed minimum effective annual interest rate (which is between one and three percent) will be applied. If the index change is greater than the declared cap, the declared cap rate is used as the index change. The cap is set at the beginning of each contract year and is guaranteed for one year.

## How the Minimum Guaranteed Surrender Value is Determined

The minimum guaranteed surrender value on a full surrender is 100% of premium, plus daily interest accruing at the MGSV accumulation interest rate, less any current surrender charges. That rate is between 1% and 3%, is set at issue and fixed for the life of the contract. MGSV is reduced by prior withdrawals and adjusted for any reallocations.

## Fixed Option

For the fixed interest option, interest is: credited daily, declared in advance, and is guaranteed for seven years. The guaranteed minimum effective annual interest rate is a rate set at issue (fixed for the life of the contract) between 1% and 3%.

## Account Value Reallocation

On any policy anniversary, and after any index credits are applied, any portion of the account value may be moved between any of the interest-crediting options. However, the account value may not be reallocated again for one full year. The amount remaining in each option's account value after that reallocation must be either zero, or at least \$2,000.

The home office must be notified of any reallocation at least 30 days prior to the policy anniversary. The reallocation becomes effective on the policy anniversary.

## NY Spectrum Freedom Features-At-A-Glance

### Issue Ages

0-85 (age last birthday)

### Minimum Premium - Qualified or Non-Qualified

\$10,000 initial premium (\$2,000 per option)

\$2,000 subsequent premium

### Maximum Premium

Home office approval is required for premiums in excess of \$1,000,000.

### Issue Dates

Issue dates: 1st, 8th, 15th, and 22nd of each month.

Applications will be held and premium checks will be held without interest, until the next available issue date. Annuities issued on each date include all applications received no later than 5:00 p.m. (Eastern Time) two business days prior to the issue date.

If the applicable issue date falls on a weekend or Fidelity and Guaranty Life of NY designated holiday, we will accept

premiums up to 5:00 p.m. (Eastern Time) on the Fidelity and Guaranty Life of NY business day, two days prior to the weekend or holiday.

For example, if the issue date is a Sunday, we will accept premiums through the previous Thursday for that issue date. Premiums received after this time will be deemed received on the next Fidelity and Guaranty Life of NY business day (i.e. will be deemed received *after* the weekend/holiday issue date).

The index value that will be used when the issue date falls on a weekend/holiday will be the index value from the first day the stock market is open, *after* the weekend or holiday.

## Partial Surrenders

Each policy year, after the end of the first policy year, clients may elect to take a free partial surrender of up to 10% of the premium as of the prior policy anniversary, less any prior free withdrawals taken during the current year.

## Systematic Withdrawal Option

The client can choose an automatic payment of either a specific amount or interest only on a recurring basis.

Surrender charges may apply. Minimum payment per mode is \$100. Frequency can be monthly, quarterly, semi-annual or annual.

## Liquidity Features

### Nursing Home Feature

If, beginning after the first year of the annuity, the owner is confined to a licensed nursing home for more than 60 days, Fidelity and Guaranty Life of NY will not deduct a surrender charge from the account value upon a full or partial surrender.

### Terminal Illness Feature

If, after the first year of the annuity, the owner is diagnosed by a licensed physician as having an illness or condition resulting in a life expectancy of less than one year, Fidelity and Guaranty Life of NY will not deduct a surrender charge from the account value upon a full or partial surrender.

### Free Partial Withdrawal

10% free partial withdrawal after first policy year.

### Minimum Required Distributions

Calculation and payment support available.

### Annuity Payment Options

- ◆ Income for a Fixed Period
- ◆ Life Income with a Guaranteed Period
- ◆ Life Income
- ◆ Joint and Contingent Life Income
- ◆ Joint and Survivor Life Income with a Guaranteed Period
- ◆ Joint and Survivor Life Income
- ◆ Life Income with a Lump Sum Refund at Death

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## Death Benefit

Surrender charges will not be deducted from the account value if the owner dies. If the minimum guaranteed surrender value is greater than the account value, the minimum guaranteed surrender value will be paid. Surrender charges are applied if the spouse of the first owner to die elects to continue or succeed to ownership of the annuity and subsequently surrenders the policy.

## Qualified Plans

Rollovers from IRAs, or to serve as a rollover IRA for corporate 401(k), TSAs, pension or profit sharing plans.

## Free Look

10 days, as required by state law.

## Rate Protection on Section 1035 Exchanges

60 Days

Call your Master General Agent or our Sales Support Center for details at 866-746-2624 or email us at: [contact-ny@omfn.com](mailto:contact-ny@omfn.com).

## Notes

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Form Numbers: NY FPDEIA-7 (8-2005); et al.

Fidelity and Guaranty Life of New York, Purchase, NY

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A A.M. Best Rating.

## About Us – Old Mutual Financial Network

Old Mutual Financial Network (OMFN) is a part of the Old Mutual group of companies. Founded in 1845, Old Mutual plc maintains its primary listing on the London Stock Exchange (LSE: OML) and ranks as one of the world's largest insurers (Life/Health), is a Fortune Global 500 company and a FTSE 100 financial services group. Working through its network of established insurance companies OMFN is committed to delivering innovative and balanced financial solutions.

Incorporated in 1962, Fidelity and Guaranty Life Insurance Company of New York (Fidelity and Guaranty Life of New York) offers a diverse portfolio of annuities and life insurance products to help families and businesses achieve secure financial futures. As part of OMFN, Fidelity and Guaranty Life of New York works with an established group of master general agents to distribute products.

Not a deposit • Not FDIC insured • Not insured by any Federal Government Agency • Not guaranteed by a financial institution (such as a bank, savings association, or credit union) • The financial institution may not condition an extension of credit on the consumer's purchase of an insurance product or an annuity from the financial institution or any of its affiliates. The consumer is free to purchase the insurance product or annuity from another source.

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