

PRODUCT NEWS / LIFE PRODUCTS

New Universal Life Illustration Guidelines Phase 2



PRODUCT NEWS

Coming March 1, 2016: Implementing New Illustration Guidelines Phase 2

In August 2015, the NAIC approved New Illustration Actuary Certifications under The Application of the Life Illustrations Model Regulation to Policies with Index-Based Interest (AG49). Because of the implementation of AG49, FGL was required to make changes to how our FIUL products are illustrated. On September 1, 2015, we implemented Phase 1 of the required changes by updating the maximum illustrated rates. Phase 2 of AG49 will be effective **March 1, 2016**.

What Changes are in Phase 2?

- How Variable Policy Loans are Illustrated - When illustrating variable loans, the rate credited to the loan amount cannot be more than 1% higher than the charged loan rate. The adjustment to the illustrated crediting rate only impacts the amount being illustrated as variable loans
- Illustration Software Additional Disclosure – Illustrations are required to include certain disclosure language. Also included is a “Historical Performance Summary” which charts a 10 and 20 year history of the applicable indices and index options. To see an example of this page of the illustration, please [click here](#).
- Phase 2 changes will be implemented in Fidelity & Guaranty Life’s illustration software on **February 27, 2016**

What Is Not Changing with AG 49?

- No change to how any strategy could perform or the gain potential for consumers. AG49 guidelines dictate how much of the performance can be illustrated
- No change to our maximum guaranteed variable loan rates or our actual loan crediting rate*
- No change in illustrated crediting rate when variable loans are not illustrated

- No change to our highly competitive cap rates*
- No change to our consumer-minded pricing
- No change in flexibility for the client
- No change in living benefits

New Business Transition Rules

- You may download updated software on **February 27, 2016**
- We will only accept illustrations run on the current version of the software before **February 27, 2016** if the illustration was signed prior to **March 1, 2016** with no changes after underwriting
- If changes are required after **March 1, 2016** and a new illustration is needed, the updated version of the software should be used

What Is Actuarial Guideline 49?

Review the announcement from **August 2015** by [clicking here](#).

More Information

For more information, please visit our agent portal SalesLink or contact us directly at salesdesk@fglife.com.

* Rate changes could occur with regular monthly rate setting updates, but not as a result of AG 49

Fidelity & Guaranty Life is the marketing name for Fidelity & Guaranty Life Insurance Company issuing insurance in the United States outside of New York. Products issued by Fidelity & Guaranty Life Insurance Company, Des Moines, IA.