Market Conduct Guide

INSURER: FIDELITY & GUARANTY LIFE INSURANCE COMPANY

Fidelity & Guaranty Life Insurance Company
(Referred to herein as the "Company")

INTRODUCTION

A reputation for fair dealing and integrity is essential to the long-term success of insurers and their Producers who sell products to help meet the needs of their customers. We achieve that goal by striving to comply with both the letter and the spirit of laws and regulations impacting our business. This is a shared commitment between the Company and our Producers. Producers shall, among other things, acknowledge receipt and agree to be bound to the terms of a Producer Agreement with the Company, this Market Conduct Guide and any applicable addenda thereto, and the Company's Code of Ethical Conduct, all as may be amended from time to time. Failure of a Producer to meet the standards of this Guide and any applicable addenda thereto, or the Code of Ethical Conduct, or to abide by the terms of the Producer Agreement may, at the Company's sole discretion, result in disciplinary or remedial action, including termination of the Producer's appointment with the Company.

This Market Conduct Guide establishes standards of conduct for Producers appointed by the Company. The goal of this Market Conduct Guide is to provide concise, understandable and usable information and guidance for the Producer. This Guide may not always reflect the complexity and changes of insurance regulation, so this Guide is sometimes only a summary and not definitive guidance. Whenever you have questions about a compliance issue and cannot find the answer in the Guide, please call your designated representative at our Sales Support line at 1-800-445-6758 or the specified contact person for your distribution channel. If you are unsure about whom to call or if you do not receive a clear answer, please call the Law and Compliance Department in the Home Office at 1-888-697-5433.

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I. Suitability

The Company expects Producers to treat customers fairly and honestly. Producers are expected to recommend and sell the Company's products based upon customer needs and financial objectives. The professional designations used by the Producers to sell our products must be authentic and representative of an accredited organization and comply with all Company issued guidance.

To identify a customer's needs and objectives for an insurance or annuity product, we require Producers to assess insurance, financial and personal information obtained from the consumer at the time of sale. When a Producer makes a recommendation for one or more of the Company's products, our expectation is that the Producer has made a reasonable effort to gather information necessary to make an appropriate recommendation to the consumer, and that the recommended product be suitable for the consumer based on such information.

The Company has developed a suitability program designed to assist Producers in gathering relevant information from consumers and making recommendations that are suitable in compliance with the National Association of Insurance Commissioner's (NAIC) Suitability in Annuity Transactions model regulation, and any other applicable Suitability rules and regulations which may apply to Producers, all as amended from time to time.

Key elements of the suitability program include the following:

A. **Company Requirements**. The Company requires that all Producer recommendations for the purchase or replacement of annuity products should 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. The Company also requires that Producer recommendations to the consumer reflect the care, skill, prudence, and diligence of a prudent person under similar circumstances. Additionally, the Company requires its appointed Producers to make every reasonable effort to present each consumer with the information necessary to make well-informed decisions relating to the purchase, exchange, or replacement of any annuity product.

At a minimum, Producers and their clients should be able to answer "yes" to each of the questions below prior to 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 pros and cons 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? Has the consumer had another

policy replacement within the preceding 36 months? Is the complete transaction (including surrender and purchase) suitable?

B. **Suitability Reviews**. The Company has established home office procedures for reviewing the suitability of annuity sales transactions. The process involves a review of information submitted with every application, including a review of the Company's Suitability Acknowledgement Form ("SAF"). The SAF will be 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 allowed to proceed to issue;
- Appears to lack a reasonable basis as to suitability and should be declined; or
- Requires further review of certain factors and should be held until the Company completes its review.

In situations where additional review is required, the Company 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.

The Company will decline transactions determined via the suitability review process to lack a reasonable basis as to suitability. The Company reserves the right to offer customers the right to free-look an issued annuity at any time and may charge back any commissions paid on that transaction.

C. **Producer Responsibilities**. Producers must have reasonable grounds for believing that the recommendation of the purchase, replacement or exchange of an annuity is suitable based on the insurance needs and financial objectives disclosed by the consumer. It is the Producer's responsibility to recommend the purchase, exchange, or replacement of an annuity only after carefully evaluating the unique financial circumstances, objectives and needs of the customer and determining an annuity is suitable.

Prior to the recommendation to purchase, exchange or replace an annuity, Producers must also 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, Producers are also required to consider the following:

- Will the consumer incur surrender charges, negative market value adjustments or other charges like premium bonus vesting adjustments?
- Will the consumer benefit from product enhancements (such as riders)?
- Has the consumer had another annuity exchanged or replaced within the preceding thirty-six (36) months?

D. **Suitability Acknowledgement Form**. The SAF is an essential part of the Company's suitability program and is required with every new annuity application. The SAF is designed to help Producers assess the consumer'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 the consumer's net worth and liquid assets?
- How much of the consumer's liquid assets will remain after the purchase of the annuity? Will the consumer's income after the purchase of the annuity sufficiently cover his or her living expenses?
- What is the consumer's monthly disposable household income?
- What is the source of the funds being used to purchase the annuity?
- What is the consumer's purpose for purchasing the annuity, i.e., what financial goals will this annuity help the consumer achieve?
- Does the long-term nature of an annuity product fit the consumer's time horizon? How long does the consumer intend to keep the annuity?
- What is the consumer's investment experience? What other products does the consumer currently own or has owned in the past?
- What is the consumer's federal tax bracket?
- How much risk is the consumer willing and able to sustain in exchange for potentially greater gain?

E. **Specific Training and Continuing Education**. Producers are responsible for being knowledgeable of all material features of Company products prior to soliciting sales of such products on behalf of the Company. Producers shall satisfy product-specific training requirements established by the Company and certify they have completed such training prior to solicitation. Producers shall also be responsible for complying with continuing education requirements established by individual states pertaining to the sale of annuity products, suitability, best interest requirements, or other related matters. The Company reserves the right to withhold or deny commission to Producers for failure to

comply with product-specific training, continuing education requirements, or other Company certifications or requirements.

II. Replacements

When replacing a customer's existing life insurance policy or annuity with a new product, the Producer must confirm and document that the replacement is suitable for the consumer. The replacement analysis is frequently governed by specific state requirements, including collecting information about the old product, including surrender charges and other negative adjustments, and using state mandated replacement forms where required. The guiding principle in replacement transactions is that the transaction should not be made unless there is a reasonable basis that it is in the customer's interest. Replacements contrary to the customer's interest and made for the purpose of generating sales commissions for the Producer are inappropriate and unacceptable. **Producers are required to refrain from initiating any replacement sale unless the Producer believes, taking into account all relevant factors such as application of surrender and other charges on the replaced policy, that the customer will benefit from the transaction.**

"Replacement" means any transaction in which a new insurance policy is to be purchased, and the Producer knows or should know that an existing insurance policy has or will be:

- Lapsed, forfeited, surrendered or partially surrendered, or otherwise terminated;
- 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;
- Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;
- Reissued with any reduction in cash value; or
- Surrendered, borrowed against, or withdrawn from in order to purchase a new insurance policy or annuity.

Most states also define "replacement" to include internal replacements of policies issued by the same insurer. With the exception of a policy change or exercise of a conversion privilege under the terms of the existing insurance policy, replacement laws and regulations apply to any transfer or exchange from any policy to another.

Duties of Producers

All Producers must complete with the applicant the application for an insurance policy in its entirety, including the section regarding replacement of existing insurance, which requires both the Producer and applicant to sign, verifying whether a replacement of an existing policy or contract is involved.

With respect to replacements involving the Company's products, the Producer shall:

- Provide the applicant with a "Notice Regarding Replacement," or any other form required by the state, to be signed by both the applicant and the Producer and left with the applicant.

Producers are required to send a copy of the completed replacement form to the Home Office along with the application. Forms for each state are available from the Company.

- Record on the application and the Notice of Replacement form a list of all existing insurance policies to be replaced and properly identified by name of insurer, the insured, and contract number.

- Leave with the applicant a copy of any and all sales materials including illustrations, if applicable and/or used at the time the application is taken.

III. Applications Taken In A State Other Than State Of Insured's Residence

Applications must be taken and signed in the applicant's state of residence except in those limited circumstances set forth below. The crossing of state lines by a Producer or client for the purpose of selling or purchasing insurance products other than in those limited circumstances set forth below violates Fidelity & Guaranty Life Insurance Company's policy and may contravene state regulation. Producers found to have engaged in this practice may be terminated in accordance with the Producer's Agreement.

The Company recognizes that out-of-state applications may be acceptable in certain limited circumstances. These are limited to the following circumstances:

- A sale to a client who maintains a secondary residential address in the state where the application was signed, and delivery of the policy is taken in the same state where the application was signed;

- A sale to a client who maintains a business or works in a business located in the state where the application was signed, and delivery of the policy is taken in the same state where the application was signed; or

- A sale to a client where the solicitation of the policy occurred in the state where the application was signed, and delivery of the policy is taken in the same state where the application was signed and, further provided, that the Producer making the sale maintains a permanent office in the same state.

A Producer submitting an application taken in a state other than the applicant's state of residence must submit a written explanation (NEXUS Confirmation Form) of the facts regarding reasons for the address discrepancy, to be submitted with the application.

IV. Producer Licensing, Appointment, Commissions And Education Requirements

General Requirements

All 50 states and the District of Columbia have laws requiring licensing of persons engaged in the business of selling insurance. In addition, most states require that even after a business or individual has obtained a producer's license, the Producer may not represent an insurance company unless the Producer is specifically designated, or "appointed," by the insurance company to sell its products.

These licensing and appointment requirements are prominently stated in the Company's Producer Agreement, which contains a representation that the Producer is properly licensed and authorized to sell the types of contracts covered by the agreement. When there is doubt concerning licensing and appointment requirements, Producers are encouraged to call Sales Support at the Home Office or the specified contact person for the appropriate distribution channel for guidance.

Producers are responsible for obtaining and maintaining licenses in every state, or the District of Columbia, where they are selling insurance for either Fidelity & Guaranty Life or Fidelity & Guaranty Life of NY. This includes completing the continuing education required by the department(s) of insurance in the relevant jurisdictions(s), and notification of any relevant changes in licensing status.

Resident and Non-Resident Licenses

Producers must be licensed in each state where they do business. To be legally entitled to conduct an insurance business in the Producer's state of residence, the Producer must apply for and obtain a license in that state. In addition, many states require that any non-resident maintain a license in their state of residence, even if the Producer does not engage in any sales activity in their state of residence.

Producers must also observe the licensing requirements of any other jurisdiction in which they do business. It frequently happens that a Producer residing near the border of one or more other jurisdictions sells insurance products in both the Producer's state of residence and the adjoining states. It is generally understood that a Producer will be subject to licensing in all states where he or she solicits or negotiates insurance sales, delivers contracts, collects premiums, or has an office for the conduct of an insurance business. Where there is a doubt concerning the necessity of obtaining a nonresident license, Producers are urged to contact the relevant insurance regulator for that jurisdiction, or call Sales Support or the specific contact person for the appropriate distribution channel.

Appointment

Producers must also be appointed with the Company to solicit business or take applications for the Company's products. State laws may differ on the precise timing of appointments and the actions that Producers may take before appointments are filed with the state insurance department, so contact Sales Support with any questions.

As a part of the appointment process, the Company performs criminal and civil background checks on all Producers. One of the reasons for performing a criminal background check is to satisfy the Company's obligations under the Federal Violent Crime Control Act ("FVCCA"). The FVCCA makes it a felony for a company engaged in the business of insurance to willfully permit the participation of a person who has previously been convicted of a felony crime involving dishonesty or a breach of trust. Producers should note that the FVCCA contains no "grandfather" provision for persons already working in the business of insurance. The FVCCA effectively makes it a crime for any insurance company or its subcontractors to continue to do business with an individual after the company or subcontractor learns of a conviction. In addition, the Company reserves the right to terminate or decline a Producer's appointment for criminal history beyond that covered under the FVCCA.

Commissions and Continuing Education

It is the Company's policy to pay commissions only to Producers who have satisfied applicable licensing and appointment requirements. In addition, most states have adopted continuing education requirements that vary by jurisdiction. In order to maintain state licenses, Producers must stay informed and up to date on continuing education requirements in all states where they do business.

V. Sales & Marketing Material Compliance Requirements

Communications to those that distribute our products and to the general public must be accurate, informative and creative, and must represent the highest standards of ethics and integrity, balanced and appropriate disclosure and compliance. The Company's Sales & Marketing Material Compliance Policies & Procedures ("Marketing Material Procedures") encompass regulatory requirements and best practices governing sales and marketing material, most notably NAIC Model Advertising Rules adopted by most states.

Material subject to these requirements

Material subject to these requirements includes any public or producer-use-only material created or used by the Company or any Producer, regardless of the type of media, delivery medium or method of distribution, that is designed to:

- create interest among the public or any Producer of insurance products in the Company or its products;
- induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace, or retain a Company policy; or
- train or solicit any Producer to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a Company policy.

Such materials subject to our review include, but are not limited to, these specific kinds of materials, regardless of who prepares them (including materials prepared by or purchased from independent parties):

- Printed and published material, audio/visual material, and descriptive literature used in direct mail, newspapers, magazines, directory ads, telephone yellow page ads, radio and television scripts, web sites and other Internet and Intranet displays or communications, other forms of electronic communications, billboards, and similar displays.
- Descriptive literature and sales aids of all kinds, including but not limited to circulars, leaflets, booklets, depictions, illustrations, and form letters and lead-generating devices of all kinds.
- Material used for the recruitment, training, and education of a Producer and used or designed to be used to directly induce the public or to train Producers to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, or replace a Company policy.
- Prepared sales talks, presentations, and related material, including training material.

- Solicitation material included with a policy upon policy delivery and material used in the solicitation of renewals and reinstatements unless it is purely factual and administrative and contains no promotional language.

Such materials not subject to our review include:

- Communications with policyholders that do not urge policyholders to purchase, increase, modify, reinstate, or retain a Company policy. However, if as a secondary purpose the piece mentions benefits or features of a Company policy, the piece must be submitted for review and approval under the Marketing Material Procedures.

- Individualized correspondence from an agent to a single prospect or policy owner, although a substantially similar letter being sent to more than one such prospect or policy owner will generally be considered to be a form letter that is subject to review and approval under the Marketing Material Procedures.

Producer-use-only material subject to this requirement is material designed to be used only with and to only be seen by, insurance-licensed Producers and is not to be used for marketing purposes. If such material is likely to be seen by financial professionals without appropriate licensing to distribute Company products (such as Registered Investment Advisor or fee-based financial planners who do not have insurance licenses) or by the public (such as an advertisement in National Underwriter or other trade journal routinely left in customer waiting areas of a Producer's business), it is considered public use material.

Requirements for Prior Approval

All Sales and Marketing communications that are subject to the Marketing Material Procedures must be submitted to and approved by the Company PRIOR to use. As stated in the Company's Producer Agreement, failure to obtain the Company's approval of all such material prior to its use may constitute grounds for immediate termination.

The process for obtaining our review of Sales and Marketing communications subject to our review are as follows:

Submitting Sales and Marketing Communications for Compliance Review and Approval

- Material must be submitted electronically via email to one of the following email addresses:

  adreview@fglife.com – for Annuity & Life ads

- The following information must be included in the email request for review:
  - Product
  - Type of material
  - Intended use of material

- Distribution area/states where material is to be used
- Estimated number of distributions

- The following types of ads should be submitted for review and approval:
  - Printed and published material – consumer brochures, magazine ads, newspaper ads, direct mailers, radio and television scripts, websites, billboards, etc.
  - Descriptive literature – circulars, pamphlets, booklets, form letters, etc.
  - Material used for recruitment, training and education – Agent manuals, PowerPoint presentations, Product Highlights, Flyers, speeches, etc.

General Requirements

- The following disclosures should be included on every ad before being submitted for review and approval:
  - Product Type – i.e., SPDA, Universal Life, Fixed Index Annuity, etc.
  - Form Numbers
  - Full legal name of the Company as well as city and state of domicile
  - If a Producer piece – For Producer Use Only

Our review of field-submitted material generally takes seven to ten days.

Sales and Marketing Communications Content Standards

Following are general guideline standards.

A. Content Standards for ALL Sales & Marketing Material

- **MUST**
  - If a product is named, must **identify at least once and early the kind of product** being discussed. Not just the marketing name, but "[marketing name] single premium deferred annuity." **Identify the issuing insurer's full and complete name**, and not use marketing names or parent or affiliate company names or the Producer's name in a way that confuses which company is financially responsible for contract obligations.
  - **When citing ratings**, the basis for the rating and its ranking relative to all ratings available from the rating agency must be disclosed. (Example: A rating (Excellent) from A.M. Best for financial strength and operating performance. (3rd highest of 16 ratings.)) A.M. Best rating may be used by itself; use of other agency ratings must also include the A.M. Best rating.

- **Cite sources** for quoted material or statistics and the cited materials must not be materially out of date.

- Be based upon principles of **fair dealing and good faith**.

- Be **fair and balanced**. When discussing features and benefits of a product, the limitations must be equally and prominently disclosed. For example, when advertising index crediting strategies for products that do not have a traditional cap rate, the piece must include additional disclosures about other limitations on the upside of the crediting methodology such as participation rates and spreads. Additionally, if the underlying index is a volatility control index, additional disclosure may be required to help facilitate understanding about the potential limited upside of such indices. Finally, when a piece is submitted with hypothetical, non-guaranteed values, the guaranteed values must be displayed in close and equal proximity thereto.

- Provide a **sound basis for evaluating the facts** about the product or strategy discussed,

- Disclose the relationship to the Company of any unrelated person or entity identified in the advertisement, noting any non-affiliation between them and the Company if it is not otherwise clear.

- For Testimonials:

  - Disclose if compensation was paid for an endorsement or testimonial.

  - If the testimonial is about product results or benefits or makes specific service statements or claims, state the testimonial may not be representative of another's experience. (A simple claim that "[ ]'s service was friendly, professional and prompt. "needs no disclaimer.)

  - Cite knowledge and experience of the person quoted sufficient for a consumer to recognize the person as an expert if the testimonial is about an aspect of the product requiring expertise to form a valid opinion.

  - "Institutional Sales Material" may not need as much detail about testimonial disclosure. (Consult a Compliance or Law Advertising Reviewer.)

- Have verifiable support (to be kept at least in the advertising originator's files) of any claims made in the sales and marketing material. (Example: Claims that a product's costs are lower than industry averages.)

- 'Puffery' must have a basis in verifiable fact. (Contact the Law or Compliance Advertising Review member for information about adjectives that are and are not acceptable 'puffery.')

- **CANNOT**
    - **Imply a life insurance policy (other than a limited term life policy) or annuity is a short-term, liquid investment**. Presentations regarding liquidity or ease of access to policy values must be balanced by clear language describing the negative impact of early redemptions (including unpaid policy loans). Such disclosure may include loss of policy value, death benefit protection, and tax penalties.
    - **Omit any material fact or qualification** if the omission, in light of the content of the material presented, would cause the communication to be misleading.
    - **Relegate disclosure to a footnote** if doing so inhibits a fair and balanced clear understanding of the content. Some regulators disallow most footnoting of disclosure.
    - **Include any false, exaggerated, unwarranted or misleading statement or claim**. (Consider the context in which the claim is made, and the clarity of the claim.)
    - **Partially compare products** (including features like performance or specific benefits) or services without disclosing that the products likely have other different features, costs and expenses that should be considered in evaluating both products.
    - Claim a product or feature is tax-free or exempt when the tax is merely deferred.
    - Use the existence of state guaranty funds/associations to promote the safety of assets invested in insurance products.
    - Make any statement (i.e., such as the policy will be “self-supporting”) or represent in any way that premium payments will not be required unless such representation is accompanied by an adequate explanation as to what benefits would be provided or discontinued at the time when payments will no longer be required, and the conditions under which this would occur.
    - ‘Puffery’ cannot be promissory or infer certainty about a product’s non-guaranteed risks and uncertainties; and cannot compare or infer comparison to other products or companies unless enough information is provided to fairly, completely and accurately evaluate the comparison or at least provide adequate notice of the limited or incomplete comparison being made.

VI. Sales Illustrations

General Rule

With regard to the Company’s products, Producers may only use illustration software approved and issued by the Company. Any use or altering of illustration software or an illustration produced with that software without prior approval of the Company is strictly prohibited. If any sales illustration is used to solicit the Company’s products, the applicant must receive a copy of the illustration.

Prohibitions

Producers may not:

- Represent a policy as anything other than life insurance or an annuity, as applicable;
- Make any representation regarding the past performance of the Company's products other than the representations contained in the illustration, or represent that a product's past performance is a reliable indicator of future performance;
- Provide an illustration without clearly indicating that the current interest rate illustrations are based on the Company's current rate schedule, are shown for illustration purposes only, and are not guaranteed;
- Provide an applicant with an incomplete or altered policy illustration;
- Display the current interest rate illustration with such prominence as to render the guaranteed interest rate illustration obscure; or
- Illustrate any of the Company's products not clearly identified by its generic type of life insurance name, and the Company's product name, if different.

VII. Unfair Trade Practices

The purpose of this section is to identify certain acts or statements that constitute unfair or deceptive trade or business practices in the sale of the Company's products, in addition to improper advertising as discussed above. The Company will not tolerate unfair trade practices employed by any appointed Producer. When discovered, such acts may be grounds for termination for cause. **Please note that the fact that a specific practice is not mentioned here does not imply the practice is acceptable if it is otherwise inappropriate or unlawful**.

The core philosophy of the Company is that Producers must always deal with policyholders and prospective policyholders in a fair, balanced, and truthful manner. Producers must strive to make full and accurate disclosure so policyholders and prospective policyholders can make informed decisions. Producers should consider each consumer's individual circumstances to ensure reasonable efforts are made to help that consumer make good decisions relative to our products and services.

The following unfair trade practices are prohibited, and the Company reserves the right to discipline any Producer found to have engaged in any of these unacceptable practices. This prohibition applies whether the Producer engages in such inappropriate practices in representation of our Company products and services or in the course of any other activities unrelated to our Company products and services.

Misrepresentation

"Misrepresentation" means any statement which contains false or misleading information, including misleading information because of incompleteness. Specifically, a Producer may not:

- Make or cause to be made any misrepresentation concerning the benefits, advantages, conditions, or terms of an insurance policy;
- Provide false information or fail to provide full disclosure of all requested information on an application for the Company's products;
- Use false or misleading information to induce the lapse, forfeiture, exchange, conversion, or surrender of an insurance policy;
- Obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statement made (in light of the circumstances under which it was made) not misleading; or
- Employ any device, scheme, or artifice to defraud.

Among other things, this means the dissemination of false information and advertising is impermissible. Our Company rules relating to advertising materials are described in detail above. Additionally, Producers must ensure any other oral or other written statements are true and that appropriate disclosures are made to ensure any statements are not misleading by omission of related important information. This includes statements regarding product features, interest rates, agent compensation, length of sales presentations, company financial ratings, and any other matters pertinent to the sales process.

Examples of specific statements agents should not make without appropriate explanations are the following:

- "No one has lost money on an annuity" or "annuities are 100% safe" (not true for consumers who incur surrender charges or lose cash value resulting from insolvency).
- "Annuities always pay higher interest rates than banks" (such generalizations are not true though it is okay to say specific annuities pay higher interest rates on specific bank products if demonstrably accurate).
- "Annuities are as safe as deposits insured by the FDIC" or "annuities are insured by the government" (this is untrue and, in any case, references should never be made to FDIC other than to say annuities are not protected by the FDIC).
- "No commission is paid on the sale of an annuity" or "my salary is fixed" or any other statement implying you are paid other than by commission (though it is okay to say there are no fees paid by the consumer if the annuity and any applicable riders in fact have no fees).
- "The sales presentation takes only a few minutes" or "the sales presentation will take less than a half hour" (if the sales presentation typically takes longer).
- "Annuities are safer than other investments" or "annuities pay a higher return than stocks, bonds, or CDs" (such generalizations are impermissible without supportable details relative to specific comparisons of products with full and balanced disclosure).

- “Fidelity & Guaranty Life is one of the safest companies” or “one of the highest rated companies” (though it is okay to explain the Company’s rating in accordance with the advertising guidelines above).

- “Annuities protect assets from Medicaid” (generalizations of this kind are untrue and any specific information about the relationship between an annuity and government assistance programs should only be made by qualified attorneys or other professionals).

- “You can always terminate our annuity” (without explaining that there could be surrender charges, tax implications, and other relevant adverse considerations).

- “The interest rate under the annuity will never go below X%” or “the rate of X% is guaranteed” unless factually accurate (whenever discussing annuity interest rates an agent must disclose any minimum guaranteed interest rates, the duration of such guarantees, the discretion of the Company to change future rates or variables affecting future rates as applicable, and any other information necessary to ensure the consumer is not misled about interest rate guarantees or how interest rates are set for the annuity).

- “My primary loyalty is to you” or “I am a fiduciary” or similar words or phrases that would tend to mislead the consumer to believe that you put the interests of the client above the interests of the Company or yourself except in the circumstances where that is the case as required by law.

The foregoing statements are just examples and by no means exhaustive; other examples are provided below in the section on Disclosures. The goal of each Producer should be to provide fair and balanced information to consumers so they can make informed decisions about Fidelity & Guaranty Life, our products, and you as their insurance agent. You must use good judgment to assess each interaction with your customers and ensure that they are given truthful, accurate, and relevant information befitting their needs and objectives.

The Use of Professional Designations

The Company supports and encourages continuing education and support use of professional credentials reflecting the pursuit of professional education. However, the use of any designation in promotion of our products in a misleading manner to create the impression that an agent has special expertise in advising or servicing senior consumers is prohibited. In addition, the following use of designations, whether senior-specific or not, is prohibited:

- Use of a certification or professional designation not actually earned by the agent
- Use of a non-existent or self-conferred certification or professional designation
- Use of a certification or professional designation implying a greater level of expertise through training or experience that an agent does not possess
- Use of a certification or professional designation from an organization that is: primarily engaged in sales and marketing training; does not have reasonable standards relating to monitoring competency and disciplining designees for improper or unethical conduct; or does not have reasonable continuing education requirements to maintain the certificate or designation.

What is the List of Currently Approved Designations?

The Company maintains a list of certifications and designations approved for use in connection with the advertising and marketing of our products. The use of the following designations is permitted: CAS® Certified Annuity Specialist FLMI Fellow, Life Management Institute CPA® Certified Public Accountant CFP® Certified Financial Planner CASL® Chartered Advisor for Senior Living LUTCF® Life Underwriting Training Counsel FellowSM CPC Certified Pension Consultant ChFC® Chartered Financial Consultant CEBS Certified Employee Benefit Specialist MSFS Masters of Science in Financial Services CPCU® Chartered Property Casualty Underwriter CIC Certified Insurance Counselor CEP® Certified Estate Planner1 REBC® Registered Employee Benefits Consultant® CRPC® Certified Retirement Planning CounselorSM CLTC® Certified in Long-Term Care CFA® Chartered Financial Analyst RFC® Registered Financial Consultant® CRSP Chartered Retirement Services Professional CLU® Chartered Life Underwriter CFEd® Certified Financial Educator

This list may be revised by the Company at any time and is continually reviewed and updated as necessary. Advertisements using designations other than those listed above are not permitted unless we advise you otherwise including at time of reviewing a proposed advertisement.

What if a Designation is Not Approved for Use?

The Company will upon request review any designation that is not currently approved for use, provided the following minimum conditions are generally met and the Company reserves final judgment on whether any proposed designation satisfies our requirements:

- Entails appropriate online or classroom learning; i.e., content that increases knowledge about insurance products as opposed to focusing on sales methods
- Requires completion of a final examination
- Entails on-going continuing education
- Is conferred by a recognized or reputable industry organization such as:
    - The American College
    - Life Office Management Association (LOMA)
    - LIMRA International, Inc.
    - Certified Financial Planner Board of Standards, Inc.
    - The International Society of Certified Employee Benefit Specialists
    - The College for Financial Planning
    - American Institute of Certified Public Accountants
    - CFA Institute

Please note job titles may be used in advertising and generally are not considered a certification or professional designation unless used in a manner that could potentially be confusing or misleading; for example, a job title that connotes seniority or implies specialization within an organization that is exaggerated or untrue. Titles used in advertising will be reviewed by the Company on a case-by-case basis. Finally, the Company does not permit the use of post-graduate degrees in advertising unless the degree relates directly to accounting, finance, tax or insurance and the use does not obscure the fact that the agent is engaged in the business of selling insurance products.

Rebating

"Rebating" means any offer to pay or return premiums or commissions to induce the sale of insurance. For example, an agreement to pay the customer a portion of the commission on a sale would constitute rebating. Producers may not offer to rebate premiums or commissions or offer any other benefit, except those benefits specified in the policy, to induce the sale of the Company's products.

Sales Inducements

"Sales inducements" means any gift, prize, goods, wares, merchandise or other item of valuable consideration given as an inducement to enter into any insurance contract, or as an inducement to receive a quote, submit an application or in connection with any other solicitation for the sale of insurance. Sales inducements may also include an agreement of any form or nature promising payment to another for referral or future business. For example, in some states a Producer may not pay a mortgage banker for referral of a new homebuyer who purchases life insurance. Unless permitted by State law, the Company treats "sales inducements" as an unfair trade practice.

Twisting

"Twisting" describes the practice of using written or oral statements that misrepresent or inaccurately compare the terms, conditions, or benefits contained in a policy for the purpose of inducing or attempting to induce the policyholder to lapse, forfeit, surrender, retain, exchange or convert an insurance policy. For example, falsely describing the features of a competitor's policy to induce the replacement of that policy with either Company's policy – or vice versa -- would constitute "twisting."

Discrimination

"Discrimination" means refusing to accept applications, refusing to insure, refusing to continue to insure, or limiting the amount, extent or kind of coverage available to an individual, charging a higher rate for the same coverage solely because of the sex, marital status, age, race, religion, national origin or physical or mental impairment of the individual (except where such refusal, limitation, or rate differential is based upon sound actuarial principles or reasonably anticipated loss experience), or refusing to insure solely because another insurer has refused to write a policy or has canceled or has refused to renew an existing policy in which that person was the named insured.

Defamation

"Defamation" means making, publishing, disseminating, circulating or placing before the public, an advertisement, announcement or statement containing any untrue, deceptive or misleading statement with respect to the business of insurance or any insurer in the conduct of its insurance business.

Tie-in Sales

"Tie-in sales" or "tying arrangement" means an agreement by a party to sell one product but only on the condition that the buyer also purchases a different (or tied) product. For example, the sale of a life insurance policy cannot be conditioned upon the sale of an annuity contract or purchase of any goods or services.

VIII. Written and Oral Disclosures

Rules regarding required disclosure forms in connection with the sale of insurance products and the timing of delivery of such disclosure forms may vary from state-to-state. Generally, most states require delivery of certain disclosure forms at the time of policy delivery; however, some states require delivery of such disclosure forms upon the applicant's request or upon acceptance of the applicant's initial premium. Many states require a Producer to provide all or some of the following disclosure items:

- Buyers Guide.
- Policy Summary.
- Statement of Policy Cost and Benefit Information.
- Notice to Applicants Age 60 or over.
- State Guaranty Association Notice.

Producers are required to review and understand the disclosure rules of all jurisdictions in which they hold insurance licenses.

Producers are not permitted to modify or omit any disclaimers or notices issued by the Company for use with its products. Such disclaimers or notices are required by the Company and may not be removed under any circumstances.

In addition to disclosure forms required by state law, the Company may develop additional disclosure forms to confirm that the customer understands the product purchased and the features of that product. The Company will supply Producers with these forms.

Other Important Disclosures

In addition to the disclosure from requirements discussed above, the Company requires certain disclosures be made in the sale of our insurance products. These disclosures may be made orally in the course of interacting with consumers or may be made in writing as applicable.

Disclosure of Status as a Life Insurance Producer

- A Producer shall inform the prospective purchaser, prior to commencing an insurance sales presentation that he or she is acting as an independent life insurance Producer representing the Company.
- No Producer shall offer to sell any insurance policy in any capacity other than that of a duly licensed insurance Producer.
- No Producer shall use terms such as "financial planner," "investment advisor," "financial consultant," or "financial counselor," in such a way as to imply that the Producer is primarily engaged in an advisory business in which compensation is unrelated to sales, unless that is actually the case. Among other things, this means a Producer may not refer to himself or

herself as a “financial planner” unless any offers for financial planning services are unrelated to the commissions received from the sale of insurance products. To the extent a Producer provides services for which he or she is paid fees, compensation must be disclosed. The Producer must obtain the client’s written consent in a manner compliant with state insurance laws relating to fee disclosure. If a Producer only provides insurance products, then the foregoing terms such as “financial planner” should be avoided altogether.

- No Producer shall advise about, sell, or offer to sell, estate planning documents or services such as wills, trusts and powers of attorney unless the Producer is authorized to practice law, and unless all conflicts are disclosed and knowingly waived in writing by the consumer in the manner required by law and applicable rules of professional responsibility for the lawyers. Note that this does not prohibit Producers from referring a consumer to an independent attorney with whom the Producer has no financial relationship. This is not intended to prohibit the Producer’s recommendation of appropriate insurance products for which authorization to practice law is not required.

Description of the Product as “Life Insurance” or “Annuity”

No Producer shall solicit on behalf of the Company the sale of any insurance policy without the use of the words “life insurance” or “annuity” (as applicable) unless such solicitation is accompanied by other language or documents clearly indicating that the product is a life insurance policy or an annuity policy.

When presenting the Company’s products, no Producer shall use any of the following terms or phrases to describe the features, conditions or benefits of an insurance policy:

- “savings”
- “savings plan”
- “savings account”
- “investment”
- “investment plan”
- “units”
- “units of participation”
- “founder’s plan”
- “profits”
- “profit sharing”
- “special benefits”
- “deposit”
- “interest plan”

Use of these terms or phrases or other similar terms or phrases in connection with the Company’s products has the capacity or tendency to mislead a purchaser or prospective purchaser to believe that he or she will receive something other than an insurance policy. For example, the term “premium” should always be used instead of “deposit” to describe a contribution to an insurance policy.

Compensation Disclosures

Producers may never mislead consumers on how they are compensated for the sale of products. To the extent necessary to avoid creating misimpressions, Producers should disclose to potential customers that they receive compensation tied to the sale of insurance products. For example, if a Producer is holding out as an advisor or sponsoring a seminar, it is best practice to disclose that the Producer is an insurance agent paid commission for the sale of insurance policies and annuities. In addition, Producers must never make statements regarding their compensation that are not true. Producers must not claim they are paid a fixed salary or do not receive a commission from the sale of the Company's products unless that is a true statement. Producers are also required to comply with all compensation disclosure requirements as applicable.

Statements Regarding Financial Guarantees and Potential Returns

Producers must also be careful when discussing any potential financial gains that could result from the purchase of one of the Company's products. Producers must provide clear, balanced, and accurate information when discussing the relative guarantees of the Company's products compared to stocks, bonds, IRAs, certificates of deposits or other kinds of saving instruments or investments.

Specifically, with regard to annuities, statements to be avoided include, but are not limited to, the following:

- Annuities are 100% safe;
- No one has lost money on an annuity;
- Annuities always pay higher interest rates than banks;
- Annuities are safer than deposits insured by the FDIC; and
- Annuities are insured by the government.

This is by no means an exhaustive list of statements that have the capacity to mislead a purchaser or prospective purchaser. Producers should be careful to avoid making statements similar to the statements identified above. In addition, these general guidelines may also apply to other products offered by the Company. Producers are expected to use their best judgment to avoid misleading purchasers or prospective purchasers by making similar statements when discussing other products offered by the Company.

Statements Regarding Tax Benefits & Consequences

- A Producer shall not state or imply that an insurance policy's benefits are "tax-free" unless such is the case. Producers shall describe the inside buildup of deferred annuities as "tax-deferred" and not as "tax-free."
- Producers should refrain from providing legal or accounting advice and should encourage customers to seek independent tax or legal advice as appropriate.

- If applicable, Producers must disclose that there may be tax consequences or early withdrawal penalties associated with selling or cashing in any assets to be used to purchase one of the Company's products. Such assets could include stocks, bonds, IRAs, certificates of deposits, or current annuities. Producers must disclose these consequences whether the product being sold or cashed in is offered by the Company or a third-party provider of similar products.

Interest Rates

- Any discussion of current interest rates shall be accompanied by a statement that such rates are (1) based on the Company's current rate schedules, (2) generally periodically subject to change at the Company's sole discretion, and (3) not guaranteed.

- Any discussion of interest rates that include a bonus interest rate shall clearly identify the amount of the bonus interest rate and shall identify any limitations of the bonus (such as limited duration or that it is a vesting bonus).

"Free-look" Provisions

A Producer should make applicants aware of the "free look" provision of the Company's products, which may vary from 10 to 60 days dependent upon state requirements (see Special Rules for Applicants Over 60 Years of Age, below).

Policy Costs

A Producer must disclose all material charges related to an insurance policy issued by the Company and respond to all inquiries concerning the same by providing complete and accurate information.

IX. Special Rules For Fixed Indexed Products

The Company offers a variety of fixed indexed products that provide a guaranteed interest rate and also provide the possibility that interest may accrue based upon a formula linked to an external index such as the S&P 500®. All Producers are subject to the following guidelines for the marketing of fixed indexed products:

- fixed indexed products should not be marketed as a substitute for mutual funds or other equity investments;

- fixed indexed products should be positioned as possible alternatives to traditional annuities;

- marketing of fixed indexed products should not characterize the product as an investment;

- the marketing should make it clear that the product pays a fixed interest rate and does not provide any direct participation in the index used as part of the product's interest crediting formula; and

- the overall focus of the marketing, including any sales presentations, of fixed indexed products should be the long-term retirement aspects of the fixed index products, such as minimum guaranteed surrender values and annuity payout options.

X. Special Rules For Applicants Over 60 Years Of Age

Several states have adopted regulations that require special procedures for delivery of policies to applicants over 60 years of age. These regulations may include delivery of a Financial Review of the policy, a copy of a Guide to Buying Life Insurance After Age 60 and other notices. State law provides that failure to deliver such documents constitutes an omission, which misrepresents the benefits, advantages, conditions or terms of an insurance policy. In addition, the "free-look" period in some states is extended for applicants over 60 years of age. Every Producer must comply with all rules and regulations pertinent to the sale of life insurance and annuity products to applicants over 60 years of age in each state in which the Producer is licensed.

IMPORTANT INFORMATION ON DEALING WITH ELDERLY CLIENTS AND VULNERABLE ADULTS

Fidelity & Guaranty Life Insurance Company (hereinafter referred to as the "Company") is committed to preventing, detecting and reporting to law enforcement and regulatory agencies all forms of fraud, including fraud involving older persons and vulnerable adults. With the increasing market of people reaching retirement age, along with longer life spans, there is an increase in senior consumers seeking financial guidance and purchasing financial products such as life insurance and annuities. These senior consumers may become the targets of potential financial fraud and exploitation. This has spurred legislative and regulatory activity, including enactment of the "Senior Safe Act[1]"

While the Company has standards, procedures and internal controls in place to prevent and detect financial exploitation of all customers, the Company hereby provides their Producers with additional information to assist them in identifying "red flags" associated with potential financial exploitation of Elder and Vulnerable Adults.

Topics covered below:

- *Who is an Elder and Vulnerable Adult?*
- *What is Elder and Vulnerable Adult Fraud?*
- *Red Flags for Producers*
- *What are the Indicators?*
- *Examples of Elder and Vulnerable Adult Fraud*
- *Who are the Perpetrators?*
- *Who is at Risk?*
- *What are my Obligations Regarding Elder and Vulnerable Adult Fraud?*

[1] The Senior Safe Act, which was included as Section 303 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, was signed into law on May 24, 2018 and applies to "covered financial institutions," which are expressly defined as including insurance companies and insurance agencies.

Who is an Elder and Vulnerable Adult?
Older persons and vulnerable adults (hereinafter referred to as "Elders and Vulnerable Adults"). Elders and Vulnerable Adults include:

- A person age 60 or older;
- A person 18 years of age or older who lacks the functional, physical, or mental ability to care for him or herself;
- An adult with a developmental disability;
- An adult with a legal guardian;
- An adult living in a long-term care facility (an adult family home, boarding home, nursing home or other assisted living facility), or receiving home health care; or
- An adult living in their own, or family's, home receiving services from an agency or contracted individual provider.

When an Elder and Vulnerable Adult has diminished capacity, their ability to make decisions may be impaired. This may translate into a failure on their part to understand the consequences of their financial decisions and/or cause them to make decisions that may not be prudent for their situation.

What is Elder and Vulnerable Adult Fraud?

"Elder or Vulnerable Adult Fraud" is defined as (i) the taking, secreting, appropriating, obtaining, or retaining property of an Elder or Vulnerable Adult for a wrongful use or with intent to defraud, or both; (ii) assisting in taking, secreting, appropriating, obtaining, or retaining property of an Elder or Vulnerable Adult for a wrongful use or with intent to defraud, or both; or (iii) taking, secreting, appropriating, obtaining, or retaining, or assisting in taking, secreting, appropriating, obtaining, or retaining, property of an Elder or Vulnerable Adult by undue influence.

Red Flags for Producers (i.e.; Potential Signs of Diminished Capacity in Elders and Vulnerable Adults):

The Company has identified the below non-exclusive list of certain indicators of possible Elder or Vulnerable Adult Fraud. It is important to emphasize that these indicators are not proof of Elder or Vulnerable Adult Fraud, but rather facts or circumstances which may be relevant and shall be considered when evaluating the existence of potential Elder or Vulnerable Adult Fraud.

- A customer gives confusing or conflicting instructions when discussing a particular investment or transaction;
- The customer frequently repeats orders or questions;

- The customer shows signs of fearfulness, extreme anxiety, or other emotions that make it harder to maintain their trust;
- The customer has trouble understanding basic financial terms and math that they were presumably previously able to grasp;
- The customer exhibits memory loss, inability to process information or erratic behavior;
- The customer has difficultly giving essential information needed to provide or carry out their requests;
- The customer makes unusual or unexplained withdrawals or transactions; or
- The customer is hard to reach after repeated attempts to reach the customer at a phone number or address that is known to be otherwise accurate.
- A producer related to a customer (e.g., a producer that refers a relative to an agent of the Company) that is manipulating the Elder or Vulnerable Adult.

What are the Indicators?

Indicators are signs or clues that Elder or Vulnerable Adult Fraud or abuse has occurred or is occurring. Some of the indicators listed below can be explained by other causes or factors and no single indicator can be taken as conclusive proof. Rather, one should look for patterns or clusters of indicators that suggest a problem such as:

- Unpaid bills, eviction notices, or notices to discontinue utilities;
- Withdrawals from bank accounts or transfers between accounts that the Elder or Vulnerable Adult cannot explain;
- Bank statements and canceled checks no longer come to the Elder or Vulnerable Adult's home;
- New "best friends";
- Legal documents, such as powers of attorney, which the Elder or Vulnerable Adult did not understand at the time (s)he signed them;
- Unusual activity in the Elder or Vulnerable Adult’s bank accounts, including large, unexplained withdrawals, frequent transfers between accounts, or ATM withdrawals;
- The care of the Elder or Vulnerable Adult is not commensurate with the size of his/her estate;

- A caregiver expresses excessive interest in the amount of money being spent on the Elder or Vulnerable Adult;
- Belongings or property are missing;
- Forgeries of a signature on financial transactions or for the titles of possessions or suspicious signatures on checks or other documents;
- Absence of documentation about financial arrangements;
- Implausible explanations given about the Elder or Vulnerable Adult's finances by the Elder or Vulnerable Adult or the caregiver;
- Sudden appearance of previously uninvolved relatives claiming rights to an Elder or Vulnerable Adult's possessions;
- Unexplained sudden transfer of assets to a family member or someone outside the family;
- Elder or Vulnerable Adult receives services that are not necessary; or
- Elder or Vulnerable Adult's statement that they are concerned about activities of exploitation.

Examples of Elder or Vulnerable Adult Fraud:

Vulnerable adult financial abuse spans a broad spectrum of conduct, including:

- Taking money or property;
- Forging an Elder or Vulnerable Adult's signature;
- Getting an Elder or Vulnerable Adult to sign a deed, will, or power of attorney through deception, coercion, or undue influence;
- Using the Elder or Vulnerable Adult 's property or possessions without permission;
- Promising lifelong care in exchange for money or property and not following through on the promise;
- Confidence crimes ("cons") are the use of deception to gain victims' confidence;
- Telemarketing scams.

Who are the Perpetrators of Elder and Vulnerable Adult Fraud?

Perpetrators may include family members, including children, grandchildren, or spouses (especially spouses that are significantly younger than the Elder or Vulnerable Adult). Perpetrators may:

- Have substance abuse, gambling, or financial problems;
- Stand to inherit and feel justified in taking what they believe is "almost" or "rightfully" theirs;
- Fear that the Elder or Vulnerable Adult will get sick and use up their savings, depriving the abuser of an inheritance;
- Have had a negative relationship with the Elder or Vulnerable Adult and feel a sense of entitlement; or

- Have negative feelings toward siblings or other family members whom they want to prevent from acquiring or inheriting the Elder or Vulnerable Adult's assets.

Predatory individuals who seek out Elder or Vulnerable Adult with the intent of exploiting them may:

- Have negative feelings toward siblings or other family members whom they want to prevent from acquiring or inheriting the Elder or Vulnerable Adult 's assets;
- Profess to love the vulnerable adult (sometimes referred to as "sweetheart scams");
- Seek employment as personal care attendants, counselors, etc. to gain access to the Elder or Vulnerable Adult;
- Identify Elder or Vulnerable Adults by driving through neighborhoods (to find persons who are alone and isolated) or contact recently widowed persons they find through newspaper death announcements; or
- Move from community to community to avoid being apprehended (i.e., transients).
- Be unscrupulous professionals or businesspersons, or persons posing as such. They may: (i) overcharge for services or products; (ii) use deceptive or unfair business practices; or (iii) use their positions of trust or respect to gain compliance.

Who is at Risk?

An Elder or Vulnerable Adult's risk of being victimized increases when the following conditions or factors are present:

- Isolation;
- Loneliness;
- Recent losses;
- Physical or mental disabilities;
- Lack of familiarity with financial matters; or
- Have family members who are unemployed and/or have substance abuse problems.

What Are My Obligations Regarding Elder and Vulnerable Adult Fraud?

You should familiarize yourself with applicable laws and regulations concerning fraud against Elder or Vulnerable Adults, including reporting obligations and obligations relating to requirements to obtain a trusted contact person for an Elder or Vulnerable Adult that may apply to the products that you market. The Company requires their agents and independent marketing organizations ("IMOs") that know or reasonably suspect that Elder or Vulnerable Adult Fraud may be occurring or has occurred in relation to the Company's business and/or the agent or IMO's performance of services on behalf of the Company, to promptly report such fraud or suspected fraudulent activity to the Company at compliance@fglife.com. The Company will submit reports of such fraud or suspected fraud to law enforcement and regulatory authorities where appropriate. Where appropriate and permitted by law, the Company may place a temporary hold on disbursements from an account where suspected fraud is being investigated, in accordance with the federal Senior Safe Act and other applicable federal and state laws and regulations.

XI. Fraudulent Insurance Acts

State laws broadly define certain acts and practices as fraudulent. Under these laws, Producers may not, either individually or in concert with customers or other persons, engage in fraudulent acts. Fraudulent acts include the following without limitation:

- Knowingly fail to return any monies or premiums paid for an insurance policy to the applicant or policy owner, the designee of the insured, or other persons entitled to the monies or premiums if the insurance applied for is not ultimately provided;

- Present to an insurer, or cause to be presented to an insurer, documentation or a written or oral statement that is made in support of a claim with knowledge that the documentation or statement contains false or misleading information concerning a matter material to the claim;

- Except for prepayment of periodic payments or excess contributions permitted under the terms of the policy, willfully collect excess premium beyond amounts approved or, in cases not subject to approval, beyond charges specified in the policy and fixed by an insurer;

- Misappropriate or unreasonably withhold funds received or held where the funds represent premiums or returned premiums;

- Misappropriate benefits under an insurance policy;

- Act as or hold yourself out to be an insurance producer if the person has not complied with the applicable licensing and appointment laws of their state;

- Knowingly or willfully make any false or fraudulent statement in or with reference to any application for insurance;

- Place insurance with an unauthorized insurer not regulated by the state insurance department and/or refuse to obey an order by the state insurance commissioner to produce for examination all policies and other documents evidencing the insurance and the amount of premiums paid or agreed to be paid for the insurance;

- With intent to deceive, knowingly exhibit a false account, document, or advertisement, relative to the affairs of an insurer;

- Solicit or take application for, procure, or place for others any insurance for which the Producer has not received a license or certificate of qualification;

- Knowingly violate the licensing and appointment requirements of the state in which the proposed insurance transaction will take place; or

    - Intentionally fail to report to an insurer the exact amount of consideration charged as premium for an insurance policy, if different from the policy premium, and/or fail to maintain records reflecting that information.

Commission of any fraudulent insurance act subjects the Producer to a range of serious sanctions, including disciplinary action from state insurance departments, criminal prosecution, and civil liability. Such acts are also grounds for immediate termination for cause under the Company's Producer Agreement.

XII. Anti-Money Laundering Program

The USA Patriot Act (the "Act") requires financial service firms, including insurance companies, to implement appropriate controls and procedures to detect money laundering activities.

The Company is committed to preventing unscrupulous clients from attempting to fund terrorist or criminal activities or launder the proceeds of illegal activities through the Company ("money laundering activities"). To support our commitment, the Company has adopted an anti-money laundering program that has been reasonably designed to (i) protect the Company against the risks of money laundering activities, and (ii) monitor the Company's service providers and the policies and procedures designed to combat money-laundering activities in their performance of services for the Company.

Money Laundering Generally

"Money Laundering" is defined as changing the identity of illegally obtained money so that it appears to have originated from a legitimate source. The Act treats those who assist criminals to launder their ill-gotten gains harshly. As these offenses can also be committed negligently, it is important that all of the Company's employees and Producers, particularly the following, know about money laundering:

- All Producers;
- All employees who have client or account contact (directly or through transactions);
- All employees who keep account/transaction records;
- All employees that exercise supervisory control over such person(s) or area.

The Company will monitor anti-money laundering rules and regulations, and periodically update the Company's anti-money laundering program so that the Company ensures compliance with the Act.

Applications

Every product sale must be made using the appropriate Company application form. All responses on the application shall be completed accurately by the Producer and reflect the applicant's responses to those questions as conveyed to the Producer. Any and all information possessed by the Producer relating to the applicant's responses shall be included on the application.

The application shall be reviewed by the Producer before it is signed by the applicant, and then signed by the applicant in the Producer's presence. After the applicant has signed the application, the Producer shall sign as witness to its execution.

Any changes, alterations, amendments or corrections on the application shall be made by the Producer (or applicant) and initialed by the applicant.

Under no circumstance should a Producer act as a "surrogate" for a non-licensed or non-appointed Producer. That means that if a Producer appointed by the Company signs the application as the Producer, he or she must have been the Producer who met with the customer or solicited the application. Deliberately circumventing such rules will jeopardize the Producer's appointment with the Company and likely subject the Producer to fines, penalties and possibly the loss of their insurance license.

XIII. Customer Monies

General

As stated in the Company's Producer's Agreement, any initial premium, entire or partial, collected by the Producer shall be immediately forwarded to the Company, in the exact form in which it was paid to the Producer.

Unless specified in writing by the Company, the Producer shall have no authority to collect any premiums or monies from policyholders other than the initial premium.

Commingling

All monies, negotiable instruments, or securities received by a Producer for or on behalf of the Company shall be held by the Producer as trustee for the Company, and shall not be used by such Producer for any personal or other purposes whatsoever, but shall be immediately forwarded to the Company. Customer monies shall not be commingled with monies in an insurance Producer's personal account or an insurance agency's general account.

Cash Equivalents

Due to certain anti-money laundering regulations, US financial services companies are required, at a minimum, to give notice to the Department of the Treasury whenever a client pays for a financial product using cash or "cash equivalents" such as money orders or cashier's checks that total $10,000 or more during a calendar year. The Company imposes certain restrictions or assumes certain reporting obligations with respect to cash and cash equivalents as a result of the anti-money laundering requirements. As such, the Company's Policy on accepting cash or cash equivalents for Life Insurance and Fixed Annuity products is available on Saleslink, but some of the highlights are:

Cash and cash equivalents, other than cashier's checks, will not be accepted for Fixed ANNUITY contracts. With respect to LIFE insurance policies, cash and cash equivalents, other than cashier's checks, up to $500 will be accepted.

The Company will accept personal checks (not guaranteed by a bank) with the policyholder's name imprinted on the check along with his or her address and phone numbers. Third party personal checks will not be accepted.

The Company will accept wire transfers.

The Company will accept cashier checks, for ANNUITY and LIFE insurance but a Cash Transaction Report (CTR) will be filed with the U.S. Treasury Department for amounts singularly or cumulatively greater than $10,000 in a 12-month period. With respect to LIFE insurance policies, the Company will file a CTR with respect to money orders that aggregate greater than $10,000 in a 12-month period.

XIV. Customer Complaints

The Company views all customer complaints very seriously. Consistent with its customer service focus, the Company will strive to resolve all complaints in a fair and timely manner.

Defined

"Complaint" means any written communication expressing a concern or a grievance. "State Insurance Department Complaint" means a written communication regarding a complaint transmitted by a state insurance department.

Mandatory Reporting

All customer complaints and all State Insurance Department complaints (collectively, "Complaints"), regardless of their source, shall be reported immediately to the Company and processed as set forth below.

- A Producer shall forward any complaint, to the Company's Compliance Department at Complaints@fglife.com.
- The Company's, Compliance Department will investigate the complaint as appropriate.
- A Producer must respond in a timely manner to any request for information from the Company concerning a Complaint, including any request for a written summary of the facts related to a Complaint.
- Under no circumstances should a Producer offer cash or any other valuable consideration to settle a Complaint regarding the Company or its products without providing prior written notice to the Company.

XV. Privacy and Data Protection.

You are required to protect Company and customer "Nonpublic Personal Information" and "Nonpublic Information" (collectively "Private Information") in accordance with your Producer/Agency Selling Agreement, this Agent Market Conduct Guide and any and all applicable federal and state laws. Any and all Private Information obtained by you on behalf of or from the Company in the performance of your duties and obligations under the Producer/Agency Selling Agreement or otherwise shall be used

by you only as necessary to fulfill your obligations under those agreements and shall not be disclosed to any other person unless specifically authorized in writing by the Company or the person who is the subject of the Private Information or as otherwise permitted by law.

“Nonpublic Personal Information” has the meaning set forth in Section 509 of the Gramm-Leach-Bliley Act (P.L. 106-102) and any federal and state law(s) and regulation(s) that implement that Act and includes but is not limited to the name, address, and financial or health information of an applicant, insured, policyholder, or prospect. You agree to establish physical, electronic and administrative procedures to protect the security and confidentiality of “Nonpublic Personal Information” in compliance with the Act and any and all federal and state laws and regulations that implement the Act.

“Nonpublic Information” has the meaning set forth in Part 500 of Title 23 of the Official Compilation of Codes, Rules and Regulations of the State of New York which generally includes nonpublic electronic information that is:

(1) business related information of the Company, the tampering with which, or unauthorized disclosure, access or use of which, would cause a material adverse impact to the business, operations or security of the Company;

(2) any information concerning an individual which because of name, number, personal mark, or other identifier can be used to identify such individual, in combination with any one or more of the following data elements: (i) social security number, (ii) drivers’ license number or non-driver identification card number, (iii) account number, credit or debit card number, (iv) any security code, access code or password that would permit access to an individual’s financial account, or (v) biometric records;

(3) any information or data, except age or gender, in any form or medium created by or derived from a health care provider or an individual and that relates to (i) the past, present or future physical, mental or behavioral health or condition of any individual or a member of the individual's family, (ii) the provision of health care to any individual, or (iii) payment for the provision of health care to any individual.

You must adopt a written information security program to protect all Private Information you process in connection with your appointment by the Company.

You must adopt reasonable administrative, technical and physical safeguards appropriate to the size and complexity of your business and the nature and scope of your activities that are designed to protect the confidentiality, security, integrity and availability of all such Private Information. You must use Private Information accessed in connection with your services to the Company only for the purpose of providing such services.

You must require all employees, agents, representatives, and contractual third parties you may engage in connection with the performance of your duties and obligations under your Producer/Agency Selling Agreement, or otherwise in connection with your appointment by the Company, (i) to safeguard the confidentiality, security, integrity and availability of all such Private Information; and (ii) to use Private Information accessed in connection with your services to the Company only for the purpose of providing such services.

At all times during the term of your Producer/Agency Selling Agreement and your appointment by the Company, you will comply with all applicable Privacy Laws. For this purpose, “Privacy Laws” mean all applicable rules, regulations, codes, orders, decrees, guidelines, and rulings thereunder of any federal, state, regional, county, city, municipal or local government of the U.S. or any department, agency, bureau or other administrative or regulatory body obtaining authority from any of the foregoing, that relate to privacy, data protection or data transfer issues, or that otherwise related to the processing of Private Information, including (to the extent applicable) all implementing laws, ordinances, regulations, or guidelines including, without limitation, the Gramm-Leach-Bliley Act of 1999, as amended; the Identity Theft Red Flag Rules under the Fair and Accurate Credit Transactions Act of 2003; the Privacy Act of 1974, as amended; the Telephone Consumer Protection Act of 1991, as amended; the Children’s Online Privacy Protection Act (COPPA) of 1998, as amended; and all applicable state privacy, security, data protection and destruction, and data breach notification statutes and regulations, including without limitation, M.G.L. c. 93H and I, and the Standards for the Protection of Personal Information of Residents of the Commonwealth of Massachusetts, 201 CMR 17.00 (the “MA Security Regs.”) and the New York Department of Financial Services Cybersecurity Regulation, 23 NYCRR 500.

You will notify the Company of any event or condition that would reasonably be expected to compromise the confidentiality, security, integrity or availability of any Private Information as soon as possible and no later than five days after you discover any reasonable basis on which to believe any such event or condition exists, has occurred or is reasonably likely to occur. The notification must include all relevant facts, and must be updated as relevant facts are developed. You must cooperate with the Company.

* By affixing one electronic signature to the Market Conduct Guide, Insurance Agency/Producer acknowledges that the acceptance/agreement to the terms of the Market Conduct Guide does apply to any identification numbers that have been assigned by the Company to the Agency/Producer.

Insurance Agency/Producer may execute this Market Conduct Guide electronically by accessing the Company’s producer intranet site – SalesLink - and providing acceptable authentication information that will permit the Company to rely upon Insurance Agency’s/Producer’s electronic ‘signature’.

You may access this Market Conduct Guide and other policies, information and procedures via SalesLink at any time. You further acknowledge that the Company has the right to unilaterally amend, supplement or otherwise change the terms of this Market Conduct Guide and other policies, information, and procedures at any time and that you will be bound by any amendments or changes upon the Company’s publication of the same.