



Spectrum Rewards Reserve

Indexed Annuity protection for your family

Policyholder Summary with Application

Thank you for your interest in Fidelity and Guaranty Life's Spectrum Rewards Reserve annuity. Spectrum Rewards Reserve has a flexible blend of options for your retirement dollars, and Fidelity and Guaranty Life has prepared this summary to help you understand Spectrum Rewards Reserve's many features and benefits.

Please confirm your understanding by signing the confirmation statement on page 4 of this annuity.

An Indexed Annuity

Spectrum Rewards Reserve is a flexible premium deferred annuity with three indexed options and one fixed interest rate option. Spectrum Rewards Reserve is designed to be a long-term retirement savings tool with many features to help you achieve the standard of living you want during your retirement.

Tax Advantages

Although an annuity does not eliminate your tax liability on interest earnings, under current tax law all interest income earned accumulates on a tax-deferred basis. This tax deferral is currently available only to individual and joint owners, not to corporations or other non-individuals.

A Choice of 4 Interest-Crediting Options

Spectrum Rewards Reserve offers a choice of four interest crediting options. These options are 1-Year, 2-Year and 3-Year monthly point-to-point, and a fixed interest option. On the application, you can allocate your premiums among these four options. You may reallocate your account value between these options on each annuity anniversary.

Index Options

If you choose to allocate some or all of your premiums to the index options, your interest credits will be credited annually, biennially or triennially and are calculated using formulas linked to changes in the monthly values in the S&P 500 Index. The monthly point-to-point index changes are subject to a cap. The cap rate is the maximum percent applied on each monthly anniversary as part of the total calculation for the annual, biennial and triennial index credit. The cap is declared in advance and will never be less than one percent per month. It is guaranteed for one, two or three years, depending on the option selected. Your interest credit is determined at the end of the annual, biennial, or triennial period, depending on the interest crediting method chosen. This formula may result in no interest credits, but the credit will never be less than zero.

Index interest credits are not calculated or credited between index crediting dates; consequently amounts surrendered between index crediting dates will not earn any interest credits. Any interest credit is applied to your annuity on its annual, biennial or triennial anniversary and is locked-in so future decreases in any index will not affect the interest already credited to your annuity.

*As of 1/2004 and subject to change.

Fixed Interest Crediting

If you choose to allocate some or all of your premium to the fixed interest option, interest is credited daily. The credited interest rate, which will be applied to your premium during the first year, is shown in your application. We will never credit less than the guaranteed effective annual interest rate of 1.5%.

Minimum Guaranteed Surrender Values

Your annuity has a minimum guaranteed surrender value which is the minimum amount you will receive if you surrender in full. This protective floor increases with interest on your cash surrender value.

At any time before the annuity date, the minimum guaranteed surrender value is the sum of the following, less surrender charges thereon:

- 100% of the premiums applied to the account value; plus
- Interest credited daily at a 1.5% effective annual interest rate; plus
- Any account value reallocated from other options, if any; less
- Any amounts previously surrendered from the account value, including any surrender charges thereon; less
- Account value reallocated to other options; if any.

Assuming you make no withdrawals, the floor on your cash surrender value will increase to over 121% of the flexible premium by the end of 13 years.

Additional Interest

Premiums paid during the first year of the annuity will be credited with an additional interest rate of 4%*, which is credited on the day that the premium is applied.

Payment in the Event of Death or Annuity Payout Options

Should you die before electing to receive income payments (and the Death of Owner rider is attached), the account value will be paid to the beneficiary named in your annuity. If you choose to receive annuity payments, and the annuity date is after the fifth certificate anniversary, we will apply the greater of the account value or the minimum guaranteed surrender value to the annuity option then in effect. If the annuity date is before the fifth certificate anniversary, we will apply the greater of the surrender value or the minimum guaranteed surrender value to the annuity option then in effect.

Account Value

The certificate's account value before the annuity date consists of the fixed interest option's account value plus the equity indexed options account value.

Surrender Value

For a full surrender, the surrender value is the greater of:

- Total account value, less surrender charges; or
- Total minimum guaranteed surrender value

No Initial Sales Charges or Fees

There are no initial sales charges or fees. Your entire initial premium is available to earn interest from the date you

annuity is issued. Annuities are issued on the 1st, 8th, 15th, and 22nd of each month. Applications will be held and premium checks will be deposited in a non-interest bearing account 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. For special rules about issue dates that fall on holidays or weekends, contact Fidelity and Guaranty Life. The minimum single premium is \$5,000 and the minimum allocation to any option is \$2,000.

How Index-Linked Interest Crediting Works

One-Year Monthly Point-to-Point

The monthly point-to-point index change is determined by subtracting the prior month's index value from current month's index value and dividing it by the prior month's index value. If this results in a positive or negative monthly point-to-point index change and is not more than the declared cap, then it is used as the capped index change for that month. If it is more than the declared cap, then we use the cap as the capped index change for that month. A negative monthly point-to-point index change is not subject to a cap.

A "capped index change" for each month is captured over a 12-month period. The sum of the 12 monthly "capped index changes" will be the index credit rate on the index crediting date. The index credit rate is multiplied by the option's account value to determine the index credit.

Two-Year Monthly Point-to-Point

The monthly point-to-point index change is determined by subtracting the prior month's index value from current month's index value and dividing it by the prior month's index value. If this results in a positive or negative monthly point-to-point index change and is not more than the declared cap, then it is used as the capped index change for that month. If it is more than the declared cap, then we use the cap as the capped index change for that month. A negative monthly point-to-point index change is not subject to a cap.

A "capped index change" for each month is captured over a 24-month period. The sum of the 24 monthly "capped index changes" will be the index credit rate on the index crediting date. The index credit rate is multiplied by the option's account value to determine the index credit.

Three-Year Monthly Point-to-Point

The monthly point-to-point index change is determined by subtracting the prior month's index value from current month's index value and dividing it by the prior month's index value. If this results in a positive or negative monthly point-to-point index change and is not more than the declared cap, then it is used as the capped index change for that month. If it is more than the declared cap, then we use the cap as the capped index change for that month. A negative monthly point-to-point index change is not subject to a cap.

A "capped index change" for each month is captured over a 36-month period. The sum of the 36 monthly "capped index changes" will be the index credit rate on the index crediting date. The index credit rate is multiplied by the option's account value to determine the index credit.

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

Examples

The following examples are not intended to be representations of past or future performance of Spectrum Rewards Reserve. These examples use hypothetical caps and index value changes.

Steadily increasing S&P 500

Assume the S&P 500 index rises steadily throughout the year ending with an 8.01% increase. With monthly S&P 500 increases ranging from 0.12% to 2.02% and a monthly cap rate of 1.00%, Spectrum Rewards Reserve's index-linked formula results in a 6.57% credit for that year.

monthly cap rate = 1.00%			
Date	Hypothetical S&P	Monthly Increase	Capped Increase
1/1/07	900.0		
2/1/07	909.3	1.03%	1.00%
3/1/07	911.2	0.21%	0.21%
4/1/07	913.3	0.23%	0.23%
5/1/07	914.4	0.12%	0.12%
6/1/07	921.3	0.76%	0.76%
7/1/07	922.8	0.16%	0.16%
8/1/07	926.2	0.37%	0.37%
9/1/07	928.1	0.20%	0.20%
10/1/07	936.7	0.93%	0.93%
11/1/07	947.3	1.13%	1.00%
12/1/07	952.9	0.59%	0.59%
1/1/08	972.1	2.02%	1.00%
			6.57%
S&P increase = 8.01%			client credit

Sharply increasing S&P 500

Assume the S&P 500 index rises sharply throughout the year ending with a 25.17% increase. With monthly S&P 500 increases ranging from -0.22% to 7.36% and a monthly cap rate of 2.00%, Spectrum Rewards Reserve's index-linked formula results in a limited 11.80% credit for that year.

monthly cap rate = 2.00%			
Date	Hypothetical S&P	Monthly Increase	Capped Increase
1/1/07	900.00		
2/1/07	925.65	2.85%	2.00%
3/1/07	923.61	-0.22%	-0.22%
4/1/07	939.13	1.68%	1.68%
5/1/07	1004.96	7.01%	2.00%
6/1/07	1008.28	0.33%	0.33%
7/1/07	1014.43	0.61%	0.61%
8/1/07	1032.99	1.83%	1.83%
9/1/07	1041.15	0.79%	0.79%
10/1/07	1040.22	-0.09%	-0.09%
11/1/07	1116.78	7.36%	2.00%
12/1/07	1123.37	0.59%	0.59%
1/1/08	1126.51	0.28%	0.28%
			11.80%
S&P increase = 25.17%			client credit

Steadily increasing and a sharp drop in the S&P 500

Assume the S&P 500 index rises steadily, sharply drops and then sharply increases throughout the year and ends with a 24.86% increase. With monthly S&P 500 increases ranging from -13.54% to 9.25% and a monthly cap rate of 2.00%, Spectrum Rewards Reserve's index-linked formula would result in a 0.31% credit for that year.

monthly cap rate = 2.00%			
Date	Hypothetical S&P	Monthly Increase	Capped Increase
1/1/07	900.00		
2/1/07	983.25	9.25%	2.00%
3/1/07	1020.91	3.83%	2.00%
4/1/07	1033.98	1.28%	2.00%
5/1/07	1118.87	8.21%	2.00%
6/1/07	967.37	-13.54%	-13.54%
7/1/07	1026.48	6.11%	2.00%
8/1/07	983.16	-4.22%	-4.22%
9/1/07	995.84	1.29%	1.29%
10/1/07	1014.86	1.91%	1.91%
11/1/07	1077.38	6.16%	2.00%
12/1/07	1094.51	1.59%	1.59%
1/1/08	1123.73	2.67%	<u>2.00%</u>
			0.31%
			client credit
S&P increase = 24.86%			

Decreasing S&P 500

Assume the S&P 500 index decreases throughout the year and ends with a -10.04% decrease. With monthly S&P 500 increase ranging from -13.54% to 8.21% and a monthly cap rate of 1.00%, Spectrum Rewards Reserve's index-linked formula would result in a 0.00% credit instead of a negative credit for that year.

monthly cap rate = 1.00%			
Date	Hypothetical S&P	Monthly Increase	Capped Increase
1/1/07	900.00		
2/1/07	803.25	-10.75%	-10.75%
3/1/07	834.01	3.83%	1.00%
4/1/07	844.69	1.28%	1.00%
5/1/07	914.04	8.21%	1.00%
6/1/07	790.28	-13.54%	-13.54%
7/1/07	838.56	6.11%	1.00%
8/1/07	803.18	-4.22%	-4.22%
9/1/07	813.54	1.29%	1.00%
10/1/07	769.20	-5.45%	-5.45%
11/1/07	780.43	1.46%	1.00%
12/1/07	788.62	1.05%	1.00%
1/1/08	809.68	2.67%	<u>1.00%</u>
			0.00%
			client credit
S&P increase = -10.04%			

continued on back

Confirmation Statement

Cap rate and initial rate (as of date of application) [Owner and Joint Owner: please initial below]:

1-Year monthly point-to-point cap rate: _____% per month* _____

2-Year monthly point-to-point cap rate: _____% per month* _____

3-Year monthly point-to-point cap rate: _____% per month* _____

Fixed Interest option rate: _____% per year _____

All rates are subject to change. The actual rate in your annuity will be based on current data as of date the annuity is issued. Please be sure to check your annuity to confirm your understanding of the applicable rate.

*The cap is guaranteed for the index crediting period.

Please sign below to indicate your understanding. This form must be detached and returned with the application to Fidelity and Guaranty Life.

By signing here, you are telling us that you have read this summary and understand the descriptions of the Spectrum Rewards Reserve index annuity features. You are also telling us that neither Fidelity and Guaranty Life nor your agent has made any guarantees or promises regarding future index values, index changes, index credit caps, interest rate under the annuity.

Signature of Owner _____
Date

Signature of Joint Owner, if any _____
Date

For Agent Use:

I certify the receipt of \$_____ and a signed application for a Spectrum Rewards Reserve Annuity. This receipt acknowledges that (a) the agent has received a check payable to Fidelity and Guaranty Life Insurance Company in the above amount and a signed application, and (b) the agent has received a copy of, has carefully read, and has complied with the Spectrum Rewards Reserve Agent Training Manual and the Fidelity and Guaranty Life Market Conduct Guide.

Agent _____
Signature of Agent

Agency Address _____
City, State, Zip

When Surrender Charges Apply

The surrender charge applies for the first 13 years on full or partial surrenders (withdrawals), at death and in calculating the annuity payments unless it does not apply under the conditions below.

Surrender Charges

Annuity Year	Surrender Charge Percentage
1	12.5%
2	11.5%
3	10.5%
4	9.5%
5	8.5%
6	7.5%
7	6.5%
8	5.5%
9	4.5%
10	3.5%
11	2.5%
12	1.5%
13	0.5%
14+	0%

The surrender charge equals the surrender charge percentage for the applicable year multiplied by the amount of account value withdrawn.

When Surrender Charges Do Not Apply

Surrender charges are not deducted from the account value when you request a surrender if any of the following benefits or situations, which may be provided by rider, are issued as part of or apply to your annuity:

1. You surrender 10% or less of the account value as of the prior policy anniversary, less any amounts previously surrendered in the current policy year which were not subject to surrender charges
2. You exercise an annuity option after the 5th anniversary or later
3. You are confined to a licensed nursing home for more than 60 days and the confinement begins after the first annuity year (the surrender must be made during the period of confinement)
4. A licensed physician certifies that you have been diagnosed with an illness or condition that causes your life expectancy to be less than one year (the diagnosis must be at least one year after the annuity's date of issue)
5. Your unemployment began after the date of issue, has continued for at least 30 consecutive days, and you are under the age of 65 at the time of your request (the surrender must be made during the period of unemployment)

6. When the death benefit is paid, unless the spouse of the first owner to die continues ownership of the annuity and subsequently surrenders the annuity

Note that if you fully surrender the annuity or exercise one of the options because of the circumstances described above, the surrender value will equal the greater of the account value or the minimum guaranteed surrender value.

Taxation of Withdrawals

Withdrawals may be subject to income tax. If withdrawals are made before age 59 $\frac{1}{2}$, they also may be subject to an IRS penalty tax. Please consult your tax advisor.

Minimum Required Distributions

Certain tax qualified annuities are subject to minimum required distributions which generally require that distributions begin no later than your attainment of age 70 $\frac{1}{2}$ and that amounts be paid to you over a period not longer than your life expectancy.

Right to Examine Annuity

This annuity includes a right of examination period. This means that within the specified time period after you receive your annuity, you may return the annuity and receive a refund of 100% of the premium paid, minus any prior withdrawals.

Financial Security

Your annuity values are guaranteed by Fidelity and Guaranty Life Insurance Company. As a Legal Reserve Company, Fidelity and Guaranty Life is required by state regulation to maintain reserves equal to or greater than guaranteed surrender values.

Questions?

If you have any questions, call our service center at 1-888-513-8797.

Notes

- This product is offered on a group or an individual basis as determined by state availability.
- Form numbers FGL FPDA-L (2003), FGL 1YMPTP-C (2003), FGL 2YMPTP-C (2003), FGL 3YMPTP-C (2003), FGL DOO 1-C (2003), FGL NH1-C (2003), FGL TI1-C (2003), FGL UE1-C (2003) and FGL FS-PW-FLEX-C (2001) et al.
Group Annuity Master Contract: Form Number FGL FPDA-L 2003-MC.
- Terms and conditions of coverage are set forth in a group annuity, issued to the Trustee of the F&G Group Insurance Trust, Wilmington, Delaware. It is subject to the laws of the state in which it is issued. An annuity will be issued to each owner. Annuities are issued by Fidelity and Guaranty Life Insurance Company, Baltimore, Maryland.
- Product features are not approved or available in all states; certain restrictions, conditions, and state variations may apply.
- This document is not a legal contract. For the exact terms and conditions, please refer to the annuity.
- All interest rates described in this summary are effective annual interest rates.
- Consult your tax advisor on all tax-related issues and features.
- Any amounts which are payable by us may, at our option, be paid into an interest-bearing checking account established in the name of the owner, payee, or recipient, as appropriate.

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Instructions for Agent

1. Review this summary with the customer(s).
2. Fill-out the initial rates and caps (as of date of application) on the reverse side of this card. If the customer has not allocated premium to a particular option, simply enter "N/A" in the appropriate blank space.
3. Have the customer(s) initial each applicable rate and cap.
4. Have the customer(s) sign and date the reverse side of this card.
5. In the box marked "For Agent Use", fill in the amount of premium received, fill-in your name and address, and sign the card.
6. You and the customer need to complete and sign the application.
7. Detach and return this card with the application to Fidelity and Guaranty Life.

If this is a 403(b) TSA transfer or rollover, please make sure the "Purpose of Annuity" block of the application looks like this:

Address: _____	
Contingent: _____	Relationship to Owner: _____ SSN: _____ Birth Date: _____
Address: _____	
Special Instructions	
Plan	
<input type="checkbox"/> Nonqualified <input type="checkbox"/> Qualified <input type="checkbox"/> IRA Rollover <input checked="" type="checkbox"/> IRA Transfer <input checked="" type="checkbox"/> Tax-Sheltered Annuity (owner must be annuitant)	
<input type="checkbox"/> Roth IRA <input type="checkbox"/> Other: _____ (specify pl	
Replacement	
Will the annuity applied for replace or change any existing life or annuity policy? <input type="checkbox"/> Yes <input type="checkbox"/> No If a 1035 Exchange or a 90-24 transfer, attach applicable forms. Transfer/Exchange Amount: \$ _____ Company: _____ Policy: _____	
Premium and Interest Crediting Information	

ANNUITY APPLICATION

Fidelity and Guaranty Life Insurance Company

Home Office: Baltimore, Maryland



OLD MUTUAL
FINANCIAL NETWORK

Product: _____ Flexible Premium Deferred Annuity

Owner(s)

Owner: Name _____ Social Security Number ____-____-____ Birth Date _____

Male Female

Address _____

Joint Owner (if any): Name _____ Social Security Number ____-____-____ Birth Date _____

Male Female

Address _____ Relationship to Owner _____

Annuitant(s) (if other than Owner)

Name: _____ Social Security or Tax ID No. ____-____-____ Birth Date _____

Male Female

Address _____

Joint/Contingent (if any): _____ Social Security or Tax ID No. ____-____-____ Birth Date _____

Male Female

Address _____

Beneficiary

Primary: _____ Relationship to Owner: _____ SSN: _____ Birth Date: _____

Address: _____

Contingent: _____ Relationship to Owner: _____ SSN: _____ Birth Date: _____

Address: _____

Special Instructions

Plan

Nonqualified Qualified IRA Rollover IRA Transfer Tax-Sheltered Annuity (owner must be annuitant)
 Roth IRA Other: _____ (specify plan type)

Replacement

Will the annuity applied for replace or change any existing life or annuity policy? Yes No If a 1035 Exchange or a 90-24 transfer, attach applicable forms. Transfer/Exchange Amount: \$ _____ Company: _____ Policy: _____

Premium and Interest Crediting Information

Initial Premium Paid (premium paid with application): \$ _____ (Make check payable to F&G Life.)

One Year - S&P 500 sm Monthly Point to Point	_____ % of premium	Cap Rate: _____ % (guaranteed for 1 year)
Two Year - S&P 500 sm Monthly Point to Point	_____ % of premium	Cap Rate: _____ % (guaranteed for 2 years)
Three Year - S&P 500 sm Monthly Point to Point	_____ % of premium	Cap Rate: _____ % (guaranteed for 3 years)
Fixed Interest Option	_____ % of premium	Initial interest rate: _____ % - interest rate period: _____ year(s)

* This is the cap which is guaranteed for the index crediting period. See the policyholder summary statement.
I (We) have read the statements made in this application. To the best of my (our) knowledge and belief, the statements made are complete, true, and correctly recorded. I (We) understand that: a copy of this application will form a part of any annuity issued; the annuity will not take effect until delivered to the Owner; and no agent or person other than the officers of the Company has the authority to change or modify any annuity issued or waive its provisions.

FRAUD WARNING NOTICE: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Signed at _____ Date: _____

Signature(s) of Owner(s): _____

Phone Number(s) of Owner(s): (_____) (_____)

Signature(s) of Annuitant(s): _____

AGENT USE ONLY

To the best of my knowledge, this application does replace or change does not replace or change existing life insurance or annuities. I attest that I have witnessed all signatures. Agent's Social Security #: _____

Signature of Agent	Print Agent's Name	Date	F&G Life Agent Number
License Number (Where applicable; required in FL)	Phone No.	Fax No.	Agent's E-mail Address

About Fidelity and Guaranty Life Insurance Company

As the largest of the Old Mutual Financial Network brands, Fidelity and Guaranty Life Insurance Company (Fidelity and Guaranty Life) has been providing a diverse portfolio of annuities and life insurance products since 1959. Working with an established group of master general agents, our products are distributed in 49 states, the District of Columbia, and in New York through a wholly owned subsidiary, Fidelity and Guaranty Life of New York.

Old Mutual Financial Network is a member 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 they rank as a Fortune Global 500 company and FTSE 100 financial services group. Working through their network of established companies (Fidelity and Guaranty Life, Americom Life and Annuity and Fidelity and Guaranty Life of New York) Old Mutual Financial Network is committed to delivering innovative and balanced financial solutions.

Consider all the facts, then make your own decision.

Fidelity and Guaranty Life offers index annuity products with different features, benefits, and charges, including different issue ages, premium requirements, interest rates, withdrawal privileges, and charges.

No single annuity product design may have all the features you find desirable. To better meet the needs of you and your family, you should carefully consider your financial situation and all the alternatives available to you.

For details, contact your licensed sales representative today, email us at contact-us@omfn.com or visit us on the World Wide Web at www.omfn.com.



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.