

# Accelerated Death Benefit -Terminal Illness Rider

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This rider is a part of the Policy to which it is attached. In the event of Terminal Illness of the Insured, under this rider You may request to accelerate the Policy's death benefit. This rider is subject to the terms, conditions and provisions contained in the Policy. This rider supersedes any conflicting provisions in the Policy.

**BENEFITS AND POLICY VALUES WILL BE REDUCED WHEN THE ACCELERATED BENEFIT IS PAID. ACCELERATED BENEFIT PAYMENTS MAY BE TAXABLE. YOU SHOULD CONTACT A TAX ADVISOR FOR SPECIFIC ADVICE.**

## Definitions

**Accelerated Benefit** The amount payable to You under this rider. Only one Accelerated Benefit is payable under the Policy. If an accelerated benefit was paid under the Policy or other rider attached to the Policy, no Accelerated Benefit is payable under this rider.

**Accelerated Amount** The amount requested to be accelerated by the Owner under this rider of the death benefit under (i) the Policy and (ii) any Term Life Insurance Rider covering the Insured.

**Accelerated Ratio** The ratio of the Accelerated Amount divided by the Policy's death benefit, not including any death benefits of riders attached to the Policy.

**Insured** The person named as the Insured on the Policy **INFORMATION** page.

**Physician** A doctor of medicine who is:

- duly qualified;
- licensed in the United States of America; and
- performing within the scope of his or her license.

A Physician must not be: You; the Insured; the brother, sister, parent, spouse or child of either You or the Insured; or any spouse of any of them.

**Terminal Illness** Illness or physical condition that is reasonably expected to result in the Insured having a life expectancy of 24 months or less from the date of Physician's certification of that fact.

**We, Our, Us, Company** Fidelity & Guaranty Life Insurance Company.

**You, Your** The Owner of the Policy.

## Effective Date

This rider's effective date is shown under BENEFIT INFORMATION on the Policy **INFORMATION** page.

## Benefit

While the Insured is alive and this rider is in force, You may request in writing the Accelerated Amount and if We approve Your request, We will pay the Accelerated Benefit, subject to the following conditions:

- You submit a written request and proof of Terminal Illness in good order.
- the Accelerated Amount requested does not exceed the lesser of \$1,000,000 or the Policy's death benefit.
- any premium amount needed to keep the Policy from lapsing must be paid before We approve Your written request.

**If the Insured dies before the Accelerated Benefit is paid, the entire death benefit will be paid in accordance with the Policy; this rider will terminate and no Accelerated Benefit will be paid under this rider.**

## Accelerated Benefit

The Accelerated Benefit is the present value of the Accelerated Amount less monthly deductions associated with the Accelerated Amount, discounted over an 18 month period:

- **less**, a one-time administrative fee not to exceed \$250; and
- **less**, a portion of any unpaid loans and loan interest.

The portion is determined by multiplying the Accelerated Ratio by the sum of unpaid loans and loan interest.

We compute the present value using interest at an annual rate declared by Us which will not be higher than the greater of: (i) the current yield on 90-day United States Treasury bills; or (ii) the current maximum statutory adjustable Policy loan interest rate. If the source of the interest rate used in determining the Accelerated Benefit is discontinued, We will use an appropriate substitute and comparable interest rate, subject to the approval by the Interstate Insurance Product Regulation Commission (IIPRC).

The Accelerated Benefit will never be less than the surrender value multiplied by the Accelerated Ratio.

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All values used to determine the Accelerated Benefit are determined as of the date We approve Your request.

## Written Request / Proof of Terminal Illness

We will require a written request, to Our Home Office or Administrative Office, for the Accelerated Amount before We pay the Accelerated Benefit. If there are any joint Owners, Irrevocable Beneficiaries or assignees having an Interest in the Policy, We will also require each person's written consent to the request for the Accelerated Amount. We will not approve any request if:

- You are required by law to use the benefit under this rider to meet the claims of creditors, whether in bankruptcy or otherwise; or
- You are required by a government agency to use the benefit under this rider in order to apply for, obtain, or keep a government benefit or entitlement; or
- You are required by a court order to maintain life insurance coverage on the Insured under the Policy.

We will require that You provide Us with proof satisfactory to Us that the Insured has a Terminal Illness. This proof will include certification by a Physician who provides medical care to the Insured in connection with the Insured's Terminal Illness that the Insured has a Terminal Illness and complete records of the Insured's medical history. We reserve the right to obtain a second medical certification, at Our expense, from a Physician selected by Us. In the case of conflicting opinions eligibility for benefits shall be determined by a third medical opinion by a Physician that is mutually acceptable to You and Us. Any third opinion will be made at Our expense.

Upon receipt of Your request for the Accelerated Amount, We will mail a claim form to You within 15 working days. If the claim form is not sent within this 15-day period, and You provide proof satisfactory to Us that the Insured has a Terminal Illness in a format other than Our claim form, You will be deemed to have complied with the claim requirement.

## Result of the Payment of Accelerated Benefit

As a result of the payment of the Accelerated Benefit:

- The Face Amount in effect and any Policy account value will be reduced. The Face Amount reduction is equal to the Face Amount prior to the payment of the Accelerated Benefit multiplied by the Accelerated Ratio. The Policy account value reduction is equal to the Policy account value prior to the payment of the Accelerated Benefit multiplied by the Accelerated Ratio.
- Any unpaid loans and loan interest will be reduced by the unpaid loans and loan interest prior to the payment of the Accelerated Benefit multiplied by the Accelerated Ratio and that amount will be redeemed.
- The future premiums and charges for the life insurance coverage on the Insured under the Policy are based on the reduced Face Amount.
- Other benefits available under riders attached to the Policy based on the Face Amount or Policy account value will be reduced.
- The future charges for riders attached to the Policy will reflect the reduced Face Amount and reduced Policy account value.

If the Accelerated Amount equals 100% of the death benefit, the Policy will terminate when the Accelerated Benefit has been paid to You. If the Policy is terminated, all other riders will terminate according to their terms. If any rider terminates when the Policy terminates, the benefits will no longer be available unless the qualifying event occurred prior to the termination. This may include riders that provide additional insurance coverage for the Insured or for other insureds.

## Report

Upon a request in writing for the Accelerated Amount and upon the payment of the Accelerated Amount, We will provide You and any Irrevocable Beneficiary with a statement demonstrating the effect of the payment of the Accelerated Benefit on the Policy's account value, Face Amount, surrender charge, premiums, monthly deductions, and policy loans.

## Payment

If We approve Your request, payment will be due immediately to You, Your estate if You die prior to our payment, or the person You designated in Your written request, in a lump sum. We will pay interest as stated in the Policy's **Interest Paid on Death Benefit** provision.

## Incontestability

We will not contest this rider based on statements made in the application after this rider has been in effect during the Insured's lifetime for 2 years from this rider's effective date or date of reinstatement except for the nonpayment of premium.

## Reinstatement

The **Reinstatement** provision of the Policy applies to this rider.

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## Suicide

Benefits under this rider will not be payable if the Insured's Terminal Illness is a result of attempted suicide or intentionally self-inflicted injury. If We previously paid the Accelerated Benefit and the Insured dies from suicide, while sane or insane, within the Policy's suicide exclusion period, any payment will be reduced by the Accelerated Benefit paid.

## Rider Termination

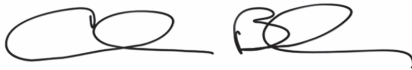
This rider will end at the earliest of the following events:

- The Insured dies.
- The Policy terminates.
- The Accelerated Benefit under this rider is paid.
- An accelerated benefit under another rider attached to the Policy is paid.
- Your written request to terminate this rider.

The termination of this rider will not prejudice the payment of benefits for any qualifying event that occurred while this rider was still in force.

Signed for the Company

**Fidelity & Guaranty Life Insurance Company**



Chris Blunt

President



Eric Marhoun  
Secretary