

Annuity Hierarchy Change Guidelines

Please note the following annuity hierarchy change guidelines, effective July 1, 2004.

General Release Rules

We encourage our Master General Agents (MGAs) to practice a free-release policy, but recognize the expense incurred and sustained in the recruitment of, and advertising to, a network of independent agents. We therefore respect the following release rules:

- A six (6) month release horizon will take effect on July 1, 2004, replacing our current twelve (12) month release horizon.
- Agents not submitting business in the last six (6) months are free to move to another Master General Agency (MGA) without a release from the current MGA.
- Agents asking for release prior to July 1, 2004 may have to wait longer than six (6) months, but no agent seeking release before July 1, 2004 will have to wait beyond January 1, 2005 for that release.

Provision of Notice

Agents wishing a release sometimes direct business to another carrier in an attempt to allow their association with a current MGA time to expire. This does not help the company, the current MGA, or the prospective MGA.

- Beginning July 1, 2004 we will recognize written "notice" from an agent informing us that he wishes to change his reporting relationship or gain release from his current MGA.
- Agents providing notice are still subject to a six (6) month waiting period, if the MGA refuses the release and they have written business in the last six (6) months.
- Provision of notice allows the writing agent to continue writing business without extending the release horizon. In other words, if an agent provides notice on 6/30/2004 that he/she wants to change hierarchies, and the up-line MGA refuses the release, the agent may continue writing business and transfer without consent from his up-line effective 01/01/2005.

When the six (6) month period expires, it is the agent's responsibility to request a transfer. We will not make automatic transfers following the waiting period. Intentions may have changed in the interim, and the administrative system necessary to track requests would be too burdensome.

There are no changes to our life hierarchy change guidelines. Please utilize the attached form for agent hierarchy change requests. If you have any questions or need additional information, please feel free to contact Sales Support at sales-support@omfn.com.

Agent Transfer Request

INSURER

Fidelity and Guaranty Life Insurance Company

I hereby authorize Fidelity and Guaranty Life Insurance Company to make the following changes to my existing agent or producer agreement. Please Note: A release is not required for agents who request reappointment under a new hierarchy following all guidelines noted below are met. Application sign dates will determine eligibility for release.

LIFE Agents

- A) Contract Effective Date or Hierarchy Effective date is greater than 90 days and there has been no submitted business within the past three months.
- B) If an agent has been contracted over 90 days and there has been production in the last 12 months, but no new business in the past 6 months, the agent can move to a different hierarchy however must remain at the current compensation level for at least 3 months. The agent will need to remain at the compensation level for a period of three months before any increase will be considered. Any agent that becomes a non-producer for the purpose of moving hierarchies after the six-month period will not be eligible to re-contract unless it is under the prior hierarchy.

ANNUITY Agents

- Appointment date is greater than six months and
- No submitted business within the past six months

A Vector check will be completed on all hierarchy change requests to ensure agent is in good standing within the industry. If we determine there is an outstanding Vector we will require proof the agent has worked out a payment plan with the carrier noted. If Vector is not resolved, we reserve the right to terminate the agent's Fidelity and Guaranty Life appointment providing 30-day notice. If there is an outstanding Fidelity and Guaranty Life agent debit balance outstanding, the debt must be paid in full prior to any transfer/hierarchy change.

Agents/Agencies with an outstanding debit balances are required to pay the balance in full prior to any consideration of a hierarchy release. We may permit the reduction of agent debt to be offset by submission of new business within the initial thirty days.

The agent needs to obtain an unconditional release from their current MGA; if an agent has never produced business they will be able to receive up to street level compensation. Any request for an above street level contract will require Home Office Approval.

Agents requesting to be terminated are eligible for rehire within the previous MGA providing they disclose an adequate production commitment.

Agent Name: _____

Agent Address: _____

Agent Email Address: _____

Agent Number: _____

Tax ID Number: _____

Agent Phone: _____

Agent Fax: _____

Agent Signature: _____

Agency Authorized Signature and Title: _____

Fidelity and Guaranty Life Compensation Schedule _____

Fidelity and Guaranty Life Producer Code of New Appointing General Producer _____

Signature Authorized Producer _____ Date _____
(Upline Signature/Authorization)

The Appointing General Producer's signature indicates acceptance of responsibility for this agent/agency to the extent outlined in your General Agent Agreement with Fidelity and Guaranty Life Insurance Company. This change will be effective when completed paperwork and all supporting documentation if necessary, (i.e. release etc.) is received and accepted by Fidelity and Guaranty Life Insurance Company.