

FORETHOUGHT®  
**Future Income Solutions**<sup>SM</sup>

Issued by Forethought Life Insurance Company

**SECURE BONUS 115+**<sup>SM</sup> Client Guide



THINKING AHEAD<sup>SM</sup> **FORE  
THOUGHT**<sup>®</sup>



## ***Trust – Forethought when it matters most***

With Forethought you can be confident your security comes first. For more than twenty-five years consumers have relied on us to protect the future for their families. Forethought Financial Group, Inc. and its subsidiaries, including Forethought Life Insurance Company, have:

- Assets in excess of \$4.5 billion
- Approximately \$1.2 billion in annual revenue
- More than \$5.8 billion of life insurance annuities in force
- More than 2 million policyholders served

– As of December 2009

More than figures, these numbers are reasons for you to feel secure about Forethought. They represent the trust millions of people have placed with us to protect their families' financial futures.



## ***Where will the future take you?***

The future can be full of opportunities when you start planning now. That's where a fixed annuity from Forethought Life Insurance Company comes in. You have many choices to make when planning your financial future, with savings products offering varying degrees of security, growth and flexibility.

We understand the significance of

protecting your savings from market losses near or during retirement. Safe money options, such as fixed annuities, can serve as a valuable part of your overall retirement plan. Forethought Future Income Solutions<sup>SM</sup> can provide a variety of benefits, including guaranteed interest, tax-deferred growth, freedom from market risk and flexibility of withdrawals. Secure Bonus 115 Plus<sup>SM</sup> also offers income options to help you take advantage of all the opportunities you've envisioned for tomorrow. With the Income Benefit, you are guaranteed an annual income that will last for as long as you live, providing peace of mind for a secure financial future.<sup>1</sup>

Whether planning for retirement or simply looking for another way to save, Forethought Future Income Solutions offer the protection, flexibility and reliable income options to help you realize your dreams. Forethought Life Insurance Company has been consistently recognized by A.M. Best Company for financial strength. This means you can count on Forethought when it matters most.

<sup>1</sup> Assumes annual withdrawals do not exceed the Guaranteed Lifetime Annual Income.

*The future can be full of opportunities when you start planning now. That's where a fixed annuity from Forethought Life Insurance Company comes in.*

## *Prepare for the future.*

We understand securing your retirement savings is an ongoing battle and protecting it from market losses is a primary concern. There are many challenges you will face when maximizing your retirement savings, and without proper financial planning, external factors can negatively impact the value of your hard-earned savings.

**Taxes** – Taxes on interest earnings decrease the real return on your retirement accounts.

**Inflation** – Inflation, coupled with taxes, reduces the future purchasing power of today's savings, creating uncertainty that your current standard of living can be continued throughout your life.

**Longevity Risk** – Outliving your income can be a real concern as you plan for your retirement, due in part to medical advances and active, healthier lifestyles.

**Market Risk** – Future stock market losses could erode your retirement savings, increasing the risk of insufficient income to support your standard of living.

Fortunately, financial products are available to help you address these risks. Fixed annuities offer tax-deferred interest earnings, guaranteed growth and freedom from market risk.



## Why buy a fixed annuity?

You have many choices to make when planning your financial future, with savings products offering varying degrees of security, growth and flexibility. A fixed annuity offers a variety of advantages:

- Principal protection against downside market experience through contract guarantees
- Tax-deferred growth
- Flexible income options to meet your retirement needs
- Full contract value death benefit for designated beneficiaries

With Forethought Future Income Solutions you have the opportunity to build a safe and flexible retirement plan that allows you to live your retirement on your terms.

## FORETHOUGHT® Future Income Solutions<sup>SM</sup>

### Secure Bonus 115+<sup>SM</sup>

Secure Bonus 115 Plus is designed to help you maximize retirement income and secure your financial future.

#### Discover the benefits:

- Target your retirement savings for secure **growth** and tax-deferred interest earnings.
- **Protect** against potential loss from market downturns and guarantee your money will be there for you and those you love.
- Take complete **control** of access to your money, because just as in years prior, plans can change in retirement.





## **GROWTH** – Secure your retirement savings

Secure Bonus 115 Plus offers you the potential to grow your retirement assets while enjoying freedom from financial market declines. The following factors will work to maximize your retirement income:

- **Tax Deferral:** Your contract value grows on a tax-deferred basis. This means you pay taxes on your earnings only when you take withdrawals, allowing you to benefit from tax-deferred compounding interest. Withdrawals of taxable amounts are subject to ordinary income tax and may be subject to a 10% federal tax penalty if taken prior to age 59½.
- **Fixed Account Strategy:** Your contract value growth is tied to the Fixed Account Strategy. This guarantees a specified interest rate that is reset each contract year, giving you the comfort of knowing exactly how much growth will occur. Interest is credited daily. The specified interest rate is declared in advance and is guaranteed for the entire contract year but will never be less than the minimum guaranteed annual fixed account interest rate described in the contract.
- **Interest Rate Bonus:** Your contract value interest rate includes a 3.0% first-year-only annual interest rate bonus. The first-year interest rate is equal to the base interest rate plus 3.0%. The bonus rate provides a higher annual rate than the base interest rate for one full contract year.

# PROTECTION – Providing financial security and peace of mind

Secure Bonus 115 Plus offers you principal protection and death benefit proceeds for loved ones.

- **Principal Protection:** 100% of the money with which you purchase your annuity is credited to your contract value. This money (less withdrawals, withdrawal charges, market value adjustment and rider charges) is 100% guaranteed if held to the end of the withdrawal charge period (10 full years).
- **Death Benefit:** Your beneficiaries are eligible to receive a death benefit equal to the full contract value, without incurring any withdrawal charges or market value adjustment. The standard death benefit allows your beneficiaries to receive a lump sum payment or a stream of payments over a specified period of time.



## Optional Rider

- **Increased Death Benefit Guarantee Rider:**

You also have the option to guarantee that your death benefit is equal to no less than your initial premium paid less withdrawals, plus 5% of premium less withdrawals for each full contract year completed. This death benefit guarantee increases until you reach age 85, or until the rider's death benefit is equal to 200% of premium paid less withdrawals, whichever comes first. This benefit is available for issue ages 0–75 and applies only to the owner of the contract.

## Included Waiver Riders

- **Nursing Home Waiver Rider:**<sup>2</sup> At any time on or after the first contract anniversary, if you should become confined to an approved nursing facility for at least 60 consecutive days, withdrawal charges on any portion of the contract value withdrawn will be waived.<sup>3</sup>
- **Terminal Illness Waiver Rider:** Should you suffer from a terminal illness, withdrawal charges will be waived on any portion of the contract value withdrawn after the first contract anniversary.<sup>3</sup>

<sup>2</sup> Referred to as the Confinement Waiver Rider in CT.

<sup>3</sup> Forethought Life must receive proof as identified in the waiver riders attached to the contract in order to qualify for these benefits.

A close-up photograph of a person's hand holding a dark-colored watering can, pouring water onto green foliage. The background is a soft-focus outdoor scene with trees and a bright sky, suggesting a garden or park setting.

## **CONTROL – Flexibility in accessing your funds**

Secure Bonus 115 Plus ensures you stay in complete control with access to your money, should your future plans change.

- **Withdrawal Privileges:** You can access your money by making a withdrawal at any time during the contract term. You may also withdraw some money without incurring withdrawal charges. The free withdrawal amount is the greater of:
  - 10% of the beginning of year contract value after the first contract year<sup>4</sup>
  - Any Required Minimum Distribution (RMD) imposed by the IRS on this contract

Should you need to withdraw more, any excess above this amount is subject to a withdrawal charge that applies over 10 full years: 12%, 12%, 11%, 10%, 9%, 8%, 7%, 6%, 4%, 2%, 0%.<sup>5</sup> In the event you need to withdraw the full value of your contract, withdrawal charges will be applied to the entire amount, including any free withdrawals made during the contract year.<sup>4</sup> Excess withdrawals and full surrenders may also be subject to a market value adjustment. When considering a withdrawal from your annuity, carefully review your contract. Taking this step will help you in understanding the effect withdrawing money from your annuity can have on future interest earnings. After 10 years, you can take the full value of your contract without penalty.

<sup>4</sup> Some states may allow free withdrawals in the first contract year and in contract year where full surrender occurs. Read your contract for complete details.

<sup>5</sup> Withdrawal charge schedules may vary in some states. Read your contract for complete details.

*With the Income Benefit, you have the ability to secure a lifetime annual income, while maintaining access to your money, should your future plans change.*



## Guaranteed Lifetime Income Benefit

### Overview

Secure Bonus 115 Plus offers you ultimate flexibility and control of your retirement income by providing the Guaranteed Lifetime Income Benefit. This feature provides several key advantages:

- Includes a **15% income bonus** on the initial premium received. (Applied to the Guaranteed Lifetime Income Account Value. The Guaranteed Lifetime Income Account Value is for future income and is not available on cash surrender.)
- Includes a **guaranteed 6%** annual accumulation on the Guaranteed Lifetime Income Account Value at each contract anniversary for the first ten years, or until the date you activate the benefit if earlier.
- Provides a **Guaranteed Lifetime Annual Income** you can systematically withdraw for your lifetime, even if the contract value falls to zero, making it retirement income you cannot outlive.<sup>6</sup>
- The Guaranteed Lifetime Annual Income is based on your choice of four **Income Benefit** options.
- Offers the opportunity to increase your Guaranteed Lifetime Annual Income each contract anniversary with a potential **Step Up Benefit** based on the current contract value.

<sup>6</sup> Assuming annual withdrawals do not exceed the Guaranteed Lifetime Annual Income.



## How it works

### Purchase a Secure Bonus 115 Plus annuity

Upon issue, your Guaranteed Lifetime Income Account Value is equal to 115% of the premium received. *(The Guaranteed Lifetime Income Account Value is for future income and is not available on cash surrender.)*

### Earn guaranteed growth

#### Guaranteed Lifetime Income Account Value Growth

Your Guaranteed Lifetime Income Account Value is guaranteed to grow at a rate of 6% per year at each contract anniversary for the first ten years, or until you elect the Guaranteed Lifetime Income Benefit if earlier. After that time the Guaranteed Lifetime Income Account Value will no longer earn interest.

### Contract Value Growth

Your contract value growth is tied to the Fixed Account Strategy, earning a guaranteed specified interest rate that is reset each contract year. The first-year-only offers an annual interest rate bonus of 3.0%. The interest rate bonus provides a higher annual rate (base rate + 3.0%) for one full contract year.

### Activate your Guaranteed Lifetime Income Benefit

On the day you choose to exercise your Guaranteed Lifetime Income Benefit, Forethought will determine the maximum amount, or income, you can withdraw from your contract every year going forward. To activate this benefit you must be 59½ years old and you must be beyond the first contract year.

Your Guaranteed Lifetime Annual Income will be equal to the greater of the contract value and the Guaranteed Lifetime Income Account Value, multiplied

by the Income Benefit Factor on the date you choose to exercise the benefit. The Income Benefit Factor depends on your attained age at the time you choose to activate the benefit and the Income Benefit Option you choose.

### **Income Benefit Options include:**

- Single life level income benefit annually
- Single life income with a 2% annual cost of living increase<sup>7</sup>
- Joint life level income benefit annually (spousal continuation of income upon death of owner)
- Joint life income with a 2% annual cost of living increase<sup>7</sup> (spousal continuation of income upon death of owner)

<sup>7</sup>Cost of living increases begin on the 2nd anniversary following activation of the benefit and end once the contract value is depleted.

The Income Benefit Factors are declared by Forethought Life Insurance Company and are subject to a guaranteed minimum rate. Once you elect the Income Option, your income percentage is guaranteed for life. Please refer to the Secure Bonus 115 Plus product details sheet to view the guaranteed minimum and current company declared rates for each Income Benefit Option.

As long as your annual withdrawals do not exceed the Guaranteed Lifetime Annual Income, then the amount figured will be guaranteed for the rest of your life, even if your contract value falls to zero. You also maintain complete control and access to the current contract withdrawal value.

### **Rider Charges**

There is an annual rider charge for the Guaranteed Lifetime Income Benefit. This charge is calculated using the Contract Value as of the prior contract anniversary and is deducted monthly from the Contract Value. If you also select the optional Increased Death Benefit Guarantee rider an additional charge will be taken from your base contract value every year. The current charges for these benefits can be provided by your representative. You should carefully review the optional rider and its corresponding charge to make sure it is suitable for your individual situation.



*Whether planning for retirement or simply looking for another way to save, Secure Bonus 115 Plus offers the protection, flexibility and reliable income options to help you realize your dreams.*

Forethought Financial Group, Inc. through its subsidiaries, provides innovative insurance and financial solutions for families managing retirement and end-of-life needs. Headquartered in Indianapolis, Indiana, our companies provide life insurance and annuities. Forethought's insurance subsidiary, Forethought Life Insurance Company, has been consistently recognized by A.M. Best for financial strength. Forethought Life Insurance Company is licensed to sell in 49 states, the District of Columbia and Puerto Rico.

Secure Bonus 115 Plus<sup>SM</sup>, issued by Forethought Life Insurance Company, is available in most states with contract FA2001SPDANX-01 and FA2001SPDANXL-01, (certificate series GA2001SPDANX-01, as applicable). State variations may apply. Read the contract for complete details.

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