



PHOENIX

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**Product Training and Reference Guide**

# PHOENIX ACCUMULATOR UL<sup>®</sup>

*Permanent coverage that offers income protection  
with tax-advantaged cash accumulation*

*April 21, 2008*

**For producer use only. Not for distribution to the public.**

# Phoenix Accumulator UL<sup>®</sup>

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# Phoenix Accumulator UL<sup>®</sup>

## Introduction

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Phoenix Accumulator UL (PAUL IV) is a universal life insurance policy with the design flexibility to accommodate a multitude of personal and business planning needs.

Phoenix Accumulator UL is designed to balance performance and protection. It may be appropriate for clients wishing to minimize their long-term life insurance expenses and seeking a competitive, interest sensitive return for their assets.

***This guide describes the standard policy and riders for Phoenix Accumulator UL. The policy and its riders are subject to state availability. Actual product and rider details may vary in a particular state based on the terms of that state's approval.***

*This guide is intended to be both a general reference document and a training resource for producers. It is not intended to provide legal, tax or financial advice to your clients. Please encourage your clients to consult with their own tax and legal advisors with respect to the suitability of this product for their specific needs.*

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# Product Summary

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## Marketing Emphasis

- Phoenix Accumulator UL may be an appropriate product for clients who:
- want to accumulate money for long term goals on a tax deferred basis;
  - seek a competitive, interest sensitive return for their assets;
  - wish to minimize their long term life insurance expenses; and
  - need the flexibility to adjust their plans to their changing needs.
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## Product Basics

- Issue ages: 0 – 85 (age last birthday)
- Minimum basic policy face amount: \$100,000
- Coverage Layers available on and after the 2<sup>nd</sup> policy anniversary
- Guaranteed COI rates based on 2001 CSO Mortality Tables
- Current COI rates reduced at \$1,000,000
- Current COI rate reductions available under Healthy Measure Reward program
- Interest sensitive cash accumulation design
- Interest Bonus Feature
  - Up to 1% annual interest bonus credited to policy values above threshold
  - Available beginning in the eighth policy year
- Traditional UL features
  - Flexible premiums and death benefit
  - Policy values credited with competitive current interest rates
- Choice of level or increasing death benefit
- Coverage extends beyond the insured's age of 121
- Case design flexibility from the Increasing Term Rider
  - Three increasing death benefit options available
  - Current cost of insurance rates generally lower than those for base policy
  - Not included in calculation of CTP (lower sales charges for owner)
- Surrender charges level for policy years 1 – 10; decreasing to zero by the end of the 15<sup>th</sup> policy year.
- Competitive policy loan rates and overloan protection available
  - Preferred loans available with a current (not guaranteed) 5% credited interest rate and guaranteed 5% interest rate charged
- Available riders
  - Increasing Term Rider
  - Disability Benefit Rider
  - Acceleration of Death Benefit Rider
  - Alternate Surrender Value Rider
  - Waiver of Surrender Charge Rider
  - Phoenix LifePlan Options Rider

*Guarantees are based on the claims-paying ability of the issuing company.*

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## Product Summary, Continued

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### Target Prospects and Key Uses

- Affluent Individuals
  - Long term life insurance protection
  - Survivor income
  - Mortgage/debt liquidation
  - Supplemental retirement income
  - Supplemental college education funding
- High Net Worth Individuals
  - Estate planning
  - Annuity maximization planning
  - Distribution planning for IRA and qualified plan accumulations
  - Charitable giving
  - Funding for *potential* retirement income needs
    - Long term care expenses
    - Inflation
    - Lifestyle changes
  - Premium financing program
- Business Owners
  - Buy-sell agreement funding
  - Key person insurance
  - Estate equalization
  - Supplemental retirement income
- Senior Corporate Executives
  - Retirement maximization planning
  - Distribution planning for IRA and qualified plan accumulations
  - Deferred compensation plans
  - Executive bonus plans
  - 401(k) overlay plans
  - Split-dollar life insurance arrangements

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### Tax-Favored Treatment of Benefits

As a life insurance policy, one of the key components to Phoenix Accumulator UL's attractiveness is the tax-favored treatment of its benefits.

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## Product Summary, Continued

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### Product History

- November, 2000 – Phoenix Accumulator UL (PAUL) introduced
  - May, 2001 – Individual Term Rider rate changes for new and inforce policies
  - July, 2001 – Underwriting class point system changes
  - August, 2001 – Phoenix LifePlan Options Rider introduced
  - September, 2001 – Age 100+ Rider introduced
  - February, 2002 – Underwriting risk class names changed
  - February, 2002 – Base policy COI rates banded, surrender charge changed, CVAT Amendment and Exchange of Insured Rider introduced and Policy Value Benchmark changed for new policies
  - September, 2002 – Changes to Individual Term Rider rates and Age 100+ Rider charge for new policies
  - June, 2003 – Phoenix Accumulator UL (PAUL II) introduced to replace PAUL
  - August, 2003 – LifePlan Options Rider no longer available for qualified plans
  - May, 2004 – Changes to Individual Term Rider's rates and increasing option limits for new policies
  - July, 2004 – Changes to base policy COI rates for policies issued on or after 5/24/04
  - March, 2006 – Phoenix Accumulator UL (PAUL III) introduced to replace Phoenix Accumulator UL (PAUL II)
  - August, 2006 – Increased Alternate Surrender Value and availability of current COI discounts under Healthy Measure Reward program
  - September, 2006 – Changes to Commission Target Premiums (CTPs) and base policy and Increasing Term Rider COI rates for policies issued on or after 9/25/2006.
  - July, 2007 - Changes to Commission Target Premiums (CTPs) and base policy and Increasing Term Rider current COI rates for policies issued on or after 7/23/2007. Minimum Total Face Amount for Healthy Measure Reward program eligibility reduced to \$250,000 for policies issued on or after 7/23/2007.
  - November, 2007 - Changes to Commission Target Premiums (CTPs). For Healthy Measure Reward program, eliminated the Body Mass Index (BMI) height/weight qualification requirement at policy issue only.
  - April, 2008 – Phoenix Accumulator UL (PAUL IV) introduced to replace PAUL III. Current COIs based on 2001 CSO Mortality Tables.
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# Underwriting

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**Minimum Face Amount**

- Minimum Basic Face Amount: \$100,000
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**Number of Lives**

Insures one life.

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**Underwriting Classes**

- Please refer to the following table for underwriting class and issue age availability:

<b>Underwriting Class</b>	<b>Issue Age Limits (Age Last Birthday)</b>
Preferred Plus	18-80
Preferred	18-85
Nonsmoker	0-85
Smoker	18-85

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## Underwriting, Continued

### Body Mass Index (BMI)

The BMI criteria for the Healthy Measure Reward program is shown in the table below.

BMI	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
Height (inches)	Body Weight (pounds)																
58	91	96	100	105	110	115	119	124	129	134	138	143	148	153	158	162	167
59	94	99	104	109	114	119	124	128	133	138	143	148	153	158	163	168	173
60	97	102	107	112	118	123	128	133	138	143	148	153	158	163	168	174	179
61	100	106	111	116	122	127	132	137	143	148	153	158	164	169	174	180	185
62	104	109	115	120	126	131	136	142	147	153	158	164	169	175	180	186	191
63	107	113	118	124	130	135	141	146	152	158	163	169	175	180	186	191	197
64	110	116	122	128	134	140	145	151	157	163	169	174	180	186	192	197	204
65	114	120	126	132	138	144	150	156	162	168	174	180	186	192	198	204	210
66	118	124	130	136	142	148	155	161	167	173	179	186	192	198	204	210	216
67	121	127	134	140	146	153	159	166	172	178	185	191	198	204	211	217	223
68	125	131	138	144	151	158	164	171	177	184	190	197	203	210	216	223	230
69	128	135	142	149	155	162	169	176	182	189	196	203	209	216	223	230	236
70	132	139	146	153	160	167	174	181	188	195	202	209	216	222	229	236	243
71	136	143	150	157	165	172	179	186	193	200	208	215	222	229	236	243	250
72	140	147	154	162	169	177	184	191	199	206	213	221	228	235	242	250	258
73	144	151	159	166	174	182	189	197	204	212	219	227	235	242	250	257	265
74	148	155	163	171	179	186	194	202	210	218	225	233	241	249	256	264	272
75	152	160	168	176	184	192	200	208	216	224	232	240	248	256	264	272	279
76	156	164	172	180	189	197	205	213	221	230	238	246	254	263	271	279	287

← Eligible for Program | Not Eligible for Program →

To use the BMI Table find the Insured's height in the left-hand column. Then move across the BMI Table to the Insured's weight. In order to qualify for a change in the Insured's Risk Classification the Insured's weight must be no more than the amount identified in the BMI 25 column or less than the amount identified in the BMI 19 column.

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## Underwriting, Continued

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### Substandard Risks

- Substandard table-rated policies are available only in the Smoker and Nonsmoker risk classifications.
    - The maximum table rating is 500% (Table P).
    - The additional cost of insurance (COI) for a substandard smoker issue is based on Smoker rates and the additional COI for a nonsmoker issue is based on Nonsmoker rates.
    - For issue ages over 80, risks must be Table D or less.
    - For issue ages under 16, substandard table-rated policies are not available.
    - The extra premium for table-rated policies is commissionable and affects the Commission Target Premium (CTP).
  - Permanent and temporary flat extra ratings:
    - are available for medical, occupational, avocational, and aviation substandard risks.
    - are applied as a dollar per thousand charge.
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### Backdating

Backdating is generally permitted up to 3 months.

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### Underwriting Guide

Please refer to Phoenix's *Underwriting Guide* for more detailed information regarding medical and non-medical underwriting factors. The guide is located in the New Business/Underwriting section of the Phoenix Advisor Center at [www.phoenixwm.com](http://www.phoenixwm.com).

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## Premiums and Cash Value

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### Premium Limits

- Minimum initial premium:
  - The minimum initial premium amount is provided in the policy illustration.
- Maximum premium:
  - The maximum premium is determined by the definition of life insurance test under the Internal Revenue Code.

For Phoenix Accumulator UL, you may choose the Guideline Premium Test (GPT) or the Cash Value Accumulation Test (CVAT). These tests are defined in section 7702 of the Internal Revenue Code.

- *Note: Paying the maximum premium may cause the policy to fail the Internal Revenue Code Section 7702A 7-Pay test and cause it to become a Modified Endowment Contract.\**

\* If the policy is classified as a Modified Endowment Contract (MEC), policy loans, withdrawals or other distributions of income (gains) will be taxed as ordinary income and distributed first, followed by basis in the contract. Distributions of income (gains) prior to age 59 ½ may be subject to a 10% tax penalty, in addition to ordinary income tax. Surrender charges may also apply. For all life insurance contracts, gains in excess of basis are taxable in the event of a surrender, lapse or policy maturity.

Policy loans and withdrawals will reduce the cash value and death benefit.

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### CVAT vs. GPT

- The CVAT is based on the relationship between a policy's potential cash value and death benefit.
- The GPT compares actual premiums paid against a computed limit (which is based on death benefit, age, expenses and mortality charges). A policy being tested under the GPT must also satisfy the cash value corridor, which requires a set percentage of death benefit to cash value depending on the age of the insured.
- The CVAT allows for greater funding than the GPT during the early years of a policy (positively impacting cash accumulation).
- At later ages, the CVAT generates a higher net amount at risk (and higher cost of insurance charge) than the GPT (negatively impacting cash accumulation).

Although the relative benefits of the CVAT should be weighed carefully on a case by case basis, particular consideration should be given to "limited-pay" and "maximum non-MEC funding" scenarios.

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## Premiums and Cash Value, Continued

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### Monthly Guarantee Premium

The Monthly Guarantee Premium is the monthly premium requirement used in the Total Cumulative Premium Test for the Guaranteed Death Benefit.

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### Premium Payment Options

- Scheduled premium payments:
    - Annual, semi-annual, quarterly, and monthly PCS (bank draft)
  - Unscheduled premium payments:
    - Unscheduled premium payments can be made at any time.
    - The minimum unscheduled premium payment is \$25.
- 

### Policy Value

Net premium payments (premiums *less* sales charges) are credited to the policy value.

- Policy charges are deducted from the policy value.
  - Current interest is credited to policy value.
  - The policy value is accessible by loan, withdrawal or surrender.
- 

### Cash Surrender Value

The cash surrender value is equal to the policy value *less* any remaining surrender charge and outstanding policy debt.

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## Interest Crediting

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### Interest Credited on Policy Value

- Current interest rate credited on unloaned policy value:
    - The current interest rate is subject to change at any time.
  - Interest rate credited on loaned policy value:  
*Refer to Loans and Withdrawals section for additional information regarding policy loans.*
  - Guaranteed interest rate credited on policy value:
    - The guaranteed minimum credited interest rate is 3%.
- 

### Interest Bonus Feature

Beginning in policy year eight, when the policy value reaches the “policy value benchmark” Phoenix will credit an interest bonus of up to 1% annually on the lesser of:

- (a) the unborrowed policy value in excess of the policy value benchmark and
- (b) the Total Face Amount (basic plus any coverage layers) in excess of the policy value benchmark.

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### Interest Bonus Policy Value Benchmark

The “policy value benchmark” is used to determine eligibility for the Interest Bonus. The benchmark is a percentage of the sum of the policy’s current basic face plus coverage layer face amounts and Increasing Term Rider face amounts, or if greater, the initial basic face amount.

The benchmark percentage is based on issue age.

- For issue ages 60 and under:
    - 20%
  - For issue ages over 60:
    - 20% **plus** 2% for each issue age year over 60 to a maximum of 40%.
- 

### Interest Bonus Rates

The Interest Bonus Rate is based upon the effective annual interest rate credited on unloaned policy value. The current interest rate being credited to the policy value must be at least 3.75% for the Interest Bonus to be payable.

- If the current interest rate credited to the policy value is at least 3.75% but less than 4.5%, the Interest Bonus rate will be equal to **.5%**.
- If the current interest rate credited to the policy value is 4.5% or greater, the Interest Bonus rate will be equal to **1%**.

*Note: The Interest Bonus Rate is only applied to that portion of the unloaned policy value in excess of the policy value benchmark, or if less the sum of the Basic and Coverage Layer face amounts in excess of the policy value benchmark. The Interest Bonus is not applicable to any loaned policy value.*

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## Death Benefit

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### **Total Face Amount**

The Total Face Amount of the policy is the sum of the Basic Face Amount and any additional base Coverage Layer face amounts.

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### **Coverage Layers**

Additional base coverage layers are available on policy anniversaries on and after the second policy anniversary. The death benefit option must be the same for the original coverage and all layers of coverage. The minimum face amount increase is \$25,000. Each Coverage Layer will have its own Issue Charge, schedule of Surrender Charges and Cost of Insurance rates based on the sex, issue age, underwriting class and rating on the insured at the time of addition of the Coverage Layer.

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### **Death Benefit Options**

Phoenix Accumulator UL provides a choice of two death benefit options.

1. Level Death Benefit (Option A) is equal to the policy face amount.
2. Increasing Death Benefit (Option B) is equal to the policy face amount *plus* the policy value.

Additional increasing death benefit options are available with the Increasing Term Rider.

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### **Change of Death Benefit Option**

- Option changes are permitted once per policy year beginning in the second policy year.
  - Option changes are permitted without evidence of insurability.
  - Changes are processed on the Monthly Calculation Day following Phoenix's approval of the request.
- 

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## Death Benefit, Continued

### Changing from Option B to Option A

When the death benefit is changed from Option B (Increasing) to Option A (Level), the face amount increases by the policy value, and becomes equal to the full death benefit under the prior Option B. The chart below illustrates a change from Option B to Option A.

	<b>Original</b>	<b>New</b>
Death Benefit Option	Option B (Increasing)	Option A (Level)
Basic Face Amount	\$500,000	\$510,000
Policy Value	\$10,000	\$10,000
Total Death Benefit	\$510,000	\$510,000

### Changing from Option A to Option B

When the Death Benefit is changed from Option A (Level) to Option B (Increasing), the face amount decreases by the policy value. The chart below show an example of a change from Option A to Option B.

	<b>Original</b>	<b>New</b>
Death Benefit Option	Option A (Level)	Option B (Increasing)
Face Amount	\$500,000	\$490,000
Policy Value	\$10,000	\$10,000
Total Death Benefit	\$500,000	\$500,000

### Death Benefit Guarantee (Secondary Guarantee)

A five year death benefit guarantee feature (secondary guarantee) is available with Phoenix Accumulator UL.

The Guaranteed Death Benefit feature:

- is automatically included with all Phoenix Accumulator UL policies.
- prevents the policy from lapsing during the first five policy years even if the net surrender value (surrender value less outstanding policy debt) is insufficient to pay the monthly deduction.

*Guarantees are based on the claims-paying ability of the issuing company.*

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## Death Benefit, Continued

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### **Total Cumulative Premium Test**

The Total Cumulative Premium Test used for the Guaranteed Death Benefit is as follows:

<p>Total cumulative premiums paid (less partial withdrawals) <i>Less</i> Outstanding policy debt</p> <p><b><i>Must Be Greater Than Or Equal To</i></b></p> <p>Total cumulative Monthly Guarantee Premiums (since policy issue)</p>
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### **Monthly Guarantee Premium**

The Monthly Guarantee Premium is the monthly premium requirement used in the Total Cumulative Premium Test for the Guaranteed Death Benefit.

- The premium takes into account any riders or flat extra ratings and any coverage layers.
- The Monthly Guarantee Premium is provided on the policy's schedule page.

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### **Beyond Age 121**

- At the policy anniversary of the insured's age of 121:
    - the death benefit will be equal to the greater of the policy cash value or total face amount of coverage;
    - no further cost of insurance or monthly administrative charges will be applied to the policy; and
    - no further premium payments will be accepted.
-

## Loans and Withdrawals

### Loan Provisions

- Policy loans are permitted while the policy is in force and sufficient loan value is available.
- Preferred Loans are available at issue for policies with a Section 1035 Exchange.
- The maximum loan value at issue is equal to 90% of the Section 1035 Exchange amount. After issue, the maximum policy loan value will never be less than the Preferred Loan Amount plus accrued interest on the Preferred Loan Amount. To determine if additional loan value is available, the maximum loan value is limited to the lesser of:
  - the current cash surrender value; and
  - the cash surrender value projected to the next policy anniversary at guaranteed assumptions, minus, loan interest through the next policy anniversary.
- The minimum requested loan amount permitted is \$500.
- The interest rate charged on preferred and non-preferred loans is a guaranteed rate of 5% for **all** policy years

### Preferred Loans at Issue

- Available only for policies issued with a Section 1035 Exchange.
- The loan is carried over from the old policy as part of the single premium.
- Initial loans may constitute as much as 90% of the exchange amount.

### Loan Interest Rate Spread

The current interest rate credited on loaned policy values is determined by deducting a spread from the loan interest rate charged.

Preferred Loans		
	Current (not guaranteed) Loan Interest Rate Spread	Guaranteed Loan Interest Rate Spread
All Policy years	0.00%	2.00%

Non-preferred Loans		
Age of Policy	Current (not guaranteed) Loan Interest Rate Spread	Guaranteed Loan Interest Rate Spread
Policy years 1-15	1.25%	2.00%
Policy years 16+	0.50%	2.00%

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## Loans and Withdrawals, Continued

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### Overloan Protection

- Overloan protection is designed to reduce the risk of lapse when accumulating a large amount of policy debt.
- This option is included with all Phoenix Accumulator UL policies and may be elected if:
  - Guideline Premium life insurance qualification test is in effect (not CVAT).
  - The insured is at least age 65.
  - The policy has been in force for at least 15 years.
  - Premiums paid have been withdrawn.
  - The loan balance exceeds the specified Total Face Amount.
  - The outstanding policy debt is 96% of the policy value (any debt in excess of this must first be repaid).
- On the monthly calculation day immediately following the election:
  - A one-time charge equal to **3.5%** of the policy value is assessed.
  - The death benefit is permanently set to Option A.
  - The face amount is set equal to **101%** of the policy value (after the one-time charge is assessed).
  - Any riders in effect will be terminated.
- Once overloan protection is in effect, the policy is guaranteed not to lapse and the following rules apply.
  - The death benefit will be the greater of (a) the new face amount or (b) the greater of the policy value and the loan balance multiplied by the applicable Internal Revenue Code Section 7702(d) corridor factor. Any loan balance will reduce the death benefit payable.
  - Loan interest will continue to accrue.
  - No further monthly charges will be deducted.
  - No further premium payments will be accepted.
  - No further withdrawals will be permitted.
  - No additional policy loans or loan repayments will be permitted.

*Guarantees are based on the claims-paying ability of the issuing company.*

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***Note: Any outstanding policy debt will be deducted from the policy's death benefit at the time death proceeds are calculated. The IRS has never opined on the federal income tax ramifications of overloan. It is possible that use of overloan could result in current taxation.***

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## Loans and Withdrawals, Continued

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### Withdrawal Provisions

- Withdrawals of policy value are permitted once per policy month.
- Withdrawals may be subject to a partial surrender charge. The surrender charge represents a portion of the policy's remaining surrender charge. There will be no partial surrender charge on withdrawals after the first 10 policy years.
- If the Increasing Term Rider is in effect, any reductions in face amount will first be applied to reduce the face amount of coverage under the term rider, then to coverage layers in the reverse order that they were added and finally to the initial Basic Face Amount. Decreases to the term rider will not have a partial surrender charge applied.

$$\text{Layer Partial Surrender Charge} = \text{Layer Full Surrender Charge} \times \frac{\text{(Decrease in Coverage Layer Face Amount)}}{\text{(Coverage Layer Face Amount Before Withdrawal)}}$$

$$\text{Basic Partial Surrender Charge} = \text{Basic Full Surrender Charge} \times \frac{\text{(Decrease in Basic Face Amount)}}{\text{(Basic Face Amount Before Withdrawal)}}$$

The partial surrender charge is the sum of the Coverage Layer(s) Partial Surrender Charge and Basic Face Partial Surrender Charge.

- The minimum withdrawal amount permitted is \$500.
- Withdrawals are not permitted if:
  - they reduce cash surrender value to zero; or
  - they reduce the policy Basic Face Amount below the required minimum.

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### Considerations

Gains in excess of basis are taxable in the event of a surrender, lapse or policy maturity. If the policy is classified as a Modified Endowment Contract (MEC), policy loans, withdrawals or other distributions of income (gains) will be taxed as ordinary income and distributed first, followed by basis in the contract. For a MEC, distributions of income (gains) prior to age 59 ½ may be subject to a 10% tax penalty, in addition to ordinary income tax.

Policy loans and withdrawals will reduce the cash value and death benefit.

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## Policy Changes

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### Change of Death Benefit Option

*Refer to Death Benefit section for detailed information regarding death benefit option changes.*

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### Face Amount Increases

Base coverage layers may be added on policy anniversaries on and after the second policy anniversary.

- The death benefit option must be the same for the original coverage and all layers of coverage.
  - The minimum face amount increase is \$25,000.
  - Each layer will have its own Issue Charge, schedule of Surrender Charges and cost of insurance rates based on the sex, issue age, underwriting class and rating on the insured at the time of addition of the layer.
- 

### Face Amount Decreases

The following provisions apply to face amount decreases requested by the policy owner, not decreases that are the result of partial withdrawals.

- Face amount decreases are not permitted in the first year.
- The minimum face amount decrease permitted is \$25,000.
- Decreases are not permitted to reduce the policy face amount below the required minimum.
- A partial surrender charge may be assessed. The partial surrender charge represents a pro-rata portion of the policy's remaining surrender charge.
- The partial surrender charge is deducted from the policy cash value.

Surrender charges are determined separately for each layer of coverage.

$$\text{Layer Partial Surrender Charge} = \text{Layer Full Surrender Charge} \times \frac{(\text{Decrease in Coverage Layer Face Amount})}{(\text{Coverage Layer Face Amount Before Withdrawal})}$$

$$\text{Basic Partial Surrender Charge} = \text{Basic Full Surrender Charge} \times \frac{(\text{Decrease in Basic Face Amount})}{(\text{Basic Face Amount Before Withdrawal})}$$

The partial surrender charge is the sum of the Coverage Layer(s) Partial Surrender Charge and Basic Face Partial Surrender Charge.

### Note

- If the Increasing Term Rider is in effect, any reductions in face amount will first be applied to reduce the face amount of the term rider, then to coverage layers in the reverse order that they were added and finally to the initial Basic Face Amount.
  - The partial surrender charge does not apply to decreases in the Increasing Term Rider.
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## Policy Termination

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### Free Look Period

- This policy has a free look period of 10 days (20 days on replacements).
  - If the owner returns the policy within the free look period, there will be a full refund of premium paid (less any withdrawals and outstanding loan balance).
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### Cash Surrender

- The policy will terminate upon the policy owner's written request for a cash surrender in a form satisfactory to us.
  - The cash surrender value will be paid to the policyholder.
  - The cash surrender value is equal to the policy value less any applicable surrender charge and outstanding policy debt.
- 

### Lapse

- For policy years 1 – 5, the policy will remain in force as long as the net surrender value (policy value *less* surrender charge *less* outstanding policy debt) is greater than zero. In addition, during the first five policy years, there is a Total Cumulative Premium Test that will allow the policy to remain in force even if the net policy value is negative. If cumulative premiums paid (less withdrawals) since issue, less outstanding debt are at least equal to the cumulative monthly No-Lapse Premium since issue, then the policy will remain in force even if the net policy value cannot support the monthly deduction.
  - For policy years 6 and beyond, the policy will remain in force as long as the net surrender value is greater than zero.
  - If there is insufficient value to cover the monthly charges and expenses, or if during the first 5 policy years the Total Cumulative Premium Test is not satisfied when there is insufficient value to cover the monthly charges and expenses, a grace period of 61 days will be allowed for payment of a premium in an amount sufficient to increase the net surrender value on that monthly calculation day to cover 3 monthly deductions.
  - If the premium payment is not made during the grace period, the policy will lapse without value.
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## Policy Termination, Continued

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### **Maturity**

- Phoenix Accumulator UL does not have a maturity date.
- At the policy anniversary of the insured's age of 121:
  - If Death Benefit Option B is in effect, it will be changed to Death Benefit Option A with no change in face amount;
  - The death benefit is the greater of the policy value or the total face amount of coverage;
  - The total face amount of coverage (Basic, Coverage Layers and Increasing Term) continues for the insured's lifetime as long as the net surrender value is greater than zero;
  - No further cost of insurance or monthly administrative charges will be applied to the policy; and
  - No further premium payments will be accepted.

Note: For the issue states of New York, Maine and Puerto Rico, any term insurance in effect at the policy anniversary of the insured's age of 121 will convert to basic policy coverage.

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# Policy Charges

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**Surrender Charge**

The surrender charge period for the Basic Face Amount is 15 years.

- The initial surrender charge remains level for the first 10 policy years.
- The surrender charge grades to zero by the end of the 15th policy year.
- The surrender charge is reduced by any partial withdrawal charges and partial surrender charges previously paid.

Each additional coverage layer will have its' own 15 year surrender charge schedule.

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**Sales Charge**

5% of premium in all policy years.

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**Issue Charge**

Phoenix Accumulator UL has an issue charge that is applied in the first year.

- \$1.80 per \$1,000 of Basic Face Amount to a maximum of \$900
  - Spread over 12 months at a maximum of \$75 per month
  - If the policy is surrendered during the first year, any remaining issue charge will be deducted from the cash surrender value.
- 

**Administrative Charge**

- The current charge is \$6.00 per month.
  - The guaranteed charge is \$8.00 per month.
- 

*Continued on next page*

## Policy Charges, Continued

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### Cost of Insurance Charge (COI)

- Guaranteed monthly COI rates for standard risks are equal to the 2001 CSO, sex and smoker distinct, ultimate table.
- Current monthly COI rates will vary by issue age, gender, risk class and substandard rating.
- Guaranteed monthly COI rates for substandard risks will be multiples of the standard risk table.
- Unisex rates are available for qualified plans.
  - Guaranteed monthly COI rates for unisex policies are based on an 80/20 male/female blend of the 2001 CSO mortality tables.
- Rate banding reductions will be applied separately to base coverage and Increasing Term Rider current COIs for face amounts equal to or greater than \$1,000,000.

The Healthy Measure Reward (HMR) program provides for reductions to basic policy current COI rates on eligible policies where the insured's height/weight Body Mass Index (BMI) is maintained within a specified range (Refer to BMI table in the Underwriting section). HMR is not guaranteed.

The policy must meet the following criteria for eligibility.

- Insured's issue age is 30 through 55
- Insured's risk class is Preferred or Preferred Plus
- Minimum Total Face Amount of \$250,000
- Ultimate risk amount does not exceed our retention.

Reductions are applied to the current rates (prior to banding) as follows.

- 5% in policy years 6 – 10
- 10% in policy years 11 – 15
- 15% in policy years 16 – 20
- 20% thereafter

Note: HMR COI discounts are not available on additional coverage layers.

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## **Available Riders**

Increasing Term Rider

Disability Benefit Rider

Acceleration of Death Benefit Rider

Alternate Surrender Value Rider

Waiver of Surrender Charge Rider

Phoenix LifePlan Options Rider



## Increasing Term Rider

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### **Rider Benefit**

This rider provides increasing annually renewable term coverage on the primary insured for life where the rider death benefit is equal to the Total Rider Insurance amount minus an amount, not less than zero, equal to the policy's minimum death benefit minus the policy's Total Face Amount. There is no initial coverage permitted at issue and the increase option is specified at that time. The rider offers these key features:

- Three increasing options for case design flexibility;
  - Current cost of insurance charges generally lower than base policy's COI's;
  - Not included in CTP calculation (lower sales charges for owner); and
  - Coverage beyond age 121 with the death benefit equal to the rider face amount less the excess, if any, of the Policy Value over the Total Face Amount.
- 

### **Rider Availability**

The Increasing Term Rider is available at issue:

- on the life of the primary insured;
  - with Death Benefit Option A only;
  - for issue ages 18-80; and
  - with the same risk classifications as for the base policy; and
  - if insured is Table D or better and with no flat extra greater than or equal to \$10 per thousand.
  - Rider growth beyond our retention is subject to reinsurance acceptance prior to issue.
- 

### **Initial Rider Face Amount**

There is no initial coverage permitted at issue (initial face amount for the rider is zero).

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## Increasing Term Rider, Continued

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### Increasing Options

- There are three increasing options available with the Increasing Term Rider.
    1. **Percentage Increase** – This option provides for annual whole percentage increases ranging from 1% to 5%. The annual increase is equal to the percentage elected multiplied by the policy's previous total face amount (base policy and rider combined).
    2. **Fixed Dollar Increase** – This option provides for annual fixed dollar increases. The amount elected can not exceed 5% of the policy's initial face amount.
    3. **Increases Equal to Premiums Paid** – This option provides for monthly increases equal to the policy premiums paid for the previous month.
  - **The options are only available with Death Benefit Option A.**
    - If the death benefit is changed to Option B, the rider will terminate.
  - Increases will be applied to the face amount of the rider.
  - For the Percentage and Fixed Dollar increasing options:
    - The policy owner may decrease, but not increase, the elected percentage or amount at any time.
    - Increases may continue until the earlier of 15 policy years and the policy anniversary of the insured's age 85.
    - Total increases cannot exceed the lesser of the policy's initial Face Amount and \$5,000,000.
  - For the Increases Equal to Premium Paid option:
    - Increases may continue until the policy anniversary of the insured's age 121.
    - Total increases cannot exceed the amount illustrated for the application (which cannot exceed 250% of the sum of the policy's initial Face Amount).
- 

### Reinstatement:

This rider may be reinstated if the policy has lapsed and is later reinstated. No further insurance increases under the rider will occur. The Total Rider Insurance Amount upon reinstatement will equal the Total Rider Insurance Amount on the date of termination.

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*Continued on next page*

## Increasing Term Rider, Continued

### Face Amount Decreases

- If there is a policy withdrawal or requested decrease in the rider face amount, no further increases will be permitted.
- Any policy withdrawals or face amount decreases will first reduce the rider face amount.
- If the decrease is greater than the rider face amount, the remainder is then applied to coverage layers in the reverse order that they were added and finally to the base policy's face amount.

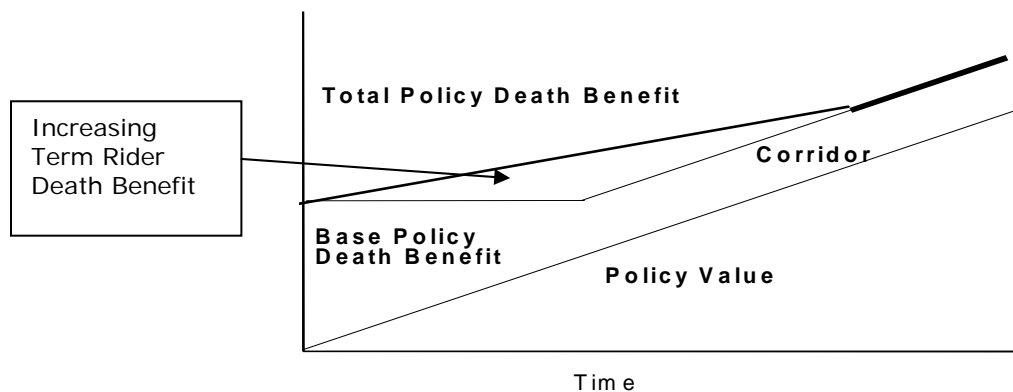
### Effect of the Cash Value Corridor (Internal Revenue Code Section 7702(d))

As per Internal Revenue Code Section 7702, a life insurance policy's death benefit must bear a set relationship to the cash value. This relationship is referred to as the "cash value corridor". While the policy is in the corridor, the death benefit increases to an amount equal to the cash value multiplied by a "cash value corridor factor".

If the policy reaches the cash value corridor, the Increasing Term Rider death benefit begins to integrate with the base policy death benefit to provide a total policy death benefit consistent with the originally scheduled increases.

As a result of the corridor, it is possible that the base policy death benefit will grow to represent the total death benefit on its own, with the Increasing Term Rider death benefit having been reduced to zero.

### Example: Option A Base Policy with Increasing Term Rider Option



*Continued on next page*

## Increasing Term Rider, Continued

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- Rider Charges**
- Cost of Insurance (COI) Charges:
    - Current COI's are lower than those for the base policy.
    - COI charges for the rider will be deducted monthly from the policy value.
  - Issue Charge: None
  - Administrative Charge: None
  - Surrender Charge: None
- 

**Effect on CTP Calculation** The rider face amount is not taken into consideration when calculating the Commission Target Premium (CTP).

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**Effect on 7-Pay Premium** The rider death benefit is added to the base policy death benefit when calculating the policy's TAMRA 7-Pay premium under Section 7702A of the Internal Revenue Code.

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**Effect on Guideline Premiums** The rider death benefit is added to the base policy death benefit when calculating the policy's Guideline Level Premium (GLP) and Guideline Single Premium (GSP). The GLP and GSP are associated with the Guideline Premium Test (GPT) used for Phoenix Accumulator UL's definition of life insurance testing under Section 7702 of the Internal Revenue Code.

---

- Convertibility**
- The Increasing Term Rider is not convertible with the following exception.

For the issue states of New York, Maine and Puerto Rico, any term insurance in effect at the policy anniversary of the insured's age of 121 will automatically convert to basic policy coverage.

---

- Rider Termination**
- This rider will terminate at the earliest of:
- if there is a change from Death Benefit Option A to Death Benefit Option B;
  - when the rider target face amount is reduced to zero due to withdrawals or decreases;
  - upon exercise of the Overloan Protection Provision;
  - termination of the base policy; and
  - the insured's election to terminate the rider.
-

## Disability Benefit Rider

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**Rider Benefit** This rider will credit a specified amount to the policy value upon total disability of the primary insured.

---

**Rider Availability** The Disability Benefit Rider is available:

- for issue ages 5 - 60;
- with base policy risk classifications up to substandard Table D; and
- for disability risk classifications up to 200% of the standard rate.

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**Specified Amount**

- The specified annual amount elected may not exceed the lesser of:
  - the Section 7702A Internal Revenue Code TAMRA 7-Pay premium;
  - \$100,000; and
  - the subsequent planned annual premium.
- One twelfth of the Specified Annual Amount will be credited monthly.
- To the extent that the Specified Monthly Amount to be credited exceeds any premium limits then in effect, the Specified Monthly Amount will be reduced by such excess premium, but in no event will be less than zero.

---

**Waiting and Benefit Periods**

- The insured must be totally disabled (as defined in the contract) for a period of at least 6 continuous months before rider benefit payments begin.
- After the waiting period has been satisfied, payments begin retroactive to the date of disability.
- The payment periods while the insured is continuously disabled are as follows:

When date of disability is ...	the maximum benefit period is ...
prior to the policy anniversary of the insured's age of 60, and as long as they continue to satisfy the definition of disability until the policy anniversary of their age 65,	until the termination of the policy.
prior to the policy anniversary of the insured's age of 64, but after the policy anniversary of the insured's age 60,	until the earlier of: the policy anniversary of the insured's age of 65 and the termination of the policy.
within one year of the policy anniversary of the insured's age of 65.	one year.

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## Disability Benefit Rider, Continued

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- Rider Charge**
- Rates are level and vary by issue age, sex and disability risk classification.
  - Only three disability risk classifications are available:
    - Standard;
    - Standard x 150%; and
    - Standard x 200%.
  - The rider charge is deducted monthly from the policy value until the earlier of age 65 and termination of the rider.
- 

- Rider Termination**
- The Disability Benefit Rider will terminate at the earlier of:
- the written request from the policy owner;
  - the policy anniversary of the insured's age 65, unless benefit payments are still payable beyond that date;
  - we determine at any time during the life of the policy that a beneficiary or ownership designation has been procured in order to transfer ownership or any benefits under the policy to a third party without an insurable interest; and
  - termination of the base policy.
- 

**Effect on CTP** This rider is included in the calculation of the policy's Commission Target Premium (CTP).

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## Acceleration of Death Benefit Rider

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**Rider Benefit** The Acceleration of Death Benefit Rider allows for a lump sum early payment of a portion of the death benefit if the insured is diagnosed as terminally ill with a life expectancy of no longer than 6 months.

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**Rider Availability** The Acceleration of Death Benefit Rider is available at issue for all nonqualified Phoenix Accumulator UL policies, subject to state approval. It is not available for qualified plans.

*Note: For qualified policies, Phoenix currently provides an Accelerated Benefit by administrative practice even if the rider is not elected at issue.*

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**Maximum Benefit Amount**

- The maximum benefit is the lesser of:
  - 75% of the face amount; and
  - \$250,000 (aggregate of all Phoenix policies).
- The remaining face amount must be at least \$10,000.

---

**Benefit Reductions and Charges**

- The benefit payment will be reduced by:
  - a discount charge reflecting lost interest due to early payment (based on a discount rate equal to the loan interest rate);
  - a proportionate share of the outstanding policy debt; and
  - a one time \$150 administrative fee (guaranteed not to exceed \$300).
- There are no other charges associated with this rider.

---

**Effect on the Policy** The policy face amount, cash surrender value, policy value and outstanding debt will be reduced in proportion to the reduction in the death benefit.

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**Conditions for Payment** All of the following conditions must be met for payment:

- The policy must be in force.
- Phoenix must receive the consent of any assignees and irrevocable beneficiaries.
- A physician must certify that death is expected to occur within 6 months. *Phoenix reserves the right to require a second opinion from a physician chosen by the company at the company's expense.*

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**Rider Termination** The rider will terminate upon the earlier of:

- termination of the base policy;
- a written request to terminate the rider; and
- payment of any benefit under the rider.

---

# Alternate Surrender Value Rider

**Rider Benefit** This rider provides an alternate cash surrender value that may be significantly higher than the standard cash surrender value in the early years of the policy. It addresses concerns regarding liquidity, financial reporting and the collateral requirements of premium financing programs.

**Rider Availability** A minimum first-year premium of \$100,000 is required.

- Alternate Surrender Value**
- Upon a full cash surrender during the elected benefit period, the policy owner will receive the **greater** of:
    - the standard Net Surrender Value without this rider; and
    - the Net Alternate Surrender Value.
  - The Alternate Surrender Value is equal to the **lesser** of:
    - the sum of the policy value (without any surrender charge) sales charges, issue charges, service fees and the charges for the Alternate Surrender Value rider incurred since issue; and
    - total cumulative premiums paid.
  - The Net Alternate Surrender Value is equal to the Alternate Surrender Value less Policy Debt (from any preferred loan amount).
  - A policy with the ASV rider may have lower Internal Revenue Code section 7702 premium limits than one without ASV. This may result in less accumulation potential.

- Benefit Period and Rider Charge**
- The maximum benefit period for the rider is seven policy years.
  - The benefit period must be elected at issue and determines how the rider charge is calculated. The rider charge will be deducted monthly for the duration of the rider benefit period. The benefit period may not be changed after issue.

<b>Monthly Rider Charge = <math>\frac{\text{Annual Percentage} \times \text{Base Policy TAP}}{12}</math></b>	
<b>Benefit Period (in policy years)</b>	<b>Annual Percentage</b>
1	4.0%
2	4.5%
3	5.0%
4	5.5%
5	6.0%
6	6.5%
7	7.0%

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## Alternate Surrender Value Rider, Continued

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### **Rider Termination**

This rider will terminate on the earlier of:

- any partial withdrawal or policy loan;
  - any requested increase in face amount;
  - the end of the elected benefit period (rider expiry date);
  - any assignment, exchange or change of ownership *unless*:
    - the change in ownership directly results from a merger, consolidation, or acquisition of the owner's assets and the successor owner is the owner's wholly-owned subsidiary on the date of the change; or
    - the successor owner of the policy is a trust established by the owner for the purposes of providing employee benefits;
  - written request of the policyowner; and
  - termination of the base policy.
- 

### **Compensation Charge-back Provision**

- As specified in the compensation schedule, full cash surrender while this rider is in effect will trigger a compensation charge-back equal to the *lesser* of:
    - 100% of the total compensation paid for the policy; and
    - the amount of any cash surrender value enhancement due to this rider.
- 

### **Effect on CTP**

This rider is included in the calculation of the policy's Commission Target Premium (CTP).

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## Waiver of Surrender Charge Rider

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**Rider Benefit** This rider will waive surrender charges for basic coverage on the original policy and any additional layers. When this rider is attached to a policy, no surrender charges will appear on schedule pages or illustrations.

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**Rider Availability** This rider is elected at the time of policy application (not available to add after issue).

- The rider is available for insureds with issue ages less than or equal to 65.
- A minimum first year premium of \$25,000 is required for purchase of this rider.
- When elected, this rider is irrevocable and will apply to any additional policy coverage layers.

---

**Rider Charge** The cost of the rider will be a per \$1000 face amount charge for 10 years which will vary by issue age. Each coverage layer will have its own 10 year charge.

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# Phoenix LifePlan Options Rider

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## Rider Benefit

At specified policy anniversaries, clients will have an opportunity to “restructure” their policy to help accommodate a needed change in their wealth management strategy.

Phoenix LifePlan Options addresses the needs of producers whose clients:

- need permanent life insurance protection;
  - are concerned with tax law changes and other planning uncertainties;
  - are hesitant to commit to a permanent life insurance policy today; and
  - want the flexibility to adjust their plans to their changing needs.
- 

## Rider Availability

This rider is automatically included at issue for all nonqualified Phoenix Accumulator UL policies with a base policy face amount of at least \$1,000,000, subject to state approval. It is not available for qualified plans, and is subject to available retention.

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## Summary of Rider Options

- There are three flexible options that may be exercised on specified policy anniversaries:
  - **Increase** coverage without a medical exam requirement;
  - **Reduce** coverage without incurring a surrender charge; and
  - **Exchange** for an annuity without incurring a surrender charge.
- The availability, option dates and provisions for each option vary.
- Multiple options may be exercised per policy.

Note: Changes in face amount may have federal income tax ramifications.

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## Phoenix LifePlan Options Rider, Continued

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### Increased Coverage Option

- This option provides an opportunity to increase the total face amount of the policy by up to \$1,000,000 without a medical exam requirement.
- **Option Availability:**
  - Risk class must be Table D (200%) or better at issue of the base policy.
  - This option is subject to state availability of the Increasing Term Rider.
  - Insured must be attained age 65 or younger on the option date.
  - Subject to available retention.
- **Option Dates:**
  - This option may be exercised during 90-day windows immediately preceding the 5<sup>th</sup>, 10<sup>th</sup> and 15<sup>th</sup> policy anniversaries.
- **Option Provisions:**
  - Total option increases may not exceed \$1,000,000, aggregate of all option increases for all Phoenix policies on the same insured.
  - Option increases must be issued with the same risk class as for the base policy.
  - Increases are issued on an “accept or reject basis” only, based on non-medical (part II) and financial underwriting.
  - Option increases are applied using the Increasing Term Rider.
  - If it is not already attached to the base policy, the Increasing Term Rider will be added at the time of the first option increase.
- **Interaction with Other Options:**
  - The Reduced Coverage Option may also be exercised on prior or subsequent option dates.
  - The Exchange for Annuity Option may also be exercised on subsequent option dates.

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## Phoenix LifePlan Options Rider, Continued

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### Reduced Coverage Option

- This is an option to reduce the base policy face amount up to 50% without incurring a partial surrender charge.
- **Option Availability:**
  - Available for all ages and risk classifications.
- **Option Dates:**
  - This option may be exercised during 90-day windows immediately preceding the 5<sup>th</sup>, 10<sup>th</sup> and 15<sup>th</sup> policy anniversaries.
- **Option Provisions:**
  - Total option reductions of the base policy face amount may not exceed the lesser of 50% of the initial base policy face amount or \$5,000,000, aggregate of all option reductions for all Phoenix policies on the same insured.
  - Option reductions that are applied to the base policy face amount are not subject to a partial surrender charge and do not reduce the policy's schedule of surrender charges.
  - Reductions in face amount are first applied to any Increasing Term Rider coverage. These term rider reductions do not count toward the option reduction limits set for base policy.
  - *Note: A reduction in face amount is considered a material change that may cause the contract to be deemed a Modified Endowment Contract\* under IRC Section 7702A. In addition, reductions may be restricted in amount in order for the policy to continue to satisfy its definition of life insurance test.*
- **Interaction with Other Options:**
  - The Increased Coverage Option may also be exercised on prior or subsequent option dates.
  - The Exchange for Annuity Option may also be exercised on subsequent option dates.

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\* If the policy is classified as a Modified Endowment Contract (MEC), policy loans, withdrawals or other distributions of income (gains) will be taxed as ordinary income and distributed first, followed by basis in the contract. Distributions of income (gains) prior to age 59 ½ may be subject to a 10% tax penalty, in addition to ordinary income tax.

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## Phoenix LifePlan Options Rider, Continued

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### **Exchange for Annuity Option**

- This is an option to exchange the policy for annuity without incurring a surrender charge.
  - **Option Availability:**
    - Available for all ages and risk classifications.
  - **Option Dates:**
    - This option may be exercised during 90-day windows immediately preceding the 10<sup>th</sup> and 15<sup>th</sup> policy anniversaries.
  - **Option Provisions:**
    - The policy may be exchanged for a Phoenix annuity without incurring a surrender charge.
    - Phoenix deferred and/or immediate annuities available for this exchange option will be determined at the option dates
    - Although no surrender charge is applied to the exchange under this option, subsequent withdrawals from the new annuity will be subject to the annuity contract's surrender charge schedule.
  - **Interaction with Other Options:**
    - The Increased Coverage Option may also be exercised on prior option dates.
    - The Reduced Coverage Option may also be exercised on prior option dates.
-

## **Reference Tables**

Preferred Underwriting Criteria

Effect of Partial Withdrawals

Tax Treatment of Life Insurance

# Reference Tables Preferred Underwriting Criteria

## Preferred Criteria

**Preferred Criteria: Insured must meet each of the following:**

- Face amount \$100,000 or more
- No tobacco use in the last 12 months
- No ratable aviation and no ratable avocation within 3 years
- No history or recommendation for drug or alcohol treatment
- No more than 2 motor vehicle violations within 3 years and no DUI/DWI convictions
- No history of cancer (except basal cell skin cancer), heart disease, diabetes or any other ratable history
- Underwriter may allow Preferred (not Preferred Plus) for applicants with 10-25 debits before using medical credits who otherwise meet criteria for Preferred Plus
- Over age 70, should have documented ongoing standard medical care. Documentation should include office notes with visits at least yearly as well as results of routine screening test results.
- Over age 70, no history of cognitive impairment
- Must reside in USA or Canada

<b>IF APPLICANT MEETS ALL PREFERRED CRITERIA, AND...</b>	<b>THEN CLASS IS...</b>
<ul style="list-style-type: none"> <li>• points total 16 or more for issue ages 18-60; 14 or more for issue ages 61-70; 13 or more for issue ages 71-80</li> </ul>	<b>Preferred Plus</b>
<ul style="list-style-type: none"> <li>• points total 11- 15 for issue ages 18-60; 10 – 13 for issue ages 61-70; 9-12 for issue ages 71-80; 9 or more for issue ages 81-85</li> </ul>	<b>Preferred</b>
<ul style="list-style-type: none"> <li>• points total 10 or less for issue ages 18-60; 9 or less for issue ages 61-70; 8 or less for issue ages 71-80; 8 or less for issue ages 81-85</li> </ul>	<b>Nonsmoker</b>
<b>IF APPLICANT DOES NOT MEET ALL CRITERIA, AND...</b>	<b>THEN CLASS IS...</b>
<ul style="list-style-type: none"> <li>• no cigarette use in past 12 months</li> </ul>	<b>Nonsmoker</b>
<ul style="list-style-type: none"> <li>• current cigarette use or cigarette use within 12 months</li> </ul>	<b>Smoker</b>

*Continued on next page*



## Reference Tables, Continued

### Underwriting Class Points

No tobacco points:	
• No tobacco use in last 10 years	8 points
• No tobacco use in last 3 years	4 points
Favorable cholesterol profile points (No points should be given if lipids only recently lowered on medication. If applicant has been consistently taking lipid-lowering medication for at least 2 years without side effects or liver enzyme elevations, cholesterol points may be given.):	
• Cholesterol/HDL ratio 4.31-5.0	1 point
• Cholesterol/HDL ratio 3.60-4.30	2 points
• Cholesterol/HDL ratio < 3.60	3 points
Favorable BNP points:	
Under age 60	0 points
Age 60-75, BNP 0-125 pg/ml	1 point
Age 76 and older, BNP 0-300 pg/ml	1 point
All current laboratory studies normal (Lipid and BNP results excluded)	
No regular use of medications (thyroid, aspirin, nasal steroid sprays, estrogen and oral contraceptives OK)	1 point
Family history points (not available over age 70)	
• No history of coronary artery disease in parents or siblings before age 60	1 point
• Both parents reached age 70	2 points
• Both parents reached age 80	3 points
Note: One point may be given to applicants who are adopted if biologic family history is unknown. One point may be given even if parents have not reached age 60, provided that there is no known history of premature CAD at the time of death.	
Blood pressure points:	
• In last 3 years, all blood pressure readings $\leq$ 140/84	1 point
Normal stress test points (not available under age 50):	
Exercise capacity 9 minutes (or 9 METS) or more	
Exercise capacity 6-9 minutes ( or 6-9 METS)	3 points
Exercise capacity less than 6 minutes (6 METS)	1 point
	0 points
Note: Points not available for pharmacologic stress tests or if exercise capacity cannot be assessed based on information provided.	
Weight points (see table below)	0-2 points

### Weight Points

Height	Weight for Women		Weight for Men	
Up to 4' 10"	116-126=1 point	<116=2 points	130-140=1 point	<130=2 points
4' 11" - 5' 0"	122-132=1 point	<122=2 points	140-150=1 point	<140=2 points
5' 1" - 5' 2"	128-138=1 point	<128=2 points	150-160=1 point	<150=2 points
5' 3" - 5' 4"	134-144=1 point	<134=2 points	160-172=1 point	<160=2 points
5' 5" - 5' 6"	140-150=1 point	<140=2 points	170-182=1 point	<170=2 points
5' 7" - 5' 8"	146-158=1 point	<146=2 points	180-194=1 point	<180=2 points
5' 9" - 5' 10"	154-166=1 point	<154=2 points	192-206=1 point	<192=2 points
5' 11" - 6' 0"	162-176=1 point	<162=2 points	204-220=1 point	<204=2 points
6' 1" - 6' 2"	172-186=1 point	<172=2 points	216-232=1 point	<216=2 points
6' 3" - 6' 4"	182-198=1 point	<182=2 points	230-248=1 point	<230=2 points
6' 5" - 6' 6"	194-212=1 point	<194=2 points	244-262=1 point	<244=2 points
6' 7" - 6' 8"	206-226=1 point	<206=2 points	260-280=1 point	<260=2 points
6' 9" - 6' 10"	220-240=1 point	<220=2 points	276-296=1 point	<276=2 points

## Reference Tables Effect of Partial Withdrawals

A policy withdrawal is made and ...	Change in Policy Value (Cash Value)	Change in Face Amount	Change in Death Benefit
the policy is not in the “cash value corridor”	Decreases by the sum of the partial withdrawal and any partial withdrawal charge.	Option A: Decreases by the amount of the partial withdrawal.  Option B: Face amount does not change.	Decreases by the amount of the partial withdrawal.
the policy is in the “cash value corridor” and remains in the corridor after the withdrawal.	Decreases by the sum of the partial withdrawal and any partial withdrawal charge.	Face amount does not change.	Decreases by the sum of the partial withdrawal and any partial withdrawal charge <i>multiplied by a “cash value corridor factor”</i> .
the policy is in the “cash value corridor” and leaves the corridor as a result of the withdrawal.	Decreases by the sum of the partial withdrawal and any partial withdrawal charge.	Option A: Decreases by the <i>remaining</i> sum of the partial withdrawal and any partial withdrawal charge, <i>once the policy has left the corridor</i> .  Option B: Face amount does not change.	<i>While the policy is in the corridor</i> , it decreases by the sum of the partial withdrawal and any partial withdrawal charge <i>multiplied by a “cash value corridor factor”</i> .  <i>After the policy leaves the corridor</i> , the sum is no longer multiplied by a corridor factor.

**Note** If the Increasing Term Rider is in effect, any reductions in face amount will first be applied to reduce the face amount of the rider.

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## Reference Tables, Continued

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**Cash Value  
Corridor**

As per IRC Section 7702, a life insurance policy's death benefit must bear a set relationship to the cash value. While the policy is in the corridor, the death benefit increase to an amount equal to the cash value multiplied by a "cash value corridor factor".

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## Reference Tables Tax Treatment of Life Insurance

### Tax Treatment of Life Insurance

The table below is provided to help clarify how the tax favored treatment of non-MEC life insurance policies compares to modified endowment contracts (MEC's) and nonqualified deferred annuities. This information is based on current law (January 2008): federal legislation may modify the conclusions.

Tax Feature	Nonqualified Annuity	MEC	Non-MEC Life Policy
Tax-deferred cash accumulation	Yes	Yes	Yes
Income tax-free death benefit*	No	Yes	Yes
Income tax-free loans of gains in contract	NA	No	Yes
Withdrawals and/or loans provided with FIFO tax treatment (cost basis accessed prior to gains)	No	No	Yes <sup>1</sup>
Withdrawals and/or loans of gains in contract available without 10% IRS penalty prior to age 59 ½	No <sup>2</sup>	No <sup>2</sup>	Yes

<sup>1</sup>In certain situations, withdrawals taken during the first 15 policy years may distribute taxable gains prior to cost basis under current tax law. Alternatively, income-tax free loans would still be available during that period.

<sup>2</sup>Except as provided for under IRC Sec. 72.

### Modified Endowment Contracts (MEC's)

Modified endowment contracts (MEC's) are life insurance policies that have failed the TAMRA 7-Pay test under IRC Section 7702A.

\* Death benefits are generally excludable from the beneficiary's income for federal income tax purposes. In certain situations, however, the death benefit proceeds may be partially or wholly taxable. Such situations include, but are not limited to, certain arrangements in which a life insurance policy is transferred for valuable consideration.

## State Variations – Product and Rider Descriptions

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### State Variation Highlights

The following are variations from the standard product and rider descriptions provided in this Phoenix Accumulator UL Product Training & Reference Guide.

Please note that there may be additional contract variations pertaining to details not covered by this guide. Please also be sure to check on the current availability of the product and/or rider described below.

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### Alabama

- This policy has a free look period of 10 days (**30 days for replacements**).
  - For the Acceleration of Death Benefit Rider:
    - The rider provides for a lump sum (**or periodic**) early payment.
    - The administrative fee is guaranteed not to exceed **\$150**.
- 

### Alaska

- This policy has a free look period of **30** days.
- 

### Arizona

- This policy has a free look period of 10 days (**30 days for replacements**).
  - The maximum loan value is equal to the cash surrender value projected to the next policy anniversary at guaranteed assumptions, minus, loan interest through the next policy anniversary.
  - There is **no** minimum for a requested loan amount.
  - Coverage layers are not available.
- 

### California

- For issue ages 60 and over, this policy has a free look period of **30** days. In addition, the replacement free look period is always **30** days.
  - For the Disability Benefit Rider:
    - Due to bodily injury or disease, the covered insured must:
      - be unable to engage for remuneration or profit **to perform the substantial and material duties of their own occupation** for which they are or become qualified by training, education or experience.
- 

### Colorado

This policy has a free look period of **15** days (**30 days for replacements**).

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## State Variations – Product and Rider Descriptions, Continued

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### Connecticut

- The minimum requested loan amount permitted is the lesser of:
    - \$200;
    - and the maximum policy loan value.
- 

### Florida

- This policy has a free look period of **10** days.
  - There is **no** minimum for a requested loan amount.
  - For the Disability Benefit Rider:
    - Due to bodily injury or disease, the covered insured must:
      - be unable to engage for remuneration or profit in any occupation (**regular occupation for first 12 months**) for which they are or become qualified by training, education or experience.
  - For the Acceleration of Death Benefit Rider:
    - The administrative fee is guaranteed not to exceed **\$100**.
- 

### Georgia

- For the Disability Benefit Rider:
    - Due to bodily injury or disease, the covered insured must:
      - be unable to engage for remuneration or profit in any occupation (**own occupation for first 24 months**) for which they are or become qualified by training, education or experience.
- 

### Hawaii

This policy has a free look period of 10 days (**30 days for replacements**).

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### Idaho

- This policy has a free look period of **20** days.
- 

### Illinois

- For the Acceleration of Death Benefit Rider:
    - The administrative fee is guaranteed not to exceed **\$250**.
- 

### Indiana

- There is **no** minimum for a requested loan amount.
  - Different SNFL maximum surrender charges.
  - For the Acceleration of Death Benefit Rider:
    - If there is disagreement after a second opinion, a third and binding medical opinion may be obtained at Phoenix's expense by a mutually acceptable physician.
- 

### Iowa

This policy has a free look period of 10 days (**30 days for replacements**).

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## State Variations – Product and Rider Descriptions, Continued

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<b>Iowa</b>	This policy has a free look period of 10 days <b>(30 days for replacements)</b> .
<b>Kentucky</b>	This policy has a free look period of 10 days <b>(30 days for replacements)</b> .
<b>Louisiana</b>	This policy has a free look period of 10 days <b>(30 days for replacements)</b> .
<b>Maine</b>	<ul style="list-style-type: none"><li>• This policy has a free look period of 10 days <b>(30 days for replacements)</b>.</li><li>• The maximum loan value is equal to the cash surrender value projected to the next policy anniversary at guaranteed assumptions, minus, loan interest through the next policy anniversary.</li></ul>
<b>Maryland</b>	<ul style="list-style-type: none"><li>• This policy has a free look period of 10 days <b>(30 days for replacements)</b>.</li><li>• There is <b>no</b> minimum for a requested loan amount.</li></ul>
<b>Michigan</b>	<ul style="list-style-type: none"><li>• For the Acceleration of Death Benefit Rider:<ul style="list-style-type: none"><li>• The administrative fee is guaranteed not to exceed <b>\$150</b>.</li></ul></li></ul>
<b>Mississippi</b>	<ul style="list-style-type: none"><li>• This policy has a free look period of 10 days <b>(30 days for replacements)</b>.</li><li>• For the Acceleration of Death Benefit Rider:<ul style="list-style-type: none"><li>• The rider provides for a lump sum <b>(or periodic)</b> early payment.</li><li>• The administrative fee is guaranteed not to exceed <b>\$150</b>.</li></ul></li></ul>
<b>Missouri</b>	<ul style="list-style-type: none"><li>• For the Disability Benefit Rider:<ul style="list-style-type: none"><li>• Due to bodily injury or disease, the covered insured must:<ul style="list-style-type: none"><li>• be unable to perform <b>the material or substantial duties of</b> any occupation for which the insured is qualified.</li></ul></li></ul></li></ul>
<b>Montana</b>	<ul style="list-style-type: none"><li>• This policy has a free look period of 10 days <b>(30 days for replacements)</b>.</li><li>• Unisex rates apply.</li></ul>

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*Continued on next page*

## State Variations – Product and Rider Descriptions, Continued

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|-----------------|---|
| <b>New York</b> | <ul style="list-style-type: none"><li>• This policy has a free look period of 10 days (<b>60 days for replacements</b>).</li><li>• The current <b>and</b> guaranteed loan interest rate and credited interest rate on Preferred Loans is 3%. For non-preferred loans, the policy loan interest rate will be guaranteed at 5%, and the credited rate will be guaranteed at 3.75% for years 1-15, and 4.50% thereafter.</li><li>• There is <b>no</b> minimum for a requested loan amount.</li><li>• Different SNFL maximum surrender charges.</li></ul> |
|-----------------|---|
- 

<b>North Carolina</b>	This policy has a free look period of 10 days ( <b>30 days for replacements</b> ).
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- |                     |   |
|---------------------|---|
| <b>North Dakota</b> | <ul style="list-style-type: none"><li>• This policy has a free look period of 20 days.</li><li>• For the Acceleration of Death Benefit Rider:<ul style="list-style-type: none"><li>• The administrative fee is guaranteed not to exceed <b>\$150</b>.</li></ul></li></ul> |
|---------------------|---|
- 

<b>Ohio</b>	This policy has a free look period of 10 days ( <b>30 days for replacements</b> ).
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<b>Oregon</b>	This policy has a free look period of 10 days ( <b>30 days for replacements</b> ).
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## State Variations – Product and Rider Descriptions, Continued

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- Pennsylvania**
- This policy has a free look period of 10 days (**20 days for external replacements and 45 days for internal replacements**).
  - The maximum loan value is equal to the cash surrender value projected to the next policy anniversary at guaranteed assumptions, minus, loan interest through the next policy anniversary.
  - There is **no** minimum for a requested loan amount.
  - Different SNFL maximum surrender charges.
  - For the Disability Benefit Rider:
    - Due to bodily injury or disease, the covered insured must:
      - be unable to engage for remuneration or profit in any occupation for which they **are** qualified by training, education or experience.
  - For the Acceleration of Death Benefit Rider:
    - This rider provides for a lump sum early payment of up to 75% of the death benefit to a maximum of \$250,000 (**not aggregated** for all Phoenix policies).
- 

**Rhode Island** This policy has a free look period of 20 days (**30 days for replacements**).

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- South Carolina**
- For the Disability Benefit Rider:
    - Due to bodily injury or disease, the covered insured must:
      - be unable to engage for remuneration or profit in any occupation (**regular occupation for first 12 months**) for which they are or become qualified by training, education or experience.
  - For the Acceleration of Death Benefit Rider:
    - This rider provides for a lump sum early payment of up to 75% of the death benefit to a maximum of \$250,000 (**not aggregated** for all Phoenix policies).
    - Phoenix **does not** reserve the right to require a second medical opinion.
- 

- Tennessee**
- There is **no** minimum for a requested loan amount.
- 

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## State Variations – Product and Rider Descriptions, Continued

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<b>Texas</b>	<ul style="list-style-type: none"><li>• This policy has a free look period of 10 days (<b>30 days for replacements</b>).</li><li>• There is <b>no</b> minimum for a requested loan amount.</li><li>• Different SNFL maximum surrender charges.</li><li>• Acceleration of Death Benefit Rider:<ul style="list-style-type: none"><li>• The guaranteed maximum administrative fee is <b>\$150</b>.</li><li>• If there is disagreement after a second opinion, a third and binding medical opinion may be obtained at Phoenix’s expense by a mutually acceptable physician.</li></ul></li></ul>
<b>Utah</b>	<ul style="list-style-type: none"><li>• This policy has a free look period of 10 days (<b>30 days for replacements</b>).</li><li>• For the Disability Benefit Rider:<ul style="list-style-type: none"><li>• Due to bodily injury or disease, the covered insured must:<ul style="list-style-type: none"><li>• be unable to engage for remuneration or profit in any occupation (<b>own occupation for first 24 months</b>) for which they are or become qualified by training, education or experience.</li></ul></li></ul></li></ul>
<b>Vermont</b>	<ul style="list-style-type: none"><li>• This policy has a free look period of 10 days (<b>30 days for replacements</b>).</li><li>• For the Disability Benefit Rider:<ul style="list-style-type: none"><li>• Due to bodily injury or disease, the covered insured must:<ul style="list-style-type: none"><li>• be unable to engage for remuneration or profit in any occupation (<b>own occupation for first 24 months</b>) for which they are or become qualified by training, education or experience.</li></ul></li></ul></li><li>• For the Acceleration of Death Benefit Rider:<ul style="list-style-type: none"><li>• A physician must certify that death is expected to occur within <b>12</b> months.</li></ul></li></ul>
<b>Virginia</b>	This policy has a free look period of 10 days ( <b>30 days for replacements</b> ).
<b>West Virginia</b>	This policy has a free look period of 10 days ( <b>30 days for replacements</b> ).

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## Product Availability

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**Policy Form &  
Issuing  
Company**

Phoenix Accumulator UL will be issued by PHL Variable Insurance Company (PHLVIC) (Policy Form 08PAUL) (Hartford, CT).

PHLVIC is not authorized to conduct business in NY and ME. In NY, ME and PR, Phoenix Accumulator UL will be issued by Phoenix Life Insurance Company (PLIC) (Policy Form 08PAUL) (East Greenbush, NY).

The insurers referenced above are separate entities and each is responsible for its own financial condition and contractual obligations.

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**Product  
Availability  
Information**

**Please check for availability of this product in your state prior to solicitation.** Current product availability information is located in the Application Center/State Availability section of the Phoenix Advisor Center at [www.phoenixwm.com](http://www.phoenixwm.com).

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# Sales Support

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**Who to Contact** Contact your local Phoenix Sales and Support Center, or Phoenix's Life Sales Desk at (800)417-4PHX (4769), for assistance with:

- licensing;
- current rates;
- illustrations;
- competition information;
- marketing material; and
- application and service forms.

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**Sales Literature** For a complete listing of Phoenix's sales literature, including those available for Phoenix Accumulator UL, please refer to the Sales Center Marketing Catalog online at [www.phoenixwm.com](http://www.phoenixwm.com).

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**Application and Service Forms** Forms are available for immediate print by going to the Application Center/Applications & Forms section of the Phoenix Advisor site at [www.phoenixwm.com](http://www.phoenixwm.com).

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Phoenix Accumulator UL (08PAUL) is issued by PHL Variable Insurance Company (PHLVIC) (Hartford, CT).

PHLVIC is not authorized to conduct business in ME, NY and PR.

In ME, NY and PR, Phoenix Accumulator UL (08PAUL) is issued by Phoenix Life Insurance Company (East Greenbush, NY)

The insurers referenced above are separate entities and each is responsible for its own financial condition and contractual obligations.

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