

# Phoenix Simplicity Index Life<sup>SM</sup>

Simplified issue universal life insurance with an indexed feature

## BASICS

**POLICY TYPE:** Flexible premium, indexed universal life insurance

**ISSUE AGES/Maximum Face Amount/Minimum Face Amount:**

- 18-59 \$300,000 \$50,000
- 60-64 \$200,000 \$50,000
- 65-70 \$150,000 \$50,000
- All based on age last birthday

**PREMIUMS:** Payment amount and schedule are flexible. Minimum unscheduled payments: \$25

## INDEXED ACCOUNTS

- Three accounts are available for allocating premiums, one fixed and two indexed. Funds are initially deposited into the Fixed Account and then “swept” into the Indexed Accounts on set dates, known as “sweep dates.” Premium funds can be maintained in the Fixed Account, or allocated across any or all of the accounts.

- **Indexed Account A:** Annual Point-to-Point with Cap; 4% guaranteed minimum cap

- **Indexed Account B:** Annual Point-to-Point with Participation Rate; 25% guaranteed minimum participation rate

- **Fixed Account:** Current rates, declared periodically; 1% guaranteed minimum interest rate

- Index credits for Indexed Account A are calculated based on the annual point-to-point change of the S&P 500 Index, subject to a cap, and are never less than the 0% floor. Index credits for Indexed Account B are calculated based on a percentage of the annual point-to-point change of the S&P 500 Index, known as a participation rate, and are never less than the 0% floor.

- Segments are created each time a transfer is made from the Fixed Account into an Indexed Account.

Each segment has a “segment anniversary” when index credits are applied, and a new segment is created.

- The current sweep date is the 18th of each month. Sweeps are guaranteed to occur at a minimum on the 18th of the first month in each calendar quarter.
- The current index for both Indexed Accounts is the S&P 500 Index,<sup>1</sup> excluding dividends.
- Caps, participation rates, and current Fixed Account rates are set by Phoenix and may change at any time. Any change in the cap or participation rate would only affect newly created segments.

## TRANSFER AND REALLOCATION OPTIONS

- **Premium Allocation:** Changes to future premiums can be requested at any time; the allocation changes will take effect on the next sweep date.
- **Transfer from Fixed Account:** A one-time transfer from the Fixed Account can be requested at any time at no charge and will be processed on the next sweep date, after any premium payments are transferred.

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## PRODUCT SUMMARY

- Reallocation of Indexed Accounts: Can be requested at any time at no charge, but will be processed over a 12-month period and only as segments reach their segment anniversaries.

### POLICY LOANS AND WITHDRAWALS<sup>2</sup>

- Policy loans are generally not taxable. Policy loans reduce cash value and are subtracted from the death benefit upon payment.
- Maximum loan value: 100% of cash surrender value.
- There is a fixed loan option. The loan spread based on current rates is illustrated below:<sup>3</sup>

Loan rates	Years 1-10	Years 11+
Loan interest charged	2%	1%
Interest credited to loaned account	1%	1%
Loan spread	1%	0%

- Withdrawals up to cost basis are generally not taxable. Policy withdrawals reduce cash value and are subtracted from the death benefit upon payment.
- Currently no processing fee charged for withdrawals.
- Partial surrender charge may apply to withdrawals.

### SPECIAL FEATURES

- **Phoenix Monthly Transfer Strategy:** May be elected at any time. Allows funds deposited into the Fixed Account to automatically transfer to Indexed Accounts on a monthly basis.
- **Persistency Bonus:** Beginning in year 11, a 0.5% annual bonus will be credited to qualifying policies on unloaned policy value in the Indexed Accounts. Bonus will be applied as an increase to the growth rate of each Indexed Account segment on the segment maturity date.

### POLICY CHARGES

- **Premium Expense Charge:** 7% of all premiums paid in all years.
- **Administrative Charge:** Currently \$5 per month; \$7 per month guaranteed maximum.
- **Coverage Charge:** A rate per \$1,000 of face amount charged monthly for 10 policy years.
- **Cost of Insurance (COI):** Guaranteed COI rates based on the 2001 CSO Mortality Tables.
- **Surrender Charge:** Schedule decreasing over 10 policy years; varies by gender,<sup>4</sup> age, and risk class.

2. 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. Distributions of income (gains) prior to age 59½ may be subject to a 10% tax penalty, in addition to ordinary income tax. Surrender charges may also apply. Loans reduce the net death benefit.

3. Net loan interest spread represents the difference between the interest rate charged and the interest rate credited to the loaned account.

4. Unisex rates in Montana.

**Guarantees are based on the claims paying ability of the issuing company. Changes in face amount may have federal income tax ramifications.**

Product features vary by state. Please consult with your financial representative regarding the availability of the product and its features in your state. While the value for each Indexed Account is affected by the value of an outside index, the policy does not directly participate in any stock, bond or equity investment.

The insurance and investment products are:

- Not insured by FDIC, NCUSIF or any other state or federal agency that insures deposits;
- Not a deposit or obligation of, underwritten or guaranteed by, the depository institution or any affiliate.

Phoenix Simplicity Index Life (OBIUL) is issued by PHL Variable Life Insurance Company (PHLVIC) (Hartford, CT). PHLVIC is not authorized to conduct business in New York and Maine. In New York and Maine, Phoenix Simplicity Index Life is issued by Phoenix Life Insurance Company (East Greenbush, NY).

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

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