

## Introduction

The Kentucky Department of Insurance is pleased to offer this “Annuity Buyer’s Guide” as an aid to assist you in determining your insurance needs and the products that will fill those needs. This guide contains only a brief description of various annuity products. For specific information about a particular type of annuity, you should consult an agent. This guide is not meant to offer legal, financial or tax advice. You may want to consult independent advisors for those specific questions. This guide does not endorse any company, agent or policy type.

### What is an Annuity?

An annuity is a contract where an insurance company promises to make payments to an annuitant over a specified period of time or for life. One of the purposes for an annuity is to make sure a person does not outlive his income. An annuity is a type of insurance to protect against the risk of financial hardship during retirement.

There are three participants in an annuity contract: the owner, the annuitant and the beneficiary. Most of the time, the annuitant and the owner are the same person, but it is not required. The owner is the purchaser of the annuity, pays the premiums and has the right to surrender the annuity. The owner also is responsible for any taxes due upon surrender or payout and is usually the person who names the beneficiary of the contract. The annuitant is the person whose age and life expectancy is going to be used to calculate the benefits of the annuity and who will receive the annuity payments. The beneficiary receives the death benefit upon death of the annuitant or the owner.

### Various Types of Annuities

**Fixed annuity** – This type of annuity accumulates interest on the funds deposited into the annuity on a fixed rate basis. Every fixed annuity has a current interest rate and a minimum guaranteed interest rate. The current interest rate will always be equal to or higher than the minimum guaranteed interest rate. Although this varies from company to company and contract to contract, the current interest rate is declared on an annual basis, usually after an initial guarantee period. With a fixed annuity, the insurance company assumes the risk of paying at least the minimum guaranteed interest rate.

**Variable annuity** – Different than a fixed annuity, a variable annuity pays varying rates of interest on the funds placed inside the annuity based upon the investment options chosen by the annuity owner. If the investment choices do well, the annuity will do well. If the investment choices do poorly, the annuity will not grow as well or even could lose value. Because the

growth of a variable annuity is not guaranteed by the insurance company, the contract holder assumes the risk.

**Immediate annuity** – This type of annuity begins paying a benefit very soon, usually within 30 days to one year after it is purchased, and usually requires a lump sum payment.

**Indexed annuity** – This is a fairly new product in the annuity market. Indexed annuities pay an interest rate that is tied to the performance of a common or well-known index such as the S&P 500, the Russell 1000 or the S&P 100. The growth of an indexed annuity is based upon the participation rate of the index it is tied to. For example, if an indexed annuity has a defined participation rate of 70 percent and the index it follows goes up by 10 percent, the annuity's accumulation value will increase by 7 percent (10 percent increase times the 70 percent participation rate). On the downside, most indexed annuities specify a "floor" that the annuity growth rate cannot go below or offer a minimum interest rate. Typically this minimum rate is 1 percent to 3 percent.

## Things Common to all Annuities

There are two distinct phases to an annuity - the accumulation phase and the payout phase. The accumulation phase is the first phase where all the premiums are paid into the annuity and the money grows tax-deferred. The second phase is the payout phase, which is when the annuity actually starts to pay the benefits to the annuitant. There are several payout options; a few of these options will be discussed in the following section. Make sure your agent goes over each option with you thoroughly so that you choose the one most appropriate for your needs. It is very important to understand that once a payout option is chosen and you start receiving payments, that option cannot be changed.

### Examples of Payout Options (Settlement Options)

- Life income (no refund) – Pays an income as long as the annuitant is alive. Payments stop when the annuitant dies.
- Life income with period certain (10, 15 or 20 years) – Pays an income as long as the annuitant is alive. If the annuitant dies before the period certain has expired, payments are made to the beneficiary for the balance of the period.
- Life income with installments (refund) – This option provides a monthly annuity payment during the lifetime of the annuitant with a guarantee that payments will be made for a certain number of months (not necessarily for the annuitant's full lifetime). The number of months is determined by dividing the accumulated amount of the annuity by the amount of the first monthly annuity payment. Only the number of months is guaranteed so there is no guarantee of a full refund.

**The following payout options assume there are two individuals that will be receiving benefits from the annuity.**

- Joint and full to survivor (no refund) – This option pays an income as long as one or more annuitant is living. Payments stop when both annuitants are deceased.
- Joint and 2/3 to survivor (no refund) – This option pays an income while both annuitants are alive. When one dies, 2/3 income payments continue during the survivor's lifetime. Payments stop when the second annuitant dies.
- Joint and full to survivor with period certain (10, 15 or 20 years) – Pays an income while at least one annuitant is alive. If both annuitants die before the specified period expires, payments of the balance of the period certain continue to the beneficiary.
- Joint and full to survivor with installments (refund) – This option pays a monthly payment during the lifetime of the annuitant with a guarantee that payments will be made for a certain number of months. The number of months is determined by dividing the accumulated amount of the annuity by the amount of the first monthly annuity payment. Only the number of months is guaranteed so there is no guarantee of a full refund.
- Joint and 2/3 to survivor with period certain (10, 15 or 20 years) – Pays an income while both annuitants are living. When one dies, 2/3 of the income payment continues during the survivor's lifetime. If the second annuitant dies before the period certain expires, the 2/3 payment amount continues to the beneficiary for the balance of the period.

## **Guaranteed Living Benefits**

Guaranteed living benefits may be found as a provision in an annuity contract or added by rider endorsement or amendment to an annuity contract. There are 3 different types and can be very complicated. One important thing to consider is whether or not the particular contract you are considering purchasing allows these benefits to be assignable or not. Be sure to read your contract carefully before purchasing. These different guarantees provide a downside protection to an annuity contract. They are tools to aid in the management of risk by transferring different risks from the buyer to the insurer. There are different types of guarantees defined as follows:

1. **Guaranteed Minimum Withdrawal Benefits (GMWB)** – guarantees the return of at least the owner's investment, or that investment plus an interest component (the benefit base) through periodic partial withdrawals of a certain percent or less of the benefit base, even if the annuity cash value falls to zero. There is usually no waiting period.

2. **Guaranteed Minimum Income Benefit (GMIB)** – guarantees that, regardless of actual policy performance, the buyer is assured a certain minimum future income, but only in the form of a regular annuity payout. It does not guarantee a lump sum.
3. **Guaranteed Minimum Accumulation Benefit (GMAB)** – unlike the other guarantees the GMAB guarantees a minimum lump sum at the end.

## **Will You be Penalized if You Withdraw Money From Your Annuity?**

In most cases “Yes.” However, some annuities have a provision that permits you to withdraw a certain amount each year, usually 10 percent of the annuity value, without having to pay a surrender charge. Please remember, even though you may not have to pay a surrender charge, there may be taxes to be paid on some or all of the money you withdraw. It is recommended that you consult a tax advisor or your annuity insurance company regarding the tax consequences before you make the withdrawal.

## **Important Things to Consider**

1. Review your own insurance needs and circumstances. Choose the kind of contract that has benefits that most closely fit your needs. Ask an agent or company to help you.
2. Be sure that you can handle the premium payments. Ask about any possible increases in premium amounts and what may cause an increase.
3. Don't sign an application until you review it carefully to be sure all the answers are complete and accurate.
4. Don't drop one contract and buy another without a thorough study of the new contract and the one you have now. Replacing your insurance may be costly.
5. Read your policy carefully. Ask your agent or company about anything that is not clear to you.
6. Periodically review your insurance program with your agent or company to keep up with changes in your income and your needs.
7. Do not buy a contract until you have a good understanding of how it works.

## **Are You Considering Dropping or Replacing an Existing Annuity Contract?**

If you are thinking about dropping or replacing an annuity contract, here are some things you should consider:

- If you decide to replace your contract, do not cancel your old contract until you have received the new one. You usually will have a minimum of 30 days to review your new contract to decide if it is what you want.

- It may be costly to replace a contract. There may be substantial surrender charges that you will incur. Remember that if you have held your existing contract long enough and no longer have to pay surrender charges, purchasing a new contract may start a new period of surrender charges.
- Consider consulting a tax advisor to see if dropping your contract could affect your income taxes.
- You may have valuable rights and benefits in your existing contract that are not in the new contract.
- If the annuity contract you have now no longer meets your needs, you may not have to replace it. You might be able to adjust your existing contract or purchase an additional contract to get the coverage or benefits you now need.
- In all cases, if you are thinking of buying a new contract to replace your existing one, check with the agent or company that issued your existing contract. Before replacing, ask your agent or company for an updated illustration (in-force illustration). Check to see how the contract has performed and what you should expect in the future based on the guarantees.

## How Can You Find Missing Contracts?

If the deceased's estate went through probate, there is a chance that the contract might have been listed as an asset.

Begin by contacting insurance companies. Try to narrow your search as much as possible. For example, start with those companies most prominent where the deceased lived or worked. Contact the benefits coordinator at the deceased's place of employment. Remember, unless you are the beneficiary, the company is not required to offer any information. Try to provide as much information as possible, including the deceased's name and any aliases, Social Security number, date of birth, etc.

Ask the estate's executor to request copies of all bank statements and other records. If a check has been written or an automatic payment has been made to an insurance company, this might provide a lead.

Contact the deceased's insurance agent for homeowners, renters, or auto insurance. Although he may not have sold your friend or relative an annuity contract, many agents keep records of their client's insurance purchases.

## Final Points to Consider

Remember to read your annuity contract carefully when you receive it. Ask your agent or insurance company to explain anything you don't understand. If you have a specific complaint

or can't get the answers you need from the agent or company, contact your state insurance department.

## Insurer Rating Organizations

Other sources of information related to the financial strengths of companies are insurance rating organizations. Some of these are A.M. Best, Fitch Ratings, Moody's Investors Service, Standard and Poor's, and Weiss Ratings Inc. You can use these sources to help you research and determine which companies you would like to contact about your insurance needs. The Kentucky Department of Insurance can provide you with ratings from A.M. Best or you can contact the companies directly to get information about their ratings.

A.M. Best  
www.ambest.com  
Telephone: 908-439-2200

Standard and Poor's  
www.standardandpoors.com  
Telephone: 212-438-2000

Fitch Ratings  
www.fitchratings.com  
Telephone: 800-893-4824

Weiss Ratings LLC  
www.weissratings.com  
Telephone: 877-934-7778

Moody's Investors Service  
www.moodys.com  
Telephone: 212-553-0377

## Other Important Terms

**Amendment, Endorsement or Rider** – forms that are used to effect contract changes requested by an owner to an individual annuity contract.

**Annuitize** - This is a term used when the owner elects to convert the lump sum of the accumulated value of the annuity contract to begin receiving a series of payments.

**Assignment** – transfer of rights under an annuity contract to another person or business in exchange for partial or total ownership rights to the contract.

**Guaranteed Living Benefits** - a contract provision or added to a contract by rider. These different guarantees provide a downside guarantee to an annuity contract. They are tools to aid in the management of risk by transferring risk from the owner to the insurer. There are different types of guarantees, as follows:

- 1. Guaranteed Minimum Withdrawal Benefit (GMWB)** – the benefit guarantees the return of at least the owner’s investment, or that investment plus an interest component (the benefit base) through periodic partial withdrawals of a certain percent or less of the benefit base, even if the annuity cash value falls to zero. There is usually no waiting period.
- 2. Guaranteed Minimum Income Benefit (GMIB)** – the benefit guarantees that, regardless of actual contract performance, the owner is assured a certain minimum future income, but only in the form of a regular annuity payout. It does not guarantee a lump sum.
- 3. Guaranteed Minimum Accumulation Benefit (GMAB)** – unlike the other guarantees the GMAB guarantees a minimum lump sum at the end.

**Long-Term Care Riders** - a provision which may or may not require an extra premium that allows for the reduction of the annuity value based upon long term care expenses without applying surrender charges. A benefit above the value of the annuity also may be purchased for an additional cost.

**Market Value Adjustment** – increase or decrease in the surrender charge of the annuity contract depending on the current financial markets. The cash value is adjusted upward if the policy interest rate is greater than the current interest rate on new money and thus, if interest rates decline after the date the annuity contract is purchased, the surrender charge decreases. However, if the cash value is adjusted downward if the policy interest rate is less than the current interest rate on new money and thus, if interest rates rise after the purchase date of the annuity contract, the surrender charge increases.

**Tax-Free Exchange (1035 Exchange)** – under Section 1035 of the Internal Revenue Code stipulations that the exchange of one life insurance policy for another life insurance policy generally will not result in a recognized gain for the purposes of federal income tax purposes to the policy owner. The insured must be the same on both policies. Life policies can be exchanged for life policies, life policies can be exchanged for annuities and annuities can be exchanged for annuities. Annuities

cannot be exchanged for life policies. With annuities, the annuitant must be the same on both contracts.

**Ten Day Free Look** – a contract provision notifying purchasers of new insurance that they have ten days after delivery of the annuity contract to inspect it and if not satisfied, return it to the agent or company for a full refund of all premiums paid.





Thank you for your interest in a fixed annuity product. Completion of this worksheet is an essential part of the application process, it helps your agent assess your insurance needs and financial objectives.

**NOTE: Non-Natural Owners: For a non-natural owner, the information on the front of this form should be relevant to the entity, the Identification Verification information should be provided by the person(s) authorized to act on behalf of the entity.**

<b>Section 1 - Owner Information</b>		<input type="checkbox"/> Please complete, check and initial _____
Name (First, Middle, Last)	Date of Birth (mm/dd/yyyy)	
Social Security Number/Tax ID	U.S. Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No	

<b>Section 2 - Joint Owner Information</b>	
Name (First, Middle, Last)	Date of Birth (mm/dd/yyyy)
Social Security Number/Tax ID	U.S. Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No

<b>Section 3 - Annuitant Information</b>	
Name (First, Middle, Last)	Date of Birth (mm/dd/yyyy)
Social Security Number/Tax ID	U.S. Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No

<b>Section 4 - Questions</b>		<input type="checkbox"/> Please complete, check and initial _____
1a. Approximate Annual Household Income: \$ _____		
1b. Do you anticipate any significant changes in your future income needs? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES", please explain _____		
1c. Annual Expenses: \$ _____		
2. Approximate Net Worth: \$ _____ (Net Worth = Total Assets not including home and automobile Less Total Debts.)		
3. Source of Income: <input type="checkbox"/> Current Wages <input type="checkbox"/> Pension Plan <input type="checkbox"/> Social Security <input type="checkbox"/> Investment Income <input type="checkbox"/> Required Minimum Distribution (RMD) or 72 (t)/(q) distributions <input type="checkbox"/> Other _____		
4. Federal Income Tax Bracket (Including Income to be provided by this Annuity): <input type="checkbox"/> 0% <input type="checkbox"/> 10% <input type="checkbox"/> 15% <input type="checkbox"/> 25% <input type="checkbox"/> 28% <input type="checkbox"/> 33% <input type="checkbox"/> 35% <input type="checkbox"/> Other _____		
5. What is your financial objective in purchasing this product? <b>Check all that apply:</b> <input type="checkbox"/> Income <input type="checkbox"/> Potential Growth <input type="checkbox"/> Death Benefit <input type="checkbox"/> Safety of Principal <input type="checkbox"/> Safety of Principal and Growth <input type="checkbox"/> Option to invest in Index Accounts <input type="checkbox"/> Medical Expense Planning		
6a. Do you have sufficient liquid assets available for monthly living expenses and emergencies <b>other than the money you plan to use to purchase this annuity?</b> (Examples: checking, savings or money market accounts, short term CDs, bonds, or other penalty free investments, etc.) <input type="checkbox"/> Yes, please list amount of liquid assets available to you after the purchase of this annuity \$ _____ <input type="checkbox"/> No		
6b. Do you anticipate any significant changes or reductions in the liquid assets or medical expenses you have available? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES", please explain _____		

- 7a. Do you now own, or have you previously owned, any of the following financial products? **Check all that apply:**  
 Certificates of Deposit    Fixed Annuity    Variable Annuity    Stock/Bond/Mutual Funds    Life Insurance    None
- 7b. Do you have a Medicare Supplement Policy, Long Term Care Policy, Veterans Benefits, or other insurance policy that will cover medical expenses that Medicare will not cover?.....  Yes    No  
 If "YES", please indicate benefit amount, including maximums and duration. \_\_\_\_\_
- 7c. Were your existing assets discussed with your agent prior to your decision to purchase this annuity?.....  Yes    No
- 7d. How would you describe your general risk tolerance? **Select only one:**  
 Low Risk    Moderate Risk    High Risk
- 7e. Based on the Premium Allocation selected, **choose one or both** of the following statement(s) that best describe your investment strategy:  
 In addition to preserving principal:  
 I want to earn a fixed rate of interest on some or all of my investment, even if the rate may be lesser than what is credited by an indexed account that takes on more risk.  
 I want the potential growth of an indexed account on some or all of my investment, even if there is a risk that my account may earn no interest at all.  
 (More than one statement may be applicable. **Choose all that apply.**)
8. If you elected a living benefit option for your annuity, when do you anticipate taking your first distribution? **Choose one:**  
 Less than one year    Between one and five years    Between six and ten years    11 years or more  
 Never
- 9a. With the exception of any surrender charge free withdrawals, (including surrender charge free withdrawals available under a guaranteed minimum withdrawal rider) required minimum distribution, etc., do you expect to take any money out of this product before the end of the surrender charge period? .....  Yes    No  
 If "YES", please explain \_\_\_\_\_  
 (Do not include any surrender charge free withdrawals provided by contract i.e. RMD or any surrender charge free withdrawal percentage.)
- 9b. Did the agent explain that if you take money out of this product in excess of the surrender charge free withdrawal amount provided in the contract during the withdrawal charge period you will incur a penalty?.....  Yes    No
- 9c. If you selected a living benefit rider, have you and your agent discussed the negative impact of withdrawals (including required minimum distributions in some cases) to your Annual Benefit Amount and/or Death Benefit under certain circumstances? .....  Yes    No
- 9d. If you have selected a rider with the Enhanced Benefit Option (not available in all states), have you and your agent discussed the material features of the benefit option, including the eligibility requirements and exclusions? .....  Yes    No
10. Is the purchase of this annuity in any way related to the establishment of a trust or based in any way on information provided during the establishment of a trust? .....  Yes    No
11. To the extent you are willing, please provide any other information you considered material in your decision to purchase this annuity: \_\_\_\_\_
12. If this purchase is replacing another insurance product, please provide the issue date of the product being replaced. \_\_\_/\_\_\_/\_\_\_

13a. What is the source of premium for this annuity? **Check all that apply:**

- Variable Annuity     Fixed Options     Indexed Annuity     Life Insurance     Certificates of Deposit
- Checking/Savings/Money Market Account     401k     403b     Pension Plan     Profit sharing Plan
- Brokerage Account     Stocks/Bonds

13b. Does the source of premium for this annuity include funds from a personal loan, equity loan, mortgage or reverse mortgage? .....  **Yes**     **No**

If the source of premium for this annuity is anything other than Checking/Savings/Money Market Account, please complete the following:

13c. Check one of the following:     Qualified Rollover     Non-Qualified Exchange

13d. Are there any settlement fees, surrender charges, loss of bonus, bonus recapture charges, loss of annuitization, loss of cash value, loss if interest or index credits, or penalties of any kind associated with any source(s) of the annuity's source of premium checked above? .....  **Yes**     **No**

If **"YES"**, please specify amount \$ \_\_\_\_\_ and indicate the percentage of the penalty     1-3%     4% plus

**If 13d. is Yes** List the percentage of any settlement fees, surrender charges or penalties of any kind associated with any source(s) of the annuity's premium. List total percentage for each premium source, **not less any positive MVA or applicable bonus percentages** received on the new annuity. **If applicable, list any positive MVA separately.**

<b>Source of Premium (Type and Company Name)</b>	<b>Penalty Percentage</b>
_____	_____
_____	_____
_____	_____

13e. Do you have any of the following riders associated with the contract that is being replaced?

- Waiver of Surrender Charge       Terminal Illness/Nursing Home Admission     Guaranteed Death Benefit
- Guaranteed Withdrawal Benefit     Guaranteed Income Benefit                       Guaranteed Accumulation Benefit
- Other \_\_\_\_\_

13f. If **"YES"**, to any of the above, please indicate the amount of benefit the rider provides. \$ \_\_\_\_\_

13g. Do you currently allocate premium to any indexed accounts? .....  **Yes**     **No**

If **so**, what are the applicable caps, rates and triggers? \_\_\_\_\_

13h. What are the applicable fees you currently pay in the contract you are replacing, such as administrative fees, advisory fees, mortality and expense fees? \_\_\_\_\_

13i. If you annuitize your current annuity, what will your guaranteed benefit amount be and what will the duration be?  
\_\_\_\_\_

13j. If you chose income as an investment objective and you are replacing another annuity with this product please complete the following: Annuitizing my current contract does not meet my investment objectives because \_\_\_\_\_  
\_\_\_\_\_

14. Are you currently residing in a nursing home or participating in an assisted living program?.....  **Yes**     **No**

15. To the best of your knowledge and belief have you ever been diagnosed by a licensed medical professional, licensed physician or health care provider that you have a terminal illness? .....  **Yes**     **No**

**Section 5 - Owner's Confirmation**

**APPLICANT: DO NOT SIGN THIS FORM IF ANY ITEM HAS BEEN LEFT BLANK, BEFORE CAREFULLY REVIEWING THE INFORMATION RECORDED, OR IF ANY OF THE INFORMATION RECORDED IS NOT TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE.**

**THE APPLICANT, JOINT APPLICANT AND /OR OWNER MAY SUBSTITUTE THEIR INITIALS FOR SIGNATURES ON ALL FORM PAGES WITH THE EXCEPTION OF THE SIGNATURES BELOW, WHICH ARE REQUIRED.**

Was your decision to purchase this annuity based on your agent's recommendation? .....  Yes  No

By checking "YES", I authorize my agent to communicate information related to this annuity application and suitability form to Phoenix on my behalf. ....  Yes  No

I acknowledge the information I provided above, regarding my financial status, tax status, investment objectives, identification information and any other information requested by my agent is complete and accurate to the best of my knowledge. I further acknowledge that neither the Company nor its representatives offer legal or tax advice and that I have been advised to consult my own personal attorney or tax advisor on any tax matters. I acknowledge that the fixed annuity I am applying for is a long term contract with substantial penalties for early withdrawal; additionally I am aware that any withdrawals taken from the annuity may result in a taxable event. I believe the annuity I am applying for is suitable according to my insurance needs and/or financial objectives.

Owner's Signature

Date (mm/dd/yyyy)

Joint Owner's Signature

Date (mm/dd/yyyy)

**Section 6 - Agent's Confirmation**

This section to be completed by the agent, insurer, or Managing General Agent proposing purchase.

**Advantages of purchasing the proposed annuity:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Disadvantages of purchasing the proposed annuity:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**The basis for my recommendation to purchase the proposed annuity or to replace or exchange your existing annuity(ies):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Was the owner's decision to purchase this annuity based on your recommendation? .....  Yes  No

Did you consider the risk associated with the amount of the annuity premium and the coverage limits provided by the applicable state life and health guaranty association? .....  Yes  No

By signing below, I acknowledge that I have made a reasonable effort to obtain information from the Owner concerning the Owner(s) financial status, tax status, investment objectives, liquid assets, and other information considered reasonable. I hereby represent that I have truly and accurately recorded on this suitability form the information supplied by the Owner(s) and that I have not included the value of the Owner(s) home, car, or the premium paying for this annuity in the amount of Liquid Assets stated on this suitability form. I am not aware of any discrepancies or misrepresentations in the recorded information. I am qualified and authorized to discuss the contract herein applied for. It is my belief that based on the information the Owner(s) provided to me and all the circumstances known to me at the time I recommended this annuity, the annuity being applied for is suitable for the Owner(s) insurance needs and/or financial objectives. In addition, I have verified the identity of the Owner(s) and believe the information the Owner(s) provided to me regarding his or her identity is true and accurate.

Agent's Signature

Date (mm/dd/yyyy)

## Explanation of Terms

**“Age”** is the natural person’s attained age on the day the form is completed. **“Tax Status”** is the senior consumer’s Federal Income Tax filing status such as “single” or “married filing jointly”; if “Exempt”, so state. **“Form of Ownership”** is the type of entity, other than a natural person, including a corporation trust partnership limited liability company, or other business or not-for-profit entity.

**“Supporting documents”** are the documents that provide a basis for the relationship between the Proposed Annuitant, Joint Annuitant if applicable, and the Applicant/Owner as it may exist. **“Annual income”** is income received during a calendar year, whether earned or unearned.

**“Source of annual income”** is the income-generating source, such as pension income, dividends, or earned income etc.

**“Annual household income”** is the combined annual income received by all household members each calendar year.

**“Total Net Worth”** is the senior consumer’s total assets minus total liabilities or encumbrances applicable to those assets.

**“Liquid Assets”** are financial holdings that can readily be converted into their cash equivalent, penalty free and without loss of principal. The liquid assets listed on the form should indicate liquid assets remaining AFTER the purchase premium has been deducted. Some examples of liquid assets are checking or savings accounts, insurance products where the surrender charge period has expired, and securities that can be sold without penalties. Some examples of nonliquid assets are real estate, automobiles, and insurance or investment products with fees or penalties when liquidated.

**“Financial Objectives”** are consumer’s stated goals as described to the insurance agent or insurer, if no insurance agent is involved. These may include but are not limited to the following: (1) Income, (2) Potential Growth, (3) Death Benefit, (4) Safety of Principal, (5) Safety of Principal and Growth, (6) Option to invest in Indexed Accounts, (7) Medical Expense Planning. Financial Objectives should be consistent with the purchase of buying an annuity in general but also with the particular annuity being applied for along with any rider and/or allocation of premium.

**“Risk Tolerance”** means the degree of uncertainty that an investor can reasonably tolerate with regard to a negative change in his or her investments. Examples of risk tolerance levels may include the following: (1) Conservative (prefer little or no risk), (2) Moderately conservative (some risk, reduced safety of principal), (3) Moderate (average risk with potential losses and potentially higher returns), (4) Moderately aggressive (above average risk with potential losses, risk of principal and potentially higher returns), (5) Aggressive (willing to sustain losses or loss of principal in pursuit of higher returns).

**“Source of the premium”** to be used to purchase the proposed annuity means from where the funds will come to purchase the annuity, and may include but are not limited to; (1) An existing annuity or life insurance contract, (2) Liquid Assets, including but not limited to, cash in banks, maturing certificates of deposit, and money market accounts, (3) Death Benefit Proceeds, (4) Funds received upon retirement from employment, including but not limited to, 401(k) accounts, pensions, and other tax-sheltered funds, (5) Equities, mutual funds, or bonds, (6) Proceeds from real estate transactions.

**“Intended use of the annuity”** means the purpose for which the senior consumer is considering the recommended purchase or exchange. This may include the following: (1) Immediate income (within 60 days or less), (2) Tax Shelter (protection from taxation of all types while in force), (3) Interest earnings, (4) Income stream at a stated age, (5) Creditor Protection (a desire to protect assets from attachment by any legal process) (OIR feels this can stay in as one can legitimately protect assets from Medicaid for example, with the right annuity contract), (6) Other, as stated by the Senior Consumer.

\_\_\_\_\_  
Owner’s Signature

\_\_\_\_\_  
Date (mm/dd/yyyy)

\_\_\_\_\_  
Joint Owner’s Signature

\_\_\_\_\_  
Date (mm/dd/yyyy)

## COMBINATION RIDER DISCLOSURE DOCUMENT

### Issued By PHL Variable Insurance Company (“Company”)

Annuities are long term investment products. With the purchase of an optional Combination Benefit Rider you have the flexibility to choose between income payments that begin immediately, or at a later date. The *Income: Today* series offers several rider options that provide an immediate guaranteed withdrawal benefit (which is increased by an upfront Benefit Base Bonus), as well as optional enhanced withdrawal and guaranteed death benefit features. This series of riders is for individuals who anticipate exercising their rider soon after the contract is issued. The *Income: Tomorrow* series offers several rider options whose benefits increase the longer you wait to exercise your rider, as well as optional enhanced withdrawal and guaranteed death benefit features. This series of riders is for individuals who anticipate exercising their rider at least several years after the contract is issued.

In total there are eight optional riders that you may choose from at the time you purchase your annuity. All of these riders incur an additional annual fee. The riders contain one or more of the following Rider Components: (1) a Guaranteed Lifetime Withdrawal Benefit; (2) an Enhanced Withdrawal Benefit; and (3) a Guaranteed Minimum Death Benefit. (Note: These riders and features may not be available in all states.) This disclosure is intended to summarize the key provisions of these riders. You should refer to the rider attached to your Contract and your Rider Specifications Pages for a complete description of the rider’s benefits and limitations. As used in this disclosure statement, the terms “you” and “yours” refer to the Contract Owner (or any Annuitant if the Owner is not a natural person). The term “Accumulation Value” refers to the total value of your annuity contract which is the accumulated value of your Fixed Account, if any, and your Indexed Account(s), if any.

### **I. Rider Benefit Features**

#### **1.) What is the Guaranteed Lifetime Withdrawal Benefit feature?**

The Guaranteed Lifetime Withdrawal Benefit (“GLWB”) feature provides for guaranteed withdrawals or payments of a minimum amount (referred to as the “Annual Benefit Amount”) for the life of the Covered Person(s) during each Rider Year after the Rider Exercise Date. On the Rider Exercise Date, the Annual Benefit Amount is a percentage of the greater of either the Accumulation Value or a value that we determine, referred to as the Withdrawal Benefit Base, described later. The rider provides a lifetime benefit for one person (Single Life Option) or two spouses (Spousal Life Option) depending upon which option you select.

#### **What is my Annual Benefit Amount?**

Your Annual Benefit Amount is the amount that is guaranteed to be available for withdrawal or payment each Rider Year after the Rider Exercise Date, if all Covered Persons are living (Single Life Option) or at least one Covered Person is living (Spousal Life Option.) The Annual Benefit Amount is first calculated on the Rider Exercise Date and is equal to the applicable Annual Benefit Percentage, multiplied by the greater of the Accumulation Value of the base contract *or* the Withdrawal Benefit Base both as of the Rider Exercise Date.

#### **What is my Annual Benefit Amount Percentage?**

The Annual Benefit Percentage is the percentage we use to determine your Annual Benefit Amount. It is based on the issue age and the attained age of the youngest living Covered Person on the Rider Exercise Date. Prior to purchasing your rider, a table of Annual Benefit Percentages is available upon request. Please ask your Agent for the table that applies to the rider you select. After purchasing your rider, the applicable table can be found in the Rider Specifications section of your rider.

#### **What is my Withdrawal Benefit Base?**

Your Withdrawal Benefit Base is an amount used to determine the Annual Benefit Amount. On the Rider Issue Date the Withdrawal Benefit Base is equal to the Initial Premium, plus any Withdrawal Benefit Base Bonus. The Withdrawal Benefit Base Bonus is not a guaranteed cash value and is not available for immediate withdrawal. The Withdrawal Benefit Base Bonus is 30% for the *Income: Today* series of riders. There is no Withdrawal Benefit Base Bonus for the *Income: Tomorrow* series of riders.

### How can withdrawals negatively impact my GLWB?

Withdrawals can negatively impact your GLWB as follows:

First, prior to the Rider Exercise Date, the Withdrawal Benefit Base will be reduced in the same proportion as the Accumulation Value is reduced by any withdrawals taken (including Required Minimum Distributions, or "RMDs"). Therefore, if you are taking your RMDs from this contract prior to the Rider Exercise Date, you should discuss with your agent whether or not the potential charges and reductions to the Withdrawal Benefit Base may be offset by the Roll-Up feature (described later in this document) or whether it is more beneficial to exercise your rider prior to taking your RMDs, even though your Annual Benefit Percentage will be fixed at a lower percentage than if you waited to exercise the rider.

Second, after the Rider Exercise Date, the Withdrawal Benefit Base and Annual Benefit Amount will be reduced proportionally by an Excess Withdrawal. An Excess Withdrawal is any withdrawal that causes the cumulative withdrawals during a Rider Year to exceed the Benefit Threshold Amount. The Benefit Threshold Amount represents the total amount you can withdraw under all Rider Components each Rider Year without reducing the Annual Benefit Amount. The withdrawn amount that exceeds the Benefit Threshold Amount and any subsequent withdrawals in that Rider Year will be considered Excess Withdrawals.

Please see the example included below of how the Withdrawal Benefit Base and Annual Benefit Amount are impacted by an Excess Withdrawal.

### **Effect of an Excess Withdrawal on the Withdrawal Benefit Base and the Annual Benefit Amount (after Rider Exercise Date):**

*Example 1 – Where the withdrawal is slightly less than the Accumulation Value just prior to the withdrawal.*

Assume your Accumulation Value is \$300,000, your Withdrawal Benefit Base at the time of the withdrawal is \$500,000, and your Annual Benefit Amount Percentage is 6.5%. Your Annual Benefit Amount prior to the withdrawal is \$32,500 = (6.5% x \$500,000). This amount is the contract's Free Withdrawal Amount.

Now assume you withdraw \$290,000. The Annual Benefit Amount of \$32,500 is deducted first. The Accumulation Value after the Annual Benefit Amount is deducted is \$267,500. The Excess Withdrawal is the total withdrawal amount minus the Annual Benefit Amount: \$290,000 - \$32,500 = \$257,500. The Excess Withdrawal will reduce the Accumulation Value in percentage by 96.26% = (\$257,500 / \$267,500). As a result, the Withdrawal Benefit Base will be reduced by the same percentage. The new Withdrawal Benefit Base will be \$18,700 = (1 - 96.26%) x \$500,000. The new Annual Benefit Amount is \$1,215.50 = (\$18,700 x 6.5%).

*Example 2 – Where the withdrawal is equal to the Accumulation Value immediately prior to the withdrawal.*

Use same assumptions as previous example, except that assume you withdraw \$300,000. The Annual Benefit Amount of \$32,500 is deducted first. The Accumulation Value after the Annual Benefit Amount is deducted is \$267,500. The Excess Withdrawal is the total withdrawal amount minus the Annual Benefit Amount: \$300,000 - \$32,500 = \$267,500. The Excess Withdrawal will reduce the Accumulation Value in percentage by 100% = (\$267,500 / \$267,500). As a result, the Withdrawal Benefit Base will be reduced by the same percentage. The new Withdrawal Benefit Base will be \$0 = (1 - 100%) x \$500,000. The new Annual Benefit Amount is \$0 = (\$0 x 6.5%).

### Can my Withdrawal Benefit Base increase after the Rider Issue Date?

Yes. Your Withdrawal Benefit Base may be increased using simple interest by the GLWB Roll-Up feature. The GLWB Roll-Up feature increases your Withdrawal Benefit Base by the GLWB Roll-Up Rate and is available until the earlier of the Rider Exercise Date and the conclusion of the final Roll-Up Period. Prior to the Rider Exercise Date, on each Rider Anniversary during the initial Roll-Up Period (first ten Rider Years), the Withdrawal Benefit Base will increase according to the GLWB Roll-Up Rate table shown in Appendix A and in your Rider Specifications. Additionally, at the end of the initial Roll-Up Period and prior to the Rider Exercise Date, you may elect to begin a new ten year Roll-Up Period ("Roll-Up Restart"). The effective GLWB Roll-Up Rate for this subsequent Roll-Up Period will be declared at the end of your initial Roll-Up Period, but never less than 3%. Only one Roll-Up Restart is allowed. Please see the following example for how the GLWB Roll-Up is calculated:

### GLWB Roll-Up Example:

Assume a \$100,000 Withdrawal Benefit Base at issue and an 8% GLWB Roll-Up Rate. At the end of the first contract year, if the rider has not been exercised, the Withdrawal Benefit Base will be increased by the GLWB Roll-Up Rate as follows: \$100,000 + \$100,000 x 8% = \$108,000. At the end of the second contract year, if the rider has not been exercised, the Withdrawal Benefit Base will be increased by the GLWB Roll-Up Rate as follows: \$108,000 +

\$100,000 x 8% = \$116,000. GLWB Roll-ups will continue until the earlier of the Rider Exercise Date and the conclusion of the final Roll-Up Period.

What happens when I reach the Maximum Maturity Date under the base contract?

If you reach the Maximum Maturity Date under the base contract and your Accumulation Value is greater than zero, you have the option to exchange the Accumulation Value for monthly lifetime payments equal to one-twelfth of the Annual Benefit Amount in lieu of an annuity payment option offered by the base contract.

Can the GLWB feature terminate?

Yes, the GLWB feature can terminate without value on any of the following dates: (1) the date the Accumulation Value is reduced to zero as the result of an Excess Withdrawal; and (2) the date the Withdrawal Benefit Base is reduced to zero. **For a description of when all features of your rider will terminate, please see the “Can my rider terminate?” section contained in the “II. Common Rider Benefit Features” section below.**

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## **2.) What is the Enhanced Withdrawal Benefit feature?**

If on your application you elected a rider that contains this component, the Enhanced Withdrawal Benefit (“EWB”) feature provides for guaranteed withdrawals or payments of a minimum amount (referred to as the “Enhanced Benefit Amount”) following the Rider Exercise Date as long as the Covered Person(s) meet(s) certain qualifying conditions and no exclusions apply. We reserve the right to gather medical information at time of application to determine the suitability of the rider selection. The Enhanced Withdrawal Benefit feature is not qualified long-term care, as defined in the Internal Revenue Code and does not qualify for any preferred tax treatment.

What are the Rider Qualifications?

In order to be eligible for Enhanced Benefit Amount payments all of the following conditions must be satisfied: (1) no Rider Exclusions apply; (2) two years have elapsed since the Rider Issue Date; (3) the Covered Person(s) has satisfied one of the Eligible Confinement Qualification Levels for at least ninety consecutive days; and (4) the Covered Person(s) has satisfied one of the Eligible Confinement Qualification Levels during the Rider Year when payments are requested.

What are the Rider Exclusions?

Even after this rider has been issued, no Enhanced Withdrawal Benefits will be paid under this rider if we determine that any of the following Rider Exclusions applied at the time of issue: (1) any Covered Person has been treated for, diagnosed with or experienced symptoms of heart disease, stroke, Parkinson’s disease, rheumatoid arthritis, cancer (other than non-melanoma skin cancer), Alzheimer’s disease or any other form of dementia within the five year period (two year period for the state of Nebraska) prior to and including the Rider Issue Date; (2) any Covered Person was confined, for a period of ninety days or more, to a Nursing Home, Assisted Living Facility, Hospital, Hospice Facility or any other similar facility during the two year period prior to and including the Rider Issue Date; (3) any Covered Person was unable to perform or required substantial assistance from another person to perform any of the following activities during the two year period prior to and including the Rider Issue Date: bathing, dressing, eating, toileting, transferring or continence; (4) any Covered Person has been declined for long-term care insurance coverage (including declination for a hybrid life or annuity policy with a long-term care rider or benefit, or any other type of insurance policy or benefit plan with a long-term care or nursing home confinement component), during the two year period prior to and including the Rider Issue Date; and (5) any Covered Person has been diagnosed with a Terminal Illness prior to the Rider Issue Date. Additionally, if at any time a Covered Person satisfies any Qualification Level of Eligible Confinement as the result of self inflicted injury or attempted suicide, regardless of their mental state, no benefits will be paid under this rider.

**In some states a person commits a fraudulent insurance act, which is a crime, if he or she (or other person) knowingly and with intent to defraud any insurance company, either: (1) files a statement of claim containing any materially false information; or (2) conceals the purpose of misleading information about any fact that is material to a claim. Violations, in those states, may subject a person to criminal prosecution and may also result in civil penalties.**



#### What is my Enhanced Benefit Amount?

The Enhanced Benefit Amount is the amount that is guaranteed to be available for payment or withdrawal for five Rider Years if the Covered Person is living (Single Life Option) or at least one Covered Person is living (Spousal Life Option) and certain qualifying conditions described above are met. If your Accumulation Value is greater than zero, the Enhanced Benefit Amount is first calculated on the date the Enhanced Benefit Status is set to "active." The Enhanced Benefit Status is set to "active" on the date the Covered Person has satisfied the Rider Qualification Conditions and is eligible for Enhanced Benefit Amount payments ("EBA payments"). On this date the Enhanced Benefit Amount equals the applicable Enhanced Benefit Amount Percentage for the applicable Qualification Level multiplied by the Annual Benefit Amount

The Enhanced Benefit Amount is set to zero any time the Enhanced Benefit Status is set to "inactive." While the Accumulation Value is greater than zero, the Enhanced Benefit Status may move between "active" and "inactive" multiple times during the life of the contract, however it will never be set to "active" more than once during any Rider Year. Once the Enhanced Benefit Status is set to "active", any time during the Rider Year, the entire Enhanced Benefit Amount will be available for withdrawal. The Enhanced Benefit Status will be permanently set to "inactive" after EBA payments have been made for five Rider Years.

In order for the EBA payments to be processed, you must submit a written request for payments, accompanied by adequate written proof from a Physician that the Rider Qualification conditions have been satisfied and the Company must determine, to our satisfaction, that none of the Rider Exclusions apply. We may require personal medical records in order to make this determination. Failure to grant the Company the appropriate authorization to access those records will prevent your claim from being processed. In order to continue receiving EBA payments, the Covered Person will be required to show proof that they satisfy the Rider Qualification conditions at least once per Rider Year, prior to withdrawing the EBA payments. Once you begin EBA payments based on a particular Qualification Level, the conditions required to satisfy that same Qualification Level continue to apply for all future EBA payments.

When the Enhanced Benefit Status is set to "active", any currently active systematic withdrawals, Annual Benefit Amount payments, or any Required Minimum Distributions (collectively referred to as "Other Payment Types") will be discontinued. In order to begin receiving EBA payments, you must submit a separate withdrawal request form. If you request to make withdrawals in excess of your Benefit Threshold Amount, you must submit a new withdrawal form indicating your intentions. Please note that withdrawals in excess of your Benefit Threshold Amount may be subject to fees and charges as described in your contract and Indexed Annuity Disclosure Document and will negatively impact your Benefit Threshold Amount.

Upon the completion or termination of EBA payments, your EBA payments will be discontinued, along with any Other Payment Types that are currently active. If you wish to continue any Other Payment Types, you must submit a new withdrawal form indicating your intentions.

#### Is my Enhanced Benefit Amount ever recalculated?

The Enhanced Benefit Amount is recalculated whenever the Enhanced Benefit Status is set to "active", on each Rider Anniversary when the Enhanced Benefit Status is "active" and on the date of any Excess Withdrawal when the Enhanced Benefit Status is "active". On these dates, the Enhanced Benefit Amount equals the Enhanced Benefit Amount Percentage for the applicable Qualification Level multiplied by the Annual Benefit Amount (after the Annual Benefit Amount has been reduced for any Excess Withdrawal).

#### What is my Enhanced Benefit Amount Percentage?

The Enhanced Benefit Amount Percentage is the percentage we use to determine your Enhanced Benefit Amount. It is based on the attained age of the oldest living Covered Person and the applicable Qualification Level, all at the time the Enhanced Benefit Status is first set to active. The Qualification Level in effect on the date the Enhanced Benefit Status is first set to "active" will remain the applicable Qualification Level while this rider is in effect. There are two Qualification Levels on this rider: (1) confinement to a Nursing Home (as defined in the rider) based on an inability to perform two out of six Activities of Daily Living; and (2) the inability to perform two out of six Activities of Daily Living (bathing, dressing, eating, toileting, transferring and continence). The Enhanced Benefit Amount Percentage tables for each of these Qualification Levels shown in Appendix A and in your Rider Specifications.

How can withdrawals negatively impact my EWB benefit?

Withdrawals can negatively impact your EWB benefit in the same way they can negatively impact your GLWB benefit.

Is there a charge for exercising this Rider?

No. There is no charge to exercise this rider.

What happens when I reach the Maximum Maturity Date under the base contract?

If you reach the Maximum Maturity Date under the base contract and your Accumulation Value is greater than zero, you have the option to exchange the Accumulation Value for monthly payments equal to one-twelfth of the Enhanced Benefit Amount in lieu of an annuity payment option offered by the base contract, as long as the Enhanced Benefit Status is set to "active," the Covered Person has satisfied all of the Rider Qualification Conditions and is eligible for EBA payments.

Can the EWB feature terminate?

Yes, when combined with other features, the EWB feature can terminate without value while other features remain active on any of the following dates: (1) the date the Accumulation Value is reduced to zero as the result of an Excess Withdrawal; (2) the date the Withdrawal Benefit Base is reduced to zero; and (3) the date the final EBA payment has been made under the rider. **For a description of when all features of your rider will terminate, please see the "Can my rider terminate?" section contained in the "II. Common Rider Benefit Features" section below.**

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### **3) What is the Guaranteed Minimum Death Benefit feature?**

If on your application you elected a rider that contains this component, the Guaranteed Minimum Death Benefit ("GMDB") feature provides a guaranteed death benefit which may exceed that provided by the base annuity contract. The guaranteed death benefit amount under this rider is equal to the GMDB Benefit Base. Upon death of the Covered Person, the designated Beneficiary will receive the greater of the death benefit provided by the base annuity contract or the guaranteed death benefit provided by this rider.

What are the Rider Exclusions?

Even after this rider has been issued, the guaranteed death benefit provided by this rider will not be paid if we determine that any of the following Rider Exclusions applied at the time of issue: (1) any Covered Person was confined, for a period of ninety days or more, to a Nursing Home, Assisted Living Facility, Hospital, Hospice Facility or any other similar facility during the two year period prior to and including the Rider Issue Date; (2) any Covered Person was diagnosed with a Terminal Illness prior to the Rider Issue Date.

**In some states a person commits a fraudulent insurance act, which is a crime, if he or she (or other person) knowingly and with intent to defraud any insurance company, either: (1) files a statement of claim containing any materially false information; or (2) conceals the purpose of misleading information about any fact that is material to a claim. Violations, in those states, may subject a person to criminal prosecution and may also result in civil penalties.**

What is my GMDB Benefit Base?

On the Rider Issue Date, the GMDB Benefit Base is equal to the Initial Premium.

How can withdrawals negatively impact my GMDB benefit?

Withdrawals taken at any time will reduce your GMDB Benefit Base in the same proportion as the Accumulation Value is reduced by the withdrawal.

How is my guaranteed death benefit paid?

The guaranteed death benefit is paid in a lump sum.

Can my GMDB Benefit Base increase after the Rider Issue Date?

Yes. Your GMDB Benefit Base may be increased using simple interest by the GMDB Roll-Up feature. The GMDB Roll-Up feature increases your GMDB Benefit Base by the GMDB Roll-Up Rate and is available until the earlier of the Rider Exercise Date, the conclusion of the final Roll-Up Period or attained age 85. Prior to the Rider Exercise Date, on each Rider Anniversary during the first ten Rider Years, the GMDB Benefit Base will increase according to the GMDB Roll-Up Rate table shown in Appendix A and in your Rider Specifications. Additionally, at the end of the initial Roll-Up Period (first ten Rider Years), and prior to the Rider Exercise Date, you may elect to begin a new ten year Roll-Up Period (“Roll-Up Restart”). The effective GMDB Roll-Up Rate for this subsequent Roll-Up Period will be declared at the end of your initial Roll-Up Period, but never less than 0%. Only one Roll-Up Restart is allowed. The GMDB Roll-Up feature will stop at attained age 85.

Is there a Maximum GMDB Benefit Base?

Yes, the GMDB Benefit Base may never exceed the Maximum GMDB Benefit Base. The Maximum GMDB Benefit Base is equal to the Initial Premium, less any Gross Withdrawals, multiplied by 250%.

Can the GMDB feature terminate?

Yes, when combined with other features, the GMDB feature can terminate without value while other features remain active under the following conditions: (1) the GMDB Benefit Base is reduced to zero; or (2) the Accumulation Value is reduced below the Minimum Remaining Accumulation Value. **For a description of when all features of your rider will terminate, please see the “Can my rider terminate?” section contained in the “II. Common Rider Benefit Features” section below.**

## **II. Common Rider Benefit Features**

The information detailed below applies to each of the Rider Components described above.

Is there a charge for the rider?

Yes, a charge will be deducted annually on each Rider Anniversary from your Fixed Account value, if any. If the value of the Fixed Account is not sufficient to cover the charge, the remaining fee will be deducted, pro rata, from each applicable Indexed Account(s). The rider fee is equal to the Rider Fee Percentage shown in the Rider Specifications, multiplied by the Withdrawal Benefit Base; or if your rider includes the GMDB feature, by the greater of the Withdrawal Benefit Base or the GMDB Benefit Base. The Rider Fee Percentage may vary based on the version of the rider you select. Please see Appendix A for the specific Rider Fee Percentage applicable to each rider.

Will my Rider Fee Percentage ever increase?

We may increase the Rider Fee Percentage upon Roll-Up restart. However, while the Rider Fee Percentage may increase, it will never exceed 1.50%.

What is my Rider Exercise Date?

Your Rider Exercise Date is the date you elect to begin receiving payments under this rider.

Am I charged a Rider Fee if I surrender my annuity contract or cancel this rider?

If you surrender your annuity contract or cancel this rider on a date other than a Rider Anniversary, we will deduct a proportional rider fee (based on the time elapsed in a Rider Year) from your Accumulation Value. Past rider fees will not be refunded.

Can my rider terminate?

This rider will terminate without value on any of the following dates: (1) the date there is a change in any Covered Person; (2) the date of commencement of annuity payments under an annuity payment option as described in the base annuity contract; (3) the date the contract, to which the rider is attached, terminates; (4) the date of death of any Covered Person under the Single Life Option, or the date of death of the surviving Covered Person under the Spousal Life Option; (5) the date of assignment of any rights or interests in the contract to which the rider is attached; (6) the date of assignment of any rights or interest in this rider; (7) the date of payment of any death benefit including after-death distributions provided by the base annuity contract; (8) the date the owner elects, in writing, to terminate or cancel the rider on or after the Earliest Cancellation Date. **In the state of Nebraska only, your rider will also terminate on the date we determine that any of the Rider Exclusions described in the EWB or GMDB feature sections apply.** Once this rider terminates, it may not be reinstated.

### **III. Rider Combinations**

The three features described above will be offered in the following rider combinations with the following products (Note: these products and riders may not be available in all states):

#### **Personal Income Annuity**

1. Income Strategy: Today (GLWB)
2. Income Strategy: Tomorrow (GLWB)

#### **Personal Protection Choice**

3. Income & Care Protection: Today (GLWB + EWB)
4. Income & Care Protection: Tomorrow (GLWB + EWB)
5. Income & Family Protection: Today (GLWB + GMDB)
6. Income & Family Protection: Tomorrow (GLWB + GMDB)
7. Income & Care & Family Protection: Today (GLWB + EWB +GMDB)
8. Income & Care & Family Protection: Tomorrow (GLWB + EWB +GMDB)

### **IV. Taxes**

#### **If I have selected the Spousal Life Option, what happens if I get divorced or if my spouse dies?**

The selection of the Spousal Life Option under this rider cannot be changed to the Single Life Option. Specifically, the Spousal Life Option cannot be changed to the Single Life Option in the event of the death of the first Covered Person. In addition, the Spousal Life Option cannot be changed to the Single Life Option in the event that the Covered Persons obtain a divorce, legal separation or annulment. A Spousal Life Option rider cannot be converted into two Single Life Option riders. Once the Spousal Life Option is selected, the rates applicable to the Spousal Life Option continue to be charged even if the annuity ownership has changed or if the owners are no longer federal spouses. In the event of death, divorce, separation or annulment after the Spousal Life Option has been elected, the Annual Benefit Percentage will continue to be based on the person who was considered the youngest Covered Person as of the Rider Issue Date. In the event of a divorce, if there is a Court Order, Separation Agreement or other legal document requiring the division of the base annuity contract or a transfer of a portion of the base annuity value from one spouse to another, such division, transfer or split is considered a partial withdrawal under the terms of the rider. As a partial withdrawal, it may be considered an excess withdrawal and all consequences of an excess withdrawal will follow.

#### **Federal Spousal Definition**

Federal law requires that under the Internal Revenue Code, the special provisions relating to a “spouse” relate only to persons considered as spouses under the Defense of Marriage Act (DOMA). Under this Act, a spouse must be a man and a woman legally joined. Individuals married under State or foreign laws that permit a marriage between two men or two women are not spouses for purposes of the Internal Revenue Code. Individuals participating in a civil union or other like status are not spouses for purposes of the Internal Revenue Code. Accordingly, any provisions relating to a surviving spouse are not available to a surviving civil union partner, surviving domestic partner or surviving spouse from a same-sex marriage.

#### **Taxes**

Amounts received under this rider are subject to the same tax treatment as amounts received under the annuity contract to which the rider is attached. In brief, the payments will be subject to income tax as contract distributions.

***IRS Circular 230 Disclosure:*** Any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, to avoid penalties imposed under the U. S. Internal Revenue Code, and was written to support the promotion or marketing of the transactions or matters addressed here. Individuals should seek independent tax advice based on their own circumstances.

***Neither PHL Variable Insurance Company nor its representatives may offer legal or tax advice.***

**Guarantees are based on the claims-paying ability of the issuing company, PHL Variable Insurance Company.**

**Arkansas and Idaho Owners ONLY - please SIGN and RETURN this disclosure**

For products offered in the state of Idaho, please complete BOTH Sections I and II.

For products offered in the state of Arkansas, complete ONLY Section II.

**I. Owner Signature (Required ONLY in the state of Idaho)**

I/We have received a copy of the Buyer's Guide to Fixed Deferred Annuities with Appendix for Equity-Indexed Annuities, a copy of the Indexed Annuity Disclosure Document and a copy of this Combination Rider Disclosure Document. I have reviewed this information with my agent and have had the opportunity to ask questions about anything I did not understand.

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Date (mm/dd/yyyy)

\_\_\_\_\_  
Signature of Joint Owner (if applicable)

\_\_\_\_\_  
Date (mm/dd/yyyy)

**II. Producer Signature (Required in BOTH Arkansas\* and Idaho)**

\*I certify that the Buyer's Guide to Fixed Deferred Annuities with Appendix for Equity-Indexed Annuities, the Indexed Annuity Disclosure Document and this Combination Rider Disclosure Document have been presented to the Owner(s) and that a copy of each has been provided to the Owner(s). I have not made any statements that differ from this material nor have I made any promises about the expected future values or performance of this contract.

\_\_\_\_\_  
Producer Name

\_\_\_\_\_  
Producer Number

\_\_\_\_\_  
Signature of Producer

\_\_\_\_\_  
Date (mm/dd/yyyy)

\*For Arkansas - Phoenix must have in its possession one signed Disclosure Document for each rider type that the producer sells in order for a rider to be issued.

**The insurance products are:**

- Not insured by FDIC, NCUSIF, or any other state or federal agency that insures
- Not a deposit or obligation of, underwritten or guaranteed by, the depository
- Subject to surrender charges that could result in possible loss of principal invested.

This is a summary document and not part of your contract with the insurer.

**Rider available with a Modified Single Premium Deferred Fixed Modified Guaranteed Indexed Annuity**

PHL Variable Insurance Company  
P.O. Box 8027  
Boston, MA 02266-8027

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## Appendix A

Rider Fee Percentage Table

Rider Fee Percentage	
<b>Income and Family Protection: Today</b> <b>Income and Family Protection: Tomorrow</b> <b>Income and Care and Family Protection: Today</b> <b>Income and Care and Family Protection: Tomorrow</b>	<b>Income Strategy: Today</b> <b>Income Strategy: Tomorrow</b> <b>Income and Care Protection: Today</b> <b>Income and Care Protection: Tomorrow</b>
1.15%	0.95%

GLWB Roll-Up Rate Table

GLWB Roll-Up Rate		
Rider Year	<b>Income Strategy: Today</b> <b>Income and Care Protection: Today</b> <b>Income and Family Protection: Today</b> <b>Income and Care and Family Protection: Today</b>	<b>Income Strategy: Tomorrow</b> <b>Income and Care Protection: Tomorrow</b> <b>Income and Family Protection: Tomorrow</b> <b>Income and Care and Family Protection: Tomorrow</b>
1-2	5.77%	14%
3-10	3%	14%
11+	0%	0%

GMDB Roll-Up Rate Table

GMDB Roll-Up Rate			
<b>Income and Family Protection: Today</b> <b>Income and Family Protection: Tomorrow</b> <b>Income and Care and Family Protection: Today</b> <b>Income and Care and Family Protection: Tomorrow</b>		<b>Income Strategy: Today</b> <b>Income Strategy: Tomorrow</b> <b>Income and Care Protection: Today</b> <b>Income and Care Protection: Tomorrow</b>	
Attained Age of oldest Covered Person: 0-70	Attained Age of oldest Covered Person: 71-85	Attained Age of oldest Covered Person: 0-70	Attained Age of oldest Covered Person: 71-85
10%	5%	0%	0%

Enhanced Benefit Percentage Table

Enhanced Benefit Percentages				
Qualification Level	<b>Income and Care and Family Protection: Today</b> <b>Income and Care and Family Protection: Tomorrow</b> <b>Income and Care Protection: Today</b> <b>Income and Care Protection: Tomorrow</b>		<b>Income Strategy: Today</b> <b>Income Strategy: Tomorrow</b> <b>Income and Family Protection: Today</b> <b>Income and Family Protection: Tomorrow</b>	
	Issue Age of oldest Covered Person: 0-70	Issue Age of oldest Covered Person: 71-85	Issue Age of oldest Covered Person: 0-70	Issue Age of oldest Covered Person: 71-85
2/6 ADLs	75%	25%	0%	0%
Nursing Home	150%	100%	0%	0%



**Section 1 - Owner Name**

Owner (First, Middle, Last Name or Name of Trust) \_\_\_\_\_

**Section 2 - USA PATRIOT Act Notice**

To be read by or to Customer.

The USA PATRIOT Act requires insurance companies to obtain all relevant customer-related information necessary to establish an effective anti-money laundering program. In accordance with the USA PATRIOT ACT and the Company's anti-money laundering program, the Company will ask individuals for identifying information including their name, address, date of birth, including a driver's license or other government issued identification that will allow us to verify their identity. For certain entities, such as trusts, estates, corporations, partnerships, or other organizations, identifying documentation is also required. For both individuals and legal entities, the Company may include the use of third party sources to verify the information provided.

**Customer Identification Verification** - In order to satisfy such obligations, we require our producer to review and verify a current government issued photo ID for each Insured/Annuitant/Owner associated with a policy or contract. Information on such identification must be recorded below.

Complete for each Insured/Annuitant/Owner. **Information should be recorded EXACTLY as it appears on the identification reviewed.** Use additional forms if necessary.

**A. Identification Verification**

<input type="checkbox"/> <b>Insured</b> <input type="checkbox"/> <b>Annuitant</b> <input type="checkbox"/> <b>Owner</b>	<input type="checkbox"/> <b>Joint Insured</b> <input type="checkbox"/> <b>Joint Annuitant</b> <input type="checkbox"/> <b>Joint Owner</b>
Check <b>one</b> form of ID: <input type="checkbox"/> Driver's License or State Issued ID Card <input type="checkbox"/> Resident Alien ID (Green Card) <input type="checkbox"/> Passport <input type="checkbox"/> Other: (Describe) _____	Check <b>one</b> form of ID: <input type="checkbox"/> Driver's License or State Issued ID Card <input type="checkbox"/> Resident Alien ID (Green Card) <input type="checkbox"/> Passport <input type="checkbox"/> Other: (Describe) _____
Name (First, Middle, Last) _____	Name (First, Middle, Last) _____
Date of Birth (mm/dd/yyyy) _____	Date of Birth (mm/dd/yyyy) _____
Street Address (not PO Box) _____	Street Address (not PO Box) _____
City, State, ZIP Code _____	City, State, ZIP Code _____
Number on ID _____ State or Country _____	Number on ID _____ State or Country _____
Identification Expiration Date _____	Identification Expiration Date _____

**B. Additional Customer Information**

Occupation (if retired list most recent Occupation) _____ <b>U.S. Citizen</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No", Country of Citizenship _____ Country of Permanent Residence _____ Number of years in the U.S. _____ Visa Type _____	Occupation (if retired list most recent Occupation) _____ <b>U.S. Citizen</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No", Country of Citizenship _____ Country of Permanent Residence _____ Number of years in the U.S. _____ Visa Type _____
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**C. Entity Verification**

Check the appropriate entity as listed below and submit copies of documentation viewed to gain first-hand knowledge of the existence of a legitimate business. If the Owner is a minor or non-legal entity, review the identification of the individual who submits an application on behalf of the minor or non-legal entity.

- Corporation, LLC, Professional association, or professional corporation:** Articles of Incorporation, Organization or Association or similar document filed in the state in which the entity is formed.
- Limited Partnership:** Certificate of Limited Partnership or similar document filed in the state where the partnership is formed.
- General Partnership or Joint Venture:** Agreement, Joint Venture Agreement or similar agreement governing the formation and operation of the partnership.
- Trust and All Other Entities:** For Trust a completed Certification and Acknowledgement of Trust Agreement form must be completed (Form number OL4132). For all others attach document governing the formation and operation of the entity.

**Section 3 - Producer Statement**

- I certify that I personally met with the proposed Insured(s)/Annuitant(s)/Owner(s) and reviewed the above identification documents. To the best of my knowledge, it accurately reflects the identity of the proposed Insured(s)/Annuitant(s)/Owner(s).
- I was unable to personally review the identification documents for the reason stated below. I certify that, to the best of my knowledge, the information provided by the Insured(s)/Annuitant(s)/Owner(s) is true and accurate.

Reason for not reviewing documents: \_\_\_\_\_

<b>Print</b> Producer Name (First, Middle, Last)	Producer ID #	Producer Signature	Date (mm/dd/yyyy)





**Phoenix Personal Income Annuity & Phoenix Personal Protection Choice  
Indexed Annuity Disclosure Document  
A Modified Single Premium Deferred Fixed Modified Guaranteed Indexed Annuity  
Issued By PHL Variable Insurance Company (“Company”)**

This document reviews important points to think about before you buy this annuity. This annuity is a modified single-premium deferred fixed modified guaranteed indexed annuity. This annuity is a **modified single-premium** contract, which means you buy it with one “Initial Premium” (payment.) This annuity is a fixed annuity, which means it earns a defined rate of return, not less than zero. This annuity is **deferred**, which means payouts begin at a future date. This annuity is also a **modified guaranteed annuity**, which means that withdrawals before the end of the surrender charge period are subject to a **market value adjustment (“MVA,”)** either positive or negative, based on the amount of the withdrawal and the underlying assets are held in a Separate Account. This annuity is **indexed** which means it offers a variety of Indexed Accounts to which you may allocate your Accumulation Value. (As used in this document, “Accumulation Value” means the total accumulated value of your Fixed Account, if any, and your Indexed Account(s), if any. Also, “Account Value” means the value of an individual account, either Fixed or Indexed Account.)

This annuity offers a Fixed Account and a variety of Indexed Accounts. The Fixed Account will earn a specified rate of interest at least equal to the Guaranteed Minimum Fixed Account Interest Rate. The Indexed Accounts may or may not earn Index Credits. Index Credits are credited if the underlying Measuring Index of the Indexed Account has positive performance over a specified period of time. (As used in this document, “Measuring Index” means any established market composite index or mutual fund used to measure performance over a specified period.) Although Index Credits are tied to stock and/or bond market performance, this annuity is not a security. You are not buying shares of any stock or investing directly in a security, mutual fund or index. You are purchasing an annuity, which is a type of insurance contract issued by an insurance company. While your premium is held in a Separate Account, the terms and values of the annuity contract do not fluctuate with the value of or depend upon the performance of the assets in the Separate Account.

#### **THE ANNUITY CONTRACT**

##### **What type of annuity is being offered?**

Each of these annuities is a deferred modified single premium deferred fixed modified guaranteed indexed annuity designed to be used for long term savings.

##### **What if I change my mind?**

You have the right to return this contract within a certain period of time (free look period) specified in your contract for a refund of the Cumulative Premium, less any withdrawals made as of the date of cancellation. The contract will be void from its beginning. You may return the contract by delivering or mailing it to us at the address on the front page of this document or by returning it to the agent or agency office through which it was delivered. Contracts purchased in connection with a qualified plan or IRA may have different free look provisions.

##### **Is there a minimum premium required?**

Yes, the premium may not be less than \$15,000 and may not be greater than \$1,000,000 without our prior approval.

##### **How will the value of my annuity grow?**

The value of your annuity will depend on your Cumulative Premium as well as the amounts credited to the Fixed Account, if any, and the amounts credited to the Indexed Accounts, if any. The Fixed Account earns interest daily. The Fixed Account Interest Rate will never be less than the Guaranteed Minimum Fixed Account Interest Rate. The value of your annuity may also increase based on the

potential Index Credits associated with the Indexed Account(s) you select. **The Account Value that you allocate to an Indexed Account must remain in that Account for a required length of time (“Segment Duration”) or you will not be eligible for Index Credits. The Segment Duration for all Accounts is either 1 or 2 years. Amounts surrendered, withdrawn or paid as a Death Benefit, before the Segment Maturity Date will not receive the Index Credit for that Segment.** For each Indexed Account Segment (“Segment”) that you select, an Index Credit is calculated and credited to your Account Value on the last day of your Segment Duration (“Segment Maturity Date”). The Index Credit will never be less than zero, but may be equal to zero. If applicable, we will then subtract any rider fees that are not covered by your Fixed Account. The remaining Account Value is either transferred to a new Segment of the same Indexed Account or, if you so instruct, into a new Segment of a new Indexed Account or the Fixed Account, effective on the Segment Maturity Date which also coincides with your Contract Anniversary. Doing so will create new Segments with their own Segment Durations and Segment Maturity Dates for the purposes of calculating Index Credits. If your existing Account is no longer available or if automatically renewing your Account Value to the same Account would cause the Segment to mature beyond the Maximum Maturity Date, your Account Value will instead be allocated to the Fixed Account. We will notify you within 30 days prior to each Segment Maturity Date of your right to reallocate Account Value among the Accounts then available.

**If I choose an Indexed Account, how will you determine the interest credited to my contract?**

In addition to the Fixed Account, this annuity contract currently offers six different Indexed Accounts. You may choose to invest in any combination of these Accounts, as long as you allocate at least 10% to each Account you choose.

One of these Accounts, a Point-to-Point Indexed Account, credits interest which is calculated based upon the change in the applicable Measuring Index over a Segment, provided that the change is positive. The Index Credit is then subject to an Index Cap, which is the maximum allowable Index Credit for the Segment. The Index Cap is declared in advance for each Segment by the Company and may change with each new Segment created. The initial Index Cap applies during the initial Segment Duration only (either the first year or the first two years depending on the Indexed Account you choose) and is shown on your contract Schedule Pages, if you allocate a portion of your Initial Premium to this Indexed Account. Subsequent Index Caps may be higher or lower than the initial Index Cap, but will never be lower than the Guaranteed Minimum Index Cap, as shown below and on the contract Schedule Pages. If the change in the Measuring Index is zero or negative, the Index Credit equals 0%. There are three Measuring Indices available with this Indexed Account. The DJIA and EURO STOXX 50<sup>®</sup> indices are each available with a 1 year Segment Duration. The S&P 500<sup>®</sup> Index is available with both a 1 year and 2 year Segment Duration. We reserve the right to change the measuring indices.

<b>Point-to-Point Indexed Account – 1 Year S&amp;P 500<sup>®</sup></b>	
<b>Guaranteed Minimum Index Cap</b>	<b>0.75%</b>

<b>Point-to-Point Indexed Account – 1 Year DJIA</b>	
<b>Guaranteed Minimum Index Cap</b>	<b>0.75%</b>

<b>Point-to-Point Indexed Account – 1 Year EURO STOXX 50<sup>®</sup></b>	
<b>Guaranteed Minimum Index Cap</b>	<b>0.75%</b>

<b>Point-to-Point Indexed Account – 2 Year S&amp;P 500<sup>®</sup></b>	
<b>Guaranteed Minimum Index Cap</b>	<b>1%</b>

Another Account, a Monthly Point-to-Point Indexed Account, credits interest which is calculated based upon the change in the applicable Measuring Index during each month of the Segment Duration. Each Monthly Index Credit is subject to an Index Cap (which is the maximum allowable Index Credit for the Segment) and all Monthly Index Credits are added together at the end of the Segment Duration. The sum of the Monthly Index Credits will be the credit applied to the Indexed Account, provided it is positive. The Index Cap is declared in advance for each Segment by the Company and may change with each new Segment created. The initial Index Cap applies during the initial Segment Duration only and is shown on your contract

Schedule Pages, if you allocate a portion of your Initial Premium to this Indexed Account. Subsequent Index Caps may be higher or lower than the initial Index Cap, but will never be lower than the Guaranteed Minimum Index Cap, as shown below and on the contract Schedule Pages. If the change in the Measuring Index is zero or negative, the Index Credit equals 0%. The Measuring Index applicable to this Indexed Account is the S&P 500<sup>®</sup> Index. We reserve the right to change the measuring indices. This Account is available in only a 1 year Segment Duration.

<b>Monthly Point-to-Point Indexed Account – 1 Year S&amp;P 500<sup>®</sup></b>	
<b>Guaranteed Minimum Index Cap</b>	<b>0.25%</b>

Another Account, a Model Point-to-Point Indexed Account is comprised of three Measuring Indices, each of which constitutes a Component Index. The Index Credit for this Account is calculated based upon the change in the applicable Component Indices over a Segment, provided that the change is positive. First, an Index Credit is calculated for each Component Index, which is then subject to an Index Cap (the maximum allowable Index Credit for the Segment.) At the beginning of the Segment, each Component Index is assigned a weighted average (the sum of which must equal 100%) which will be used in the final Index Credit calculation. Once the Index Credits for each Component Index are calculated, they are multiplied by their respective, predetermined weighted averages. The sums are then added together to determine the Index Credit for the entire Indexed Account. The Index Cap and Component Index weighted averages are declared in advance for each Segment by the Company and may change with each new Segment created. The initial Index Cap and Component Index weighted averages apply during the initial Segment Duration only and are shown on your contract Schedule Pages, if you allocate a portion of your Initial Premium to this Indexed Account. Subsequent Index Caps may be higher or lower than the initial Index Cap, but will never be lower than the Guaranteed Minimum Index Cap, as shown below and on the contract Schedule Pages. If the change in the sum of all Component Indices is zero or negative, the Index Credit equals 0%. There are three Component Indices (each with a weighted average) available with this Indexed Account: S&P 500<sup>®</sup> Index (34%), EURO STOXX 50<sup>®</sup> Index (33%) and DJIA (33%.) We reserve the right to change the Component Indices and weighted averages. This Account is available in only a 1 year Segment Duration.

<b>Model Point-to-Point Indexed Account – 1 Year Balanced Allocation</b>	
<b>Guaranteed Minimum Index Cap</b>	<b>0.75%</b>

**How will I know the Fixed Account Interest Rate or Index Cap available for each account with my contract for the first Segment and each subsequent Segment?**

Crediting factors such as the Index Caps (for the Indexed Accounts) and the Fixed Account Interest Rate (for the Fixed Account) are in effect for a limited period of time. Generally, if your application is incomplete when submitted

and we return it as not in good order, the rates that were in effect on the date you signed your application may change and the crediting factors applicable to your contract will be those in effect at the time your contract is issued.

Your Schedule Pages will contain the Index Caps and Fixed Account Interest Rates applicable for the initial Segment Duration Year for any Account to which you allocate a portion of your Initial Premium. Subsequent Index Caps and Fixed Account Interest Rates may be higher or lower than the initial rates, but will never be lower than the Guaranteed Minimum Index Cap and Guaranteed Minimum Fixed Account Interest Rate as shown in this section and on the Schedule Pages.

**The Guaranteed Minimum Fixed Account Interest Rate, applicable for the life of your contract is 0%.**

We will notify you within 30 days prior to your Contract Anniversary. At this time you will have an opportunity to review the Accounts available to you at your next Contract Anniversary and the applicable Index Caps and Fixed Account Interest Rates for the next Segment.

**Does my Contract have a Premium Bonus? No**

**What is my Total Guaranteed Value?**

The Total Guaranteed Value (“TGV”) is the minimum value your annuity will provide as the Cash Surrender Value or Death Benefit. On the Contract Issue Date, we determine this amount by multiplying the Initial Premium by 87.5%. During the life of the contract the TGV accumulates at the interest rate specified on your contract schedule pages and is then adjusted for any subsequent deposits, withdrawals and rider fee deductions, if applicable.

**How can I access my Accumulation Value?**

The product you select is a long-term annuity contract. To avoid surrender charges and an MVA, you should plan to keep your annuity for at least the duration of the surrender charge period (10 years.) You can access the money in your annuity when you need it. You may contact our Annuity Operations Division at 1-800-541-0171 to obtain the proper forms to surrender your contract or make a withdrawal.

## **BENEFITS**

**How do I get income (payouts) from my annuity?**

When you apply for your annuity, you choose a date when the annuity payments will begin (“Contract Maturity Date”). On the Contract Maturity Date, you will choose the length of time for payments to be made. (For withdrawals from the annuity prior to the Contract Maturity Date, see the section entitled “ADJUSTMENTS, FEES, EXPENSE & OTHER CHARGES” below.)

Income is paid to the Contract Owner but, under certain options, is based on the life of the annuitant. Your choices are:

- *Life Annuity with Specified Period Certain*
- *Non-Refund Life Annuity*
- *Joint and Survivorship Life Annuity*
- *Installment Refund Life Annuity*

- *Joint and Survivorship Life Annuity with 10 Year Period Certain*
- *Payments for a Specified Period Certain*
- *Payments of a Specified Amount*

**What happens after I die?**

*Death Prior to the Contract Maturity Date*

The Death Benefit will be determined upon the first death of any Owner. It is equal to the greater of the Accumulation Value or the Total Guaranteed Value as of the date of death. No Surrender Charge or MVA will be included in the Death Benefit calculation. No Index Credit will be applied if the death occurs prior to the Segment Maturity Date.

If the contract is held by a single Owner, we will pay the Death Benefit to the designated Beneficiary. If there is more than one Owner, we will pay the Death Benefit to the surviving Owner(s).

*Spousal Continuation Option*

If the federal spouse of a deceased Owner is the designated Beneficiary, the surviving spouse may elect to continue the contract as the new Owner, with all the rights of the deceased Owner.

*Distribution at Death Requirements*

The Internal Revenue Code has distribution at death requirements. These are described in your annuity contract.

*Death on or after the Contract Maturity Date*

If the Owner is the same as the Annuitant, the payments cease unless there is a period certain, you have elected payments of a specified amount or an installment refund life annuity. If so, then the Beneficiary receives the remaining payments. If the Owner is not the same as the Annuitant and the Annuitant is still alive, then the payments continue to either a surviving Owner (if applicable) or to the Beneficiary.

## **OPTIONAL GUARANTEED BENEFIT RIDER**

You have the option of selecting a Guaranteed Benefit rider at the time you purchase your annuity for an additional fee. These riders may not be available in all states. It is important for you to review the separate Combination Rider Disclosure Document for additional information.

## **ADJUSTMENTS, FEES, EXPENSE & OTHER CHARGES**

**What happens if I take out some or all of the money from my annuity?**

Withdrawals of any kind will be deducted from the Fixed Account. Once the Account Value of the Fixed Account is depleted, the remaining withdrawal will be deducted pro rata from the applicable Indexed Accounts. However, you may specifically request that the withdrawal initially be deducted pro rata from all Accounts. You will not earn Index Credits on the Account Value withdrawn (which may include charges) from an Indexed Account unless you withdraw it on the Segment Maturity Date.



**What are Free Withdrawals?**

In each Contract Year, you may withdraw a portion of your Accumulation Value free of any Surrender Charge or MVA, if applicable. This is called a Free Withdrawal. During the first Contract Year, the Free Withdrawal Amount is equal to the greater of 10% of the Accumulation at the time of the withdrawal or any Required Minimum Distribution (RMD) associated with this contract. After the first Contract Year, it is equal to the greater of 10% of the Accumulation Value on the preceding Contract Anniversary or the Required Minimum Distribution (RMD).

Please be aware that upon your request for surrender we will assess a Surrender Charge for any Free Withdrawals taken during the previous twelve (12) month period.

**What adjustments, fees, expenses and other charges will I pay?**

Surrender Charge: No withdrawals are permitted after the Contract Maturity Date. Before then, you can withdraw all or part of your Accumulation Value. We will charge you a Surrender Charge for any withdrawals in excess of the Free Withdrawal Amount or a surrender, depending on the date and amount of such withdrawal or surrender. Surrender Charges will be waived upon death.

- The Surrender Charge schedule for the products are as follows:

**For Phoenix Personal Income Annuity and Phoenix Personal Protection Choice:**

<u>Complete Contract Years</u>	<u>Surrender Charge as a percentage of Accumulation Value</u>
0	9.10%
1	8.20%
2	7.30%
3	6.40%
4	5.50%
5	4.60%
6	3.70%
7	2.80%
8	1.80%
9	0.90%
10+	0%

Example:

Annuity contract was issued on 1/1/2010 with an Initial Premium of \$100,000.

On 5/1/2015 you surrender the contract when the Accumulation Value is \$120,000 (the same Accumulation Value as of 1/1/2015.) The surrender charge percentage is 5.5%. The surrender charge is applied to the Accumulation Value less Free Withdrawal Amount.

Surrender charge = 5.5% x (\$120,000-\$12,000) = \$5,940

In addition, if your annuity contract includes a Nursing Home Waiver or Terminal Illness Waiver amendment (both

features not available in all states), any Surrender Charges will be waived upon surrender or withdrawal if certain conditions, as detailed below, are met. **Please note: these features are only available if the Owner is aged seventy-nine (79) or younger on the Contract Issue Date.** You should know that these benefits could be taxable and that any surrenders or withdrawals before age 59½ may incur a 10% federal income tax penalty. You should consult a tax advisor for advice on your own circumstances.

**Nursing Home Waiver (Not available in MA)**

Prior to the Contract Maturity Date, you may take a withdrawal or surrender, adjusted by any applicable Market Value Adjustment, without a Surrender Charge, provided that all of the following conditions are satisfied: 1) more than 1 year has elapsed since the Issue Date; 2) the surrender or withdrawal is requested within 2 years of the Owner’s admission into a Licensed Nursing Home Facility; 3) the Owner has been confined to a Licensed Nursing Home Facility for at least the preceding 90 consecutive days; and 4) the Owner was not confined to a Licensed Nursing Home Facility during the 1 year period prior to the Issue Date. A Licensed Nursing Home Facility is a state licensed hospital or state licensed skilled or intermediate care nursing facility at which medical treatment is available on a daily basis. Evidence satisfying these conditions must be provided by written notice.

**Terminal Illness Waiver**

Prior to the Maturity Date, you may take a withdrawal or surrender, adjusted by any applicable Market Value Adjustment, without a Surrender Charge, provided that both of the following conditions are satisfied: 1) more than 1 year has elapsed since the Issue Date and 2) we receive proof, satisfactory to us of the Owner’s Terminal Illness from a licensed physician. The licensed physician may not be a member of the Owner’s family or related to the Owner in any other way. Terminal Illness is an illness or condition that is expected to result in the Owner’s death within six months.

MVA: An MVA is applied to withdrawals or surrenders in excess of the Free Withdrawal Amount that occur prior to the end of the Surrender Charge period. This means if you take out all or part of your annuity’s value before the end of the Surrender Charge period, we may increase or decrease the amount you receive based on an MVA by a specified formula. See the section below entitled “What is the MVA?”

All withdrawals are subject to federal income tax, regardless of whether there is an MVA or Surrender Charge. In addition to federal and state taxes, any withdrawals before age 59½ may incur an additional 10% federal income tax penalty. You should consult a tax advisor for advice on your own circumstances.

**Do I pay any other fees or charges?**

No, there is no sales charge, administrative charge or Mortality and Expense charge. However, a premium tax

may be deducted from withdrawals, surrenders or at annuitization where required by law.

### **What is the MVA?**

The MVA adjusts the value you receive on withdrawals or surrender. This adjustment is based on: (1) the Constant Maturity Treasury yield (“CMT rate”) as published by the Federal Reserve for the maturity matching the duration of the Surrender Charge period as of the business day prior to the Contract Issue Date (2) the CMT rate as published by the Federal Reserve for the maturity matching the remaining years in the Surrender Charge period (fractional years rounded up to the next full year) as of the business day prior to the date of withdrawal or surrender; and (3) the number of complete months from the date of withdrawal or surrender to the end of the Surrender Charge period.

In general, if interest rates are lower at the time of withdrawal than at the time the contract was issued, the value will be increased. If interest rates are higher at the time of withdrawal than at the time of issue, the value will be reduced.

See the Market Value Adjustment Amendment included with your contract or contact your financial representative for the mathematical formula used to determine the MVA.

### **NEGATIVE MVA AND SURRENDER CHARGES: HOW THEY REDUCE YOUR ACCUMULATION VALUE WHEN BOTH ARE APPLIED**

The MVA applies to withdrawals and surrenders in excess of the Free Withdrawal Amount that occur during the Surrender Charge period. The MVA can be positive or negative.

See the Market Value Adjustment Amendment included with your contract for information regarding the positive and negative limits (“MVA cap”) on the MVA. You should know that a negative MVA will never reduce the Cash Surrender Value below your Cumulative Premium amount. Also, a Surrender Charge and/or Negative MVA will never reduce the Cash Surrender Value below the TGV. In addition, any positive adjustment cannot increase the Cash Surrender Value by more than the maximum amount any negative adjustment can decrease the Cash Surrender Value.

### **The following is an example of how the application of both a negative MVA and a surrender charge affects your Cash Surrender Value:**

Example: You surrender your Phoenix Personal Income Annuity or Phoenix Personal Protection Choice contract after one year (beginning of year 2) and no prior withdrawals have been made. The Initial Premium paid is \$100,000. This means the initial Accumulation Value is \$100,000. The initial 10 year CMT rate is 5% and one year later the applicable rate is 7%, which will result in a negative MVA. At the end of one year, a Surrender Charge of 8.20% would apply (Surrender Charge *after* one year has been completed). As stated in the contract, the Total Guaranteed Value at the end of year one is equal to \$88,375 (87.5% of the Initial Premium accumulated at 1%).

Assuming there was an index credit of 5% at the end of the first Contract Year, the Accumulation Value would be \$105,000. For the purpose of this example, the applicable MVA Adjustment would be -\$5,000 and the Surrender Charge would be \$12,600. The resulting Cash Surrender Value is the greater of the Total Guaranteed Value (\$88,375) and the Accumulation Value adjusted for MVA less any Surrender Charges ( $\$105,000 + (-\$5,000) - \$8,610 = \$91,390$ ). Therefore, the resulting Cash Surrender Value is \$91,390.

### **SEPARATE ACCOUNT**

Your Cumulative Premium and the interest we credit to your Accumulation Value is allocated to an Account that is separate and apart from the Company’s General Account funds (“Separate Account”). The assets in the Separate Account are attributable to assets of all fixed indexed annuities currently sold by PHL Variable Insurance Company. Under Connecticut law these Separate Account assets must be segregated from our General Account and all income, gains or losses, whether or not realized, of the Separate Account must be credited to or charged against the amounts placed in the Separate Account without regard to the other income, gains and losses from any other business or activity of the Company. The assets of the Separate Account may not be used to pay liabilities arising out of any other business that an insurer conducts and as such are insulated from the creditors of the insurer.

### **CONTRACT GUARANTEES**

Any guarantee under the policy, such as interest credited to the Separate Account, or Accumulation Value transferred to the General Account to make annuity payments, or any guarantee provided by a rider to your annuity are paid from our General Account. Therefore, any amounts that we may pay under the contract as part of a guarantee are subject to our long-term ability to make such payments. The assets of the Separate Account are available to cover the liabilities of our General Account to the extent that the Separate Account assets exceed the Separate Account liabilities arising under the contracts supported by it.

### **TAXES**

#### **How is my annuity taxed?**

As long as your earnings remain in the annuity, they are not subject to federal or state income tax. All amounts paid-out or withdrawn, regardless of whether a Surrender Charge applies are subject to federal and state income tax. Loans, pledges or assignments are taxed as withdrawals. The amount of this tax will depend on the nature of the payment as well as the amount of the payment that represents contract gain. In addition to tax, any withdrawals before the Owner is age 59½ may incur an additional 10% federal income tax penalty.

The tax treatment of your annuity contract does not differ based on the investment features of this particular contract. This contract is an annuity, as defined in the Internal Revenue Code, and is subject to the same federal and state income tax treatment as any annuity.

### **Can I use this contract with an IRA?**

The contracts can be used with qualified plans or Individual Retirement Annuities (IRAs), as well as non-IRAs (referred to as non-qualified contracts). However, **contracts issued as part of a qualified plan or IRA, do not receive any additional tax benefits as compared with other qualified retirement plan or IRA investment vehicles.** A contract issued with a qualified retirement plan or IRA, is subject to Internal Revenue Code required minimum distributions (RMDs) once the Owner is age 70 ½. We can assist the Owner with computing the RMDs. Surrender Charges and MVAs will not be applied if withdrawals in excess of the Free Withdrawal Amount are needed to meet Required Minimum Distribution (RMD) requirements for certain qualified contracts, including contracts issued in connection with IRAs and qualified plans (including section 401(a) plans.)

### **IRS Circular 230 Disclosure:**

Any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, to avoid penalties imposed under the Internal Revenue Code, and was written to support the promotion or marketing of the transactions or matters addressed here. Individuals should seek independent tax advice based on their own circumstances.

### **OTHER INFORMATION**

#### **What else do I need to know?**

##### **Suitability**

This document describes Phoenix Personal Income Annuity and Phoenix Personal Protection Choice. In addition, other similar Indexed Annuities, offered by Phoenix or by other insurance companies, may be available. It is important to understand the features and trade-offs of these products. You should carefully consider your situation and consult your financial advisor to determine which, if any, of these annuities is suitable for you.

##### **Contracts Vary By State of Issue**

This is a summary of product features and options, which may vary by state. Actual product details may vary in a particular state based on the regulations of that state. If this disclosure document conflicts with the contract, the terms of the contract prevail. Please consult the contract and your financial representative for details, including any state variations, restrictions, terms and conditions that may apply.

##### **Community Property**

If the Owner resides in a community property or marital property state and has not named his or her spouse as the sole beneficiary, the spouse may need to consent to the non-spouse beneficiary designation. The owner should consult with legal counsel regarding this designation. Should spousal consent be required, we are not liable for any consequences resulting from the failure of the owner to obtain proper consent.

### **Changes to your contract**

We may change your annuity contract from time to time to follow federal or state laws and regulations. If we do, we will tell you about the changes in writing.

### **Compensation**

We pay the agent or firm for selling the annuity to you. They may receive more compensation for selling this annuity contract than for selling other annuity contracts.

Financial representatives often sell products issued by several different and unaffiliated insurance companies and the amount of compensation payable may vary significantly. Additionally, compensation paid to a financial representative will also vary between products issued by the same insurance company, including additional compensation payable as part of certain service arrangements. You should be aware that the amount of compensation payable to the agent or firm may differ significantly depending upon which annuity contract you purchase. A financial representative may have an incentive to promote or sell one product over another depending on these differences in the compensation, potentially resulting in the sale of a product that may not be the best product to suit your needs. You should talk to your financial representative if you have questions about potential conflicts of interest that may be created by varying compensation plans.

### **Regulation**

The annuity, and the solicitation, negotiation, and sale of the annuity are subject to regulatory oversight of the insurance department in your state. You may find contact information on your insurance department by visiting [www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm).

### **Annuities Are For Long-term Financial Needs**

Annuities are designed for long-term financial planning and are not designed for short-term investment strategies. Since annuities that are used to fund a qualified plan or IRA do not provide any additional tax deferred advantages over any other qualified plan or IRA investment, if your only or main investment objective is tax deferral, an annuity product may be more expensive than other products. However, if you are looking for lifetime income payments, protection through Death Benefits, and guaranteed fees, this product may be right for you.

### **Replacements**

Replacing any existing contract with this contract may not be to your advantage. You should talk with your financial representative before you replace your annuity contract. You should carefully compare the risks, charges, and benefits of your existing contract to the replacement policy to determine if replacing your existing contract benefits you. Additionally, replacing your contract could result in adverse tax consequences so you should also consult with your tax professional. There are specific Internal Revenue Code requirements that must be satisfied to exchange or replace your contract for another annuity. Also, you may pay a Surrender Charge if you make the exchange during the

Surrender Charge period of this annuity and you may pay a Surrender Charge if you make withdrawals from the new annuity during the first years you own it. You should know that once you have replaced your annuity contract, you generally cannot reinstate it unless the insurer is required to reinstate the previous contract under state law. This is true even if you choose not to accept your new annuity contract during your “free look” period.

#### **Non-Security Status**

The Contract has not been approved or disapproved by the Securities and Exchange Commission (“SEC”). The Contract is not registered under the Securities Act of 1933 and is being offered and sold in reliance on an exemption therein. The Separate Account has not been registered under the Investment Company Act of 1940 and is being offered and sold in reliance on an exemption therein.

#### **The Insurance Company**

PHL Variable Insurance Company is a wholly owned subsidiary of Phoenix Life Insurance Company (“Phoenix”) through its holding company, PM Holdings, Inc. Phoenix is a life insurance company, which is wholly owned by The Phoenix Companies, Inc. (“PNX”), which is a manufacturer of insurance, annuity and asset management products.

Phoenix Personal Income Annuity and Phoenix Personal Protection Choice (contract form number 10FIA) are issued by PHL Variable Insurance Company (PHLVIC) (One American Row, Hartford, CT).

Under Connecticut law, insurance companies are required to hold a specified amount of reserves in order to meet the contractual obligations of their General Account to policy owners. State insurance regulators also require insurance companies to maintain a minimum amount of capital, which acts as a cushion in the event that the insurer suffers a financial impairment, based on the inherent risks in the insurer’s operations. These risks include those associated with losses that an insurer could incur as the result of its own investment of its General Account assets, which could include bonds, mortgages, general real estate investments, and stocks. Useful information about PHL Variable Life Insurance Company’s financial strength, may be found on our website, [www.phoenixwm.com](http://www.phoenixwm.com), located under “About Us”/“Financial Strength” along with information on ratings assigned to us by one or more independent rating organizations. Additionally, the Company’s consolidated financial statements and financial schedules from the Annual Report on Form 10-K and amendments (if any) for the year ended December 31, 2011 may also be found on our website, or a copy of any of the above referenced documents may be obtained for free by calling our Annuity Operations Division.

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

#### **Guarantees are based on the claims-paying ability of the issuing company, PHL Variable Insurance Company.**

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Past activity of the S&P 500<sup>®1</sup>, DJIA<sup>2</sup> Index, and EURO STOXX 50<sup>®3</sup> are not intended to predict future activity.

<sup>1</sup>Standard & Poor’s<sup>®</sup>, “S&P<sup>®</sup>”, “S&P 500<sup>®</sup>” and “Standard & Poor’s 500<sup>™</sup>” are trademarks of Standard & Poor’s Financial Services LLC (“Standard & Poor’s”) and have been licensed for use by Phoenix Life Insurance Company and its affiliates. Phoenix Personal Income Annuity and Phoenix Personal Protection Choice are not sponsored, endorsed, sold or promoted by Standard & Poor’s and Standard & Poor’s makes no representation regarding the advisability of purchasing these Products.

<sup>2</sup> Dow Jones<sup>®</sup>, “Dow Jones<sup>®</sup>”, “DJIA”, “The Dow<sup>®</sup>”, “The Dow 30” and the “Dow Jones Industrial Average<sup>™</sup>,” are trademarks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by Phoenix Life Insurance Company and its affiliates. Phoenix Personal Income Annuity and Phoenix Personal Protection Choice which are based on the Dow Jones Industrial Average<sup>™</sup> are not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of trading in such product(s).

<sup>3</sup>The EURO STOXX 50<sup>®</sup> is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors (“Licensors”), which is used under license. Phoenix Personal Income Annuity and Phoenix Personal Protection Choice are based on the Index and are in no way sponsored, endorsed, sold or promoted by STOXX and its Licensors and neither of the Licensors shall have any liability with respect thereto.

**The insurance products are:**

- **Not insured by FDIC, NCUSIF, or any other state or federal agency that insures.**
- **Not a deposit or obligation of, underwritten or guaranteed by, the depository.**
- **Subject to Surrender Charges that could result in possible loss of principal invested.**

This is a summary document and not part of your contract with the insurer.

PHL Variable Insurance Company  
P.O. Box 8027  
Boston, MA 02266-8027

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# Application Guidelines

For Phoenix Fixed and Fixed Indexed Annuities



Help us ensure your contract is issued quickly and correctly!

Please use this cover sheet as a guide for completing your clients's application.

## APPLICATION AND FORMS

Complete the Application including:

Provide your client:

- All applicable sections
- All required signatures
- Capacity of signature identified, if applicable (i.e., Trustee)
- Physical street address
- Beneficiary information
- Date of birth
- Complete Rider/Features section
- Replacement questions
- Complete Customer Identification form
- Complete the Annuity Suitability form

Provide your client:

- Privacy Commitment
- Buyers Guide
- Disclosure Documents

If replacing insurance, complete the applicable or required forms:

- Request for 1035 Exchange/Qualified Transfer\*\*
- Request for Certificate of Deposit Transfer\*\*
- State Replacement form
- Sales Material List

## TRAINING REQUIREMENTS

Producer Training Certifications

- Product Training Certification
- NAIC CE Certifications

*Applications received in good order will typically have contracts issued within two business days of arrival at Phoenix. Policies will be mailed to the primary selling agent.*

\*\*Original signatures are required, and must be mailed to Phoenix.

## APPLICATION SUBMISSION

**Fax:** (816) 221-9674

**Mail:** Phoenix Annuity Mail Operations  
P. O. Box 8027  
Boston, MA 02266-8027

**Express Mail:** Phoenix Annuity Mail Operations  
30 Dan Road, Suite 8027  
Canton, MA 02021-2809

## RATE LOCK

Current credited interest rate and indexed account rates will be locked in as of the application signature date if the application is in good order. The completed application, required forms and premium must be received by Phoenix in good order within 5 business days of the application signature date to lock in rates.

If the application does not become in good order until after the 5th day of the application signed date, the current credited interest rate and indexed account rates the in effect will apply.

For 1035 exchanges or rollovers, the current credited interest rate and indexed account rates will be locked in as of the application signature date if all application requirements are resolved within 5 days of the application signature date and funds are received with 60 calendar days from the application signed date. For New York, the current credited interest rate and indexed account rates will be locked within 90 calendar days from the signature date of the Regulation 60 paperwork.

**For marketing materials, forms or product questions, please call our internal sales desk at (888) 794-4447, option 1.**

**For pending applications, call (800) 541-0171 and ask for Annuity New Business, or email [www.annuity.newbusiness@phoenixwm.com](mailto:www.annuity.newbusiness@phoenixwm.com).**

**For Producer Use Only.**



PHL Variable Insurance Company (Phoenix)

Regular Mail: PO Box 8027, Boston MA 02266-8027

Overnight Mail: 30 Dan Rd., Suite 8027, Canton MA 02021-2809

Phoenix Personal Income Annuity Application

Print and use black ink. Any changes must be initialed by the Owner.

Section 1 - Fixed Indexed Annuity Applied For

Phoenix Personal Income Annuity

NOTE: Owner and Annuitant must be the same for all types of IRAs. If ownership type is a Trust, indicate name of Trust and Tax ID to be used for tax reporting purposes and complete Certification and Acknowledgement of Trust Agreement - OL4132.

Section 2 - Owner Information

Check one: Individual, Joint (Non-Qualified Only), Trust (Non-Qualified Only) (Trust must be for the benefit of the Annuitant) Date Trust Established
Name (First, Middle, Last), Sex, Date of Birth, Social Security Number/ Tax ID, Relationship to Annuitant, Birth State, Birth Country, Name of Trust, Name of Trustee(s), Residence Street Address, City, State, ZIP Code, Preferred Phone #, Email Address

Section 3 - Joint Owner Information (if any)

Name (First, Middle, Last), Sex, Date of Birth, Social Security Number/ Tax ID, Relationship to Annuitant, Birth State, Birth Country, Residence Street Address, City, State, ZIP Code, Preferred Phone #, Email Address

Section 4 - Annuitant Information

If different from the Owner named in Section 2.

Name (First, Middle, Last), Sex, Date of Birth, Social Security Number/ Tax ID, Birth State, Birth Country, Residence Street Address, City, State, ZIP Code, Preferred Phone #, Email Address

Section 5 - Joint Annuitant Information (if any)

If different from the Joint Owner named in Section 3.

Name (First, Middle, Last), Sex, Date of Birth, Social Security Number/ Tax ID, Relationship to Annuitant, Birth State, Birth Country, Residence Street Address, City, State, ZIP Code, Preferred Phone #, Email Address

## Section 6 - Beneficiary Designation

If the Owner is a non-natural person and the Annuitant dies before the Contract Maturity Date, the Owner is treated as the Beneficiary, regardless of what is specified below. If the Owner is a non-natural person and the Annuitant dies after the Contract Maturity Date, the death benefit will be paid to the Beneficiaries specified below.

**If there is more than one Owner and one of the Owners dies before, on or after the Contract Maturity Date, the surviving Owner will be treated as the designated Beneficiary regardless of what is specified below.**

Unless otherwise designated below, payments will be shared equally by all surviving Primary Beneficiaries, or if none, by all surviving Contingent Beneficiaries.

Beneficiary Name (First, Middle, Last)	Beneficiary Designation <b>Check one for each beneficiary.</b> If nothing checked, the designation will be Primary	Relationship to Owner <b>Check one for each beneficiary.</b>	Date of Birth (mm/dd/yyyy)	Social Security / Tax ID Number	Percent %
	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	<input type="checkbox"/> Federal Spouse <input type="checkbox"/> Civil Union Partner <input type="checkbox"/> Child <input type="checkbox"/> Trust - Date of Trust _____ <input type="checkbox"/> Other _____			
	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	<input type="checkbox"/> Federal Spouse <input type="checkbox"/> Civil Union Partner <input type="checkbox"/> Child <input type="checkbox"/> Trust - Date of Trust _____ <input type="checkbox"/> Other _____			
	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	<input type="checkbox"/> Federal Spouse <input type="checkbox"/> Civil Union Partner <input type="checkbox"/> Child <input type="checkbox"/> Trust - Date of Trust _____ <input type="checkbox"/> Other _____			
	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	<input type="checkbox"/> Federal Spouse <input type="checkbox"/> Civil Union Partner <input type="checkbox"/> Child <input type="checkbox"/> Trust - Date of Trust _____ <input type="checkbox"/> Other _____			

## Section 7 - Product Riders/Features

### Guaranteed Lifetime Withdrawal Benefit (elect applicable rider)

- No Rider Elected  
 (B9) Income Strategy: Today  
 (BA) Income Strategy: Tomorrow

Check **ONE** (Required if a rider is elected.)

- Single Life Option (If more than 1 natural person owner, **MUST** indicate name of Covered Person.)

Name of Covered Person \_\_\_\_\_ Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_  
(mm/dd/yyyy)

- Spousal Life Option (**MUST** indicate name of both Covered Persons.)

1. Name of Covered Person \_\_\_\_\_ Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_  
(mm/dd/yyyy)

2. Name of Covered Person \_\_\_\_\_ Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_  
(mm/dd/yyyy)

## Section 8 - Premium Allocation

All allocations must be in whole percentages and the total allocation **MUST** equal 100%, with a minimum of 10% in each Account selected and a maximum of 100% in the Fixed Account.

\_\_\_\_\_ % (509) Fixed Account  
\_\_\_\_\_ % (816) Monthly Point-to-Point Indexed Account - 1 Year S&P 500®  
\_\_\_\_\_ % (803) Point-to-Point Indexed Account - 1 Year S&P 500®  
\_\_\_\_\_ % (817) Point-to-Point Indexed Account - 2 Year S&P 500®  
\_\_\_\_\_ % (806) Point-to-Point Indexed Account - 1 Year Balanced Allocation  
\_\_\_\_\_ % (805) Point-to-Point Indexed Account - 1 Year EURO STOXX 50®  
\_\_\_\_\_ % (804) Point-to-Point Indexed Account - 1 Year DJIA  
**100% TOTAL**

- I understand that the performance of an outside index may affect whether or not an index credit is applied to my Account Value and that the contract does not directly participate in any stock, bond or equity investment. I understand that Index Credits, if any, are not credited to the Indexed Account until the Segment Maturity Date.
- I understand that all Indexed Accounts may be subject to Caps, Spreads and Participation Rates.

## Section 9 - Plan Type

### Non-Qualified

- 1035 Tax-Free Exchange  
 New Purchase

### Qualified/IRA

- New Contribution for tax year \_\_\_\_\_  
 Transfer  
 Rollover
- Traditional IRA  
 Roth IRA  
 Simple IRA Plan Name \_\_\_\_\_ Tax ID \_\_\_\_\_  
 SEP IRA Plan Name \_\_\_\_\_ Tax ID \_\_\_\_\_

## Section 10 - Premium

Minimum single premium is \$15,000. Make check payable to "Phoenix".

Exact or Estimated Amount of Premium \$ \_\_\_\_\_  Check  Wire

### Premium Payor Information (complete if premium is paid by other than Owner or Annuitant)

Payor's Name (First, Middle, Last) \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_ Relationship to Owner & Annuitant \_\_\_\_\_  
Email Address \_\_\_\_\_

## Section 11 - Special Requests

**Section 12 - Replacement**

- a. Are there any life insurance policies or annuity contracts owned by or on the life of the applicant? . . . . .  Yes  No  
(If "Yes", complete Important Notice of Replacement form, if applicable.)
- b. Will this annuity replace any existing life insurance or annuity contract? . . . . .  Yes  No  
(If "Yes", complete Important Notice of Replacement form, if applicable.)

**Section 13 - Telephone/Electronic Authorization**

If none checked, ONLY the Owner will have this privilege.

**I, the Owner, will receive this privilege automatically.** By checking "Yes", I am authorizing and directing Phoenix to act upon telephone or electronic instructions from my producer who can furnish proper identification. Phoenix will use reasonable procedures to confirm that these instructions are authorized and genuine. As long as these procedures are followed, Phoenix and its affiliates and their directors, trustees, officers, employees and producers, will be held harmless for any claims, liability, loss or cost. . . . .  Yes  No

**Section 14 - Fraud Notice**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Colorado** – It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies

**District of Columbia** – WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON, PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

**Kentucky, Pennsylvania** – Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**New Jersey** – Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

**Ohio** – Any person, who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**Oklahoma** – Warning; Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of any insurance policy/contract containing any false incomplete or misleading information is guilty of a felony.

**Oregon, Texas** – Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

**Tennessee** – It is a crime to provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**Virginia** – Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer; submits an application or files a claim containing false or deceptive statement may have violated the state law.

**Section 15 - Suitability Questions**

If the Owner is a non-natural person, these questions apply to the Annuitant(s).

**Please answer the following questions:**

- 1. Has any Owner entered into, or is any Owner planning to enter into, an arrangement with a third party to sell this annuity, where each Owner does not have an ongoing familial relationship with the third party? . . . . .  Yes  No
- 2. Is any Owner currently confined to a Nursing Home, Assisted Living Facility, Hospital, Hospice Facility or any other similar facility? . . . . .  Yes  No
- 3. Has any Owner ever been diagnosed by a licensed medical professional, licensed physician or health care provider with a Terminal Illness (defined as a life expectancy no greater than six months)? . . . . .  Yes  No

**Section 16 - Disclosure Statements**

Please check one of the following boxes:

By checking this box, I understand that I am representing that: (1) my producer has delivered a hard copy of the Indexed Annuity Disclosure Document, Combination Rider Disclosure Document, Privacy Commitment Statement and the Buyer's Guide to Fixed Deferred Annuities with Appendix for Equity-Indexed Annuities to me; and (2) I have had the opportunity to review the documents with my producer and ask any questions about the product that are important to me.

I did not have a face to face meeting with my producer and have not received the Indexed Annuity Disclosure Document, Combination Rider Disclosure Document, Privacy Commitment Statement and the Buyer's Guide to Fixed Deferred Annuities with Appendix for Equity-Indexed Annuities for the product I am purchasing. Please send me copies of these documents to the address stated on this application.

### Section 17 - Owner Acknowledgements

Under penalties of perjury, I certify that: a) the number shown on this form is my correct taxpayer identification number; and b) I am not subject to backup withholding because: 1) I am exempt from backup withholding; or 2) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends; or 3) the IRS has notified me that I am no longer subject to backup withholding.

I have read all the statements in this application and represent that they are complete and true to the best of my knowledge and belief. By accepting the annuity issued, I agree to any additions or corrections to this application. I also agree that a facsimile or imaged signature is as good as the original. I understand that my application is subject to Phoenix's administrative underwriting rules, which are applied uniformly.

**The contract applied for contains a Market Value Adjustment that may increase or decrease the values in the contract upon Withdrawal or Surrender prior to the end of the Surrender Charge Period.**

Owner Signature	State Signed In	Date (mm/dd/yyyy)
Joint Owner Signature (if applicable)	State Signed In	Date (mm/dd/yyyy)
Trustee Signature (if applicable)	State Signed In	Date (mm/dd/yyyy)
Trustee Signature (if applicable)	State Signed In	Date (mm/dd/yyyy)
Annuitant Signature (if other than owner)	State Signed In	Date (mm/dd/yyyy)
Joint Annuitant Signature (if applicable)	State Signed In	Date (mm/dd/yyyy)

### Section 18 - Producer Statement

All fields below **MUST** be completed.

Are there any life insurance policies or annuity contracts, owned by, or on the life of the Owner(s) or the Annuitant? . . . . .  Yes  No

Will the proposed contract replace (in whole or in part) any existing life insurance or annuity contract in force? . . . . .  Yes  No

I confirm that I have completed the amount of annuity training required by my jurisdictional state (if any) and have attached a certification that the training has been completed.

I hereby confirm that I have truly and accurately recorded on the Application the information supplied by the proposed owner; and I am not aware of any discrepancies or misrepresentations in the recorded information; and I am qualified and authorized to discuss the contract herein applied for.

Producer Name (Print First, Middle, Last)	Producer Address	Producer I.D. #
Producer Signature	Producer Telephone # ( ) -	Date (mm/dd/yyyy)   % Share
Producer Name (Print First, Middle, Last)	Producer Address	Producer I.D. #
Producer Signature	Producer Telephone # ( ) -	Date (mm/dd/yyyy)   % Share
Firm Name	Firm Address	Firm Telephone # ( ) -

At Phoenix protecting the privacy and safety of your personal information is very important to us. We want you to know what information we collect, how we protect it, and how we may use it. This Privacy Notice includes examples of the types of personal information the Phoenix Companies may collect and with whom we may share. These examples should not be viewed as a complete list of our information collection or sharing practices.

## ***Information We May Collect***

We collect personal information to offer you products and services. We also use it to decide if you qualify for our products and services. We also collect information to service your account. The type of information we collect depends on the products or services you ask for and may include:

- Information we receive from you on applications and related forms (such as name, address, social security number, assets and income);
- Information about your transactions and relationships with us and our family of companies (such as products or services purchased, account balances and payment history);
- Information we receive from consumer reporting agencies (such as credit relationships and history); and
- Information we receive from third parties in order to issue and service your policies (such as motor vehicle reports and medical information).

## ***Information We May Disclose And To Whom We May Disclose Information***

We may share some or all of your personal information with persons, or companies that offer services to us such as:

- Your agent or broker;
- Banks;
- Reinsurance companies;
- Firms that assist us in the servicing of your policies; and
- Firms that assist in the printing or delivering of statements and notices.

We may share some or all of your personal financial information with service providers that perform marketing for us. We may share some or all of this information with financial companies with which we have joint marketing agreements. We will do this unless you live in a state that requires us either to provide you with an opportunity to opt out of the sharing or to obtain your consent before doing so.

We may disclose some or all of the personal information about current or former customers, but only as allowed by law, to entities such as:

- Law enforcement agencies;
- State or federal regulators; or
- Auditors.

We may share some or all of your financial information with affiliates in our family of companies that market our products or services on our behalf. You cannot prevent these disclosures. We do not sell any of your personal information to any third party. We will not share personal health information without your permission, except as allowed or required by law.

## ***Procedures to Protect the Privacy and Safety of Your Personal Information***

We have procedures and technology to protect your personal information. The only employees who have access to that information are those who must have it to offer products or services to you. We train our employees on the importance of protecting the privacy and safety of your information.

We will update our policy and procedures to make sure that your privacy is maintained. If we make any material changes in our privacy policy, we will give current customers a revised notice.

This statement is provided on behalf of Phoenix Life Insurance and its affiliates.

