

# Helping Families Protect Assets & Plan for a Sound Financial Future



PHOENIX

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**PhoenixSalesNet.com**

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National Sales Manager

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# 163 Years of Innovation



**1851:** Founded as American Temperance Life Insurance Company

**1865:** Famous insured: President Abraham Lincoln

**1926-50:** Known as the “Retirement Income Company”

**1955:** First: Reduced premiums for women

**1967:** First: lower rates to nonsmokers

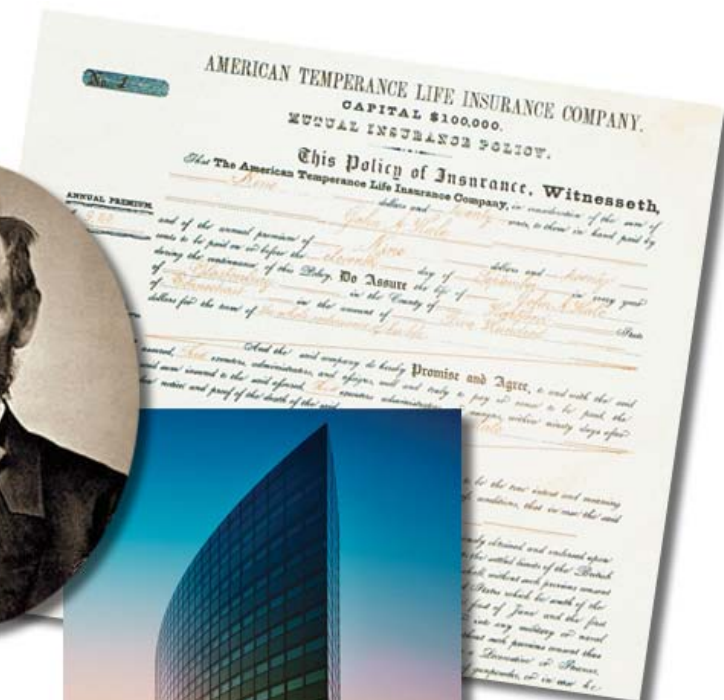
**1982:** First: survivorship life policy

**2005:** First annuity company offering spousal continuation

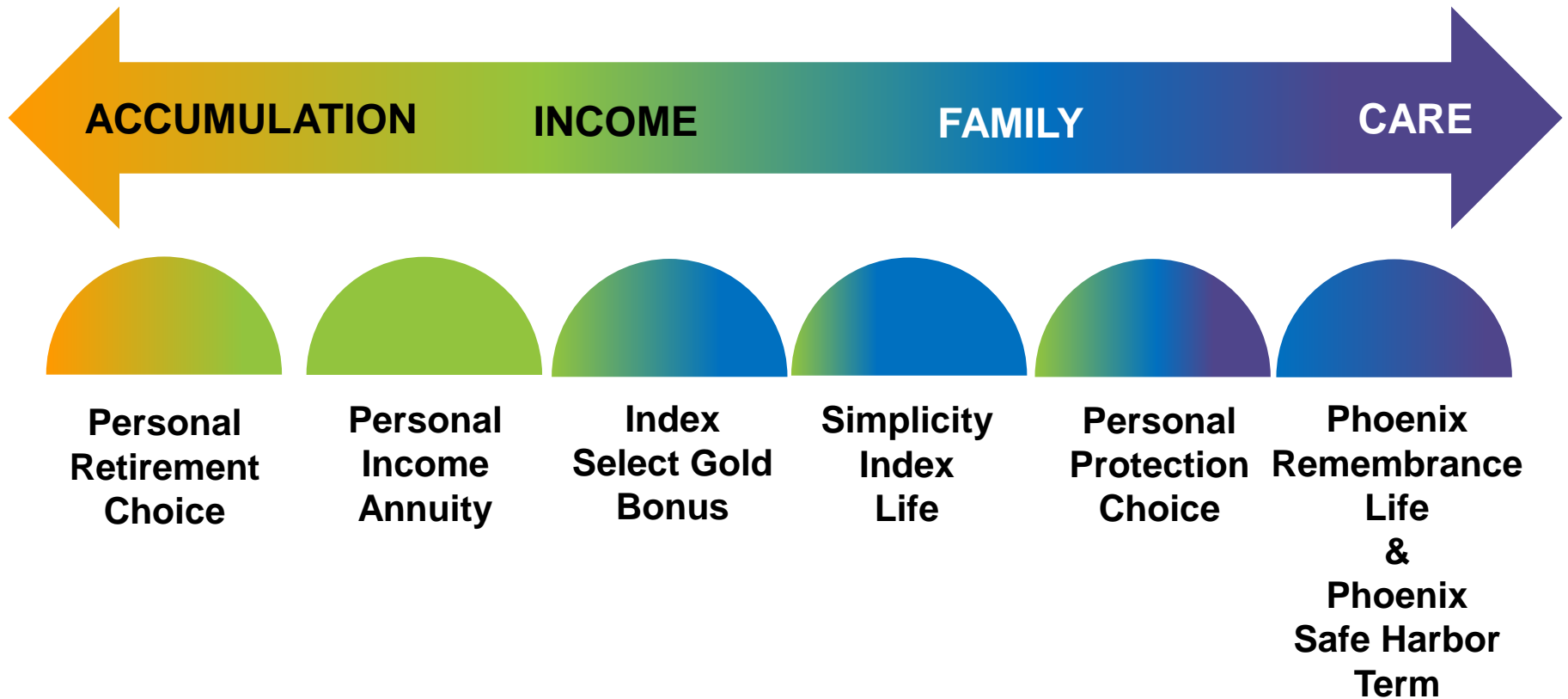
**2008:** New focus on middle market

- Embedded supplemental E&O coverage for Phoenix policies
- Separate account for indexed annuities

**2013:** Phoenix Remembrance Life is introduced



# Products for New Opportunities



*Introducing*

# Phoenix Simplicity Index Life



Issued by PHL Variable Insurance Company (PHLVIC) and Phoenix Life Insurance Company (PLIC).

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## Why IUL?

- > Low Interest Rates
- > Volatile stock market
- > Too many choices for where to invest money
- > Minimize the effect of taxes paid at retirement or death
- > Maximize the net after tax benefit to beneficiaries
- > Pass assets on to children or grandchildren efficiently
- > Streamlined underwriting allows you to avoid medical exam and APS

# Phoenix Simplicity Index Life



## Why Simplicity Index Life?

- > Simplified issue – no medical exams, no lab tests
- > Only 3 “knock-out” questions
- > Quick underwriting decision
- > Simple straightforward product
- > Tracks only one index
- > Flexibility
- > Speed to issue





# Product Overview



## Issue ages and face amount limits

Issue Age <sup>1</sup>	Maximum Face Amount	Minimum Face Amount
18-50	\$400,000	\$50,000
51-60	\$300,000	\$50,000
61-70	\$200,000	\$50,000

<sup>1</sup>All based on age last birthday

# Product Overview



## Choice of Death Benefit Options

### **Option A: Level Death Benefit**

Death Benefit = Face Amount

### **Option B: Increasing Death Benefit**

Death Benefit = Face Amount + Policy Value



# Product Overview



## Crediting methods

Interest Crediting Accounts	Description	Guaranteed parameters <sup>1</sup>
Indexed Account A S&P 500 (ex-div)	Annual point-to-point with cap. 12%	Guaranteed minimum cap 4%
Indexed Account B S&P 500 (ex-div)	Annual point-to-point with participation rate. 65%	Guaranteed minimum participate rate 25%
Fixed Account	Current rates, declared periodically. 4.50%	Guaranteed minimum interest rate 1%

1. Indexed accounts have floor of 0%.

# Product Overview



## How it works

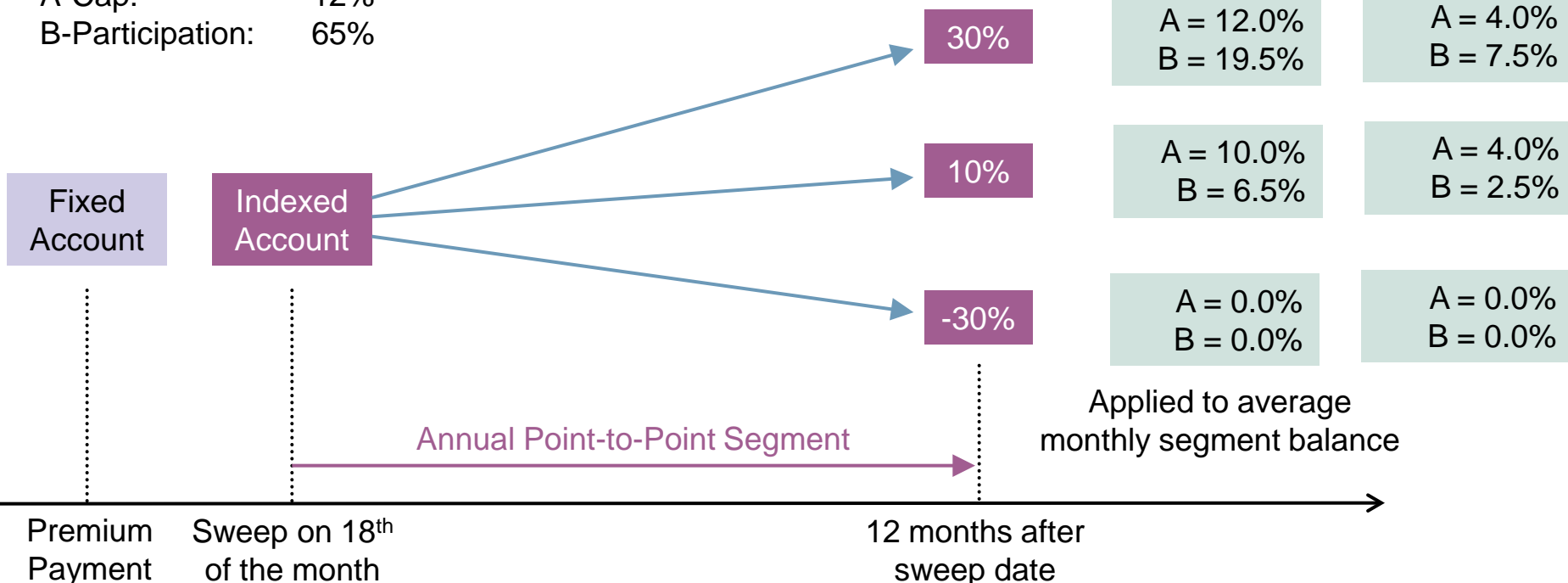
### Assumptions:

A-Cap:	12%
B-Participation:	65%

### Hypothetical S&P 500 Index return:

### Indexed account rate credited to the cash value:

### Return assuming min. guaranteed rate:



This hypothetical illustration is meant to demonstrate only how the account crediting method is designed to work, and is not a promise or projection of future returns. Past index performance does not guarantee future results. It is possible to receive a 0% index credit. Index values used to determine credits always exclude dividends. The value of the cap and participation rates used in this example is hypothetical and for illustration purposes only. Future rates are determined by the company and are not guaranteed. You should consult a company representative to ascertain current cap and participation rates for these indexed accounts.

# Key Selling Points



## Growth potential plus protection

### Annual Rates of Return

Year	When the S&P 500 annual return was:	Index Account A (assuming 12% cap) would have credited:	Index Account B (assuming 65% participation rate) would have credited:
2003	26.38%	12.00%	17.15%
2004	8.99%	8.99%	5.84%
2005	3.00%	3.00%	1.95%
2006	13.62%	12.00%	8.85%
2007	3.53%	3.53%	2.29%
2008	-38.49%	0.00%	0.00%
2009	23.45%	12.00%	15.24%
2010	12.78%	12.00%	8.31%
2011	0.00%	0.00%	0.00%
2012	13.41%	12.00%	8.72%
2013	29.60%	12.00%	19.24%

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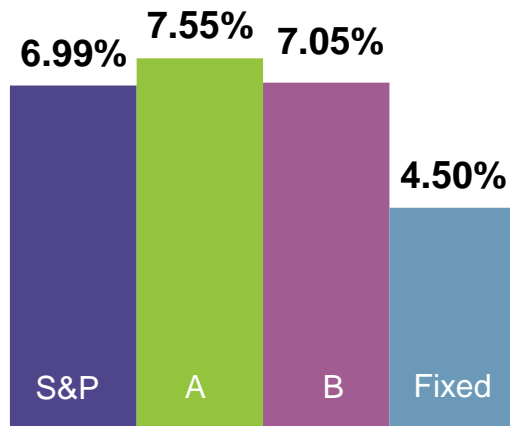
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# Key Selling Points



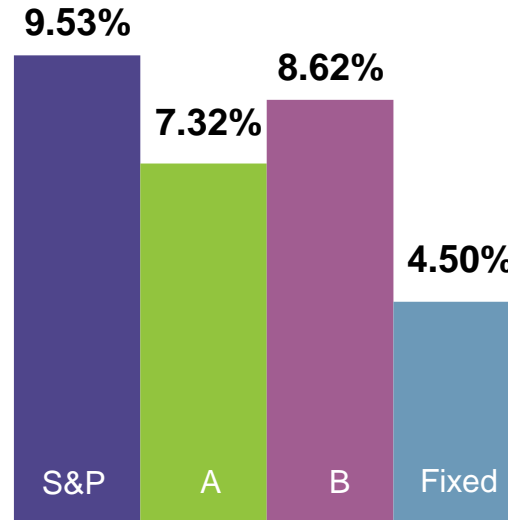
## Growth potential plus protection

10-year average annual returns



25-year average annual returns

(through 12/31/13)



### Assumptions

A-Cap:	12%
B-Participation:	65%
Fixed-Rate:	4.50%

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# Key Selling Points



## Loans and Withdrawals

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

\*The loan spread is based on current rates as illustrated above. The guaranteed rate is 2%.

# Key Selling Points



## Special Features

- > Monthly Transfer Strategy: May be elected at any time. Allows funds deposited into the Fixed Account to automatically transfer to Indexed Accounts on a monthly basis
- > Persistency Bonus: Beginning in year 11, a 0.50% annual bonus will be credited to qualifying policies on unloaned policy value in the indexed accounts. Bonus will be applied as an increase to the growth rate of each Indexed Account segment on the segment maturity date.
- > Overloan Protection – helps prevent a heavily-loaned policy from lapsing. May be exercised for loans taken under a fixed loan interest option when insured is at least 65 years old, policy has been in force for 15 years, loan balance is equal to 96% of the total policy value and premiums paid have been withdrawn.  
*(Transaction charge applies at time of exercise)*

# Product Overview



## Policy charges

- > **Premium Expense Charge:** 7% of all premiums paid in all years

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- > **Administrative Charge:** Currently \$5 per month; \$7 guaranteed

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- > **Coverage Charge:** Per \$1,000 rate of face amount charged monthly for 10 policy years

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- > **Cost of Insurance (COI):** Guaranteed COI rates based on 125% of the 2001 CSO Mortality Tables

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- > **Surrender Charge:** Decreasing schedule over 10 policy years; amount varies by gender, age and risk class



# Simplicity Sales Idea #1



## Lifelong Asset



- > Josh Peterson
- > Teacher
- > Age 42 with wife and two kids
- > Need additional protection to provide income to family in the event of death
- > Also considering saving strategies for kids' education and for retirement

# Simplicity Sales Idea #1



## Scenario A

### Year 15 Values:

Premiums Paid	Cash Surrender Value	Net Death Benefit
\$191,250	\$289,309	\$589,309

### Year 25 Values:

Premiums Paid	Cash Surrender Value	Net Death Benefit
\$306,000	\$685,193	\$985,193

**Assumes: \$300,000 initial death benefit, increasing death benefit, maximum premium of \$12,750 for 25 years, Preferred, 6.8% rate of return.**

## Scenario B

### Year 15 Values:

Premiums Paid	Cash Surrender Value	Net Death Benefit
\$90,000	\$109,459	\$409,459

### Year 25 Values:

Premiums Paid	Cash Surrender Value	Net Death Benefit
\$144,000	\$251,962	\$551,962

**Assumes: \$300,000 initial death benefit, \$500/month premium for 25 years, increasing death benefit, Preferred, 6.8% rate of return.**

Loans and withdrawals will reduce the policy's cash value and death benefit.

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# Simplicity Sales Idea #1



## Scenario A:

6.8% hypothetical gross rate of return, current charges

0.2% hypothetical gross rate of return, guaranteed max. charges

Age	Premium	Policy Distributions	Cash Surrender Value	Net Death Benefit	Cash Surrender Value	Net Death Benefit
47	12,750	--	62,435	365,288	43,697	346,550
57	12,750	--	289,309	589,309	138,788	438,788
67	0	--	675,499	930,747	196,472	503,878
<b>Total</b>	<b>\$306,000</b>	<b>\$0</b>				
68	--	54,447	664,996	876,300	188,217	503,878
80	--	54,447	494,767	543,415	Policy lapses at age 79	
95	--	0	2,245	15,005		
<b>Total</b>	<b>\$306,000</b>	<b>\$1,109,612</b>				

This is a supplemental IUL product illustration that should be read with the accompanying illustration. Assumes male, age 42, preferred, \$12,750 annual premium to age 67, increasing death benefit option, policy distributions age 68-95, 5.9% gross rate of return. The data shown is taken from an illustration. It assumes a hypothetical rate of return and may not be used to project or predict investment results. Unless indicated otherwise, these values are not guaranteed.

# Simplicity Sales Idea #2



## Legacy



- > Redeploy CD to purchase Phoenix Simplicity Index Life\*
- > Solve to endow at maturity to optimize death benefit
- > \$50,000 single premium

Assumptions:	Return	Allocation
Index A Rate:	6.50%	50%
Fixed Rate:	4.50%	50%

25-year average annual return for Indexed Account A based on historical S&P 500 performance (ex-dividend) and a 12% cap rate which is not guaranteed

\*Policy assumptions: male, age 65, preferred non-tobacco, \$50,000 single premium, 12% cap Indexed Account A, policy becomes a Modified Endowment Contract (MEC) in year one.

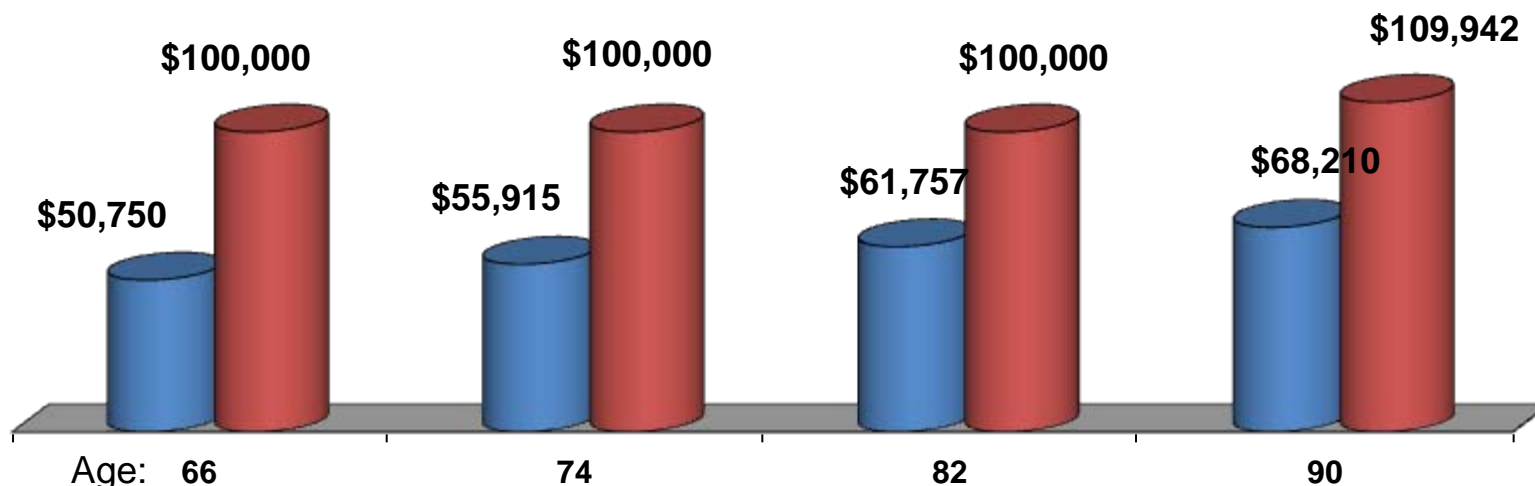
# Simplicity Sales Idea #2



## Legacy Building Strategies

### Value to Heirs (Death Benefit)

Life expectancy based on 2001 CSO Mortality Table



■ Status Quo (CD at 1.25% net)
■ Legacy Building Strategy

Assumptions:	Return	Allocation
Index A Rate:	6.50%	50%
Fixed Rate:	4.50%	50%

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# Marketing Tools



## Protection for Loved Ones

Preparing for the care and support of your loved ones after you're gone can seem daunting and complicated. But it doesn't have to be that way. Simplicity Index Life offers permanent death benefit coverage with all the advantages of a universal life policy.

## Flexibility to Meet Your Needs

### Choice of indexed accounts

Phoenix Simplicity Index Life has three accounts: two Indexed Accounts tied to the S&P 500 Index, and one Fixed Account that earns interest at the current rate declared by Phoenix.

You choose the way you'd like your premiums allocated. If your outlook on the market changes, you may change your premium allocation options or request transfers and reallocations at any time, subject to some restrictions.<sup>1</sup>

All Indexed Account caps and participation rates, and current Fixed Account interest rates are set by Phoenix and may change at any time. If changes do occur in the cap or participation rate, they would only affect newly created segments. Current caps, participation rates and interest rates are posted on phoenixwm.com.

The table below provides an overview of the accounts:

ACCOUNT CHOICES	WHEN TO CHOOSE IT
<b>Indexed Account A</b> An annual point-to-point account with a cap <sup>2</sup>	Consider this option if you want more upside potential than the Fixed Account, and expect the S&P 500 to fluctuate moderately over time.
<b>Indexed Account B</b> An annual point-to-point account with a participation rate <sup>3</sup>	Consider this option if you want more upside potential than the Fixed Account, and expect the S&P 500 Index to fluctuate significantly over time.
<b>Fixed Account</b> Current interest rate, credited daily. 1% guaranteed minimum rate	You can choose to retain cash in this account, if you are uncertain about market performance and volatility, and want a stable return based on current interest rates.

The S&P 500 index values used to calculate index credits exclude dividends that may have been paid by the securities that make up the index during the segment.

1. Transfers from the Fixed Account will be processed on the next Sweep Date, and reallocations from the Indexed Accounts will be processed over a 12-month period and only as segments reach their segment anniversary.
2. Guaranteed minimum cap is 4%; guaranteed minimum participation rate is 25%.

## Choice of death benefit options

You have the ability to change death benefit options up to once per year, subject to certain restrictions.

**Option A:** Level – The death benefit is equal to the face amount

**Option B:** Increasing – The death benefit is equal to the face amount plus the policy value

## Flexible premium payments

You determine the amount and frequency of your premium payments and are free to change at any time, so long as your cash value is sufficient to cover policy charges.

## Simplified Process

**Easy to apply**  
You can be on your way to owning a Simplicity Index Life policy in just a few minutes with our streamlined application process. There is only a short list of questions to answer to determine eligibility, no medical test required, and a fast response to your application.

## Easy to understand and update

Simplicity Index Life is easy to use and understand. You control how you want your premiums to be allocated, and, subject to the policy restrictions, you can request transfers and reallocations of your cash value at any time you choose.

Planning a secure legacy for your loved ones can be easier than you think — with a Simplicity Index Life policy from Phoenix

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## Client Brochure and Product Summary

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# We're Here For You!



Contact the Phoenix Sales Desk for help:

- Running illustrations
- Obtaining Applications & Forms
- Ordering marketing materials
- Walk-through of PhoenixSalesNet.com

**888-794-4447, Option 1**

**[www.PhoenixSalesNet.com](http://www.PhoenixSalesNet.com)**



# Thank You!

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