

GROWTH, PROTECTION AND FLEXIBILITY

# Income 25<sup>SM</sup>

*Guarantees income withdrawals for life*  
*Provides a 25% upfront bonus to the Benefit Base*

Phoenix Income 25 is an optional Guaranteed Minimum Withdrawal Benefit (GMWB) rider available with Phoenix indexed annuities for an additional fee. This benefit guarantees income withdrawals for one life (Single Life) or two lives (Spousal Life), and provides the potential to grow future income.

### Enhance your annuity with an upfront bonus

Phoenix Income 25 adds an upfront bonus of 25% of your initial contract value directly to your Benefit Base. This bonus does not affect your contract value, but it adds a substantial sum to the Benefit Base, which is a value used solely to calculate your annual benefit amount. The Benefit Base, including the bonus, is not a guarantee of contract value and is not available for withdrawal.

Income 25 is especially suited for those who plan to begin taking income withdrawals only a few years after the rider is purchased. The upfront bonus can help to provide an immediate additional value to your Benefit Base, which can be beneficial at a time when many retirement assets have

been depleted by recent market downturns. Your Benefit Base may also grow through automatic step-ups that can occur annually.

### Automatic step-ups lock in market gains

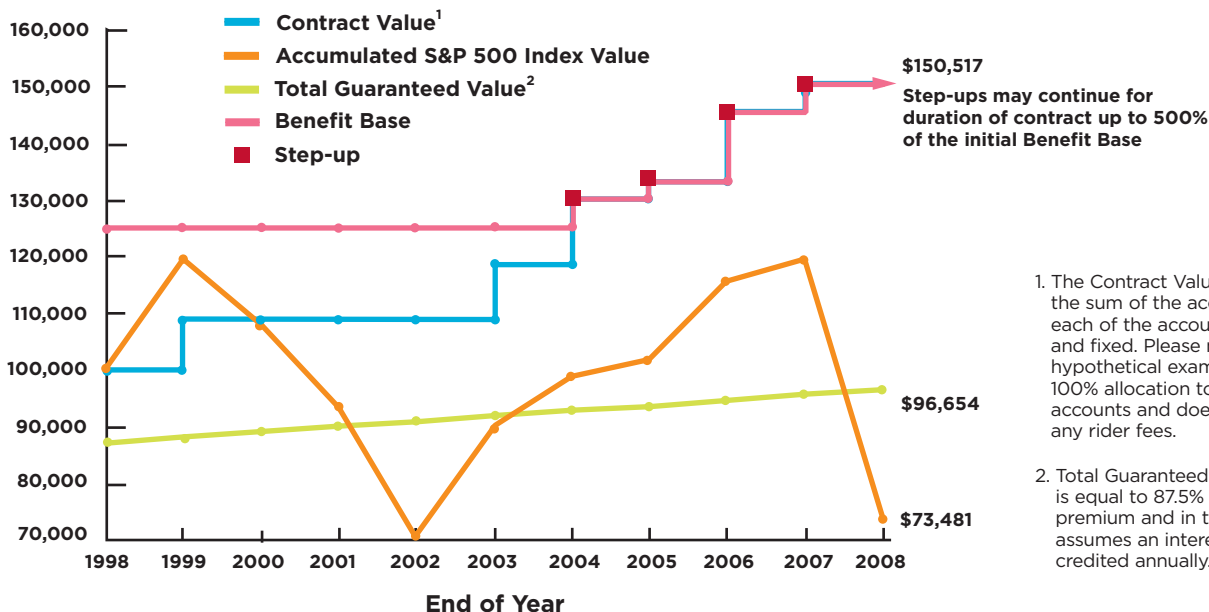
On each contract anniversary, if your contract value is greater than your Benefit Base, your Benefit Base will automatically increase (“step-up”) to equal your contract value.

**Please note:** The rider fee could be increased as a result of any step-up. If so, you will be notified at least 30 days in advance and may decline the step-up to avoid the higher fee. Once this feature is suspended, you will not be eligible for future step-ups unless you request reactivation in writing.

### A 25% BONUS AND STEP-UPS WORK TOGETHER TO GROW INCOME

This hypothetical example shows how a 25% bonus and annual automatic step-ups can increase income potential. The 25% bonus and step-ups work together to increase the Benefit Base. Although step-ups continue after the first withdrawal, they are less likely to occur once a withdrawal is made.

This example assumes an indexed account cap rate of 9%. It is for illustrative purposes only and does not depict the performance of any specific Phoenix indexed annuity.



1. The Contract Value is equal to the sum of the account value of each of the accounts, indexed and fixed. Please note, this hypothetical example assumes 100% allocation to the indexed accounts and does not reflect any rider fees.

2. Total Guaranteed Value (TGV) is equal to 87.5% of the single premium and in this example assumes an interest rate of 1% credited annually.

## Lifetime Withdrawals<sup>1</sup>

You can begin withdrawals as early as age 50 up to your annual benefit amount, which is defined as a set percentage of your Benefit Base, and determined by the age of the youngest covered person at the first withdrawal. The table below shows age ranges at first withdrawal and the corresponding annual benefit percentages. Once initiated, the annual benefit percentage remains fixed for life.

### ANNUAL BENEFIT PERCENTAGE OPTIONS

| Attained Age | Percentage of Benefit Base |              |
|--------------|----------------------------|--------------|
|              | Single Life                | Spousal Life |
| 50-59        | 4%                         | 3.5%         |
| 60-69        | 5%                         | 4.5%         |
| 70-74        | 5.5%                       | 5%           |
| 75-79        | 6%                         | 5.5%         |
| 80+          | 6.5%                       | 6%           |

Your Benefit Base is calculated apart from your contract value and equals your initial contract value plus your 25% bonus, and applicable automatic annual step-ups, adjusted for excess withdrawals. The Benefit Base is used solely to calculate the withdrawal benefit, is not a guarantee of contract value and is not available for withdrawal. The Benefit Base may grow up to 500% of the initial Benefit Base. Your annual benefit amount, once determined, is guaranteed for life. Even if your contract value declines to zero, Phoenix will make payments equal to the annual benefit amount for your life (and your spouse's life, if Spousal Life is elected).

**Please note:** Withdrawals prior to age 50 are allowed but will adversely affect the income benefit guarantee, as will withdrawals in excess of the annual benefit amount. For details, please consult your financial representative.

### HOW THE ANNUAL BENEFIT PERCENTAGE WORKS TO PRODUCE INCOME

| Year Withdrawals Begin | Benefit Base | Annual Benefit Percentage |                      |                       |                      |                       |                      |
|------------------------|--------------|---------------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
|                        |              | 5%                        |                      | 6%                    |                      | 6.5%                  |                      |
|                        |              | Annual Benefit Amount     | % Initial Investment | Annual Benefit Amount | % Initial Investment | Annual Benefit Amount | % Initial Investment |
| 1999                   | \$125,000    | \$6,250                   | 6.25%                | \$7,500               | 7.50%                | \$8,125               | 8.13%                |
| 2000                   | \$125,000    | \$6,250                   | 6.25%                | \$7,500               | 7.50%                | \$8,125               | 8.13%                |
| 2001                   | \$125,000    | \$6,250                   | 6.25%                | \$7,500               | 7.50%                | \$8,125               | 8.13%                |
| 2002                   | \$125,000    | \$6,250                   | 6.25%                | \$7,500               | 7.50%                | \$8,125               | 8.13%                |
| 2003                   | \$125,000    | \$6,250                   | 6.25%                | \$7,500               | 7.50%                | \$8,125               | 8.13%                |
| 2004                   | \$125,000    | \$6,250                   | 6.25%                | \$7,500               | 7.50%                | \$8,125               | 8.13%                |
| 2005                   | \$129,495    | \$6,475                   | 6.47%                | \$7,770               | 7.77%                | \$8,417               | 8.42%                |
| 2006                   | \$133,381    | \$6,669                   | 6.67%                | \$8,003               | 8.00%                | \$8,670               | 8.67%                |
| 2007                   | \$145,386    | \$7,269                   | 7.27%                | \$8,723               | 8.72%                | \$9,450               | 9.45%                |
| 2008                   | \$150,517    | \$7,526                   | 7.53%                | \$9,031               | 9.03%                | \$9,784               | 9.78%                |
| 2009                   | \$150,517    | \$7,526                   | 7.53%                | \$9,031               | 9.03%                | \$9,784               | 9.78%                |

The chart above is a hypothetical example for illustrative purposes only. It shows annual benefit amounts available for three annual benefit percentage options, subject to year of first withdrawal. This example assumes an initial investment of \$100,000 with a 25% (\$25,000) upfront bonus to the Benefit Base, an indexed cap rate of 9%, and applies a step-up in years 2004 through 2007 as illustrated in the graph on page 1. The Benefit Base values in the table above are identical to the Benefit Base values in the hypothetical graph on page 1. Withdrawals exceeding the annual benefit amount may reduce or terminate the benefit guarantee. Please contact a financial representative with questions.

**40% of individuals are concerned about sustaining their income in retirement, and 44% worry about the impact of unforeseen healthcare costs.<sup>2</sup>**

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

1. Most annuity contracts permit annual, surrender charge-free withdrawals up to a certain percentage (e.g., 10%) without the purchase of a GMWB rider.
2. Source: The Phoenix 2008 Wealth Survey. This survey, which has been conducted annually since 2000, monitors the demographics, attitudes and financial behavior of the high net worth in the United States. The 2008 survey comprised online interviews with 1,900 randomly selected individuals with net worth of \$1 million or more, excluding the value of their primary residence.

## Fast Facts – Income 25

|                          |   |
|--------------------------|---|
| <b>Benefit</b>           | Guarantees income for life through withdrawals, and provides ability to grow future income by locking in any account gains in excess of withdrawals |
| <b>Features</b>          | Bonus of 25% of initial contract value added to initial Benefit Base  |
| <b>Suitable Client</b>   | Especially suited to clients who plan to take withdrawals within a few years of rider issue   |
| <b>Annual Fee</b>        | Current fee of 0.5% multiplied by the Benefit Base and deducted from contract value at contract anniversary. Maximum fee is 1.50%                   |
| <b>Benefit Access</b>    | Starting on or after the younger covered person's 50th birthday   |
| <b>Revocable</b>         | Yes (fee will no longer be deducted but the benefit may not be reinstated)  |
| <b>Maximum Issue Age</b> | 85  |

## A Summary of Indexed Accounts

The following table is an overview of the indexed accounts available with Phoenix indexed annuities and a description of the index associated with each account.

| <b>Indexed Account</b>              | <b>Index Descriptions</b>   |
|-------------------------------------|---|
| <b>One-year S&amp;P 500</b>         | With investment durations of one-year, this account is tied to the S&P 500 index, which comprises 500 major companies representing leading industries of the U.S. economy. It is regarded by many as the best single gauge of the U.S. equities market.   |
| <b>Five-year S&amp;P 500</b>        | Also tied to the S&P index, this account has an investment duration of five years with a 6-month "soft landing" calculation to protect against undermining long-term growth due to a sudden severe market drop at the end of the account period.  |
| <b>One-Year DJIA</b>                | This account has a one year duration and is based on the Dow Jones Industrial Average Index. Computed from the stock prices of 30 of the largest and most widely-held public companies in the U.S., the Dow offers investors an opportunity to tie their accounts to the performance of American "Blue Chip" companies. |
| <b>One-year DJ Euro Stoxx 50</b>    | This one year account is tied to the Dow Jones Euro Stoxx 50, an index made up of 50 large and moderate capital companies overseas, which affords investors an opportunity to take advantage of growth potential in international markets.  |
| <b>One-year Balanced Allocation</b> | For customers who prefer a diversified investment approach, this account provides an opportunity to participate in the potential growth of all three of the previously described indices through a weighted average of their returns over a one-year period.  |

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## Separate Account Protection

The Phoenix indexed annuity premium and interest credited to your contract value are allocated to an account that is separate and apart from Phoenix’s General Account funds. The assets allocated to this account, called a “Separate Account,” are only those of Phoenix indexed annuity contract owners. However, as a contract owner, you do not own shares of the Separate Account nor are you invested in any Separate Account assets. Also, your contract value does not fluctuate with the performance of assets that Phoenix purchases to support its obligations under the Phoenix indexed annuity contracts.

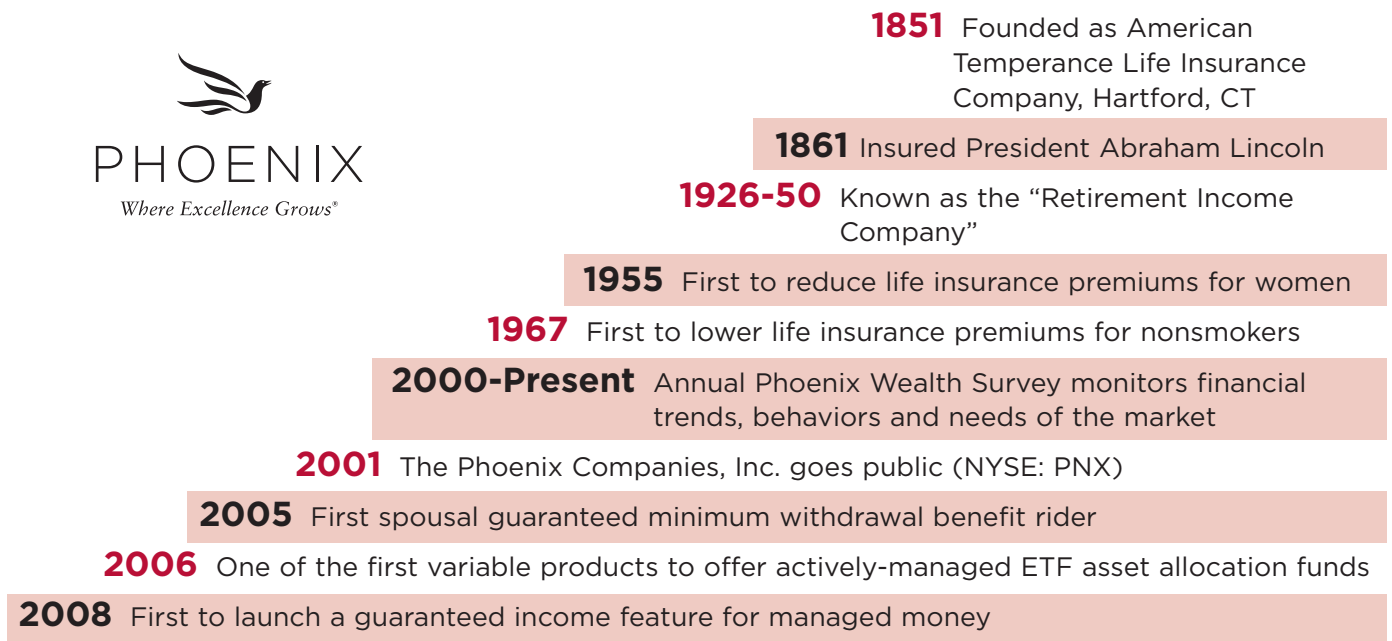
Under state law, the Separate Account assets must be segregated from the company’s general account, and its

income, gains or losses—whether realized or not—must be credited to or charged against only the amounts placed in the Separate Account, regardless of any other income, gains and losses from any other business or activity at Phoenix. Consequently, these Separate Account assets may not be used to pay liabilities arising out of other business Phoenix may conduct and are insulated from any creditors of the Phoenix Companies.

In the event that withdrawals taken in accordance with the terms of the Income 25 Rider reduce your contract value to zero, the issuing insurance company will pay any remaining guaranteed withdrawal benefits from General Account funds based on its claims-paying ability.

### The Phoenix Companies: helping people since 1851

Phoenix has a long, proud history of helping people reach their financial goals through innovative life insurance and annuity products. The following chart highlights historic events and corporate advances through the years, and shows how Phoenix has led the way in meeting the varied and changing needs of our customers.



Consult with your financial professional to determine if this rider fits your retirement planning needs.

The information in this material is supplemental and is intended to be preceded or accompanied by Phoenix Annuity product information. This benefit and its features are subject to state approval and may not be available in all states.

Phoenix annuities are issued by PHL Variable Insurance Company (PHLVIC), (Hartford, CT) and Phoenix Life Insurance Company (East Greenbush, NY). PHLVIC is not authorized to conduct business in NY and ME.

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

Members of The Phoenix Companies, Inc.

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