

SERFF Tracking Number: NYLC-126014487 State: Arkansas  
 Filing Company: New York Life Insurance and Annuity Corporation State Tracking Number: 42985  
 Company Tracking Number: 309-35, ET AL.  
 TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
 Adjustable Life  
 Product Name: AD108 Protection Series - ACSV  
 Project Name/Number: AD108 Protection Series - ACSV/309-35, et al.

## Filing at a Glance

Company: New York Life Insurance and Annuity Corporation

Product Name: AD108 Protection Series - ACSV SERFF Tr Num: NYLC-126014487 State: Arkansas

TOI: L09I Individual Life - Flexible Premium SERFF Status: Closed-Approved- State Tr Num: 42985  
 Adjustable Life Closed

Sub-TOI: L09I.001 Single Life Co Tr Num: 309-35, ET AL. State Status: Approved-Closed

Filing Type: Form Reviewer(s): Linda Bird

Authors: Team Leader, Sean Hebron Disposition Date: 09/21/2009

Hebron

Date Submitted: 07/15/2009 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: AD108 Protection Series - ACSV

Project Number: 309-35, et al.

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 09/21/2009

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 09/21/2009

Created By: Sean Hebron

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Sean Hebron

Filing Description:

Re: New York Life Insurance and Annuity Corporation (NYLIAC)

Individual Life Insurance

NAIC #: 826 91596

FEIN #: 13-3044743

Universal Life Insurance Policy, form 309-35

SERFF Tracking Number: NYLC-126014487 State: Arkansas  
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Survivorship Universal Life Insurance Policy, form 309-65

Dear Commissioner:

We are enclosing for your Department's approval 2 new non-participating individual universal life insurance policies. Please see the chart below for more information.

Form Title	Form Number	Replacing Form Number	Department Approval Date
Universal Life Insurance Policy (UL w/ ACSV)	309-35	308-35	8/20/2007
Survivorship Universal Life Insurance Policy (SUL w/ ACSV)	309-65	308-65	8/20/2007

#### Policy Information

The enclosed 2 policy forms are Protector-type universal life products that provides for an Alternative Cash Surrender Value (ACSV) Benefit, for a period of 10 years from the issue date of the policy, while the Insured(s) is living. This benefit and the amortization schedule are described in detail in the Alternative Cash Surrender Value Benefit provisions in Section Five of the policy forms.

The UL policy is available at issue ages 0-90. The minimum Base Policy Face Amount is \$1,000,000 and the maximum is the Corporation's Retention Limit. The SUL policy is available at issue ages 20-90. The minimum Base Policy Face Amount is \$250,000 and the maximum is the Corporation's Retention Limit.

Under both policies, the policy owner will have the option of using the Cash Value Accumulation Test (CVAT) or the Guideline Premium Test (GPT) to qualify the policy as life insurance under Section 7702 of the Internal Revenue Code. The choice of test applicable to the policy must be made at the time of application and cannot be changed. It will be shown on Policy Data Page 2.2.

For the UL policy, cash values and maximum Cost of Insurance rates are based on the 2001 CSO Tables of Mortality, for issue ages 18 and over. For issue ages 0-17, the 2001 CSO Composite Tables of Mortality will apply. For policies issued on a Tax-Qualified basis as described below, the 2001 CSO Unisex (80% Male) Smoker Table of Mortality, ANB will apply. For the SUL policy, the cash values and maximum cost of Insurance rates are based on the 2001 CSO Mortality Table, ANB, Male and Female, Smoker and Non-Smoker versions. For policies issued on a Tax-Qualified basis as described below, the 2001 CSO Mortality Table, ANB, Unisex (50% Male), Smoker and Nonsmoker versions will apply.



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 Project Name/Number: AD108 Protection Series - ACSV/309-35, et al.

Sincerely,

Linda E. LoPinto  
 Corporate Vice President  
 Individual Life Department  
 Encl.

## Company and Contact

### Filing Contact Information

Sean Hebron, Senior Contract Assistant Sean\_Hebron@nyl.com  
 51 Madison Avenue 212-576-2681 [Phone]  
 Room 606 212-447-4141 [FAX]  
 New York, NY 10010

### Filing Company Information

New York Life Insurance and Annuity Corporation CoCode: 91596 State of Domicile: Delaware  
 51 Madison Ave Group Code: 826 Company Type: Life  
 New York, NY 10010 Group Name: NYLIC State ID Number:  
 (212) 576-4809 ext. [Phone] FEIN Number: 13-3044743

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? Yes  
 Fee Explanation: \$50.00 per form X 2 policies = \$100.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
New York Life Insurance and Annuity Corporation	\$100.00	07/15/2009	29207424

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	09/21/2009	09/21/2009

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	07/24/2009	07/24/2009	Sean Hebron	09/21/2009	09/21/2009

*SERFF Tracking Number:* NYLC-126014487      *State:* Arkansas  
*Filing Company:* New York Life Insurance and Annuity      *State Tracking Number:* 42985  
Corporation  
*Company Tracking Number:* 309-35, ET AL.  
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Adjustable Life  
*Product Name:* AD108 Protection Series - ACSV  
*Project Name/Number:* AD108 Protection Series - ACSV/309-35, et al.

## **Disposition**

Disposition Date: 09/21/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		No
Supporting Document	Regulation 34 Certifications		Yes
Supporting Document	Regulation 49 Certification		Yes
Form	Universal Life Insurance Policy with ACSV		Yes
Form	Survivorship Universal Life Insurance Policy with ACSV		Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 07/24/2009  
Submitted Date 07/24/2009  
Respond By Date 08/24/2009

Dear Sean Hebron,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 6-87 and Bulletin 11-88 further address this issue. Please review your issue procedures and assure us that you are in compliance with Ark. Code Ann. 23-79-138 as provided by these bulletins.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department

Filings of "universal life" type contracts are subject to Regulation 34. Please assure us that you are in compliance with Regulation 34. If cost of insurance may be changed by the company subject to a maximum and/or accumulation rates may be changed by the company subject to a minimum, then the contract must comply with Bulletin 11-83.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 09/21/2009  
Submitted Date 09/21/2009

Dear Linda Bird,

### Comments:

In response to your letter,

### Response 1

Comments: The required certifications have been attached to the supporting documentation tab of the submission. I apologize for how long it took us to get these certifications.

### Related Objection 1

Comment:

Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 6-87 and Bulletin 11-88 further address this issue. Please review your issue procedures and assure us that you are in compliance with Ark. Code Ann. 23-79-138 as provided by these bulletins.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

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Filings of "universal life" type contracts are subject to Regulation 34. Please assure us that you are in compliance with Regulation 34. If cost of insurance may be changed by the company subject to a maximum and/or accumulation rates may be changed by the company subject to a minimum, then the contract must comply with Bulletin 11-83.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Regulation 34 Certifications



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## Form Schedule

### Lead Form Number: 309-35

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	309-35	Policy/Cont Universal Life ract/Fratern Insurance Policy with al ACSV Certificate	Revised	Replaced Form #: 308-35 Previous Filing #:	46.000	309-35 ACSV.pdf
	309-65	Policy/Cont Survivorship ract/Fratern Universal Life al Insurance Policy with Certificate ACSV	Revised	Replaced Form #: 308-65 Previous Filing #:	52.000	309-65 SUL ACSV policy.pdf

INSURED- - [JOHN DOE]  
POLICY NUMBER- - [00 000 000]  
POLICY DATE- - [SEPTEMBER 1, 2009]

# New York Life Insurance and Annuity Corporation

51 Madison Avenue, New York, NY 10010 (A Delaware Corporation)

**The Corporation** will pay the benefits of this policy in accordance with its provisions. The pages that follow are also a part of this policy.

**Right To Examine Policy.** Please examine your policy. Within 10 days after delivery, you can return the policy to the Corporation or to the Representative through whom it was purchased, with a written request for a refund of premium. Upon such a request, the policy will be void from the start, and a full premium refund will be made.

**Payment Of Premiums.** While this policy is in effect, premiums can be paid at any time before the Policy Anniversary on which the Insured is age 121, and while the Insured is living. They can be paid at any interval or by any method we make available, subject to any limitations set forth in the Premiums section. The amount and interval of Planned Premiums, as stated in the application for this policy, are shown on the Policy Data page.

**Effective Date.** The Effective Date is the date the policy is delivered and the first premium is paid. Coverage does not begin until the Effective Date unless temporary coverage is obtained under a separate temporary coverage agreement.

**Illustrative Report To Owner.** On request, we will furnish you with an illustrative report which, based on the then current non-guaranteed factors, shows the results for at least the next 20 years, but not beyond the Policy Anniversary nearest the Insured's age 121. Each report will show the Cash Value of the policy when the report is prepared, the interest rates, the maximum Cost of Insurance Rates, and any other fees and charges in effect at that time. This report will also give you other facts required by state law or regulation. We will not charge a fee for the first report provided during the year. However, a reasonable fee, not to exceed \$30, may be charged for any additional reports provided on request.

**THIS POLICY IS A LEGAL CONTRACT BETWEEN THE POLICYOWNER AND THE CORPORATION.  
PLEASE READ THIS POLICY CAREFULLY FOR FULL DETAILS.**

[



President



Secretary]

## UNIVERSAL LIFE INSURANCE POLICY

ADJUSTABLE LIFE INSURANCE BENEFITS - FLEXIBLE PREMIUM PAYMENTS.  
PROCEEDS PAYABLE AT INSURED'S DEATH.  
INTEREST CREDITED ON CASH VALUE AT RATE SET BY CORPORATION.  
MINIMUM GUARANTEED INTEREST RATE OF 3%.  
NO PREMIUMS PAYABLE ON OR AFTER THE INSURED'S AGE 121.  
POLICY IS NON-PARTICIPATING.

## POLICY INFORMATION

INSURED  
*[JOHN DOE]*

AGE  
*[35 MALE]*

CLASS OF RISK  
*[STANDARD]*

POLICY NUMBER- *-[00 000 000]*

POLICY DATE- - *[SEPTEMBER 1, 2009]*

ISSUE DATE- - *[SEPTEMBER 1, 2009]*

PLAN- *-NEW YORK LIFE UNIVERSAL LIFE*

INITIAL BASE POLICY FACE AMOUNT- - *-\$[1,000,000]*

LIFE INSURANCE BENEFIT OPTION- *-[1]*

OWNER- *-[INSURED]*

BENEFICIARY (subject to change) - -

*[AS DESIGNATED ON THE APPLICATION, OR AS SUBSEQUENTLY CHANGED IN ACCORDANCE WITH THE CHANGE OF BENEFICIARY PROVISIONS.]*

ADDITIONAL BENEFITS

## PREMIUM INFORMATION

POLICY NUMBER- - [00 000 000]

INSURED- - [JOHN DOE]

INITIAL PREMIUM PAID (INCLUDING THE FIRST PLANNED PREMIUM, IF APPLICABLE)- - \$ [9,730.00]

PLANNED PREMIUM \$ [9,730.00] PAYABLE AT [ANNUAL] INTERVALS  
BEGINNING AS OF- - [09/1/2009]

TARGET PREMIUM\*- - \$[9,730.00]

### PREMIUM PAYMENTS

PREMIUM PAYMENTS CANNOT BE MADE ON OR AFTER THE POLICY ANNIVERSARY ON WHICH THE INSURED IS AGE 121, WHICH IS [SEPTEMBER 1, 2095].

COVERAGE WILL EXPIRE WHEN THE CASH VALUE, LESS ANY UNPAID LOAN AND ACCRUED LOAN INTEREST, IS INSUFFICIENT TO COVER A MONTHLY DEDUCTION. PAYMENT OF THE PLANNED PREMIUM AMOUNT SHOWN ABOVE ALONE MAY NOT GUARANTEE THAT THE POLICY WILL REMAIN IN EFFECT TO THE DATE SHOWN.

### \* TARGET PREMIUM

THE TARGET PREMIUM IS USED TO DETERMINE THE AMOUNT OF PREMIUM EXPENSE CHARGE DEDUCTED FROM YOUR POLICY PREMIUM PAYMENTS DURING EACH POLICY YEAR. THE TARGET PREMIUM WILL CHANGE IF THE INITIAL BASE POLICY FACE AMOUNT OF THIS POLICY IS INCREASED OR DECREASED.

## POLICY CHARGES

POLICY NUMBER- - [00 000 000]

INSURED- - [JOHN DOE]

### MONTHLY DEDUCTION CHARGE

THE MONTHLY DEDUCTION CHARGE THAT IS DEDUCTED FROM THE CASH VALUE CONSISTS OF:

- A MONTHLY COST OF INSURANCE FOR THE BASE POLICY
- AN ADMINISTRATIVE FEE NOT TO EXCEED \$15.00 PER MONTH
- A MONTHLY PER THOUSAND OF BASE POLICY FACE AMOUNT CHARGE, BASED ON ISSUE AGE, GENDER AND CLASS OF RISK, NOT TO EXCEED THE CHARGES INDICATED IN THE TABLE BELOW. THE POLICY YEARS FOR THIS CHARGE ARE MEASURED FROM THE POLICY DATE FOR THE INITIAL BASE POLICY FACE AMOUNT AND FROM THE EFFECTIVE DATE OF THE INCREASE FOR A BASE POLICY FACE AMOUNT INCREASE.

<u>POLICY YEAR</u>	<u>PER \$1000 CHARGE</u>
1	[\$0.00000]
2-4	[\$0.16217]
5	[\$0.08109]
6+	[\$0.00000]

- THE MONTHLY COST FOR ANY RIDER (S) AS SHOWN ON THE DATA PAGES FOR SUCH RIDER (S)

MONTHLY DEDUCTION DAY- - [FIRST] DAY OF EACH CALENDAR MONTH

### PREMIUM EXPENSE CHARGE

A PREMIUM EXPENSE CHARGE IS DEDUCTED FROM EACH PLANNED PREMIUM AND UNPLANNED PREMIUM WHEN THAT PAYMENT IS RECEIVED. THE AMOUNT OF THE CHARGE IS DETERMINED BY APPLYING AN APPLICABLE PERCENTAGE, NOT TO EXCEED THE MAXIMUM AMOUNTS SET FORTH IN THE TABLE BELOW, TO THE PREMIUM AMOUNT PAID. THE ACTUAL PERCENTAGE APPLIED WILL VARY BY POLICY YEAR.

<u>POLICY YEAR</u>	<u>GUARANTEED MAXIMUM PERCENTAGE APPLIED TO CUMULATIVE PREMIUM AMOUNT PAID IN ONE YEAR THAT IS LESS THAN OR EQUAL TO TARGET PREMIUM**</u>	<u>GUARANTEED MAXIMUM PERCENTAGE APPLIED TO CUMULATIVE PREMIUM AMOUNT PAID IN ONE YEAR THAT IS GREATER THAN TARGET PREMIUM**</u>
1	40%	6.5%
2+	10%	6.5%

### BASE POLICY FACE AMOUNT INCREASE PREMIUM EXPENSE CHARGE

AN ADDITIONAL EXPENSE CHARGE WILL BE DEDUCTED FROM ELIGIBLE PREMIUM, AS DEFINED IN SECTION 4.6. THE ACTUAL PERCENTAGE APPLIED TO ELIGIBLE PREMIUM WILL NOT BE GREATER THAN 37%. PLEASE SEE SECTION FOUR OF THIS POLICY FOR FURTHER DETAILS.

## INTEREST AND LOANS

POLICY NUMBER- - [00 000 000]

INSURED- - [JOHN DOE]

### INTEREST CREDITING

GUARANTEED INTEREST RATE- -3%

### CASH VALUE AND LOANS

PRIOR TO THE POLICY ANNIVERSARY WHEN THE INSURED IS AGE 121, THE PORTION OF THE CASH VALUE THAT SECURES THE AMOUNT OF ANY UNPAID LOAN WILL RECEIVE INTEREST AT A RATE THAT IS NEVER LESS THAN 2% LOWER THAN THE EFFECTIVE ANNUAL LOAN INTEREST RATE. HOWEVER, BEGINNING ON THE POLICY ANNIVERSARY WHEN THE INSURED IS AGE 121, THE PORTION OF THE CASH VALUE THAT SECURES THE AMOUNT OF ANY UNPAID LOAN WILL RECEIVE INTEREST AT A RATE THAT IS EQUAL TO THE EFFECTIVE ANNUAL LOAN INTEREST RATE. THIS INTEREST RATE CAN BE CHANGED PERIODICALLY BUT IN NO EVENT WILL IT BE LESS THAN THE MINIMUM GUARANTEED INTEREST CREDITING RATE OF 3%.

### ADDITIONAL POLICY INFORMATION

THE MINIMUM BASE POLICY FACE AMOUNT FOR THIS POLICY, AS REFERRED TO IN THE PROVISIONS OF SECTION THREE AND SECTION FIVE, IS \$[1,000,000].

THE MINIMUM PARTIAL SURRENDER AMOUNT, AS REFERRED TO IN THE PROVISIONS OF SECTION FIVE, IS \$500. THE SERVICE CHARGE TAKEN FOR ANY PAYMENT OF PARTIAL CASH SURRENDER VALUE BENEFITS, AS REFERRED TO IN THE PROVISIONS OF SECTION FIVE, IS \$25.

THE MORTALITY TABLE REFERRED TO IN SECTION 8.14 IS THE [COMMISSIONERS' 2001 STANDARD ORDINARY MALE SMOKER TABLE OF MORTALITY, ANB.]

THE INTEREST RATE REFERRED TO IN SECTION 8.14 IS 3% PER YEAR.

TABLE OF PERCENTAGES FOR LIFE INSURANCE BENEFIT  
FOR COMPLIANCE WITH IRC SECTION 7702  
GUIDELINE PREMIUM TEST

INSURED'S AGE ON POLICY ANNIVERSARY	PERCENT OF CASH VALUE	INSURED'S AGE ON POLICY ANNIVERSARY	PERCENT OF CASH VALUE
0-40	250%	68	117%
41	243%	69	116%
42	236%	70	115%
43	229%	71	113%
44	222%	72	111%
45	215%	73	109%
46	209%	74	107%
47	203%	75	105%
48	197%	76	105%
49	191%	77	105%
50	185%	78	105%
51	178%	79	105%
52	171%	80	105%
53	164%	81	105%
54	157%	82	105%
55	150%	83	105%
56	146%	84	105%
57	142%	85	105%
58	138%	86	105%
59	134%	87	105%
60	130%	88	105%
61	128%	89	105%
62	126%	90	105%
63	124%	91	104%
64	122%	92	103%
65	120%	93	102%
66	119%	94	101%
67	118%	95 & over	100%

TABLE OF PERCENTAGES FOR LIFE INSURANCE BENEFIT  
FOR COMPLIANCE WITH IRC SECTION 7702  
CASH VALUE ACCUMULATION TEST (CVAT)

[

POLICY YEAR	PERCENT OF CASH VALUE	POLICY YEAR	PERCENT OF CASH VALUE
1	410%	45	132%
2	397%	46	130%
3	384%	47	129%
4	371%	48	127%
5	359%	49	125%
6	348%	50	124%
7	336%	51	122%
8	326%	52	121%
9	315%	53	120%
10	306%	54	119%
11	296%	55	118%
12	287%	56	117%
13	279%	57	116%
14	271%	58	115%
15	263%	59	114%
16	255%	60	114%
17	247%	61	113%
18	240%	62	112%
19	233%	63	112%
20	227%	64	111%
21	220%	65	111%
22	215%	66	111%
23	209%	67	110%
24	204%	68	110%
25	198%	69	110%
26	193%	70	109%
27	189%	71	109%
28	184%	72	108%
29	180%	73	108%
30	176%	74	108%
31	172%	75	107%
32	169%	76	107%
33	165%	77	107%
34	162%	78	106%
35	158%	79	106%
36	155%	80	106%
37	152%	81	106%
38	149%	82	105%
39	147%	83	105%
40	144%	84	105%
41	141%	85	105%
42	139%	86	104%
43	137%		
44	134%		

]

TABLE OF GUARANTEED MAXIMUM MONTHLY COST OF INSURANCE RATES  
FOR BASE POLICY  
(PER \$1,000 OF NET AMOUNT AT RISK)

[ MALE ]

CLASS OF RISK: [STANDARD]

POLICY YEAR		POLICY YEAR		POLICY YEAR	
[ 01	.17	31	2.25	61	28.26
02	.18	32	2.43	62	30.02
03	.19	33	2.61	63	31.92
04	.20	34	2.80	64	33.97
05	.21	35	2.99	65	36.18
06	.23	36	3.21	66	38.59
07	.25	37	3.46	67	40.46
08	.28	38	3.80	68	42.47
09	.31	39	4.15	69	44.63
10	.34	40	4.50	70	46.97
11	.38	41	4.90	71	50.07
12	.42	42	5.34	72	53.51
13	.46	43	5.85	73	57.32
14	.48	44	6.43	74	61.55
15	.50	45	7.11	75	66.31
16	.54	46	7.83	76	71.66
17	.58	47	8.65	77	77.74
18	.64	48	9.49	78	83.33
19	.71	49	10.37	79	83.33
20	.79	50	11.34	80	83.33
21	.88	51	12.50	81	83.33
22	.98	52	13.78	82	83.33
23	1.08	53	15.18	83	83.33
24	1.16	54	16.67	84	83.33
25	1.26	55	18.25	85	83.33
26	1.37	56	19.88	86	83.33]
27	1.51	57	21.38		
28	1.68	58	22.93		
29	1.86	59	24.57		
30	2.06	60	26.30		

THESE MAXIMUMS WILL BE INCREASED BY ANY FLAT EXTRA CHARGES THAT APPLY.

**WE & YOU**

In this policy, the words "we", "our" or "us" refer to New York Life Insurance and Annuity Corporation, and the words "you" or "your" refer to the Owner of this policy.

When you write to us, please include the policy number, the Insured's full name, and your current address.

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APPLICATION - Attached to the Policy

RIDERS OR ENDORSEMENTS  
(IF ANY) - Attached to the Policy

## SECTION ONE - LIFE INSURANCE BENEFITS

- 1.1 Life Insurance Proceeds** The amount of life insurance proceeds payable under this policy consists of:
- The Life Insurance Benefit of this policy, plus
  - The death benefit payable of any riders in effect on the Insured on the date of the Insured's death, less
  - Any unpaid loan and accrued loan interest.

The Life Insurance Benefit of this policy is based on the Life Insurance Benefit Option in effect on the date of death and the policy's Initial Base Policy Face Amount shown on the "Policy Information" Policy Data page. It will also reflect any changes to the Base Policy Face Amount in accordance with the provisions of this policy.

We will pay the life insurance proceeds to the beneficiary promptly when we have due proof that the Insured died on or after the Effective Date of this policy, subject to all of this policy's provisions. A claim for the life insurance proceeds must be made in writing to our Service Office or any other location that we indicate to you in writing.

- 1.2 Life Insurance Benefit Options** The Life Insurance Benefit payable under this policy will be determined in accordance with one of the following options. See Policy Data Page 2.2 for a table of the percentages referenced below, and refer to Section Five of this policy for a description of the Alternative Cash Surrender Value Benefit.

**Option 1** - This option provides a Life Insurance Benefit equal to the greater of: 1) the Base Policy Face Amount of the policy; or 2) a percentage of the sum of the Cash Value plus the amortized value of the Alternative Cash Surrender Value Benefit that is equal to the minimum necessary for this policy to qualify as life insurance under Section 7702 of the Internal Revenue Code, as amended.

**Option 2** - This option provides a Life Insurance Benefit equal to the greater of: 1) the Base Policy Face Amount of the policy plus the Cash Value; or 2) a percentage of the sum of the Cash Value plus the amortized value of the Alternative Cash Surrender Value Benefit that is equal to the minimum necessary for this policy to qualify as life insurance under Section 7702 of the Internal Revenue Code, as amended.

**Option 3** - This option provides a Life Insurance Benefit equal to the greater of: 1) the Base Policy Face Amount of the policy plus the Adjusted Total Premium; or 2) a percentage of the Cash Value plus the amortized value of the Alternative Cash Surrender Value Benefit that is equal to the minimum necessary for this policy to qualify as life insurance under Section 7702 of the Internal Revenue Code, as amended. See Section 4.7 for an explanation of the Adjusted Total Premium.

## SECTION TWO - OWNER AND BENEFICIARY

- 2.1 Owner** The owner of this policy is shown on the "Policy Information" Policy Data page. In this policy, the words "you" and "your" refer to the owner.
- 2.2 Change Of Ownership** You can change the owner of this policy in a form we provide. The form and any other requirements must be completed and signed by you. This change will take effect as of the date you signed the form, subject to any payment we made or action we took before recording the change. When this change takes effect, all rights of ownership will pass to the new owner. Changing the owner or successor owner cancels any prior choice of owner or successor owner, but does not change the beneficiary.
- 2.3 Successor Owner** A successor owner can be named in the application, or in a form we provide. The form and any other requirements must be completed and signed by you. If you die before the successor owner, the successor owner will become the new owner. If no successor owner survives you and you die before the Insured, your estate becomes the new owner.

## SECTION TWO - OWNER AND BENEFICIARY (Continued)

- 2.4 Beneficiary** The beneficiary for any life insurance proceeds is the person or entity named in the application, or in a notice you sign that gives us the information we need. If more than one beneficiary is named, they can be classed as first, second, and so on. If 2 or more are named in a class, their share in the proceeds is equal, unless you state otherwise. The stated shares will be paid to any first beneficiaries who survive the Insured. If no first beneficiaries survive, payment will be made to any beneficiary surviving in the second class, and so on.

If no beneficiary for either all or part of the proceeds survives the Insured, the right to those proceeds will pass to you. If you are deceased, this right will pass to your estate.

- 2.5 Change Of A Beneficiary** While the Insured is living, you can change a beneficiary by notifying us in writing. The notice must clearly state the beneficiary designation, be signed by you, and include the policy number and the name of the Insured. This change will take effect as of the date you signed the notice, subject to any payment we made or action we took before recording the change. For example, if we make any payment before we record the change, we will not have to make the payment again.
- 2.6 Simultaneous Death Of Insured And Beneficiary** Unless stated otherwise in the policy or in your signed notice that is in effect at the Insured's death, if any beneficiary dies at the same time as the Insured or within 15 days after the Insured but before we receive proof of the Insured's death, we will pay the proceeds as though that beneficiary died first.

## SECTION THREE - POLICY CHANGES

- 3.1 Policy Changes** You can apply in writing to increase or decrease the Base Policy Face Amount (without changing the Life Insurance Benefit Option) as described in Section 3.2 and 3.3, or to change the Life Insurance Benefit Option within the limits stated in Section 3.4. Changes can be made only while the Insured is living, and only if this policy would continue to qualify as Life Insurance as defined under Section 7702 of the Internal Revenue Code, as amended.

- 3.2 Base Policy Face Amount Increases** At anytime after the tenth policy year, you can increase the Base Policy Face Amount. This increased amount of insurance is a Base Policy Face Amount Increase. You can effect a Base Policy Face Amount Increase once every 12 months after the tenth policy year, subject to a \$5,000 minimum and a maximum not to exceed our policy retention limits. To effect a Base Policy Face Amount Increase, you must send us your written application, also signed by the Insured, together with any proof of insurability that we require. A Base Policy Face Amount Increase will take effect on the Monthly Deduction Day on or next following the date we approve the application for the increase. Any Base Policy Face Amount Increase that occurs automatically and without your request is not subject to evidence of insurability.

The Cost of Insurance and Monthly Per Thousand of Base Policy Face Amount Charge for a Base Policy Face Amount Increase will be based on the Insured's age, gender, and class of risk at the time the Base Policy Face Amount Increase takes effect. New Contestable and Suicide Exclusion periods will apply for the Base Policy Face Amount Increase, beginning on the effective date of the Base Policy Face Amount Increase.

- 3.3 Base Policy Face Amount Decreases** You can decrease the Base Policy Face Amount only once every 12 months, provided the new Base Policy Face Amount meets the minimum Base Policy Face Amount requirement shown in the "Additional Policy Information" section on the Policy Data pages. This decreased amount of insurance is a Base Policy Face Amount Decrease. Any Base Policy Face Amount Decrease will take effect on the Monthly Deduction Day on or next following the date we receive your signed request. You should consult your Tax Advisor regarding the tax consequences of decreasing the Base Policy Face Amount.

The Base Policy Face Amount Decrease will first be applied to reduce the most recent Base Policy Face Amount Increase. It will then be applied to reduce other Base Policy Face Amount Increases in the reverse order in which they took place, and then to decrease the Initial Base Policy Face Amount.

## SECTION THREE - POLICY CHANGES (Continued)

- 3.4 Life Insurance Benefit Option Changes** Life Insurance Benefit Option changes will take effect on the Monthly Deduction Day on or next following the date we receive your signed request.

If you change from Option 1 to Option 2, the Base Policy Face Amount will be decreased by the Cash Value.

If you change from Option 2 to Option 1, the Base Policy Face Amount will be increased by the Cash Value.

Changes to Option 3 will not be allowed at any time. However, you can change from Option 3 to Options 1 or 2. If you change from Option 3 to Option 1 the Base Policy Face Amount will be increased by the Adjusted Total Premium. If you change from Option 3 to Option 2 the Base Policy Face Amount will be increased by the Adjusted Total Premium and decreased by the Cash Value. The Adjusted Total Premium is described in more detail in Section 4.7.

You can change the Life Insurance Benefit Option of this policy only once per policy year. Changes in the Life Insurance Benefit Option that would cause the Base Policy Face Amount to fall below the minimum Base Policy Face Amount requirement shown in the "Additional Policy Information" section on the Policy Data pages will not be permitted.

## SECTION FOUR – PREMIUMS

- 4.1 Premium Payments** You can make premium payments at any interval or by any method we make available at any time before the Policy Anniversary on which the Insured is age 121, and while the Insured is living. You can pay Planned Premiums and/or Unplanned Premiums. See Sections 4.2 and 4.3. Premiums are payable at our Service Office or at any other location that we indicate to you in writing. The Cash Value and Life Insurance Benefit under this policy are based on the amount and interval of the premiums that have been received by us. Please refer to Section Five - Cash Value and Loans for full details.
- 4.2 Planned Premium** Planned Premium refers to the amount and frequency of premium payments you selected for your premium payment schedule. The amount and interval of any Planned Premiums, as stated in the application, are shown on the Policy Data pages. The first Planned Premium is payable as of the Policy Date. A Planned Premium does not have to be paid to keep this policy in effect provided the Cash Surrender Value is sufficient to cover the charges made on the Monthly Deduction Day. Payment of a Planned Premium alone may not guarantee that coverage will remain in effect. The amount and frequency of any Planned Premium can be increased or decreased subject to the limits we set. However, in no event can the Planned Premium be an amount that would jeopardize the policy continuing to qualify as Life Insurance, as defined under Section 7702 of the Internal Revenue Code, as amended (See Section 4.4). Planned Premiums cannot be paid on or after the Policy Anniversary on which the Insured is age 121.
- 4.3 Unplanned Premiums** Unplanned Premiums are premium payments you can make in addition to or in place of a Planned Premium. You can make an Unplanned Premium payment up to 12 times per policy year provided the Unplanned Premium payment is at least \$50. It cannot be an amount that would jeopardize the policy continuing to qualify as Life Insurance as defined under Section 7702 of the Internal Revenue Code, as amended. This limitation is further described in Section 4.4 below. The Insured must be living and payment must be made prior to the Policy Anniversary on which the Insured is age 121. If an Unplanned Premium payment would result in an increase in the Life Insurance Benefit greater than the increase in the Cash Value, we will require proof of insurability before accepting that payment and applying it to the policy. A written application will be required and a copy of the application will be placed in the policy and made a part of it. Any unplanned payment not specifically designated as an Unplanned Premium payment or a loan repayment will be credited to the policy as an Unplanned Premium.

## SECTION FOUR – PREMIUMS (Continued)

**4.4 Premium Payment Limitations** In addition to the limits described in Sections 4.1, 4.2 and 4.3, premium payments are also limited by the premium test choice you made when you applied for this policy. These premium tests are used to determine whether an insurance policy meets the definition of life insurance under Section 7702 of the Internal Revenue Code, as amended.

- (1) The Guideline Premium Test (or GPT) allows you to maintain a higher level of Cash Value in relation to the death benefit. If you chose this test and the premium you pay during any policy year exceeds the maximum permitted under this Internal Revenue Code test, we will return any such excess within 60 days after the end of the policy year, with interest at a rate of not less than the guaranteed rate shown on the Policy Data page.
- (2) The Cash Value Accumulation Test (or CVAT) allows you to maintain a higher level of death benefit in relation to Cash Value.

The test you chose is shown on Policy Data Page 2.2 and cannot be changed.

**4.5 Premium Expense Charge** A Premium Expense Charge is deducted from each Planned and Unplanned Premium when that payment is received. This charge will not exceed the percentage(s) shown on the “Policy Charges” Policy Data page.

**4.6 Base Policy Face Amount Increase Premium Expense Charge** As described in Section 3.2, you can request a Base Policy Face Amount Increase after the 10<sup>th</sup> policy year. When a Base Policy Face Amount Increase takes effect, your Target Premium also increases. This increased Target Premium becomes your Current Target Premium, and will be reflected on the new Policy Data pages you receive for the Base Policy Face Amount Increase.

All premiums paid after a Base Policy Face Amount Increase takes effect will be subject to the Premium Expense Charge mentioned above. However, an additional expense charge, called the Base Policy Face Amount Increase Premium Expense Charge, will apply to any Eligible Premium. Eligible Premium is the cumulative amount of any premium received within twelve months from the effective date of a Base Policy Face Amount Increase that meets the following two conditions:

- (1) the premium amount exceeds the Target Premium in effect just prior to the effective date of the Base Policy Face Amount Increase; and
- (2) the premium amount is less than the Current Target Premium.

The Base Policy Face Amount Increase Premium Expense Charge is equal to a percentage of the Eligible Premium. This percentage will never exceed the maximum percentage(s) set forth on the “Policy Charges” Policy Data page.

**4.7 Adjusted Total Premium** The Adjusted Total Premium is equal to the total Planned and Unplanned Premium payments made, less the total partial surrenders taken under the policy. Reductions in premium payments due to partial surrenders will never cause this amount to be less than zero. The Adjusted Total Premium is used to calculate the Life Insurance Benefit under Life Insurance Benefit Option 3.

**4.8 Late Period** If, on a Monthly Deduction Day, the Cash Surrender Value is less than the Monthly Deduction Charge for the next policy month, the policy will continue for a Late Period of 62 days after that Monthly Deduction Day. If we do not receive payment before the end of the Late Period, the policy will end and there will be no more benefits under the policy or any attached riders. To inform you of this event, we will mail a notice to you at your last known address at least 31 days before the end of the Late Period. We will also mail a copy of the notice to the last known address of any assignee on our records.

If the Insured dies during the Late Period, we will pay the life insurance proceeds to the beneficiary. These proceeds will be reduced by the amount of any unpaid loan and accrued loan interest. They will also be reduced by the Monthly Deduction Charges for the full policy month or months that run from the beginning of the Late Period through the policy month in which the Insured died.

## SECTION FOUR - PREMIUMS (Continued)

- 4.9 Reinstatement** Within 5 years after this policy has ended, you can apply, in writing, to reinstate the policy (and any other benefits provided by riders) if you did not surrender it. If the required payment is made within 31 days after the end of the Late Period, no proof of insurability is required. If not, when you apply for reinstatement, you must provide proof of insurability that is acceptable to us. A written application will be required and a copy of the application will be placed in the policy and made a part of it.

To reinstate this policy, a payment that is sufficient to keep this policy in effect for at least 2 months must be made. This payment will be in lieu of the payment of all premiums in arrears. If this policy is reinstated, we will reinstate the Cash Value corresponding to the date of reinstatement, less any unpaid loan if not repaid. Any unpaid loan can also be repaid, together with loan interest at the current loan interest rate compounded once each year from the end of the Late Period to the date of reinstatement.

The date of reinstatement is the Monthly Deduction Day on or next following the date we approve your signed request for reinstatement.

- 4.10 How Reinstatement Affects The Alternative Cash Surrender Value Benefit** If the policy ends, as described in Sections 4.8 and 5.10, during the first 10 policy years the Alternative Cash Surrender Value will be zero on the date the policy ends. Upon reinstatement of the policy, the Alternative Cash Surrender Value Benefit will be reinstated, but the Alternative Cash Surrender Value will begin at zero. We will calculate the Alternative Cash Surrender Value, as described in Section Five, from the period beginning on the reinstatement date up to the 10<sup>th</sup> policy anniversary. At reinstatement, the amortization of the Alternative Cash Surrender Value will be calculated based on the number of months remaining in the 10 year period.

## SECTION FIVE - CASH VALUE AND LOANS

- 5.1 Cash Value** On the Policy Date, the Cash Value is determined by subtracting the Monthly Deduction Charge and the Premium Expense Charge for the initial premium, if the initial premium was paid by the Policy Date.

On each Monthly Deduction Day after the Policy Date, the Cash Value is determined as follows:

- (1) From the Cash Value as of the prior Monthly Deduction Day, subtract any partial Cash Surrender Value benefits paid, less any service or other charges made since that day.
- (2) Add all premium payments received since the prior Monthly Deduction Day less any Premium Expense Charge.
- (3) Add to this sum any interest credited for the prior month.
- (4) Subtract the Monthly Deduction Charge.

On any other day, the Cash Value is determined as follows:

- (1) From the Cash Value, as of the prior Monthly Deduction Day, subtract any partial Cash Surrender Value benefits paid, less any service or other charges made since that day.
- (2) Add all premium payments received since the prior Monthly Deduction Day, less any Premium Expense Charge.
- (3) Add to this sum any interest credited to the Cash Value for the number of days since the prior Monthly Deduction Day.

- 5.2 Interest Crediting** Interest is credited to the Cash Value. This interest is based on a rate(s) of interest that we declare periodically. Such rate(s) will be declared at least once annually and will never be less than the guaranteed rate shown on the "Interest and Loans" Policy Data page. Any interest credited in excess of this guaranteed interest rate will be nonforfeitable.

We begin crediting interest on any premium payment, after deducting the applicable Premium Expense Charge, on the date that the premium payment is received by our Service Office.

## SECTION FIVE – CASH VALUE AND LOANS (Continued)

**5.3 The Alternative Cash Surrender Value (ACSV)** For a period of 10 years from the Policy Date of this policy, while the Insured is living, this policy will have an Alternative Cash Surrender Value. The ACSV is equal to the Cash Surrender Value of the policy plus the amortized value of the Alternative Cash Surrender Value Benefit (ACSVB), as described in Section 5.4, on the date we receive your request for surrender.

The ACSVB will be amortized using a monthly factor which decreases linearly beginning with the 13<sup>th</sup> policy month and continuing through the end of the 10<sup>th</sup> policy year. On the 10<sup>th</sup> Policy Anniversary and any date thereafter, the ACSVB will be zero.

The ACSVB is not available to support Monthly Deduction Charges or for purposes of a 1035 exchange, loan, partial surrender or as part of a death benefit payment. The ACSVB will end in the event that the policy is assigned, unless we agree otherwise.

**5.4 Calculation Of The ACSVB** Your ACSVB is calculated on each Monthly Deduction Day. It is equal to the product of (a) x (b), where:

(a) = the current month's unamortized ACSVB value. This is composed of the sum of i+ ii+ iii, where:

- (i) = the prior month's unamortized ACSVB value (on and before the first Monthly Deduction Day, this is zero)
- (ii) = 60% of the Sales Expense Charges deducted from all premiums paid since the last Monthly Deduction Day. The Sales Expense Charge is defined as the Premium Expense Charge percentage shown on the "Policy Charges" Data Page, minus 3.25%.
- (iii) = 60% of the monthly deduction for both the Monthly Per Thousand of Base Policy Face Amount Charges and the Monthly Per Thousand of Face Amount Charges of any riders attached to this policy

(b) = the current month's amortization factor. This factor is 1 each month during the first policy year and then decreases linearly beginning with the 13<sup>th</sup> policy month and continuing through the end of the 10<sup>th</sup> policy year. On the 10<sup>th</sup> Policy anniversary and any date thereafter, the ACSVB will be zero.

Upon our receipt of your request to surrender this policy in full, we will increase the current ACSVB by any Sales Expense Charges that have been deducted from premium payments received since the prior Monthly Deduction Day.

**5.5 Full Surrender** When this policy has Cash Value, and while the Insured is living, you can surrender it for the Cash Surrender Value plus, if it is available, the ACSVB. The Cash Surrender Value is equal to the Cash Value less any unpaid loan and accrued loan interest. The Cash Value, Cash Surrender Value and ACSVB will be calculated as of the date on which we receive your signed request. All insurance will end on the date we receive your surrender request.

It may happen that a premium payment is paid after a Monthly Deduction Day and we then receive your signed request for surrender proceeds before the next Monthly Deduction Day. In this case, that premium payment will be included as part of the surrender proceeds.

## SECTION FIVE – CASH VALUE AND LOANS (Continued)

**5.6 Partial Surrender** You can request a partial surrender by sending us your signed request at our Service Office. This request must be received while the Insured is living. The lesser of \$500 of Cash Surrender Value or an amount equal to 2 Monthly Deduction Charges must remain after we pay this amount. The minimum partial surrender amount is shown in the “Additional Policy Information” section on the Policy Data pages.

When you take a partial surrender, the Cash Value and Cash Surrender Value will be reduced by the amount of the surrender.

For policies where Life Insurance Benefit Option 1 is in effect, the Base Policy Face Amount will be reduced by the difference between:

- (a) the amount of the surrender; and
- (b) the greater of:
  - (i) the Cash Value of the policy immediately prior to the surrender, minus the Base Policy Face Amount divided by the applicable percentage, as shown on Policy Data page 2.2, for the Insured’s age at the time of surrender, or
  - (ii) zero.

If the above results in zero or a negative amount, there will be no adjustment in the Base Policy Face Amount.

For policies where Life Insurance Benefit Option 2 is in effect, a partial surrender will not affect the Base Policy Face Amount.

If Life Insurance Benefit Option 3 is in effect, the Adjusted Total Premium will be reduced by the amount of the surrender proceeds. A reduction of the Adjusted Total Premium will never cause the Adjusted Total Premium to be less than zero.

For policies where Life Insurance Benefit Option 3 is in effect and the Adjusted Total Premium amount is less than the amount of the surrender, the Base Policy Face Amount will be reduced by the difference between:

- (a) the amount of the surrender less the Adjusted Total Premium amount immediately prior to the surrender; and
- (b) the greater of:
  - (i) the Cash Value of the policy immediately prior to the surrender, less the Adjusted Total Premium, minus the Base Policy Face Amount divided by the applicable percentage shown on Policy Data Page 2.2, for the Insured’s age at the time of surrender, or
  - (ii) zero.

If the above results in zero or a negative amount, there will be no adjustment in the Base Policy Face Amount.

Any decrease in Base Policy Face Amount caused by payment of a partial surrender will first be applied against the most recent Base Policy Face Amount Increase. It will then be applied to other Base Policy Face Amount Increases in the reverse order in which they took place, and then to the Initial Base Policy Face Amount.

Proceeds from a partial surrender will be determined as of the date we receive your signed request at our Service Office in any method acceptable to us. Each time you make a partial surrender of the Cash Surrender Value, we will deduct a service charge from the Cash Value that remains under this policy. If a partial surrender would cause the Base Policy Face Amount to drop below our minimum Base Policy Face Amount requirement, we reserve the right to require a full surrender. The amount of the service charge and the minimum Base Policy Face Amount are shown in the “Additional Policy Information” section on the Policy Data pages.

## SECTION FIVE – CASH VALUE AND LOANS (Continued)

- 5.7 Loan Value** You can borrow any amount up to the loan value of this policy using this policy as sole security. The loan value on any given date is equal to the Cash Surrender Value, less one Monthly Deduction Charge, and less loan interest on the new loan and any outstanding loans to the next Monthly Deduction Day. You may wish to consult your Tax Advisor prior to taking a loan under this policy.
- 5.8 Loan Interest** Loan interest accrues each day and is payable on the anniversary, the date of death, the date of surrender, the date the policy ends, or on the date of a loan increase or loan repayment and any other date we specify. Loan interest not paid when due will become part of the loan and will also bear interest.
- 5.9 Loan Interest Rate** Unless we set a lower rate for any period, the effective annual loan interest rate is 6%, which is payable in arrears. Loan interest for the policy year in which a loan is taken will be due on the next policy anniversary. We will determine this rate at least once every 12 months, but not more frequently than once in any 3 month period.

If we have set a rate lower than 6% per year, any subsequent increase in the interest rate will be subject to the following conditions:

- (1) The effective date of any increase in the interest rate shall not be earlier than one year after the effective date of the establishment of the previous rate.
- (2) The amount by which the interest rate can be increased will not exceed one percent per year, but the rate of interest shall in no event ever exceed 6%.
- (3) We will give notice of the interest rate in effect when a loan is made and when sending notice of loan interest due.
- (4) If a loan is outstanding 40 days or more before the effective date of an increase in the interest rate, we will notify you of that increase at least 30 days prior to the effective date of the increase.
- (5) We will give notice of any increase in the interest rate when a loan is made during the 40 days before the effective date of the increase.

This policy will not lapse in a given policy year solely as a result of a change in the loan interest rate during that policy year.

- 5.10 Loan Repayments** All or part of an unpaid loan and accrued loan interest can be repaid before the Insured's death or before we pay the full Cash Surrender Value benefit. We will deduct any unpaid loan and accrued loan interest when life insurance or full Cash Surrender Value proceeds are paid. A payment not designated as a loan repayment will not be credited to the policy as a loan repayment.

If a loan is outstanding when full Cash Surrender Value proceeds are paid, the Cash Surrender Value reflects a deduction of any outstanding policy loan and accrued loan interest. It may happen in a given policy year that, based on the loan interest rate in effect when that year began (ignoring any subsequent increase in the rate during that year), any unpaid loan plus accrued loan interest exceeds the Cash Value of this policy. In that event, we will mail a notice to you at your last known address, and a copy to the last known assignee on our records. If the excess of the unpaid loan plus accrued loan interest over the Cash Value is not paid within that 31 days, all insurance will end 31 days after the date on which we mail that notice to you.

However, if a higher interest rate or rates take effect during the policy year, this policy will not end any sooner than it would have if the rate had not changed.

- 5.11 Loan And Surrender Payment Deferral** We can defer paying you any partial or full Cash Surrender Value benefits, or defer any loan proceeds except to pay a premium due us, for up to 6 months from the date we receive your request. Interest will be paid on any amount deferred beyond that date. We will set the interest rate to a rate that will not be less than required by law.

## SECTION SIX – CALCULATION OF MONTHLY DEDUCTION CHARGE

**6.1 Monthly Deduction Charge** On each Monthly Deduction Day, the following deductions are made:

- (a) the monthly Cost of Insurance for this policy;
- (b) the monthly cost for any riders attached to this policy;
- (c) a monthly per thousand Base Policy Face Amount charge that will not exceed the amount shown on the “Policy Charges” Policy Data page;
- (d) an administrative fee that will not exceed the amount shown on the “Policy Charges” Policy Data page.

In some cases, an extra deduction may be required due to an Insured's circumstances, including but not limited to their medical condition, occupation, motor vehicle or aviation record. These deductions are referred to as flat extras. The amount and duration of these flat extras, if any, are shown in a footnote on the Policy Data pages.

The Monthly Deduction Day for this policy is shown on the “Policy Charges” Policy Data page. The first Monthly Deduction Day is the Issue Date of the policy. If the Issue Date and the Policy Date of the policy are different, deductions made on the Issue Date will include the monthly deductions that would have been made on each Monthly Deduction Day for the period from the Policy Date to the Issue Date, as if the policy were issued on the Policy Date.

**6.2 Cost Of Insurance Calculation** The Cost of Insurance for the initial Base Policy Face Amount is equal to (1) multiplied by the result of (2) minus (3), where:

- (1) is the monthly Cost of Insurance rate per \$1,000 of insurance;
- (2) is the number of thousands of Life Insurance Benefit (as defined in the applicable Option 1, Option 2 or Option 3 in Section One) divided by 1.00246627; and
- (3) is the number of thousands of Cash Value as of the Monthly Deduction Day (before this Cost of Insurance and the monthly cost of any Monthly Deduction Waiver rider, and after any applicable administrative fee and the monthly cost of any other riders, are subtracted).

The Net Amount at Risk is (2) minus (3).

The calculation for Cost of Insurance charges is performed for each Base Policy Face Amount Increase, in the order in which the increases were made, by using the formula stated above.

However, the value for (3) that is used in the calculation of the Cost of Insurance charges for the first Base Policy Face Amount Increase will be zero, unless the value calculated for (3) according to the formula above is greater than the value that was used to determine the value for (2) when the Cost of Insurance for the Initial Base Policy Face Amount was calculated.

When the value calculated for (3) is greater than the value that was used for (2) in the calculation of Cost of Insurance charges for the Initial Base Policy Face Amount, the difference between these two values will be used as the value for (3) when performing the calculation for the Cost of Insurance charges for the first Base Policy Face Amount Increase.

Additionally, for the calculation of Cost of Insurance charges for each subsequent Base Policy Face Amount Increase, the value to be used for (3) for the formula above will be equal to zero unless the value calculated for (3) is greater than the value that was used for (2) when the Cost of Insurance calculation was performed on the Base Policy Face Amount Increase immediately preceding it.

When the value calculated for (3) is greater than the value that was used for (2) in the Cost of Insurance charge calculation for the Base Policy Face Amount Increase immediately preceding it, the difference between these two values will be used as the value for (3) when performing this calculation.

## SECTION SIX - CALCULATION OF MONTHLY DEDUCTION CHARGE (Continued)

- 6.3 Cost Of Insurance Rate** The rates used to calculate the Cost of Insurance for the Initial Base Policy Face Amount and for each Base Policy Face Amount Increase are based on the Insured's age, gender, and class of risk at the time the Initial Base Policy Face Amount or Base Policy Face Amount Increase took effect. They will be based on future expectations for investment income, mortality, persistency, taxes and expenses and will be in accordance with the procedures and standards on file with the insurance department in the state or district in which this policy is delivered.

The monthly rates that apply to the Cost of Insurance for the Initial Base Policy Face Amount at all ages will not be greater than the maximum rates shown in the Table of Guaranteed Maximum Monthly Cost of Insurance Rates attached to this policy. The actual rate will be set by us, in advance, at least once a year. Any change in the Cost of Insurance rate will be on a uniform basis for Insureds of the same classification, such as attained age, gender and class of risk. Any change in these rates will be based on future expectations for investment earning, mortality, persistency, taxes and expenses.

For each Base Policy Face Amount Increase that is based on the same class of risk as the Initial Base Policy Face Amount, the monthly rates that apply to the Cost of Insurance for the Base Policy Face Amount Increase will not be greater than the table of maximum rates attached to this policy. However, if the class of risk for a Base Policy Face Amount Increase is different than the class of risk for the Initial Base Policy Face Amount, we will furnish you with the applicable Table of Guaranteed Maximum Monthly Cost of Insurance Rates for that increase.

- 6.4 Monthly Per Thousand Of Base Policy Face Amount Charge Calculation** The Monthly Per Thousand of Base Policy Face Amount charge is calculated each month on each Monthly Deduction Day. We do this even if a premium payment is not made in that month.

The Monthly Per Thousand of Base Policy Face Amount Charge is calculated for the Initial Base Policy Face Amount of insurance by multiplying the Per \$1000 Charge for the appropriate year by the number of thousands of the Initial Base Policy Face Amount. The applicable Per \$1000 Charge for any Policy Year will not be greater than the maximum rate shown on the "Policy Charges" Policy Data page.

The Monthly Per Thousand of Base Policy Face Amount Charge is calculated separately for each Base Policy Face Amount Increase by multiplying the Per \$1000 Charge for the appropriate year by the number of thousands for each respective Base Policy Face Amount Increase. The applicable Per \$1000 Charge for any policy year will not be greater than the maximum rate shown on the "Policy Charges" Policy Data page.

- 6.5 Monthly Per Thousand Of Base Policy Face Amount Charge** The Monthly Per Thousand of Base Policy Face Amount Charge for the Initial Base Policy Face Amount is based on the Insured's age, gender and class of risk at the time of issue. The Monthly Per Thousand of Base Policy Face Amount Charge for each Base Policy Face Amount Increase is based on the Insured's age, gender and class of risk at the time that increase took effect.

- 6.6 Monthly Rider Costs** The monthly cost of any rider attached to this policy is described on the Policy Data pages.

## SECTION SEVEN - PAYMENT OF POLICY PROCEEDS

- 7.1 Payment Of Policy Proceeds** The proceeds of this policy will be paid in one sum, or if elected, all or part of these proceeds can be placed under any of the options described in this contract. We will pay the life insurance proceeds in accordance with the option chosen, subject to any payment we made before notification of death.

Any life insurance proceeds paid in one sum bear interest computed daily from the date of the Insured's death to the date of payment. We set the interest rate each year. This rate will not be less than the rate required by law.

When any payment under an option would be less than \$100, we can pay any unpaid amount or present value in one sum.

## SECTION SEVEN - PAYMENT OF POLICY PROCEEDS (Continued)

- 7.2 Proceeds At Interest Options 1A And 1B** The policy proceeds can be left with us at interest. We will set the interest rate each year. This rate will be at least 3% per year.

For the Interest Accumulation Option (Option 1A), we credit interest each year on the amount we still have. This amount can be withdrawn at any time in sums of \$100 or more. We pay interest to the date of withdrawal on sums withdrawn.

For the Interest Payment Option (Option 1B), we pay interest once each month, every 3 months, every 6 months, or once each year, as chosen, based on the amount we still have.

- 7.3 Choosing An Optional Method Of Payment** While the Insured is living, you can elect or change an option. You can also elect or change the beneficiaries who will be the payee or payees under that option.

After the Insured dies, any person who is to receive proceeds in one sum (other than an assignee) can elect an option and name payees. The person who elects an option can also name one or more successor payees to receive any amount remaining at the death of the payee. Naming these payees cancels any prior choice of successor payees.

A payee who did not elect the option does not have the right to advance or assign payments, take the payments in one sum, or make any other change. However, the payees can be given the right to do one or more of these things if the person who elects the option allows it in writing and we agree.

- 7.4 Optional Method Of Payment Changes** If we agree, a payee who elects Option 1A or 1B can later elect to have any amount we still have, or the present value of any elected payments, placed under the other option described in this section.

- 7.5 Payees** Only individuals who are to receive payments on their own behalf can be named as payees or successor payees, unless we agree. We may require proof of the age or the survival of a payee.

- 7.6 Death Of The Payee** If we have an unpaid amount, or there are some payments that remain to be paid when the last surviving payee dies, we will pay the unpaid amount with interest to the date of payment, or pay the present value of the remaining payments to that payee's estate in one sum. The present value of the remaining payments is based on the interest rate used to compute them, and is always less than the sum of the remaining payments.

## SECTION EIGHT - GENERAL PROVISIONS

- 8.1 Entire Contract** The entire contract consists of this policy, any attached riders or endorsements, and the attached copy of the application. Also, any application used to modify this policy, (including but not limited to a request for a Base Policy Face Amount Increase or a Base Policy Face Amount Decrease, to add a rider to the policy, or required under the terms of Section 4.3 or Section 4.9 of this policy) will be attached to and made a part of this policy. Only our Chairman, President, Secretary, or one of our Vice Presidents is authorized to change the contract, and then, only in writing. No change will be made to this contract without your consent. No agent is authorized to change this contract.

- 8.2 Information Provided In The Application** In issuing this policy, we have relied on the statements made in the application. All such statements are deemed to be representations and not warranties. We assume these statements are true and complete to the best of the knowledge and belief of those who made them. No statement made in connection with the application will be used by us to void this policy unless that statement is a material misrepresentation and is part of the application.

## SECTION EIGHT - GENERAL PROVISIONS (Continued)

- 8.3 Contestable Period** We will not contest this policy, based on the Initial Base Policy Face Amount, after this policy has been in effect during the lifetime of the Insured for 2 years from the Issue Date.

A Base Policy Face Amount Increase as described in Section Three - Policy Changes or an Unplanned Premium payment as described in Section Four – Premiums may occur. In these cases, the 2 year contestable period for each Base Policy Face Amount Increase or increase in life insurance benefit resulting from an Unplanned Premium payment will begin on the effective date of such increase or payment. We can contest only on the basis of those statements made in the application for such Base Policy Face Amount Increase or Unplanned Premium payment. No new contestable period will apply if the Base Policy Face Amount Increase was due solely to a change in the Life Insurance Benefit Option.

We will not contest the payment of the life insurance proceeds, based on a Base Policy Face Amount Increase, after such increase has been in effect for 2 years from the effective date of a Base Policy Face Amount Increase during the lifetime of the Insured. We will not contest the payment of any life insurance proceeds attributable to the difference in rates due to a reclassification after such reclassification has been in effect for 2 years from the effective date of a reclassification during the lifetime of the Insured. We will require evidence of insurability in cases of reclassification.

If this policy ends, and is reinstated, we will not contest this policy after it has been in effect during the lifetime of the Insured for 2 years from the date of reinstatement.

- 8.4 Suicide Exclusion** Suicide of the Insured, while sane or insane, within 2 years of the Issue Date, is not covered by this policy. In that event, this policy will end and the only amount payable will be the premiums paid to us, less any unpaid loan and accrued loan interest and any partial surrender benefits paid.

A Base Policy Face Amount Increase as described in Section Three - Policy Changes may occur. In this case, the 2 year suicide exclusion period for each Base Policy Face Amount Increase will begin on the effective date of such increase. If the suicide exclusion period applies to such an increase, the only amount payable with respect to that Base Policy Face Amount Increase will be the total Cost of Insurance we deducted for the Base Policy Face Amount Increase. No new suicide exclusion period will apply if the Base Policy Face Amount Increase was due solely to a change in the Life Insurance Benefit Option.

- 8.5 Policy Date** The Policy Date is the date from which premiums and charges are calculated and become due. Except for the first Monthly Deduction Day, which is described in Section 6.1, the Monthly Deduction Day for this policy will be the same calendar day each month, as determined by the Policy Date.

The Policy Date is also the date from which policy years, months and anniversaries are measured, unless otherwise stated.

Unless another date is chosen, as described below, the Policy Date is determined as follows:

- (1) If you paid the initial premium with your application and obtained a temporary coverage agreement, the Policy Date will be the date of the temporary coverage agreement;
- (2) If you did not pay the initial premium and therefore no temporary coverage agreement was obtained, the Policy Date will be the date the policy is issued by the Company for delivery, known as the Issue Date.

Both the Policy Date and the Issue Date are shown on the "Policy Information" Policy Data page.

If the policy was issued prior to the date you paid your first premium, the Policy Date will be earlier than the Effective Date. The Policy Date can be chosen to correspond to the definition of the Effective date, as described on the cover page of this policy. You can request another date if it is preferable to pay premiums on that date or have policy values accrue as of that date, by providing us with your signed request.

## SECTION EIGHT - GENERAL PROVISIONS (Continued)

**8.6 Calculation Of Age** When we refer to a person's age in this policy on a Policy Anniversary, we mean his or her age on the birthday that is nearest that date. At any other time, age means the age on the birthday nearest to the previous Policy Anniversary.

**8.7 Misstatement Of Age Or Gender** If you misstate the age or gender of the Insured, we will adjust any Cash Value proceeds, Cash Surrender Value proceeds and life insurance proceeds, up or down, to reflect the correct age or gender. The amount of the Life Insurance Benefit will be the amount that would be purchased by the most recent mortality charge at the correct age and gender.

**8.8 Assignment** While the Insured is living, you can assign this policy, or any interest in it. If you do this, your interest, and anyone else's is subject to that of the assignee. As owner, you still have the rights of ownership that have not been assigned.

An assignee cannot change the owner or beneficiary of this policy, and cannot elect or change an optional method of payment of proceeds. Any amount payable to the assignee will be paid in one sum.

You must provide us with a copy of the assignment. We are not responsible for the validity of any assignment. Any assignment will be subject to any payment we make or other action we take before we record the assignment.

**8.9 Protection Against Creditors** Payments we make under this policy are, to the extent the law permits, exempt from the claims, attachments, or levies of any creditors.

**8.10 Payments To Company** Any payment made to us by check or money order must be payable to New York Life Insurance and Annuity Corporation. When asked, we will provide a countersigned receipt, signed by our President or Secretary, for any premium paid to us.

**8.11 Conformity With Law** This policy is subject to all laws that apply. We reserve the right to make changes to this policy or to adjust policy values to ensure this policy at all times qualifies as life insurance for federal income tax purposes.

**8.12 Dividends** This is a non-participating policy on which no dividends are payable.

**8.13 Policy Report** Each policy year after the first, while this policy is in effect and the Insured is living, we will send a written report to you within 30 days after the Policy Anniversary. It will show, as of that Anniversary, the Cash Value, the Cash Surrender Value and the amount of any unpaid loan and accrued loan interest. This report will also give you any other facts required by state law or regulation.

**8.14 Basis For Computation Of Policy Values** All minimum Cash Surrender Values and maximum Cost of Insurance rates referred to in this policy are based on the mortality table referred to in the "Additional Policy Information" section on the Policy Data pages. This mortality table applies if the Insured is in a standard or better class of risk. Separate scales of maximum Cost of Insurance rates apply to substandard classes of risk. Semi-continuous functions are used, with interest as stated on the "Interest and Loans" Policy Data page. We have filed a statement with the insurance official in the state or district in which this policy is delivered, that describes, in detail, how we compute policy benefits and Cash Surrender Values. These policy benefits and Cash Surrender Values are at least those required by the law of the state or district where the policy was delivered.

## SECTION EIGHT - GENERAL PROVISIONS (Continued)

- 8.15 Age 121 Policy Anniversary** Beginning on the Policy Anniversary on which the Insured is age 121:
- If the Cash Value is less than the Life Insurance Benefit, it will be increased to equal the Life Insurance Benefit. The Life Insurance Benefit will not be changed.
  - No further Planned or Unplanned Premiums will be allowed and no further monthly deductions will be made from the Cash Value.
  - The Cash Value will continue to accumulate interest.
  - Loan interest will continue to accrue at the current loan interest rate but no new policy loans can be requested.
  - Partial surrenders and loan repayments will continue to be allowed.
  - Changes to the Life Insurance Benefit Option will not be allowed.
  - The policy can be surrendered for its Cash Surrender Value proceeds by submitting to us a signed written request that gives us the information we need.
  - Any insurance on an Other Covered Insured, provided by a rider attached to the policy, that is still in effect, will end. However, if an Other Covered Insured is younger than age 70 when the rider ends, the owner can convert the term insurance at that time as described in the rider.
  - Any other riders attached to the policy will also end.

This policy may not qualify as life insurance after the Insured's attained age 121 under federal tax law and the policy may be subject to adverse tax consequences. You should consult your Tax Advisor before choosing to continue the policy after age 121.

# New York Life Insurance and Annuity Corporation

51 Madison Avenue  
New York, N.Y. 10010  
(212) 576-7000

A Stock Company Incorporated in Delaware

## **UNIVERSAL LIFE INSURANCE POLICY**

ADJUSTABLE LIFE INSURANCE BENEFITS – FLEXIBLE PREMIUM PAYMENTS.  
PROCEEDS PAYABLE AT INSURED'S DEATH.  
INTEREST CREDITED ON CASH VALUE AT RATE SET BY CORPORATION.  
MINIMUM GUARANTEED INTEREST RATE OF 3%.  
NO PREMIUMS PAYABLE ON OR AFTER AGE 121.

POLICY IS NON-PARTICIPATING.

INSURED - - [JOHN DOE]  
[JANE DOE]  
POLICY NUMBER - - [00 000 000]  
POLICY DATE - - [SEPTEMBER 1, 2009]

## New York Life Insurance and Annuity Corporation

51 Madison Avenue, New York, NY 10010 (A Delaware Corporation)

The Corporation will pay the benefits of this policy in accordance with its provisions. The pages that follow are also a part of this policy.

**Right To Examine Policy.** Please examine your policy. Within 10 days after delivery, you can return the policy to the Corporation or to the Representative through whom it was purchased, with a written request for a refund of premium. Upon such a request, the policy will be void from the start, and a full premium refund will be made.

**Payment Of Premiums.** While this policy is in effect, premiums can be paid at any time before the Policy Anniversary on which the younger Insured is or would have been age 121, and while at least one Insured is living. They can be paid at any interval or by any method we make available, subject to any limitations set forth in the Premiums section. The amount and interval of Planned Premiums, as stated in the application for this policy, are shown on the Policy Data page.

**Effective Date.** The Effective Date is the date the policy is delivered and the first premium is paid. Coverage does not begin until the Effective Date unless temporary coverage is obtained under a separate temporary coverage agreement.

**Illustrative Report To Owner.** On request, we will furnish you with an illustrative report which, based on the then current non-guaranteed factors, shows the results for at least the next 20 years, but not beyond the Policy Anniversary nearest the younger Insured's age 121. Each report will show the Cash Value of the policy when the report is prepared, the interest rates, the maximum Cost of Insurance Rates, and any other fees and charges in effect at that time. This report will also give you other facts required by state law or regulation. We will not charge a fee for the first report provided during the year. However, a reasonable fee, not to exceed \$30, may be charged for any additional reports provided on request.

**THIS POLICY IS A LEGAL CONTRACT BETWEEN THE POLICYOWNER AND THE CORPORATION.  
PLEASE READ THIS POLICY CAREFULLY FOR FULL DETAILS.**

[

  
President

  
Secretary]

### SURVIVORSHIP UNIVERSAL LIFE INSURANCE POLICY

ADJUSTABLE LIFE INSURANCE BENEFITS - FLEXIBLE PREMIUM PAYMENTS.  
PROCEEDS PAYABLE ON THE LAST SURVIVING INSURED'S DEATH.  
INTEREST CREDITED ON CASH VALUE AT RATE SET BY CORPORATION.  
MINIMUM GUARANTEED INTEREST RATE OF 3%.  
NO PREMIUMS PAYABLE ON OR AFTER THE YOUNGER INSURED'S AGE 121.  
POLICY IS NON-PARTICIPATING.

## POLICY INFORMATION

INSURED  
[JOHN DOE]  
[JANE DOE]

AGE  
[35 MALE]  
[35 FEMALE]

CLASS OF RISK  
[STANDARD]  
[NON-SMOKER]

POLICY NUMBER- - [00 000 000]

POLICY DATE- - [SEPTEMBER 1, 2009]

ISSUE DATE- - [SEPTEMBER 1, 2009]

PLAN- - *NEW YORK LIFE SURVIVORSHIP UNIVERSAL LIFE*

INITIAL BASE POLICY FACE AMOUNT- - \$[250,000.00]

LIFE INSURANCE BENEFIT OPTION- -[1]

OWNER- -[AS DESIGNATED ON THE APPLICATION, OR AS SUBSEQUENTLY CHANGED IN ACCORDANCE WITH THE CHANGE OF OWNER PROVISIONS.]

BENEFICIARY (subject to change) - -

[AS DESIGNATED ON THE APPLICATION, OR AS SUBSEQUENTLY CHANGED IN ACCORDANCE WITH THE CHANGE OF BENEFICIARY PROVISIONS.]

### ADDITIONAL BENEFITS

## ADDITIONAL POLICY INFORMATION

THE MINIMUM BASE POLICY FACE AMOUNT FOR THIS POLICY, AS REFERRED TO IN THE PROVISIONS OF SECTION THREE AND SECTION FIVE, IS \$[250,000].

THE PERCENTAGE USED TO CALCULATE THE SALES EXPENSE CHARGE REFERRED TO IN SECTION 5.4 IS [3.25]%.

THE PERCENTAGE APPLIED TO THE SALES EXPENSE CHARGES, THE MONTHLY PER THOUSAND OF BASE POLICY FACE AMOUNT CHARGES AND THE MONTHLY PER THOUSAND OF FACE AMOUNT CHARGES FOR ANY RIDERS ATTACHED TO THE POLICY USED TO CALCULATE THE ACSVB, AS REFERRED TO IN SECTIONS 5.3 AND 5.4, IS [60%].

THE MINIMUM PARTIAL SURRENDER AMOUNT, AS REFERRED TO IN THE PROVISIONS OF SECTION FIVE, IS \$500.

THE SERVICE CHARGE TAKEN FOR ANY PAYMENT OF PARTIAL CASH SURRENDER VALUE BENEFITS, AS REFERRED TO IN THE PROVISIONS OF SECTION FIVE, IS \$25.

THE MORTALITY TABLE REFERRED TO IN SECTION 8.15 IS THE **[2001 CSO MORTALITY TABLE, ANB, MALE AND FEMALE, SMOKER AND NONSMOKER VERSIONS]**

THE INTEREST RATE REFERRED TO IN SECTION 8.15 IS 3% PER YEAR.

## PREMIUM INFORMATION

POLICY NUMBER- - [00 000 000]

INITIAL PREMIUM PAID (INCLUDING THE FIRST PLANNED PREMIUM, IF APPLICABLE)- - \$ [1,010.77]

PLANNED PREMIUM- - \$ [1,010.77] PAYABLE AT [ANNUAL] INTERVALS  
BEGINNING AS OF- - [09/1/2009]

TARGET PREMIUM\*- - \$[1,010.77]

### PREMIUM PAYMENTS

PREMIUM PAYMENTS CANNOT BE MADE ON OR AFTER THE POLICY ANNIVERSARY ON WHICH THE YOUNGER INSURED IS OR WOULD HAVE BEEN AGE 121, WHICH IS [SEPTEMBER 1, 2095]  
COVERAGE WILL EXPIRE WHEN THE CASH VALUE, LESS ANY UNPAID LOAN AND ACCRUED LOAN INTEREST, IS INSUFFICIENT TO COVER A MONTHLY DEDUCTION. PAYMENT OF THE PLANNED PREMIUM AMOUNT SHOWN ABOVE ALONE MAY NOT GUARANTEE THAT THE POLICY WILL REMAIN IN EFFECT TO THE DATE SHOWN.

### \* TARGET PREMIUM

THE TARGET PREMIUM IS USED TO DETERMINE THE AMOUNT OF PREMIUM EXPENSE CHARGE DEDUCTED FROM YOUR POLICY PREMIUM PAYMENTS DURING EACH POLICY YEAR. THE TARGET PREMIUM WILL CHANGE IF THE INITIAL BASE POLICY FACE AMOUNT OF THIS POLICY IS INCREASED OR DECREASED.

## INTEREST AND LOANS

### INTEREST CREDITING

GUARANTEED INTEREST RATE- - 3%

### CASH VALUE AND LOANS

PRIOR TO THE POLICY ANNIVERSARY WHEN THE YOUNGER INSURED IS OR WOULD HAVE BEEN AGE 121, THE PORTION OF THE CASH VALUE THAT SECURES THE AMOUNT OF ANY UNPAID LOAN WILL RECEIVE INTEREST AT A RATE THAT IS NEVER LESS THAN 2% LOWER THAN THE EFFECTIVE ANNUAL LOAN INTEREST RATE. HOWEVER, BEGINNING ON THE POLICY ANNIVERSARY WHEN THE YOUNGER INSURED IS OR WOULD HAVE BEEN AGE 121, THE PORTION OF THE CASH VALUE THAT SECURES THE AMOUNT OF ANY UNPAID LOAN WILL RECEIVE INTEREST AT A RATE THAT IS EQUAL TO THE EFFECTIVE ANNUAL LOAN INTEREST RATE. THIS INTEREST RATE CAN BE CHANGED PERIODICALLY BUT IN NO EVENT WILL IT BE LESS THAN THE MINIMUM GUARANTEED INTEREST CREDITING RATE OF 3%.

## POLICY CHARGES

POLICY NUMBER - - [00 000 000]

### MONTHLY DEDUCTION CHARGE

THE MONTHLY DEDUCTION CHARGE THAT IS DEDUCTED FROM THE CASH VALUE CONSISTS OF:

- A MONTHLY COST OF INSURANCE FOR THE BASE POLICY
- AN ADMINISTRATIVE FEE NOT TO EXCEED \$24.00 PER MONTH
- A MONTHLY PER THOUSAND OF BASE POLICY FACE AMOUNT CHARGE, BASED ON ISSUE AGES, GENDERS AND CLASSES OF RISK, NOT TO EXCEED THE CHARGES INDICATED IN THE TABLE BELOW. THE POLICY YEARS FOR THIS CHARGE ARE MEASURED FROM THE POLICY DATE FOR THE INITIAL BASE POLICY FACE AMOUNT AND FROM THE EFFECTIVE DATE OF THE INCREASE FOR A BASE POLICY FACE AMOUNT INCREASE.

<u>POLICY YEAR</u>	<u>PER \$1000 CHARGE</u>
1	[\$0.03788]
2	[\$0.13896]
3-4	[\$0.10527]
5	[\$0.03370]
6+	[\$0.00000]

- THE MONTHLY COST FOR ANY RIDER (S) AS SHOWN ON THE DATA PAGES FOR SUCH RIDER (S)

MONTHLY DEDUCTION DAY - - [FIRST] DAY OF EACH CALENDAR MONTH

### PREMIUM EXPENSE CHARGE

A PREMIUM EXPENSE CHARGE IS DEDUCTED FROM EACH PLANNED PREMIUM AND UNPLANNED PREMIUM WHEN THAT PAYMENT IS RECEIVED. THE AMOUNT OF THE CHARGE IS DETERMINED BY APPLYING AN APPLICABLE PERCENTAGE, NOT TO EXCEED THE MAXIMUM AMOUNTS SET FORTH IN THE TABLE BELOW, TO THE PREMIUM AMOUNT PAID. THE ACTUAL PERCENTAGE APPLIED WILL VARY BY POLICY YEAR.

<u>POLICY YEAR</u>	<u>GUARANTEED MAXIMUM PERCENTAGE APPLIED TO CUMULATIVE PREMIUM AMOUNT PAID IN ONE YEAR THAT IS LESS THAN OR EQUAL TO TARGET PREMIUM*</u>	<u>GUARANTEED MAXIMUM PERCENTAGE APPLIED TO CUMULATIVE PREMIUM AMOUNT PAID IN ONE YEAR THAT IS GREATER THAN TARGET PREMIUM*</u>
1	40%	6.5%
2+	10%	6.5%

### BASE POLICY FACE AMOUNT INCREASE PREMIUM EXPENSE CHARGE

AN ADDITIONAL EXPENSE CHARGE WILL BE DEDUCTED FROM ELIGIBLE PREMIUM, AS DEFINED IN SECTION 4.6. THE ACTUAL PERCENTAGE APPLIED TO ELIGIBLE PREMIUM WILL NOT BE GREATER THAN 37%. PLEASE REFER TO SECTION FOUR OF THIS POLICY FOR FURTHER DETAILS.

TABLE OF PERCENTAGES FOR LIFE INSURANCE BENEFIT  
FOR COMPLIANCE WITH IRC SECTION 7702  
GUIDELINE PREMIUM TEST

YOUNGER INSURED'S AGE ON POLICY ANNIVERSARY	PERCENT OF CASH VALUE	YOUNGER INSURED'S AGE ON POLICY ANNIVERSARY	PERCENT OF CASH VALUE
0-40	250%	68	117%
41	243%	69	116%
42	236%	70	115%
43	229%	71	113%
44	222%	72	111%
45	215%	73	109%
46	209%	74	107%
47	203%	75	105%
48	197%	76	105%
49	191%	77	105%
50	185%	78	105%
51	178%	79	105%
52	171%	80	105%
53	164%	81	105%
54	157%	82	105%
55	150%	83	105%
56	146%	84	105%
57	142%	85	105%
58	138%	86	105%
59	134%	87	105%
60	130%	88	105%
61	128%	89	105%
62	126%	90	105%
63	124%	91	104%
64	122%	92	103%
65	120%	93	102%
66	119%	94	101%
67	118%	95 & over	100%

TABLE OF PERCENTAGES FOR LIFE INSURANCE BENEFIT  
FOR COMPLIANCE WITH IRC SECTION 7702  
CASH VALUE ACCUMULATION TEST (CVAT)

POLICY YEAR	PERCENT OF CASH VALUE	POLICY YEAR	PERCENT OF CASH VALUE
1	705%	45	152%
2	678%	46	149%
3	652%	47	146%
4	627%	48	143%
5	603%	49	140%
6	580%	50	138%
7	558%	51	136%
8	536%	52	135%
9	516%	53	133%
10	496%	54	132%
11	477%	55	132%
12	459%	56	132%
13	442%	57	133%
14	425%	58	134%
15	409%	59	136%
16	393%	60	140%
17	378%	61	147%
18	364%	62	159%
19	351%	63	181%
20	338%	64	233%
21	325%	65	390%
22	313%	66	100%
23	302%	67	100%
24	291%	68	100%
25	280%	69	100%
26	270%	70	100%
27	261%	71	100%
28	252%	72	100%
29	243%	73	100%
30	235%	74	100%
31	227%	75	100%
32	220%	76	100%
33	213%	77	100%
34	206%	78	100%
35	200%	79	100%
36	193%	80	100%
37	188%	81	100%
38	182%	82	100%
39	177%	83	100%
40	172%	84	100%
41	168%	85	100%
42	163%	86	100%
43	159%		
44	155%		

TABLE OF GUARANTEED MAXIMUM MONTHLY COST OF INSURANCE RATES  
FOR BASE POLICY  
(PER \$1,000 OF NET AMOUNT AT RISK)

POLICY YEAR		POLICY YEAR		POLICY YEAR	
01	<i>.01</i>	31	<i>.40</i>	61	<i>18.55</i>
02	<i>.01</i>	32	<i>.47</i>	62	<i>20.73</i>
03	<i>.01</i>	33	<i>.54</i>	63	<i>23.06</i>
04	<i>.01</i>	34	<i>.62</i>	64	<i>23.58</i>
05	<i>.01</i>	35	<i>.72</i>	65	<i>24.98</i>
06	<i>.01</i>	36	<i>.82</i>	66	<i>27.20</i>
07	<i>.01</i>	37	<i>.95</i>	67	<i>29.60</i>
08	<i>.01</i>	38	<i>1.10</i>	68	<i>32.38</i>
09	<i>.01</i>	39	<i>1.27</i>	69	<i>35.54</i>
10	<i>.01</i>	40	<i>1.46</i>	70	<i>39.18</i>
11	<i>.01</i>	41	<i>1.68</i>	71	<i>43.34</i>
12	<i>.02</i>	42	<i>1.92</i>	72	<i>47.84</i>
13	<i>.02</i>	43	<i>2.20</i>	73	<i>52.71</i>
14	<i>.02</i>	44	<i>2.53</i>	74	<i>57.93</i>
15	<i>.03</i>	45	<i>2.89</i>	75	<i>63.73</i>
16	<i>.03</i>	46	<i>3.30</i>	76	<i>70.11</i>
17	<i>.04</i>	47	<i>3.81</i>	77	<i>76.76</i>
18	<i>.04</i>	48	<i>4.38</i>	78	<i>83.34</i>
19	<i>.05</i>	49	<i>4.98</i>	79	<i>83.34</i>
20	<i>.06</i>	50	<i>5.65</i>	80	<i>83.34</i>
21	<i>.07</i>	51	<i>6.42</i>	81	<i>83.34</i>
22	<i>.09</i>	52	<i>7.18</i>	82	<i>83.34</i>
23	<i>.11</i>	53	<i>8.18</i>	83	<i>83.34</i>
24	<i>.13</i>	54	<i>9.24</i>	84	<i>83.34</i>
25	<i>.15</i>	55	<i>10.37</i>	85	<i>83.34</i>
26	<i>.18</i>	56	<i>11.45</i>	86	<i>83.34</i>
27	<i>.21</i>	57	<i>12.11</i>		
28	<i>.25</i>	58	<i>13.12</i>		
29	<i>.29</i>	59	<i>14.53</i>		
30	<i>.34</i>	60	<i>16.31</i>		

THESE MAXIMUMS WILL BE INCREASED BY ANY FLAT EXTRA CHARGES THAT APPLY.

**WE & YOU**

In this policy, the words “we”, “our” or “us” refer to New York Life Insurance and Annuity Corporation, and the words “you” or “your” refer to the Owner(s) of this policy.

When you write to us, please include the policy number, the Insureds’ full name, and your current address.

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## SECTION ONE - LIFE INSURANCE BENEFITS

- 1.1 Life Insurance Proceeds** The amount of life insurance proceeds payable under this policy consists of:
- The Life Insurance Benefit of this policy, plus
  - The death benefit payable of any riders in effect on the date of the last surviving Insured's death, less
  - Any unpaid loan and accrued loan interest.

The Life Insurance Benefit of this policy is based on the Life Insurance Benefit Option in effect on the date of the last surviving Insured's death and the policy's Initial Base Policy Face Amount shown on the "Policy Information" Policy Data page. It will also reflect any changes to the Base Policy Face Amount in accordance with the provisions of this policy.

We will pay the life insurance proceeds to the beneficiary promptly when we have due proof that both Insureds died on or after the Effective Date of this policy, subject to all of this policy's provisions. A claim for the life insurance proceeds must be made in writing to our Service Office or any other location that we indicate to you in writing.

- 1.2 Life Insurance Benefit Options** The Life Insurance Benefit payable under this policy will be determined in accordance with one of the following options. See Policy Data Page 2.2 for a table of the percentages referenced below and refer to Section Five of this policy for a description of the Alternative Cash Surrender Value Benefit.

**Option 1** - This option provides a Life Insurance Benefit equal to the greater of: 1) the Base Policy Face Amount of the policy; or 2) a percentage of the sum of the Cash Value plus the amortized value of the Alternative Cash Surrender Value Benefit that is equal to the minimum necessary for this policy to qualify as life insurance under Section 7702 of the Internal Revenue Code, as amended.

**Option 2** - This option provides a Life Insurance Benefit equal to the greater of: 1) the Base Policy Face Amount of the policy plus the Cash Value; or 2) a percentage of the sum of the Cash Value plus the amortized value of the Alternative Cash Surrender Value Benefit that is equal to the minimum necessary for this policy to qualify as life insurance under Section 7702 of the Internal Revenue Code, as amended.

**Option 3** - This option provides a Life Insurance Benefit equal to the greater of: 1) the Base Policy Face Amount of the policy plus the Adjusted Total Premium; or 2) a percentage of the Cash Value plus the amortized value of the Alternative Cash Surrender Value Benefit that is equal to the minimum necessary for this policy to qualify as life insurance under Section 7702 of the Internal Revenue Code, as amended. See Section 4.7 for an explanation of the Adjusted Total Premium.

## SECTION TWO - OWNER AND BENEFICIARY

- 2.1 Owner** The owner of this policy is shown on the "Policy Information" Policy Data page. In this policy, the words "you" and "your" refer to the owner.
- 2.2 Change Of Ownership** You can change the owner of this policy in a form we provide. The form and any other requirements must be completed and signed by you. This change will take effect as of the date you signed the form, subject to any payment we made or action we took before recording the change. When this change takes effect, all rights of ownership will pass to the new owner. Changing the owner or successor owner cancels any prior choice of owner or successor owner, but does not change the beneficiary.
- 2.3 Successor Owner** A successor owner can be named in the application, or in a form we provide. The form and any other requirements must be completed and signed by you. If you die before the successor owner, the successor owner will become the new owner. If no successor owner survives you and you die before the Insureds, your estate becomes the new owner.

## SECTION TWO - OWNER AND BENEFICIARY (Continued)

- 2.4 Beneficiary** The beneficiary for any life insurance proceeds is the person or entity named in the application, or in a notice you sign that gives us the information we need. If more than one beneficiary is named, they can be classed as first, second, and so on. If 2 or more are named in a class, their share in the proceeds is equal, unless you state otherwise. The stated shares will be paid to any first beneficiaries who survive both Insureds. If no first beneficiaries survive, payment will be made to any beneficiary surviving in the second class, and so on.

If no beneficiary for either all or part of the proceeds survives both Insureds, the right to those proceeds will pass to you. If you are deceased, this right will pass to your estate.

- 2.5 Change Of A Beneficiary** While at least one Insured is living, you can change a beneficiary by notifying us in writing. The notice must clearly state the beneficiary designation, be signed by you, and include the policy number and the names of the Insureds. This change will take effect as of the date you signed the notice, subject to any payment we made or action we took before recording the change. For example, if we make any payment before we record the change, we will not have to make the payment again.
- 2.6 Simultaneous Death Of Last Surviving Insured And Beneficiary** Unless stated otherwise in the policy or in your signed notice that is in effect at the last surviving Insured's death, if any beneficiary dies at the same time as the last surviving Insured or within 15 days after that Insured but before we receive due proof of the last surviving Insured's death, we will pay the proceeds as though that beneficiary died first.

## SECTION THREE - POLICY CHANGES

- 3.1 Policy Changes** You can apply in writing to increase or decrease the Base Policy Face Amount (without changing the Life Insurance Benefit Option) as described in Sections 3.2 and 3.3, or to change the Life Insurance Benefit Option within the limits stated in Section 3.4. Changes can be made only while both Insureds are living, and only if this policy would continue to qualify as Life Insurance as defined under Section 7702 of the Internal Revenue Code, as amended.
- 3.2 Base Policy Face Amount Increases** At anytime after the tenth policy year, you can increase the Base Policy Face Amount. This increased amount of insurance is a Base Policy Face Amount Increase. You can effect a Base Policy Face Amount Increase once every 12 months after the tenth policy year, subject to a \$5,000 minimum and a maximum not to exceed our policy retention limits. Both Insureds must be living and the older Insured cannot be over age 90. To effect a Base Policy Face Amount Increase, you must send us your written application, also signed by the Insureds, together with any proof of insurability that we require. A Base Policy Face Amount Increase will take effect on the Monthly Deduction Day on or next following the date we approve the application for the increase. Any Base Policy Face Amount Increase that occurs automatically and without your request is not subject to evidence of insurability.

The Cost of Insurance and Monthly Per Thousand of Base Policy Face Amount Charge for a Base Policy Face Amount Increase will be based on each Insured's age, gender, and class of risk at the time the Base Policy Face Amount Increase takes effect. New Contestable and Suicide Exclusion periods will apply for the Base Policy Face Amount Increase, beginning on the effective date of the Base Policy Face Amount Increase.

- 3.3 Base Policy Face Amount Decreases** You can decrease the Base Policy Face Amount only once every 12 months, provided the new Base Policy Face Amount meets the minimum Base Policy Face Amount requirement shown on the "Additional Policy Information" section of the Policy Data pages. This decreased amount of insurance is a Base Policy Face Amount Decrease. Any Base Policy Face Amount Decrease will take effect on the Monthly Deduction Day on or next following the date we receive your signed request. You should consult your Tax Advisor regarding the tax consequences of decreasing the Base Policy Face Amount.

The Base Policy Face Amount Decrease will first be applied to reduce the most recent Base Policy Face Amount Increase. It will then be applied to reduce other Base Policy Face Amount Increases in the reverse order in which they took place, and then to decrease the Initial Base Policy Face Amount.

## SECTION THREE - POLICY CHANGES (Continued)

- 3.4 Life Insurance Benefit Option Changes** Life Insurance Benefit Option changes will take effect on the Monthly Deduction Day on or next following the date we receive your signed request.

If you change from Option 1 to Option 2, the Base Policy Face Amount will be decreased by the Cash Value.

If you change from Option 2 to Option 1, the Base Policy Face Amount will be increased by the Cash Value.

Changes to Option 3 will not be allowed at any time. However, you can change from Option 3 to Options 1 or 2. If you change from Option 3 to Option 1 the Base Policy Face Amount will be increased by the Adjusted Total Premium. If you change from Option 3 to Option 2 the Base Policy Face Amount will be increased by the Adjusted Total Premium and decreased by the Cash Value. Both Insureds must be alive if you change to Option 2. The Adjusted Total Premium is described in more detail in Section 4.7.

You can change the Life Insurance Benefit Option of this policy only once per policy year. Changes in the Life Insurance Benefit Option that would cause the Base Policy Face Amount to fall below the minimum Base Policy Face Amount requirement shown in the "Additional Policy Information" section on the Policy Data page will not be permitted.

## SECTION FOUR – PREMIUMS

- 4.1 Premium Payments** You can make premium payments at any interval or by any method we make available at any time before the Policy Anniversary on which the younger Insured is or would have been age 121. At least one of the Insureds must be living. You can pay Planned Premiums and/or Unplanned Premiums. See Sections 4.2 and 4.3. Premiums are payable at our Service Office or at any other location that we indicate to you in writing. The Cash Value and Life Insurance Benefit under this policy are based on the amount and interval of the premiums that have been received by us. Please refer to Section Five - Cash Value and Loans for full details.
- 4.2 Planned Premium** Planned Premium refers to the amount and frequency of premium payments you selected for your premium payment schedule. The amount and interval of any Planned Premiums, as stated in the application, are shown on the Policy Data pages. The first Planned Premium is payable as of the Policy Date. A Planned Premium does not have to be paid to keep this policy in effect provided the Cash Surrender Value is sufficient to cover the charges made on the Monthly Deduction Day. Payment of the Planned Premium alone may not guarantee that coverage will remain in effect. The amount and frequency of any Planned Premium can be increased or decreased subject to the limits we set. However, in no event can the Planned Premium be an amount that would jeopardize the policy continuing to qualify as Life Insurance, as defined under Section 7702 of the Internal Revenue Code, as amended (See Section 4.4). Planned Premiums cannot be paid on or after the Policy Anniversary on which the younger Insured is or would have been age 121.
- 4.3 Unplanned Premiums** Unplanned Premiums are premium payments you can make in addition to or in place of a Planned Premium. You can make an Unplanned Premium payment up to 12 times per policy year provided the Unplanned Premium payment is at least \$50. It cannot be an amount that would jeopardize the policy continuing to qualify as Life Insurance as defined under Section 7702 of the Internal Revenue Code, as amended. This limitation is further described in Section 4.4 below. At least one of the Insureds must be living and payment must be made prior to the Policy Anniversary on which the younger Insured is or would have been age 121. If an Unplanned Premium payment would result in an increase in the Life Insurance Benefit greater than the increase in the Cash Value, we will require proof of insurability before accepting that payment and applying it to the policy. Both Insureds must be alive for such a payment to be accepted. A written application will be required and a copy of the application will be placed in the policy and made a part of it. Any unplanned payment not specifically designated as an Unplanned Premium payment or a loan repayment will be credited to the policy as an Unplanned Premium.

## SECTION FOUR – PREMIUMS (Continued)

**4.4 Premium Payment Limitations** In addition to the limits described in Sections 4.1, 4.2 and 4.3, premium payments are also limited by the premium test choice you made when you applied for this policy. These premium tests are used to determine whether an insurance policy meets the definition of life insurance under Section 7702 of the Internal Revenue Code, as amended.

- (1) The Guideline Premium Test (or GPT) allows you to maintain a higher level of Cash Value in relation to the death benefit. If you chose this test and the premium you pay during any policy year exceeds the maximum permitted under this Internal Revenue Code test, we will return any such excess within 60 days after the end of the policy year, with interest at a rate of not less than the guaranteed rate shown on the Policy Data page.
- (2) The Cash Value Accumulation Test (or CVAT) allows you to maintain a higher level of death benefit in relation to Cash Value.

The test you chose is shown on Policy Data Page 2.2 and cannot be changed.

**4.5 Premium Expense Charge** A Premium Expense Charge is deducted from each Planned and Unplanned Premium when that payment is received. This charge will not exceed the percentage (s) shown on the "Policy Charges" Policy Data page.

**4.6 Base Policy Face Amount Increase Premium Expense Charge** As described in Section 3.2, you can request a Base Policy Face Amount Increase after the 10<sup>th</sup> policy year. When a Base Policy Face Amount Increase takes effect, your Target Premium also increases. This increased Target Premium becomes your Current Target Premium, and will be reflected on the new Policy Data pages you receive for the Base Policy Face Amount Increase.

All premiums paid after a Base Policy Face Amount Increase takes effect will be subject to the Premium Expense Charge mentioned above. However, an additional expense charge, called the Base Policy Face Amount Increase Premium Expense Charge, will apply to any Eligible Premium. Eligible Premium is the cumulative amount of any premium received within twelve months from the effective date of a Base Policy Face Amount Increase that meets the following two conditions:

- (1) the premium amount exceeds the Target Premium in effect just prior to the effective date of the Base Policy Face Amount Increase; and
- (2) the premium amount is less than the Current Target Premium.

The Base Policy Face Amount Increase Premium Expense Charge is equal to a percentage of the Eligible Premium. This percentage will never exceed the maximum percentage(s) set forth on the "Policy Charges" Policy Data page.

**4.7 Adjusted Total Premium** The Adjusted Total Premium is equal to the total Planned and Unplanned Premium payments made, less the total partial surrenders taken under the policy. Reductions in premium payments due to partial surrenders will never cause this amount to be less than zero. The Adjusted Total Premium is used to calculate the Life Insurance Benefit under Life Insurance Benefit Option 3.

**4.8 Late Period** If, on a Monthly Deduction Day, the Cash Surrender Value is less than the Monthly Deduction Charge for the next policy month, the policy will continue for a Late Period of 62 days after that Monthly Deduction Day. If we do not receive payment before the end of the Late Period, the policy will end and there will be no more benefits under the policy or any attached riders. To inform you of this event, we will mail a notice to you at your last known address at least 31 days before the end of the Late Period. We will also mail a copy of the notice to the last known address of any assignee on our records.

If the last surviving Insured dies during the Late Period, we will pay the life insurance proceeds to the beneficiary. These proceeds will be reduced by the amount of any unpaid loan and accrued loan interest. They will also be reduced by the Monthly Deduction Charges for the full policy month or months that run from the beginning of the Late Period through the policy month in which the last surviving Insured died.

## SECTION FOUR - PREMIUMS (Continued)

- 4.9 Reinstatement** Within 5 years after this policy has ended, you can apply, in writing, to reinstate the policy (and any other benefits provided by riders) if you did not surrender it. However, this policy can only be reinstated if either: (a) both Insureds are alive; or (b) one Insured is alive and the policy ended after the death of the other Insured. If the required payment is made within 31 days after the end of the Late Period, no proof of insurability is required. If not, when you apply for reinstatement, you must provide proof of insurability that is acceptable to us. A written application will be required and a copy of the application will be placed in the policy and made a part of it.

To reinstate this policy, a payment that is sufficient to keep this policy in force for at least 2 months must be made. This payment will be in lieu of the payment of all premiums in arrears. If this policy is reinstated, we will reinstate the Cash Value corresponding to the date of reinstatement, less any unpaid loan if not repaid. Any unpaid loan can also be repaid, together with loan interest at the current loan interest rate compounded once each year from the end of the Late Period to the date of reinstatement.

The date of reinstatement is the Monthly Deduction Day on or next following the date we approve your signed request for reinstatement.

- 4.10 How Reinstatement Affects The Alternative Cash Surrender Value Benefit** If the policy ends, as described in Sections 4.8 and 5.10, during the first 10 policy years, the Alternative Cash Surrender Value will be zero on the date the policy ends. Upon reinstatement of the policy, the Alternative Cash Surrender Value Benefit will be reinstated, but the Alternative Cash Surrender Value will begin at zero. We will calculate the Alternative Cash Surrender Value, as described in Section Five, from the period beginning on the reinstatement date up to the 10<sup>th</sup> policy anniversary. At reinstatement, the amortization of the Alternative Cash Surrender Value will be calculated based on the number of months remaining in the 10 year period.

## SECTION FIVE - CASH VALUE AND LOANS

- 5.1 Cash Value** On the Policy Date, the Cash Value is determined by subtracting the Monthly Deduction Charge and the Premium Expense Charge for the initial premium, if the initial premium was paid by the Policy Date.

On each Monthly Deduction Day after the Policy Date, the Cash Value is determined as follows:

- (1) From the Cash Value as of the prior Monthly Deduction Day, subtract any partial Cash Surrender Value benefits paid, less any service or other charges made since that day.
- (2) Add all premium payments received since the prior Monthly Deduction Day less any Premium Expense Charge.
- (3) Add to this sum any interest credited for the prior month.
- (4) Subtract the Monthly Deduction Charge.

On any other day, the Cash Value is determined as follows:

- (1) From the Cash Value, as of the prior Monthly Deduction Day, subtract any partial Cash Surrender Value benefits paid, less any service or other charges made since that day.
- (2) Add all premium payments received since the prior Monthly Deduction Day, less any Premium Expense Charge.
- (3) Add to this sum any interest credited to the Cash Value for the number of days since the prior Monthly Deduction Day.

- 5.2 Interest Crediting** Interest is credited to the Cash Value. This interest is based on a rate(s) of interest that we declare periodically. Such rate(s) will be declared at least once annually and will never be less than the guaranteed rate shown in the "Interest and Loans" section on the Policy Data pages. Any interest credited in excess of this guaranteed interest rate will be nonforfeitable.

We begin crediting interest on any premium payment, after deducting the applicable Premium Expense Charge, on the date that the premium payment is received by our Service Office.

## SECTION FIVE - CASH VALUE AND LOANS (Continued)

**5.3 The Alternative Cash Surrender Value (ACSV)** For a period of 10 years from the Policy Date of this policy, while at least one of the Insureds is living, this policy will have an Alternative Cash Surrender Value. The ACSV is equal to the Cash Surrender Value of the policy plus the amortized value of the Alternative Cash Surrender Value Benefit (ACSVB), as described in Section 5.4, on the date we receive your request for surrender.

The ACSVB will be amortized using a monthly factor which decreases linearly beginning with the 13<sup>th</sup> policy month and continuing through the end of the 10<sup>th</sup> policy year. On the 10<sup>th</sup> Policy Anniversary and any date thereafter, the ACSVB will be zero.

The ACSVB is not available to support Monthly Deduction Charges or for purposes of a 1035 exchange, loan, partial surrender or as part of a death benefit payment. The ACSVB will end in the event that the policy is assigned, unless we agree otherwise.

**5.4 Calculation of the ACSVB** Your ACSVB is calculated on each Monthly Deduction Day. It is equal to the product of (a) x (b), where:

(a) = the current month's unamortized ACSVB value. This is composed of the sum of i = ii = iii, where:

- (i) = the prior month's unamortized ACSVB value (on and before the first Monthly Deduction Day, this is zero)
- (ii) = 60% of the Sales Expense Charges deducted from all premiums paid since the last Monthly Deduction Day. The Sales Expense Charge is defined as the Premium Expense Charge percentage shown on the "Policy Charges" Data page, minus 3.25%.
- (iii) = 60% of the monthly deduction for both the Monthly Per Thousand of Base Policy Face Amount Charges and the Monthly Per Thousand of any riders attached to this policy

(b) = the current month's amortization factor. This factor is 1 each month during the first policy year and then decreases linearly beginning with the 13<sup>th</sup> policy month and continuing through the end of the 10<sup>th</sup> policy year. On the 10<sup>th</sup> Policy Anniversary and any date thereafter, the ACSVB will be zero.

Upon our receipt of your request to surrender this policy in full, we will increase the current ACSVB by any Sales Expense Charges that have been deducted from premium payments received since the prior Monthly Deduction Day.

**5.5 Full Surrender** When this policy has Cash Value, and while at least one Insured is living, you can surrender it for the Cash Surrender Value plus, if it is available, the ACSVB. The Cash Surrender Value is equal to the Cash Value less any unpaid loan and accrued loan interest. The Cash Value, Cash Surrender Value and ACSVB will be calculated as of the date on which we receive your signed request. All insurance will end on the date we receive your surrender request.

It may happen that a premium payment is paid after a Monthly Deduction Day and we then receive your signed request for surrender proceeds before the next Monthly Deduction Day. In this case, that premium payment will be included as part of the surrender proceeds.

## SECTION FIVE – CASH VALUE AND LOANS (Continued)

- 5.6 Partial Surrender** You can request a partial surrender by sending us your signed request at our Service Office. This request must be received while at least one Insured is living. The lesser of \$500 of Cash Surrender Value or an amount equal to 2 Monthly Deduction Charges must remain after we pay this amount. The minimum partial surrender amount is shown in the “Additional Policy Information” section on the Policy Data pages.

When you take a partial surrender, the Cash Value and Cash Surrender Value will be reduced by the amount of the surrender.

For policies where Life Insurance Benefit Option 1 is in effect, the Base Policy Face Amount will be reduced by the difference between:

- (a) the amount of the surrender; and
- (b) the greater of:
  - (i) the Cash Value of the policy immediately prior to the surrender, minus the Base Policy Face Amount divided by the applicable percentage, as shown on Policy Data page 2.2, for the younger Insured’s age at the time of surrender, or
  - (ii) zero.

If the above results in zero or a negative amount, there will be no adjustment in the Base Policy Face Amount.

For policies where Life Insurance Benefit Option 2 is in effect, a partial surrender will not affect the Base Policy Face Amount.

If Life Insurance Benefit Option 3 is in effect, the Adjusted Total Premium will be reduced by the amount of the surrender proceeds. A reduction of the Adjusted Total Premium will never cause the Adjusted Total Premium to be less than zero.

For policies where Life Insurance Benefit Option 3 is in effect and the Adjusted Total Premium amount is less than the amount of the surrender, the Base Policy Face Amount will be reduced by the difference between:

- (a) the amount of the surrender less the Adjusted Total Premium amount immediately prior to the surrender; and
- (b) the greater of:
  - (i) the Cash Value of the policy immediately prior to the surrender, less the Adjusted Total Premium, minus the Base Policy Face Amount divided by the applicable percentage shown on Policy Data Page 2.2, for the younger Insured’s age at the time of surrender, or
  - (ii) zero.

If the above results in zero or a negative amount, there will be no adjustment in the Base Policy Face Amount.

Any decrease in Base Policy Face Amount caused by payment of a partial surrender will first be applied against the most recent Base Policy Face Amount Increase. It will then be applied to other Base Policy Face Amount Increases in the reverse order in which they took place, and then to the Initial Base Policy Face Amount.

Proceeds from a partial surrender will be determined as of the date we receive your signed request at our Service Office in any method acceptable to us. Each time you make a partial surrender of the Cash Surrender Value, we will deduct a service charge from the Cash Value that remains under this policy. If a partial surrender would cause the Base Policy Face Amount to drop below our minimum face amount requirement, we reserve the right to require a full surrender. The amount of the service charge and the minimum Base Policy Face Amount are shown in the “Additional Policy Information” section on the Policy Data pages.

## SECTION FIVE – CASH VALUE AND LOANS (Continued)

- 5.7 Loan Value** You can borrow any amount up to the loan value of this policy using this policy as sole security. The loan value on any given date is equal to the Cash Surrender Value, less one Monthly Deduction Charge, and less loan interest on the new loan and any outstanding loans to the next Monthly Deduction Day. You may wish to consult your Tax Advisor prior to taking a loan under this policy.
- 5.8 Loan Interest** Loan interest accrues each day and is payable on the anniversary, the date of death of the last surviving Insured, the date of surrender, the date the policy ends, or on the date of a loan increase or loan repayment and any other date we specify. Loan interest not paid when due will become part of the loan and will also bear interest.
- 5.9 Loan Interest Rate** Unless we set a lower rate for any period, the effective annual loan interest rate is 6%, which is payable in arrears. Loan interest for the policy year in which a loan is taken will be due on the next policy anniversary. We will determine this rate at least once every 12 months, but not more frequently than once in any 3 month period.

If we have set a rate lower than 6% per year, any subsequent increase in the interest rate will be subject to the following conditions:

- (1) The effective date of any increase in the interest rate shall not be earlier than one year after the effective date of the establishment of the previous rate.
- (2) The amount by which the interest rate can be increased will not exceed one percent per year, but the rate of interest shall in no event ever exceed 6%.
- (3) We will give notice of the interest rate in effect when a loan is made and when sending notice of loan interest due.
- (4) If a loan is outstanding 40 days or more before the effective date of an increase in the interest rate, we will notify you of that increase at least 30 days prior to the effective date of the increase.
- (5) We will give notice of any increase in the interest rate when a loan is made during the 40 days before the effective date of the increase.

This policy will not lapse in a given policy year solely as a result of a change in the loan interest rate during that policy year.

- 5.10 Loan Repayments** All or part of an unpaid loan and accrued loan interest can be repaid before the last surviving Insured's death or before we pay the full Cash Surrender Value benefit. We will deduct any unpaid loan and accrued loan interest when life insurance or full Cash Surrender Value proceeds are paid. A payment not designated as a loan repayment will not be credited to the policy as a loan repayment.

If a loan is outstanding when full Cash Surrender Value proceeds are paid, the Cash Surrender Value reflects a deduction of any outstanding policy loan and accrued loan interest. It may happen in a given policy year that, based on the loan interest rate in effect when that year began (ignoring any subsequent increase in the rate during that year), any unpaid loan plus accrued loan interest exceeds the Cash Value of this policy. In that event, we will mail a notice to you at your last known address, and a copy to the last known assignee on our records. If the excess of the unpaid loan plus accrued loan interest over the Cash Value is not paid within that 31 days, all insurance will end 31 days after the date on which we mail that notice to you.

However, if a higher interest rate or rates take effect during the policy year, this policy will not end any sooner than it would have if the rate had not changed.

- 5.11 Loan and Surrender Payment Deferral** We can defer paying you any partial or full Cash Surrender Value benefits, or defer any loan proceeds except to pay a premium due us, for up to 6 months from the date we receive your request. Interest will be paid on any amount deferred beyond that date. We will set the interest rate to a rate that will not be less than required by law.

## SECTION SIX – CALCULATION OF MONTHLY DEDUCTION CHARGE

**6.1 Monthly Deduction Charge** On each Monthly Deduction Day, the following deductions are made:

- (a) the monthly Cost of Insurance for this policy;
- (b) the monthly cost for any riders attached to this policy;
- (c) a monthly per thousand Base Policy Face Amount charge that will not exceed the amount shown on the “Policy Charges” Policy Data page;
- (d) an administrative fee that will not exceed the amount shown on the “Policy Charges” Policy Data page.

In some cases, an extra deduction may be required due to an Insured’s circumstances, including but not limited to their medical condition, occupation, motor vehicle or aviation record. These deductions are referred to as flat extras. The amount and duration of these flat extras, if any, are shown in a footnote on the Policy Data pages.

The Monthly Deduction Day for this policy is shown on the “Policy Charges” Policy Data pages. The first Monthly Deduction Day is the Issue Date of the policy. If the Issue Date and the Policy Date of the policy are different, deductions made on the Issue Date will include the monthly deductions that would have been made on each Monthly Deduction Day for the period from the Policy Date to the Issue Date, as if the policy were issued on the Policy Date.

**6.2 Cost Of Insurance Calculation** The Cost of Insurance for the Initial Base Face Amount is equal to (1) multiplied by the result of (2) minus (3), where:

- (1) is the monthly Cost of Insurance rate per \$1,000 of insurance;
- (2) is the number of thousands of Life Insurance Benefit (as defined in the applicable Option 1, Option 2 or Option 3 in Section One) divided by 1.00246627; and
- (3) is the number of thousands of Cash Value as of the Monthly Deduction Day (before this Cost of Insurance and after any applicable administrative fee and the monthly cost of any other riders, are subtracted).

The Net Amount at Risk is (2) minus (3).

The calculation for Cost of Insurance charges is performed for each Base Policy Face Amount Increase, in the order in which the increases were made, by using the formula stated above.

However, the value for (3) that is used in the calculation of the Cost of Insurance charges for the first Base Policy Face Amount Increase will be zero, unless the value calculated for (3) according to the formula above is greater than the value that was used to determine the value for (2) when the Cost of Insurance for the Initial Base Policy Face Amount was calculated.

When the value calculated for (3) is greater than the value that was used for (2) in the calculation of Cost of Insurance charges for the Initial Base Policy Face Amount, the difference between these two values will be used as the value for (3) when performing the calculation for the Cost of Insurance charges for the first Base Policy Face Amount Increase.

Additionally, for the calculation of Cost of Insurance charges for each subsequent Base Policy Face Amount Increase, the value to be used for (3) for the formula above will be equal to zero unless the value calculated for (3) is greater than the value that was used for (2) when the Cost of Insurance calculation was performed on the Base Policy Face Amount Increase immediately preceding it.

When the value calculated for (3) is greater than the value that was used for (2) in the Cost of Insurance charge calculation for the Base Policy Face Amount Increase immediately preceding it, the difference between these two values will be used as the value for (3) when performing this calculation.

## SECTION SIX - CALCULATION MONTHLY DEDUCTION CHARGE (Continued)

- 6.3 Cost Of Insurance Rate** The rates used to calculate the Cost of Insurance for the Initial Base Policy Face Amount and for each Base Policy Face Amount Increase are based on the Insureds' ages, genders, and classes of risk at the time the Initial Base Policy Face Amount or Base Policy Face Amount Increase took effect. They will be based on future expectations for investment income, mortality, persistency, taxes and expenses and will be in accordance with the procedures and standards on file with the insurance department in the state or district in which this policy is delivered.

The monthly rates that apply to the Cost of Insurance for the Initial Base Policy Face Amount at all ages will not be greater than the maximum rates shown in the Table of Guaranteed Maximum Monthly Cost of Insurance Rates attached to this policy. The actual rate will be set by us, in advance, at least once a year. Any change in the Cost of Insurance rate will be on a uniform basis for Insureds of the same classification, such as attained age, gender and class of risk. Any change in these rates will be based on future expectations for investment earning, mortality, persistency, taxes and expenses.

For each Base Policy Face Amount Increase that is based on the same classes of risk as the Initial Base Policy Face Amount, the monthly rates that apply to the Cost of Insurance for the Base Policy Face Amount Increase will not be greater than the table of maximum rates attached to this policy. However, if the classes of risk for a Base Policy Face Amount Increase are different than the classes of risk for the Initial Base Policy Face Amount, we will furnish you with the applicable Table of Guaranteed Maximum Monthly Cost of Insurance Rates for that increase.

- 6.4 Monthly Per Thousand Of Base Policy Face Amount Charge Calculation** The Monthly Per Thousand of Base Policy Face Amount Charge is calculated each month on each Monthly Deduction Day. We do this even if a premium payment is not made in that month.

The Monthly Per Thousand of Base Policy Face Amount Charge is calculated for the Initial Base Policy Face Amount of insurance by multiplying the Per \$1000 Charge for the appropriate year by the number of thousands Initial Base Policy Face Amount. The applicable Per \$1000 Charge for any Policy Year will not be greater than the maximum rate shown on the "Policy Charges" Policy Data page.

The Monthly Per Thousand of Base Policy Face Amount Charge is calculated separately for each Base Policy Face Amount Increase by multiplying the Per \$1000 Charge for the appropriate year by the number of thousands for each respective Base Policy Face Amount Increase. The applicable Per \$1000 Charge for any Policy Year will not be greater than the maximum rate shown on the "Policy Charges" Policy Data page.

- 6.5 Monthly Per Thousand Of Base Policy Face Amount Charge** The Monthly Per Thousand of Base Policy Face Amount Charge for the Initial Base Policy Face Amount is based on the Insureds' ages, genders and classes of risk at the time of issue. The Monthly Per Thousand of Base Policy Face Amount Charge for each Base Policy Face Amount Increase is based on the Insureds' ages, genders and classes of risk at the time that increase took effect.

- 6.6 Monthly Rider Costs** The monthly cost of any rider attached to this policy is described on the Policy Data pages.

## SECTION SEVEN - PAYMENT OF POLICY PROCEEDS

- 7.1 Payment Of Policy Proceeds** The proceeds of this policy will be paid in one sum, or if elected, all or part of these proceeds can be placed under any of the options described in this section. We will pay the life insurance proceeds in accordance with the option chosen, subject to any payment we made before notification of death.

Any life insurance proceeds paid in one sum bear interest computed daily from the date of the last surviving Insured's death to the date of payment. We set the interest rate each year. This rate will not be less than the rate required by law.

When any payment under an option would be less than \$100, we can pay any unpaid amount or present value in one sum.

## SECTION SEVEN - PAYMENT OF POLICY PROCEEDS (Continued)

- 7.2 Proceeds At Interest Options 1A And 1B** The policy proceeds can be left with us at interest. We will set the interest rate each year. This rate will be at least 3% per year.

For the Interest Accumulation Option (Option 1A), we credit interest each year on the amount we still have. This amount can be withdrawn at any time in sums of \$100 or more. We pay interest to the date of withdrawal on sums withdrawn.

For the Interest Payment Option (Option 1B), we pay interest once each month, every 3 months, every 6 months, or once each year, as chosen, based on the amount we still have.

- 7.3 Choosing An Optional Method Of Payment** While at least one Insured is living, you can elect or change an option. You can also elect or change the beneficiaries who will be the payee or payees under that option.

After the last surviving Insured dies, any person who is to receive proceeds in one sum (other than an assignee) can elect an option and name payees. The person who elects an option can also name one or more successor payees to receive any amount remaining at the death of the payee. Naming these payees cancels any prior choice of successor payees.

A payee who did not elect the option does not have the right to advance or assign payments, take the payments in one sum, or make any other change. However, the payees can be given the right to do one or more of these things if the person who elects the option allows it in writing and we agree.

- 7.4 Optional Method Of Payment Changes** If we agree, a payee who elects Option 1A or 1B can later elect to have any amount we still have, or the present value of any elected payments, placed under the other option described in this section.
- 7.5 Payees** Only individuals who are to receive payments on their own behalf can be named as payees or successor payees, unless we agree. We may require proof of the age or the survival of a payee.
- 7.6 Death Of The Payee** If we have an unpaid amount, or there are some payments that remain to be paid when the last surviving payee dies, we will pay the unpaid amount with interest to the date of payment, or pay the present value of the remaining payments to that payee's estate in one sum. The present value of the remaining payments is based on the interest rate used to compute them, and is always less than the sum of the remaining payments.

## SECTION EIGHT - GENERAL PROVISIONS

- 8.1 Entire Contract** The entire contract consists of this policy, any attached riders or endorsements, and the attached copy of the application. Also, any application used to modify this policy, (including but not limited to a request for a Base Policy Face Amount Increase or a Base Policy Face Amount Decrease, to add a rider to the policy, or required under the terms of Section 4.3 or Section 4.9 of this policy) will be attached to and made a part of this policy. Only our Chairman, President, Secretary, or one of our Vice Presidents is authorized to change the contract, and then, only in writing. No change will be made to this contract without your consent. No agent is authorized to change this contract.
- 8.2 Information Provided In The Application** In issuing this policy, we have relied on the statements made in the application. All such statements are deemed to be representations and not warranties. We assume these statements are true and complete to the best of the knowledge and belief of those who made them. No statement made in connection with the application will be used by us to void this policy unless that statement is a material misrepresentation and is part of the application.

## SECTION EIGHT - GENERAL PROVISIONS (Continued)

- 8.3 Contestable Period** We will not contest this policy, based on the Initial Base Policy Face Amount, after this policy has been in effect during the lifetime of each Insured for 2 years from the Issue Date. Our right to contest beyond this 2 year period is limited to the Insured(s) who died during such period. The policy is incontestable with respect to the Insured(s) who survived the 2 year period.

A Base Policy Face Amount Increase as described in Section Three - Policy Changes or an Unplanned Premium payment as described in Section Four – Premiums may occur. In these cases, the 2 year contestable period for each Base Policy Face Amount Increase or increase in life insurance benefit resulting from an Unplanned Premium payment will begin on the effective date of such increase or payment. We can contest only on the basis of those statements made in the application for such Base Policy Face Amount Increase or Unplanned Premium payment. No new contestable period will apply if the Base Policy Face Amount Increase was due solely to a change in the Life Insurance Benefit Option.

We will not contest the payment of the life insurance proceeds, based on a Base Policy Face Amount Increase, after such increase has been in effect for 2 years from the effective date of a Base Policy Face Amount Increase during the lifetime of the Insureds. We will not contest the payment of any life insurance proceeds attributable to the difference in rates due to a reclassification after such reclassification has been in effect for 2 years from the effective date of a reclassification during the lifetime of the Insureds. We will require evidence of insurability in cases of reclassification.

If this policy ends, and is reinstated, we will not contest this policy after it has been in effect during the lifetime of each Insured for 2 years from the date of reinstatement.

- 8.4 Suicide Exclusion** In the event of the suicide of the first of the Insureds to die, while sane or insane, within 2 years of the Issue Date, the policy will continue in effect on the surviving Insured. Suicide of both Insureds at the same time or of the last surviving Insured, while sane or insane, within 2 years of the Issue Date, is not covered by this policy. In that event, this policy will end and the only amount payable will be the premiums paid to us, less any unpaid loan and accrued loan interest and any partial surrender benefits paid.

A Base Policy Face Amount Increase as described in Section Three - Policy Changes may occur. In this case, the 2 year suicide exclusion period for each Base Policy Face Amount Increase will begin on the effective date of such increase. If the suicide exclusion period applies to such an increase, the only amount payable with respect to that Base Policy Face Amount Increase will be the total Cost of Insurance we deducted for the Base Policy Face Amount Increase. No new suicide exclusion period will apply if the Base Policy Face Amount Increase was due solely to a change in the Life Insurance Benefit Option.

- 8.5 Policy Date** The Policy Date is the date from which premiums and charges are calculated and become due. Except for the first Monthly Deduction Day, which is described in Section 6.1, the Monthly Deduction Day for this policy will be the same calendar day each month, as determined by the Policy Date.

The Policy Date is also the date from which policy years, months and anniversaries are measured, unless otherwise stated.

Unless another date is chosen, as described below, the Policy Date is determined as follows:

- (1) If you paid the initial premium with your application and obtained a temporary coverage agreement, the Policy Date will be the date of the temporary coverage agreement;
- (2) If you did not pay the initial premium and therefore no temporary coverage agreement was obtained, the Policy Date will be the date the policy is issued by the Company for delivery, known as the Issue Date.

Both the Policy Date and the Issue Date are shown on the "Policy Information" Policy Data page.

If the policy was issued prior to the date you paid your first premium, the Policy Date will be earlier than the Effective Date. The Policy Date can be chosen to correspond to the definition of the Effective Date, as described on the cover page. You can request another date if it is preferable to pay premiums on that date or have policy values accrue as of that date, by providing us with your signed request.

## SECTION EIGHT - GENERAL PROVISIONS (Continued)

**8.6 Calculation Of Age** When we refer to a person's age in this policy on a Policy Anniversary, we mean his or her age on the birthday that is nearest that date. At any other time, age means the age on the birthday nearest to the previous Policy Anniversary.

**8.7 Misstatement Of Age Or Gender** If you misstate the age or gender of either Insured, we will adjust any Cash Value proceeds, Cash Surrender Value proceeds and life insurance proceeds, up or down, to reflect the correct age or gender. The amount of the Life Insurance Benefit will be the amount that would be purchased by the most recent mortality charge at the correct age and gender.

**8.8 Assignment** While at least one of the Insureds is living, you can assign this policy, or any interest in it. If you do this, your interest, and anyone else's is subject to that of the assignee. As owner, you still have the rights of ownership that have not been assigned.

An assignee cannot change the owner or beneficiary of this policy, and cannot elect or change an optional method of payment of proceeds. Any amount payable to the assignee will be paid in one sum.

You must provide us with a copy of the assignment. We are not responsible for the validity of any assignment. Any assignment will be subject to any payment we make or other action we take before we record the assignment.

**8.9 Protection Against Creditors** Payments we make under this policy are, to the extent the law permits, exempt from the claims, attachments, or levies of any creditors.

**8.10 Payments to Company** Any payment made to us by check or money order must be payable to New York Life Insurance and Annuity Corporation. When asked, we will provide a countersigned receipt, signed by our President or Secretary, for any premium paid to us.

**8.11 Conformity with Law** This policy is subject to all laws that apply. We reserve the right to make changes to this policy or to adjust policy values to ensure this policy at all times qualifies as life insurance for federal income tax purposes.

**8.12 Dividends** This is a non-participating policy on which no dividends are payable.

**8.13 Policy Report** Each policy year after the first, while this policy is in effect and at least one Insured is living, we will send a written report to you within 30 days after the Policy Anniversary. It will show, as of that Anniversary, the Cash Value, the Cash Surrender Value and the amount of any unpaid loan and accrued loan interest. This report will also give you any other facts required by state law or regulation.

## SECTION EIGHT - GENERAL PROVISIONS (Continued)

- 8.14 Policy Split Option** You can exchange this policy, without evidence of insurability, for separate life policies on each of the Insureds within 6 months after either of the following 2 dates:
- (1) The date a final divorce decree issued with respect to the marriage of the Insureds has been in effect for 6 months; or
  - (2) The effective date of a change in the federal tax law that results in a reduction in the unlimited federal estate tax marital deduction provision (Section 2056 of the Internal Revenue Code or its successor), or a reduction of at least 50% in the highest marginal federal estate tax rate in effect on the Policy Date of this policy.

In addition, an exchange can be made for any other reason provided we agree.

You must request the exchange in writing and both Insureds must be living when we receive your request. Each new policy will be on a universal life plan that is being offered by us on the date of the exchange. The Policy Date and Issue Date of each new policy will be the date of the exchange.

Unless requested otherwise, the policyowner and beneficiary of each new policy will be the same as under this policy. At the time each new policy is issued, an insurable interest must exist under applicable state law. If this policy has been assigned, the assignment will apply to each new policy.

The Cost of Insurance for each new policy will be determined based on each Insured's age, gender and most recent class of risk under this policy on the date of exchange.

The Base Policy Face Amount of each new policy will equal one half of the Base Policy Face Amount of this policy, plus if we agree one half of the Face Amount of any second-to-die riders attached to the policy, on the date of exchange. The benefits of any first to die riders that are in effect will not be included in this calculation. One half of the Cash Value of this policy less any unpaid loan and accrued loan interest will be allocated as the initial premium for each new policy. The Life Insurance Benefit Option for each new policy will be the option in effect on the date of exchange.

- 8.15 Basis For Computation Of Policy Values** All minimum Cash Surrender Values and maximum Cost of Insurance rates referred to in this policy are based on the mortality table referred to in the "Additional Policy Information" section on the Policy Data pages. This mortality table applies if the Insureds are in a standard or better class of risk. Separate scales of maximum Cost of Insurance rates apply to substandard classes of risk. Semi-continuous functions are used, with interest as stated in the "Interest and Loans" section on the Policy Data pages. We have filed a statement with the insurance official in the state or district in which this policy is delivered that describes, in detail, how we compute policy benefits and Cash Surrender Values. These policy benefits and Cash Surrender Values are at least those required by the law of the state or district where the policy was delivered.

- 8.16 Age 121 Policy Anniversary** Beginning on the Policy Anniversary on which the younger Insured is or would have been age 121:
- If the Cash Value is less than the Life Insurance Benefit, it will be increased to equal the Life Insurance Benefit. The Life Insurance Benefit will not be changed.
  - No further Planned or Unplanned Premiums will be allowed and no further monthly deductions will be made from the Cash Value.
  - The Cash Value will continue to accumulate interest.
  - Loan interest will continue to accrue at the current loan interest rate but no new policy loans can be requested.
  - Partial surrenders and loan repayments will continue to be allowed.
  - Changes to the Life Insurance Benefit Option will not be allowed.
  - The policy can be surrendered for its Cash Surrender Value proceeds by submitting to us a signed written request that gives us the information we need.
  - Any other riders attached to the policy will also end.

This policy may not qualify as life insurance after the younger Insured's attained age 121 under federal tax law and the policy may be subject to adverse tax consequences. You should consult your Tax Advisor before choosing to continue the policy after age 121.

# **New York Life Insurance and Annuity Corporation**

51 Madison Avenue  
New York, N.Y. 10010  
(212) 576-7000

A Stock Company Incorporated in Delaware

## **SURVIVORSHIP UNIVERSAL LIFE INSURANCE POLICY**

ADJUSTABLE LIFE INSURANCE BENEFITS – FLEXIBLE PREMIUM PAYMENTS.  
PROCEEDS PAYABLE ON THE LAST SURVIVING INSURED'S DEATH.  
INTEREST CREDITED ON CASH VALUE AT RATE SET BY CORPORATION.  
MINIMUM GUARANTEED INTEREST RATE OF 3%.  
NO PREMIUMS PAYABLE ON OR AFTER THE YOUNGER INSURED'S AGE 121.

POLICY IS NON-PARTICIPATING.

**309-65**

SERFF Tracking Number: NYLC-126014487 State: Arkansas  
 Filing Company: New York Life Insurance and Annuity Corporation State Tracking Number: 42985  
 Company Tracking Number: 309-35, ET AL.  
 TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
 Adjustable Life  
 Product Name: AD108 Protection Series - ACSV  
 Project Name/Number: AD108 Protection Series - ACSV/309-35, et al.

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification <b>Comments:</b> <b>Attachment:</b> Readability Cert.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Application <b>Comments:</b> Both Policies to be used with Application 209-501 Approved 2/12/2009 Under NYLC-126023166.		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> Outline of Coverage <b>Bypass Reason:</b> N/A <b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Regulation 34 Certifications <b>Comments:</b> <b>Attachments:</b> Actuarial Certification NFV and Val 9-04-09.pdf Regulation 34 - Maryann Cert.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Regulation 49 Certification		

*SERFF Tracking Number:* NYLC-126014487      *State:* Arkansas  
*Filing Company:* New York Life Insurance and Annuity      *State Tracking Number:* 42985  
Corporation  
*Company Tracking Number:* 309-35, ET AL.  
*TOI:* L09I Individual Life - Flexible Premium      *Sub-TOI:* L09I.001 Single Life  
Adjustable Life  
*Product Name:* AD108 Protection Series - ACSV  
*Project Name/Number:* AD108 Protection Series - ACSV/309-35, et al.

**Comments:**

**Attachment:**

Regulation 49 - Linda's cert.pdf

**NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION**

**READABILITY CERTIFICATION**

**I certify that the forms listed on the attached page(s) meet the standards of your State's Readability Laws.**

**NEW YORK LIFE INSURANCE AN ANNUITY CORPORATION**

*Linda E. LoPinto*

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**Signature**

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**Linda E. LoPinto**

**Name**

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**Corporate Vice President**

**Title**

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**July 14, 2009**

**Date**

**NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION**

**Flesch Scores for forms submitted with this filing are:**

<b><u>Form No.</u></b>	<b><u>Flesch Score</u></b>
309-35	46
309-65	52

# NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

**Policy Form 309-35**

**Policy Form 309-65**

I, Paul Zeng, FSA, MAAA am an actuary and officer of New York Life Insurance and Annuity Corporation. I am a member in good standing of the American Academy of Actuaries.

I hereby certify that:

- I have read the forms and supporting material submitted with this filing; and
- The forms indicated above are in compliance with the nonforfeiture and valuation requirements of the Arkansas State Insurance Law and Regulations applicable to individual universal life insurance.



\_\_\_\_\_  
Signature

Paul Zeng  
Corporate VP and Actuary

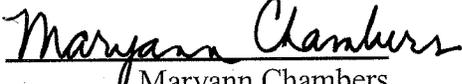
9/3/2009  
Date

# New York Life Insurance and Annuity Corporation

Forms: 309-35 and 309-65

I hereby certify that we are in compliance with Regulation 34 regarding mandatory policy provisions and disclosure requirements.

New York Life Insurance and Annuity Corporation  
Company

  
Maryann Chambers

Assistant Vice President – Product Manager  
Title

September 16, 2009  
Date

# New York Life Insurance and Annuity Corporation

Forms: 309-35 and 309-65

I hereby certify that we are in compliance with Regulation 49 which requires that a Life and Health guaranty notice be given to each policy owner.

New York Life Insurance and Annuity Corporation  
Company



Linda E. LoPinto

Corporate Vice President  
Title

September 16, 2009  
Date