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FILER

PHLVIC VARIABLE UNIVERSAL LIFE ACCOUNT

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PHOENIX EXPRESS VUL(SM)
PHLVIC VARIABLE UNIVERSAL LIFE ACCOUNT

ISSUED BY: PHL VARIABLE INSURANCE COMPANY ("PHL VARIABLE")
(A WHOLLY OWNED SUBSIDIARY OF PHOENIX LIFE INSURANCE COMPANY)

PROSPECTUS

MAY 1, 2005

This prospectus describes a fixed and flexible premium variable universal life insurance policy that can provide lifetime insurance protection on the life of one person. We will pay the death benefit when the insured person dies. You may allocate policy value to the Guaranteed Interest Account, Long-term Guaranteed Interest Account (collectively, "Guaranteed Interest Accounts") and/or one or more of the subaccounts of the PHLVIC Variable Universal Life Account ("Separate Account"). The subaccounts purchase shares of the following funds:

THE PHOENIX EDGE SERIES FUND

[diamond] Phoenix-Aberdeen International Series
[diamond] Phoenix-AIM Growth Series
(fka, Phoenix-MFS Investors Growth Stock Series)
[diamond] Phoenix-Alger Small-Cap Growth Series
(fka, Phoenix-State Street Research Small-Cap Growth Series)
[diamond] Phoenix-Alliance/Bernstein Enhanced Index Series
[diamond] Phoenix-Duff & Phelps Real Estate Securities Series
[diamond] Phoenix-Engemann Capital Growth Series
[diamond] Phoenix-Engemann Growth and Income Series
(fka, Phoenix-Oakhurst Growth and Income Series)
[diamond] Phoenix-Engemann Small-Cap Growth Series
(fka, Phoenix-Engemann Small & Mid-Cap Growth Series)
[diamond] Phoenix-Engemann Strategic Allocation Series
(fka, Phoenix-Oakhurst Strategic Allocation Series)
[diamond] Phoenix-Engemann Value Equity Series
(fka, Phoenix-Oakhurst Value Equity Series)
[diamond] Phoenix-Goodwin Money Market Series
[diamond] Phoenix-Goodwin Multi-Sector Fixed Income Series
[diamond] Phoenix-Goodwin Multi-Sector Short Term Bond Series
[diamond] Phoenix-Kayne Rising Dividends Series
[diamond] Phoenix-Kayne Small-Cap Quality Value Series
[diamond] Phoenix-Lazard International Equity Select Series
[diamond] Phoenix-Northern Dow 30 Series
[diamond] Phoenix-Northern Nasdaq-100 Index(R) Series
[diamond] Phoenix-Sanford Bernstein Mid-Cap Value Series
[diamond] Phoenix-Sanford Bernstein Small-Cap Value Series
[diamond] Phoenix-Seneca Mid-Cap Growth Series
[diamond] Phoenix-Seneca Strategic Theme Series
AIM VARIABLE INSURANCE FUNDS - SERIES I SHARES

[diamond] AIM V.I. Capital Appreciation Fund
[diamond] AIM V.I. Mid Cap Core Equity Fund
[diamond] AIM V.I. Premier Equity Fund

THE ALGER AMERICAN FUND - CLASS O SHARES

[diamond] Alger American Leveraged AllCap Portfolio

FEDERATED INSURANCE SERIES

[diamond] Federated Fund for U.S. Government Securities II
[diamond] Federated High Income Bond Fund II - Primary Shares

FIDELITY(R) VARIABLE INSURANCE PRODUCTS - SERVICE CLASS

[diamond] VIP Contrafund(R) Portfolio
[diamond] VIP Growth Opportunities Portfolio
[diamond] VIP Growth Portfolio

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST - CLASS 2

[diamond] Mutual Shares Securities Fund
[diamond] Templeton Foreign Securities Fund
[diamond] Templeton Growth Securities Fund

LAZARD RETIREMENT SERIES

[diamond] Lazard Retirement Small Cap Portfolio

LORD ABBETT SERIES FUND, INC. - CLASS VC

[diamond] Bond-Debenture Portfolio
[diamond] Growth and Income Portfolio

[diamond] Mid-Cap Value Portfolio

THE RYDEX VARIABLE TRUST

- [diamond] Rydex Variable Trust Juno Fund
- [diamond] Rydex Variable Trust Nova Fund
- [diamond] Rydex Variable Trust Sector Rotation Fund

SCUDDER INVESTMENTS VIT FUNDS - CLASS A

- [diamond] Scudder VIT EAFE(R) Equity Index Fund
- [diamond] Scudder VIT Equity 500 Index Fund

THE UNIVERSAL INSTITUTIONAL FUNDS, INC. - CLASS I SHARES

- [diamond] Technology Portfolio

WANGER ADVISORS TRUST

- [diamond] Wanger International Select
- [diamond] Wanger International Small Cap
- [diamond] Wanger Select
- [diamond] Wanger U.S. Smaller Companies

It is important for you to understand the basic features of the proposed policy and your existing coverage before you decide to replace your present coverage. You should also know if the replacement will result in any income taxes. It may not be in your best interest to buy this policy in exchange for an existing life insurance policy or annuity contract.

The policy is not a deposit nor an obligation of, underwritten or guaranteed by, any financial institution or credit union. It is not federally insured nor endorsed by the Federal Deposit Insurance Corporation or any other state or federal agency. Policy investments are subject to risk, including the fluctuation of policy values and possible loss of principal invested or premiums paid.

The Securities and Exchange Commission ("SEC") has neither approved nor disapproved these securities, nor have they passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. Read and keep this prospectus for future reference.

| | |
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| <TABLE> | |
| <CAPTION> | |
| <S> | <C> |
| IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT: | [envelope] PHOENIX VARIABLE PRODUCTS MAIL OPERATIONS ("VPMO") PO Box 8027 Boston, MA 02266-8027 |
| | [telephone] VARIABLE AND UNIVERSAL LIFE ADMINISTRATION ("VULA") 800/541-0171 |
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GLOSSARY OF SPECIAL TERMS

The following is a list of terms and their meanings when used in this prospectus.

AGE: The age of the insured on the last birthday.

AMOUNT AT RISK: The amount at risk equals the difference between the total death benefit we would pay and the policy value.

CASH SURRENDER VALUE: The cash surrender value is the policy value less any applicable surrender charge on the date of surrender and less any debt.

DEATH BENEFIT OPTION: The type of death benefit described in effect.

DEBT: Unpaid policy loans with accrued interest.

DUE PROOF OF DEATH: A certified death certificate, or an order of a court of competent jurisdiction, or any other proof acceptable to us.

GUARANTEED INTEREST ACCOUNT: The Guaranteed Interest Account is not part of the Separate Account; it is part of our general account.

IN FORCE: The policy has not terminated or otherwise lapsed in accordance with the grace period and lapse provision.

IN WRITING (WRITTEN NOTICE, WRITTEN REQUEST): Is a written form signed by you, satisfactory to us and received by us.

INSURED: The person upon whose life the policy is issued.

LONG-TERM GUARANTEED INTEREST ACCOUNT: The Long-term Guaranteed Interest Account is not part of the Separate Account; it is part of our general account.

MONTHLY CALCULATION DATE: The first monthly calculation date is the same day as the policy date. Subsequent monthly calculation dates are the same days of each month thereafter or, if such day does not fall within a given month, the last day of that month will be the monthly calculation date.

PAYMENT DATE: The valuation date on which a premium payment or loan repayment is received by us unless it is received after the close of the New York Stock Exchange in which case it will be the next valuation date.

POLICY ANNIVERSARY: The anniversary of the policy date.

POLICY DATE: The policy date shown on the schedule pages from which policy years and policy anniversaries are measured.

POLICY MONTH: The period from one monthly calculation date up to, but not including, the next monthly calculation date.

POLICY VALUE: The sum of your policy's share in the value of each subaccount plus the value of your policy allocated to the Guaranteed Interest Accounts.

POLICY YEAR: The first policy year is the one-year period from the policy date up to, but not including, the first policy anniversary. Each succeeding policy year is the one-year period from the policy anniversary up to, but not including, the next policy anniversary.

SEPARATE ACCOUNT: PHLVIC Variable Universal Life Account. A separate investment account of PHL Variable Insurance Company.

SUBACCOUNTS: The accounts within our Separate Account to which non-loaned assets under the policy are allocated. The subaccounts, in turn, purchase shares in corresponding underlying funds.

UNIT: A standard of measurement used to determine the share of this policy in the value of each subaccount of the Separate Account.

VALUATION PERIOD: The period in days from the end of one valuation date through the next valuation date.

VULA: Variable Universal Life Administration.

WE (OUR, US, COMPANY): PHL Variable Insurance Company.

YOU (YOUR): The owner of this policy at the time an owner's right is exercised.

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RISK/BENEFIT SUMMARY

This summary does not contain all of the detailed information that may be important to you. Please read the entire prospectus carefully before you decide to purchase a policy.

This prospectus is a disclosure document which summarizes your rights under the insurance product that you are purchasing. As with any summary it may differ in certain instances from the underlying insurance policy. You should read your insurance policy carefully.

Certain terms used throughout the prospectus have been defined and can be found in the "Glossary of Special Terms."

POLICY BENEFITS

DEATH BENEFITS

This policy is a fixed and flexible premium variable universal life insurance policy. The policy is first and foremost, a life insurance policy. While the policy remains in force we will pay a death benefit to your named beneficiary when the person insured under the policy dies. All policies will be issued with Death Benefit Option 2, but you may change your Death Benefit Option after the fourth policy year.

[diamond] Death Benefit Option 1 will equal the policy's face amount, or the minimum death benefit if greater.

[diamond] Death Benefit Option 2 will equal the face amount plus the policy value, or the minimum death benefit if greater.

The minimum death benefit is equal to the policy value on the date of death increased by a percentage taken from a table in the policy based on the attained age of the insured person at the beginning of the policy year in which death occurs.

LOANS AND SURRENDERS

Generally, you may borrow up to the amount of your policy value less the current surrender charge and loan interest accrued to the end of the policy year. We will count any outstanding loan towards the applicable limit.

The cash surrender value is the policy value reduced by outstanding loans and loan interest and any applicable surrender charge.

You may partially surrender any part of the policy at anytime. We may also

impose a separate surrender charge.

You may fully surrender this policy anytime for its cash surrender value. A surrender charge may be imposed.

TEMPORARY INSURANCE COVERAGE

We will issue you a Temporary Insurance Receipt when you submit the complete, signed application and issue premium. This will provide you with immediate insurance protection under the terms set forth in the policy and in the Receipt.

PREMIUMS

The policy has a fixed premium for the first four years with flexible premiums thereafter. The amount of level premium that you will be required to pay in each of the first four years will be an amount that will not exceed the Guideline Level Premium (the level premium required, when accrued at 4% with guaranteed cost of insurance rates and assuming current expenses, for the policy value to equal the face amount at age 100) for your policy on the issue date. Also, this level premium will not exceed the TAMRA premium (the level premium required during the first seven policy years, when accrued at 4% with guaranteed cost of insurance rates and assuming no expenses, for the policy value to equal the face amount at age 100) for the face amount of your policy on the issue date.

OPTIONAL INSURANCE BENEFITS

At this time, additional benefits and riders are not available for this policy. However, we reserve the right to offer additional benefits and riders in the future.

YOUR RIGHT TO CANCEL THE POLICY

You have the right to review the policy and cancel it if you are not satisfied. Simply return the policy to us within ten days after you receive it, or within 45 days of signing the application. Your state may require a longer period.

POLICY RISKS

VARIATIONS

The policy is subject to laws and regulations in every state where the policy is sold and the terms of the policy may vary from state to state.

SUITABILITY RISK

Variable life insurance is designed for long term financial planning, and the policy is not suitable as a short-term investment. Surrender charges apply during the first seven years; therefore, it may not be appropriate for you to purchase a policy if you foresee the need to withdraw all or part of your policy value during the first few policy years.

TAX EFFECTS

Generally, under current federal income tax law, death benefits are not subject to income taxes. Earnings on the premiums invested in the Separate Account or the Guaranteed Interest Accounts are not subject to income taxes until there is a distribution from the policy. Taking a loan or a full or partial surrender from the policy could result in recognition of income for tax purposes.

RISK OF LAPSE

Your policy will remain in force as long as required premiums are paid and the policy value, less any outstanding debt, is enough to pay the monthly charges incurred under the policy. If the above conditions are not met, the policy will lapse, or end. You will receive an amount equal to the policy's cash surrender value in the event that the policy lapses and the cash surrender value is positive. We will alert you to an impending lapse situation and give you an opportunity to keep the policy in force by paying a specified amount.

Withdrawals, loans and associated loan interest can negatively affect policy value, and increase the risk of policy lapse.

INVESTMENT RISK

A comprehensive discussion of the risks of each fund purchased by a subaccount of the Separate Account may be found in the funds' prospectuses. Each series is subject to market fluctuations and the risks inherent with ownership of securities. There is no assurance that any series will achieve its stated investment objective.

THE FOLLOWING TABLES DESCRIBE THE FEES, AND EXPENSES THAT YOU WILL PAY WHEN BUYING, OWNING AND SURRENDERING THE POLICY. THERE ARE TWO TABLES DESCRIBING THE POLICY CHARGES. THE FIRST DESCRIBES THE FEES AND EXPENSES THAT YOU WILL PAY AT THE TIME THAT YOU BUY THE POLICY, SURRENDER THE POLICY, TRANSFER POLICY VALUE BETWEEN INVESTMENT OPTIONS, OR EXERCISE THE OVERLOAN PROTECTION PROVISION.

FEE TABLES

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TRANSACTION FEES

| CHARGE | WHEN DEDUCTED | AMOUNT DEDUCTED |
|---|--|---|
| <S> PREMIUM EXPENSE CHARGE | <C> Upon premium payment | <C> 5% of the premium payment |
| ADMINISTRATION CHARGE(1) Minimum - Maximum Example for a Male, Age 45 | Monthly calculation day(2) for the first 10 policy years | \$0.04 per \$1,000 of face amount to \$35 per \$1,000 of face amount \$0.22 per \$1,000 of face amount |
| SURRENDER CHARGE (3,4) | Upon full surrender or lapse | 35% of the policy's initial required annual premium, but not greater than policy value |
| PARTIAL SURRENDER CHARGE (3,4) | Upon partial surrender of policy value. Upon face amount decrease | Full surrender charge multiplied by the result of dividing the partial surrender amount by the policy value before the surrender. Full surrender charge multiplied by the result of dividing the face decrease amount by the face amount before the reduction. |
| PARTIAL SURRENDER FEE | Upon partial surrender | We do not charge a partial surrender fee, but we reserve the right to charge up to a \$25 fee from your policy value. |
| TRANSFER CHARGE | Upon transfer | We do not charge for transfers between investment options, but we reserve the right to charge up to \$20 per transfer after the first twelve transfers. |
| OVERLOAN PROTECTION PROVISION | Upon exercise of the option, a one-time charge will be deducted on the next monthly calculation day(2) | A one-time transaction charge of 3.5% of the policy value will be deducted. |

</TABLE>

- (1) This charge will vary according to issue age and face amount and is charged during the first ten policy years. The charge shown in the table may not be typical of the charge that you will pay. Your policy's specifications page will indicate the charge applicable to your policy. For more information, see "Charges and Deductions."
- (2) The monthly calculation day occurs on the same day as the policy date (the date from which policy years and anniversaries are measured) or, if that date does not fall in any given month, it will be the last day of that month.
- (3) The surrender charge period is seven years.
- (4) This charge is incurred only if there is a full surrender, partial surrender or face amount decrease.

5

THE NEXT TABLE DESCRIBES THE FEES AND EXPENSES THAT YOU WILL PAY PERIODICALLY DURING THE TIME THAT YOU OWN THE POLICY, NOT INCLUDING FUND FEES AND EXPENSES.

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PERIODIC CHARGES OTHER THAN FUND OPERATING EXPENSES

| CHARGE | WHEN DEDUCTED | AMOUNT DEDUCTED |
|---|---|---|
| <S> COST OF INSURANCE (1) Minimum - Maximum Example for a male age 45 in the nontobacco premium class | <C> On each monthly calculation day. | <C> \$0.095 per \$1,000 of amount at risk(2) to \$83.33 per \$1,000 of amount at risk(2) each month. \$0.11 per \$1,000 of amount at risk(2) per month. |
| MORTALITY AND EXPENSE RISK CHARGE (3) Maximum | On each monthly calculation day | 0.075% each month from amounts allocated to the Separate Account. |
| TAX CHARGES | When we become liable for taxes | Currently, there are no charges for taxes. We reserve the right to impose a charge should we become liable for taxes in the future. Possible taxes would include state or federal income taxes on investment gains of the Separate Account and would be included in our calculation of subaccount values. |
| LOAN INTEREST RATE CHARGE(4) | Interest accrues daily and is due on each policy anniversary. If not paid on that date, we will treat the accrued interest as another loan against | The maximum net cost to the policy value is 2% of the loan balance on an annual basis. |

the policy.

</TABLE>

- (1) Cost of insurance charges will vary according to age, gender, underwriting class, policy year, net amount at risk, and the ratio of policy value to death benefit. The cost of insurance charges shown in the table may not be typical of the charges you will pay. Your policy's specifications page will indicate the guaranteed cost of insurance applicable to your policy. More detailed information concerning your cost of insurance is available upon request. Before you purchase the policy, we will provide you personalized illustrations of your future benefits under the policy based upon the age and premium class of the person you wish to insure, the death benefit option, face amount, planned periodic premiums, and riders requested.
- (2) The amount at risk at any given time is the difference between the total death benefit we would pay and the policy value.
- (3) We currently offer reduced mortality and expense risk charges beginning in policy year 11 if your policy meets certain criteria. For more information, see "Charges and Deductions."
- (4) The maximum net cost to the policy is the difference between the rate we charge for the outstanding loan, and the rate we credit the loaned portion of the Guaranteed Interest Account, where we allocate policy value equal to the amount of the loan, as collateral. The net cost to the policy can be as low as 0.00% on an annual basis. For more information, see "Charges and Deductions" and "Loans."

THE NEXT TABLE SHOWS THE MINIMUM AND MAXIMUM FEES AND EXPENSES CHARGED BY THE FUNDS THAT YOU MAY PAY PERIODICALLY DURING THE TIME THAT YOU OWN THE POLICY. MORE DETAIL CONCERNING EACH OF THE FUND'S FEES AND EXPENSES IS CONTAINED IN THE PROSPECTUS FOR EACH FUND.

MINIMUM AND MAXIMUM FUND OPERATING EXPENSES

| | Minimum | | Maximum |
|---|---------|---|---------|
| Total Annual Fund Operating Expenses(1) (expenses that are deducted from a fund's assets, including management fees, distribution and/or 12b-1 fees, and other expenses) | 0.29% | - | 2.68% |

(1) The total and net fund operating expenses for each available investment portfolio are given in the following tables.

<TABLE>

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ANNUAL FUND EXPENSES (as a percentage of fund average net assets for the year ended 12/31/04)

| Series | Investment Management Fee | Rule 12b-1 Fees | Other Operating Expenses | Total Annual Fund Expenses |
|--|---------------------------|-----------------|--------------------------|----------------------------|
| THE PHOENIX EDGE SERIES FUND | | | | |
| <S> | <C> | <C> | <C> | <C> |
| Phoenix-Aberdeen International | 0.75% | N/A | 0.30% | 1.05% |
| Phoenix-AIM Growth | 0.75% | N/A | 0.47% (3) | 1.22% (6) |
| Phoenix-Alger Small-Cap Growth | 0.85% | N/A | 0.89% (1) | 1.74% (6) |
| Phoenix-Alliance/Bernstein Enhanced Index | 0.45% | N/A | 0.27% (2) | 0.72% (6) |
| Phoenix-Duff & Phelps Real Estate Securities | 0.75% | N/A | 0.29% | 1.04% |
| Phoenix-Engemann Capital Growth | 0.66% | N/A | 0.21% | 0.87% |
| Phoenix-Engemann Growth and Income | 0.70% | N/A | 0.28% (3) | 0.98% (6) |
| Phoenix-Engemann Small-Cap Growth | 0.90% | N/A | 0.67% (4) | 1.57% (6) |
| Phoenix-Engemann Strategic Allocation | 0.58% | N/A | 0.20% | 0.78% |
| Phoenix-Engemann Value Equity | 0.70% | N/A | 0.28% (3) | 0.98% (6) |
| Phoenix-Goodwin Money Market | 0.40% | N/A | 0.24% | 0.64% |
| Phoenix-Goodwin Multi-Sector Fixed Income | 0.50% | N/A | 0.23% | 0.73% |
| Phoenix-Goodwin Multi-Sector Short Term Bond | 0.50% (5) | N/A | 0.58% (2) | 1.08% (6) |
| Phoenix-Kayne Rising Dividends | 0.70% | N/A | 0.75% (1) | 1.45% (6) |

| | | | | |
|--|-------|-----|-----------|-----------|
| Phoenix-Kayne Small-Cap Quality Value | 0.90% | N/A | 1.78% (1) | 2.68% (6) |
| Phoenix-Lazard International Equity Select | 0.90% | N/A | 0.40% (1) | 1.30% (6) |
| Phoenix-Northern Dow 30 | 0.35% | N/A | 0.56% (3) | 0.91% (6) |
| Phoenix-Northern Nasdaq-100 Index(R) | 0.35% | N/A | 0.74% (3) | 1.09% (6) |
| Phoenix-Sanford Bernstein Mid-Cap Value | 1.05% | N/A | 0.29% (3) | 1.34% (6) |
| Phoenix-Sanford Bernstein Small-Cap Value | 1.05% | N/A | 0.38% (3) | 1.43% (6) |
| Phoenix-Seneca Mid-Cap Growth | 0.80% | N/A | 0.38% (4) | 1.18% (6) |
| Phoenix-Seneca Strategic Theme | 0.75% | N/A | 0.33% | 1.08% |

</TABLE>

- (1) The advisor voluntarily agrees to reimburse this series for other operating expenses that exceed 0.15% of the series' average net assets.
- (2) The advisor voluntarily agrees to reimburse this series for other operating expenses that exceed 0.20% of the series' average net assets.
- (3) The advisor voluntarily agrees to reimburse this series for other operating expenses that exceed 0.25% of the series' average net assets.
- (4) The advisor voluntarily agrees to reimburse this series for other operating expenses that exceed 0.35% of the series' average net assets.
- (5) The advisor voluntarily waived the management fee for the period through May 31, 2004, giving an annual management fee of less than 0.50% of the series' average net assets for 2004. Without the waiver, the annual management fee rate is 0.50%. The chart below, showing net annual fund expenses, assumes the 0.50% rate for this series.
- (6) The chart below shows net annual fund expenses after voluntary reimbursements by the advisor.

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| Series | Net Annual Fund | | Series | Net Annual Fund | |
|--|-----------------|----------|--|-----------------|----------|
| | Reimbursements | Expenses | | Reimbursements | Expenses |
| Phoenix-AIM Growth | (0.22%) | 1.00% | Phoenix-Kayne Small-Cap Quality Value | (1.63%) | 1.05% |
| Phoenix-Alger Small-Cap Growth | (0.74%) | 1.00% | Phoenix-Lazard International Equity Select | (0.25%) | 1.05% |
| Phoenix-Alliance/Bernstein Enhanced Index | (0.07%) | 0.65% | Phoenix-Northern Dow 30 | (0.31%) | 0.60% |
| Phoenix-Engemann Growth and Income | (0.03%) | 0.95% | Phoenix-Northern Nasdaq-100 Index(R) | (0.49%) | 0.60% |
| Phoenix-Engemann Small-Cap Growth | (0.32%) | 1.25% | Phoenix-Sanford Bernstein Mid-Cap Value | (0.04%) | 1.30% |
| Phoenix-Engemann Value Equity | (0.03%) | 0.95% | Phoenix-Sanford Bernstein Small-Cap Value | (0.13%) | 1.30% |
| Phoenix-Goodwin Multi-Sector Short Term Bond | (0.38%) | 0.70% | Phoenix-Seneca Mid-Cap Growth | (0.03%) | 1.15% |
| Phoenix-Kayne Rising Dividends | (0.60%) | 0.85% | | | |

(NOTE: Each or all of the voluntary expense reimbursements noted in the chart above may be changed or eliminated at anytime without notice.)

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| Series | Investment Management Fee | Rule | | Total Annual Fund Expenses | Contractual Reimbursements & Waivers | Net Annual Fund Expenses After Reimbursements & Waivers |
|--|---------------------------|-----------------------|--------------------------|----------------------------|--------------------------------------|---|
| | | 12b-1 or Service Fees | Other Operating Expenses | | | |
| AIM VARIABLE INSURANCE FUNDS - SERIES I SHARES | | | | | | |
| AIM V.I. Capital Appreciation Fund | 0.61% | N/A | 0.30% | 0.91% | (0.00%) | 0.91% |
| AIM V.I. Mid Cap Core Equity Fund | 0.73% | N/A | 0.31% | 1.04% | (0.00%) | 1.04% |
| AIM V.I. Premier Equity Fund | 0.61% | N/A | 0.30% | 0.91% | (0.00%) | 0.91% |
| THE ALGER AMERICAN FUND - CLASS O SHARES | | | | | | |
| Alger American Leveraged AllCap Portfolio | 0.85% | N/A | 0.12% | 0.97% | (0.00%) | 0.97% |

</TABLE>

<TABLE>
<CAPTION>

| Series | Investment Management Fee | Rule 12b-1 or Service Fees | Other Operating Expenses | Total Annual Fund Expenses | Contractual Reimbursements & Waivers | Net Annual Fund Expenses After Reimbursements & Waivers |
|--|---------------------------|----------------------------|--------------------------|----------------------------|--------------------------------------|---|
| FEDERATED INSURANCE SERIES | | | | | | |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Federated Fund for U.S. Government Securities II | 0.60% | 0.25%(1) | 0.13% | 0.98% | --- | ---(11) |
| Federated High Income Bond Fund II - Primary Shares | 0.60% | 0.25%(1) | 0.14% | 0.99% | --- | ---(11) |
| FIDELITY(R) VARIABLE INSURANCE PRODUCTS - SERVICE CLASS | | | | | | |
| VIP Contrafund(R) Portfolio | 0.57% | 0.10% | 0.11%(2) | 0.78% | --- | ---(11) |
| VIP Growth Opportunities Portfolio | 0.58% | 0.10% | 0.14%(2) | 0.82% | --- | ---(11) |
| VIP Growth Portfolio | 0.58% | 0.10% | 0.10%(2) | 0.78% | --- | ---(11) |
| FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST - CLASS 2 | | | | | | |
| Mutual Shares Securities Fund | 0.60% | 0.25%(4) | 0.15% | 1.00% | (0.00%) | 1.00% |
| Templeton Foreign Securities Fund | 0.68% | 0.25% | 0.19% | 1.12% | (0.05%)(5) | 1.07% |
| Templeton Growth Securities Fund | 0.79%(3) | 0.25%(4) | 0.07% | 1.11% | (0.00%) | 1.11% |
| LAZARD RETIREMENT SERIES | | | | | | |
| Lazard Retirement Small Cap Portfolio | 0.75% | 0.25% | 0.37% | 1.37% | (0.12%)(6) | 1.25% |
| LORD ABBETT SERIES FUND, INC. - CLASS VC | | | | | | |
| Bond-Debenture Portfolio | 0.50% | N/A | 0.48% | 0.98% | (0.08%)(7) | 0.90% |
| Growth and Income Portfolio | 0.50% | N/A | 0.39% | 0.89% | (0.00%) | 0.89% |
| Mid-Cap Value Portfolio | 0.75% | N/A | 0.42% | 1.17% | (0.00%) | 1.17% |
| THE RYDEX VARIABLE TRUST | | | | | | |
| Rydex Variable Trust Juno Fund | 0.90% | N/A | 0.73% | 1.63% | (0.00%) | 1.63% |
| Rydex Variable Trust Nova Fund | 0.75% | N/A | 0.71% | 1.46% | (0.00%) | 1.46% |
| Rydex Variable Trust Sector Rotation Fund | 0.90% | N/A | 0.73% | 1.63% | (0.00%) | 1.63% |
| SCUDDER INVESTMENTS VIT FUNDS - CLASS A | | | | | | |
| Scudder VIT EAFE(R) Equity Index Fund | 0.45% | N/A | 0.37% | 0.82% | (0.17%)(8) | 0.65% |
| Scudder VIT Equity 500 Index Fund | 0.20% | N/A | 0.09% | 0.29% | (0.00%) | 0.29% |
| THE UNIVERSAL INSTITUTIONAL FUNDS, INC. - CLASS I SHARES | | | | | | |
| Technology Portfolio | 0.80% | N/A | 0.49% | 1.29%(9) | --- | ---(11) |
| WANGER ADVISORS TRUST | | | | | | |
| Wanger International Select | 1.00% | N/A | 0.43% | 1.43% | (0.01%)(10) | 1.42% |
| Wanger International Small Cap | 1.17% | N/A | 0.19% | 1.36% | (0.16%)(10) | 1.20% |
| Wanger Select | 0.95% | N/A | 0.15% | 1.10% | (0.10%)(10) | 1.00% |
| Wanger U.S. Smaller Companies | 0.92% | N/A | 0.08% | 1.00% | (0.01%)(10) | 0.99% |

</TABLE>

- (1) The fund has voluntarily agreed to waive this service fee.
- (2) A portion of the brokerage commissions that the fund paid was used to reduce the fund's expenses. In addition, through arrangements with the fund's custodian, credits realized as a result of uninvested cash balances are used to reduce a portion of the fund's custodian expenses. These offsets may be discontinued at anytime.
- (3) The fund administration fee is paid indirectly through the management fee.
- (4) While the maximum amount payable under the fund's Rule 12b-1 plan is 0.35% per year of the fund's average annual net assets, the fund's Board of Trustees has set the current rate at 0.25% per year.
- (5) The advisor has contractually agreed to reduce its investment management fee to reflect reduced services resulting from the fund's investment in a Franklin Templeton Money Market Fund (the Sweep Fund). This reduction is

required by the fund's Board of Trustees and an order by the SEC. After such reductions, the management fees is 0.63% for the Templeton Foreign Securities Fund.

- (6) Reflects a contractual obligation by the Investment Manager to waive its fee and, if necessary, reimburse the Portfolio through December 31, 2005, to the extent Total Annual Portfolio Operating Expenses exceed 1.25% of the Portfolio's average daily net assets.
- (7) For the year ending December 31, 2004, Lord, Abbett & Co. LLC has contractually agreed to reimburse a portion of the Fund's expenses to the extent necessary to maintain its "Other Expenses" at an aggregate rate of 0.40% of its average daily net assets.
- (8) The advisor has contractually agreed, for the one-year period beginning May 1, 2005, to waive its fees and/or reimburse expenses of the fund in excess of 0.65% of the average daily net assets.
- (9) The advisor has voluntarily agreed to waive a portion or all of its management fee and/or reimburse expenses to the extent necessary so that total annual operating expenses, excluding certain investment related expenses such as foreign country tax expense and interest expense on borrowing, do not exceed the operating expense limitation of 1.15%.
- (10) Management fees have been restated to reflect contractual changes to the management fee for the fund as of February 10, 2005. The fee waiver was effective as of February 10, 2005 but applied as if it had gone into effect on December 1, 2004.
- (11) The chart below shows net annual fund expenses after voluntary reimbursements or waivers by the advisor.

<TABLE>
<CAPTION>

| Series | Reimbursements | Net Annual Fund | Series | Reimbursements | Net Annual Fund |
|---|----------------|-----------------|------------------------------------|----------------|-----------------|
| | & Waivers | Expenses | | & Waivers | Expenses |
| Federated Fund for U.S. Government Securities II | (0.26%) | 0.72% | VIP Growth Opportunities Portfolio | (0.02%) | 0.80% |
| Federated High Income Bond Fund II - Primary Shares | (0.25%) | 0.74% | VIP Growth Portfolio | (0.03%) | 0.75% |
| VIP Contrafund(R) Portfolio | (0.02%) | 0.76% | Technology Portfolio | (0.14%) | 1.15% |

(NOTE: Each or all of the voluntary expense reimbursements and waivers noted in the chart above may be changed or eliminated at anytime without notice.)

</TABLE>

PHL VARIABLE INSURANCE COMPANY

PHL Variable Insurance Company is a Connecticut stock life insurance company incorporated July 15, 1981. We sell life insurance policies and annuity contracts through our affiliated distribution companies and through brokers. Our executive and administrative office is at One American Row in Hartford, Connecticut 06102.

PHLVIC VARIABLE UNIVERSAL LIFE ACCOUNT

PHL Variable established the Separate Account as a separate account under Connecticut insurance law on September 10, 1998. The Separate Account is registered with the Securities and Exchange Commission (the "SEC") as a unit investment trust under the Investment Company Act of 1940. The SEC does not supervise the management, investment practices or policies of the Separate Account or of PHL Variable.

All income, gains or losses, whether or not realized, of the Separate Account are credited to or charged against amounts placed in the Separate Account without regard to the other income, gains and losses of PHL Variable. The assets of the Separate Account may not be charged with liabilities arising out of any other business we conduct. PHL Variable is responsible for all obligations under the policies.

The Separate Account is divided into subaccounts, each of which is available for allocation of policy value. We determine the value of each subaccount's shares at the end of every valuation day that the New York Stock Exchange ("NYSE") is open. Each subaccount will invest solely in a single investment portfolio of a fund. The fund names and the portfolio names are listed on page one of this prospectus. Each portfolio's investment type is given in Appendix A.

PHL Variable does not guarantee the investment performance of the Separate Account or any of its subaccounts. The policy value allocated to the Separate Account depends on the investment performance of the underlying funds. As policy owner, you bear the full investment risk for all monies invested in the Separate Account.

We reserve the right to add, remove, modify, or substitute portfolios in which

the Separate Account invests.

Copies of the fund prospectuses may be obtained by writing to us or calling us at the address or telephone number provided on the front page of this prospectus.

VALUATION DATE

A valuation date is every day the New York Stock Exchange ("NYSE") is open for trading and PHL Variable is open for business. However, transaction processing may be postponed for the following reasons:

1. the NYSE is closed or may have closed early;
2. the SEC has determined that a state of emergency exists; or
3. on days when a certain market is closed (e.g., the U.S. Government bond market is closed on Columbus Day and Veteran's Day).

The NYSE Board of Directors reserves the right to change the NYSE schedule as conditions warrant. On each valuation date, the value of the Separate Account is determined at the close of the NYSE (currently 4:00 p.m. Eastern Time). The NYSE is scheduled to be closed on the following days:

New Year's Day Independence Day

Martin Luther King, Jr. Day Labor Day

Presidents Day Thanksgiving Day

Good Friday Christmas Day

Memorial Day

PERFORMANCE HISTORY

We may choose to include performance history of the subaccounts or the underlying portfolios in advertisements, sales literature or reports. Performance information about each subaccount is based on past performance and is not an indication of future performance.

VOTING RIGHTS

We legally own all fund shares held by the subaccounts; however, we vote those shares at shareholder meetings according to voting instructions we receive from policy owners with an interest in the subaccounts. We may decide to vote the shares in our own right should the law change to permit us to do so.

While your policy is in effect, you may provide us with voting instructions for each subaccount in which you have an interest. We determine the number of votes you may cast by applying your percentage interest in a subaccount to the total number of votes attributable to the subaccount.

We will send you proxy material, reports and other materials relevant to the subaccounts in which you have a voting interest. In order to vote you must complete the proxy form and return it with your voting instructions. You may also be able to vote your interest by telephone or over the Internet if such instructions are included in the proxy material. We will vote all of the shares we own on your behalf, in accordance with your instructions. We will vote the shares for which we do not receive instructions, and any other shares we own, in the same proportion as the shares for which we do receive instructions.

We may ask you to provide voting instructions for such items as:

- 1) the election of the fund's Trustees;
- 2) the ratification of the independent accountants for the fund;
- 3) approval or amendment of investment advisory agreements;
- 4) a change in fundamental policies or restrictions of the

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series; and

- 5) any other matters requiring a shareholder vote.

You may obtain an available fund's prospectus by contacting us at the address and telephone number given on page one.

THE GUARANTEED INTEREST ACCOUNTS

In addition to the Separate Account, you may allocate premiums or transfer values to the Guaranteed Interest Account or Long-term Guaranteed Interest Accounts. Amounts you allocate to the Guaranteed Interest Accounts are deposited in our general account. You do not share in the investment experience of our general account. Rather, we guarantee a minimum rate of return on the allocated amounts. Although we are not obligated to credit interest at a higher rate than the minimum, we may credit any excess interest as determined by us based on expected investment yield information.

The Long-term Guaranteed Interest Account has more restrictive transfer options out of the general account than the Guaranteed Interest Account so that longer term investments can be made.

We reserve the right to limit total deposits to the Guaranteed Interest Accounts to no more than \$250,000 during any one-week period per policy.

You may make transfers into the Guaranteed Interest Accounts at any time. In general, you may make only one transfer per year from the Guaranteed Interest Accounts. Transfers from the Guaranteed Interest Accounts may also be subject to other rules as described in this prospectus.

Because of exemptive and exclusionary provisions, we have not registered interests in our general account under the Securities Act of 1933. Also, we have not registered our general account as an investment company under the Investment Company Act of 1940, as amended. Therefore, neither the general account nor any of its interests are subject to these Acts, and the U.S. Securities and Exchange Commission ("SEC") has not reviewed the general account disclosures. These disclosures may, however, be subject to certain provisions of the federal securities law regarding accuracy and completeness of statements made in this prospectus.

The features specific to each type of Guaranteed Interest Account are detailed below.

GUARANTEED INTEREST ACCOUNT

We reserve the right to limit transfers to the Guaranteed Interest Account to no more than \$250,000 during any one-week period per policy. The amount that can be transferred out is limited to the greater of \$1,000 or 25% of the policy value in the non-loaned portion of the Guaranteed Interest Account as of the date of the transfer. You may transfer the total non-loaned policy value out of the Guaranteed Interest Account to one or more of the subaccounts over a consecutive 4-year period according to the following schedule:

| | | |
|-----------|--------------|-------------------------|
| [diamond] | First Year: | 25% of the total value |
| [diamond] | Second Year: | 33% of remaining value |
| [diamond] | Third Year: | 50% of remaining value |
| [diamond] | Fourth Year: | 100% of remaining value |

LONG-TERM GUARANTEED INTEREST ACCOUNT

The amount that can be transferred out is limited to the greatest of (a) \$1,000, (b) 10% of the policy value in the Long-term Guaranteed Interest Account as of the date of the transfer, or (c) the amount of policy value transferred out of the Long-term Guaranteed Interest Account in the prior policy year.

Transfers from the Long-term Guaranteed Interest Account are not permitted under the Systematic Transfer Programs.

We reserve the right to limit transfers and cumulative premium payments to \$1,000,000 over a 12-month period.

CHARGES AND DEDUCTIONS

GENERAL

Charges affect your policy value and the amount you may receive from your policy.

We make deductions to compensate us for our various expenses in selling, maintaining, underwriting and issuing the policy and guaranteeing the insurance benefits.

CHARGES DEDUCTED FROM PREMIUM PAYMENTS

PREMIUM EXPENSE CHARGE

We deduct a charge of 5% from each premium payment to the policy that we use to reimburse the Company for a variety of expenses we incur in selling the policy (e.g., commissions, advertising and printing).

PERIODIC CHARGES

MONTHLY CHARGES

We make monthly deductions on each monthly calculation day from the subaccounts, the non-loaned portion of the Guaranteed Interest Account and the Long-term Guaranteed Interest Account according to your specified allocation instructions. Should any of the investment options on your schedule become depleted, we will

proportionally increase the deduction from the remaining investment options.

COST OF INSURANCE

We determine this charge by multiplying the appropriate cost of insurance rate by the amount at risk. The amount at risk is the difference between your policy's death benefit and your policy value. We generally base our rates on gender, age, and risk class. We also consider the duration, or how long the policy has been in force. We are not permitted to consider gender as a factor in some states and under certain qualified plans. We base the actual monthly cost of insurance charge on what we expect our future mortality experiences will be. Charges will not exceed the guaranteed cost of insurance rates set forth in your policy. The guaranteed maximum rates are equal to 125% of the 1980 Commissioners Standard Ordinary

("CSO") Mortality Table, based on the insured's last birthday. We will apply any change in our cost of insurance rates uniformly to all persons of the same gender, insurance age and risk class whose policies have been in force for the same length of time. We currently insure lives as either non-tobacco risk class or a tobacco risk class involving a higher mortality risk. We determine your risk class based on your health and the medical information you provide. Lives in the non-tobacco risk classes will have a lower cost of insurance for otherwise identical policies, than lives in the higher mortality tobacco risk class.

The current monthly cost of insurance rate will vary based on the ratio of the policy value to the death benefit on any monthly calculation date. If the ratio of the policy value to the death benefit is greater than or equal to 20% and less than 40%, then the current cost of insurance rate will be discounted by 5%. If the ratio of the policy value to the death benefit is greater than 40%, then the current cost of insurance rate will be discounted by 10%.

| RATIO OF POLICY VALUE TO DEATH BENEFIT | REDUCTION IN CURRENT COST OF INSURANCE RATE |
|--|---|
| Less than 20% | 0% |
| Greater than or equal to 20% and less than 40% | 5% |
| Greater than or equal to 40% | 10% |

MORTALITY AND EXPENSE RISK CHARGE

We assume a mortality risk that, as a whole, the people we insure may die sooner than expected. We would then pay greater total death benefits than we had expected.

We assume an expense risk that expenses we incur in issuing and maintaining the policies may exceed the administrative charges expected for the policies.

If the expenses do not exceed the charges, or if our mortality projections prove to be accurate, we may profit from this charge. We may use profits from this charge for any proper purpose, including the payment of sales expenses or any other expenses that may exceed income in a given year.

During the first ten policy years, your policy will pay a mortality and expense risk charge equal to .04% of the average daily balance in the subaccounts for the month on each monthly calculation day. Beginning in policy year 11, your policy will pay a mortality and expense risk charge equal to .01% of the average daily balance in the variable subaccounts for the month on each monthly calculation day. These rates are current and are not guaranteed. The guaranteed monthly mortality and expense risk charge is equal to .075% of the average daily balance in the variable subaccounts for the month on each monthly calculation day.

ADMINISTRATION CHARGE

We deduct a monthly charge per \$1,000 of face amount during the first 10 policy years. The monthly charge per \$1,000 of face amount is calculated as follows.

(Issue Age/150) - .08

The table below provides examples of the Administration Charge for various issue ages.

| ISSUE AGE | ADMINISTRATION CHARGE PER 1,000 OF FACE AMOUNT |
|-----------|--|
| 18 | 0.040 |

| | |
|----|-------|
| 25 | 0.087 |
| 35 | 0.153 |
| 45 | 0.220 |
| 55 | 0.287 |
| 65 | 0.353 |

LOAN INTEREST CHARGED

We charge your policy for outstanding loans at the rates illustrated in the tables below. As shown, the rate we charge your policy is higher than the rate we credit the loaned portion of the Guaranteed Interest Account.

| POLICY YEARS | LOAN INTEREST RATE CHARGED | RATE WE CREDIT THE LOANED PORTION OF THE GUARANTEED INTEREST ACCOUNT |
|--------------|----------------------------|--|
| 1-10 | 5% | 3% |
| 11-15 | 4% | 3% |
| 16+ | 3% | 3% |

Loans can reduce the policy's death benefit. We deduct the amount of any outstanding loans plus any accrued loan interest from your policy value before we calculate the death benefit.

Subject to approval in your state, the policy loan interest rates for policy years 11 and subsequent, may change (based upon issue age of the insured). Under the revised schedule, we charge loan interest at an effective annual rate of 3% at the earlier of the 16th policy year or upon the insured reaching an attained age of 65 (but not before policy year 11).

CONDITIONAL CHARGES

The surrender charge applies during the first seven policy years if you surrender the policy for its cash surrender value, request a face amount decrease, or allow the policy to lapse.

[diamond] **SURRENDER CHARGE.** The surrender charge applies during the first seven policy years if you surrender the policy for its cash surrender value or request a face amount decrease. The surrender charge is 35% of the initial annual required premium amount. This charge is intended to recoup the costs incurred in issuing the policy. The actual surrender charge will never exceed policy value, therefore, we will never require you to submit an additional payment in order to surrender your policy. The surrender charge will be shown on your policy's schedule pages.

[diamond] **PARTIAL SURRENDER CHARGE**

- o REQUESTED FACE AMOUNT DECREASE - a pro rata portion of the surrender charge will be deducted from your policy value in direct proportion to any decrease in face amount. This charge is intended to recoup the costs of issuing the policy.
- o PARTIAL SURRENDER OF POLICY VALUE - a pro rata portion of the surrender charge will be deducted from your

policy value in direct proportion to any surrender of policy value. Face amount reductions may result if you request a partial surrender of policy value. This charge is intended to recoup the costs of issuing the policy.

[diamond] **PARTIAL SURRENDER FEE.** Should you withdraw a portion of your policy value, we will not charge you. However, we reserve the right to charge up to a \$25 fee from your policy value upon prior written notice. A portion of the surrender charge may also apply. This charge is intended to recoup the cost of administering the partial surrender of policy value.

[diamond] **TRANSFER CHARGE.** Currently, we do not charge for transfers, however, we reserve the right to charge up to \$20 for each transfer in excess of twelve each policy year upon prior written notice. This charge, if we were to impose a transfer charge would be intended to recoup the cost of administering the transfer.

[diamond] OVERLOAN PROTECTION OPTION CHARGE. A one-time transaction charge of 3.5% of the policy value will be deducted on the monthly calculation day following election of the option. This charge is intended to recoup the cost of insurance for the remainder of the policy duration.

TAX CHARGES

Currently, no charge is made against the Separate Account for federal income taxes that may be attributable to the Separate Account. The Separate Account may, however, make such a charge in the future for these or any other taxes attributable to the Separate Account, should the Separate Account become liable for such taxes.

FUND CHARGES

As compensation for investment management services to the funds, the advisors are entitled to fees, payable monthly and based on an annual percentage of the average aggregate daily net asset values of each series. We provide a table of these charges in the Fee Tables Section of this prospectus.

These fund charges and other expenses are described more fully in the accompanying fund prospectuses.

THE POLICY

CONTRACT RIGHTS: OWNER, INSURED, BENEFICIARY

OWNER

The owner is the person named in the application for the policy and who will generally make the choices that determine how the policy operates while it is in force. When we use the terms "you" or "your" in this prospectus, we are referring to the owner.

INSURED

The insured is the person on whose life the policy is issued. You name this person in the application for the policy. A policy may be issued to insureds ages 18 through 65. We will require that you provide evidence that the person to be insured is, in fact, insurable.

BENEFICIARY

The beneficiary is the person you name in the application to receive any death benefit. You may name different classes of beneficiaries, such as primary and contingent. These classes will set the order of payment.

Unless an irrevocable beneficiary has been named, you can change the beneficiary at any time before the insured dies by sending a written request to VULA. Generally, the change will take effect as of the date your request is signed.

If no beneficiary is living when the person insured dies, we will pay you the death benefit, unless you have given us other instructions; or, if you are no longer living, we will pay the death benefit to your estate.

CONTRACT LIMITATIONS

ASSIGNMENT

[diamond] You may assign the policy. We will not be bound by such assignment until we receive a written copy of the assignment at VULA, nor will we be liable for any payment we make before then. We assume no responsibility for determining whether an assignment is valid.

[diamond] Subject to applicable legal and regulatory requirements, the Company reserves the right to purchase your policy in those instances where you have agreed to sell your policy to a duly licensed viatical settlement company. If the Company exercises this right it will pay the agreed upon price offered by the viatical settlement company.

PURCHASING A POLICY

UNDERWRITING PROCEDURES

We base our rates on the insured person's gender, attained age and risk class. We may require certain medical information in order to determine the risk class of the person to be insured. We are not permitted to consider gender as a factor in some states and under certain qualified plans.

We will accept payment with your application and allocate the premium as described below. We retain the right to refuse to process your application within seven days after we receive it. Should we decline to process your application, we will return the premium you paid. We retain the right to decline to issue your policy even if we have approved your application for processing. Should we decline to issue your policy, we will refund to you the same amount we would refund had the policy been issued and returned during your "right to cancel" period.

ELIGIBLE PURCHASERS

You may purchase a policy on the life of any person as long as you are at least 18 years old, and have an insurable interest in the life to be insured. You must also have the consent of the person to be insured.

PREMIUM PAYMENTS

This prospectus describes a fixed and flexible premium variable universal life insurance policy. It has a required premium for the first four years with flexible premiums thereafter. It has a death benefit, cash surrender value and a loan privilege, as does a traditional fixed benefit whole life policy. The policy differs from a fixed benefit whole life policy, however, because you may allocate your premium into one or more of several subaccounts of the Separate Account or the Guaranteed Interest Accounts. Each subaccount of the Separate Account, in turn, invests its assets exclusively in a portfolio of the funds. The policy value varies according to the investment performance of the funds to which premiums have been allocated.

A number of factors concerning the person insured and the policy features you desire will affect our required issue premium. The age, gender, and risk class can affect the issue premium, as can policy features such as the face amount and added benefits.

The issue premium is due on the policy date. The insured person must be alive when the issue premium is paid. You must deliver the issue premium payment to your registered representative, who will forward it to our underwriting department.

We reduce premium payments by the premium expense charge before we apply them to your policy. We will apply this net premium among your chosen investment options. We will buy any subaccount units at the subaccount unit values next calculated after we receive the premium. We establish maximum premium limits and may change them from time to time. The minimum premium payment during a grace period is the amount needed to prevent policy lapse. At all other times the minimum acceptable payment is \$25. The policy contains a total premium limit as shown on the schedule page. This limit is applied to the sum of all premiums paid under the policy. If the total premium limit is exceeded, the policy owner will receive the excess, with interest at an annual rate of not less than 4%, not later than 60 days after the end of the policy year in which the limit was exceeded. The policy value will then be adjusted to reflect the refund. To pay such refund, amounts taken from each subaccount or the Guaranteed Interest Accounts will be done in the same manner as for monthly deductions. You may write to us and give us different instructions. The total premium limit may be exceeded if additional premium is needed to prevent lapse or if we subsequently determine that additional premium would be permitted by federal laws or regulations.

PAYMENT BY CHECK

We may wait to credit your policy if you pay by check until your check has cleared your bank.

AUTOMATED PAYMENTS

You may elect to have us deduct periodic premium payments directly from your bank account. The minimum we will withdraw under such a plan is \$25 per month.

ALLOCATION OF PREMIUM

We will generally allocate the issue premium less applicable charges to the Separate Account or to the Guaranteed Interest Accounts upon receipt of a completed application, in accordance with your allocation instructions. However, policies issued in certain states and policies issued in certain states pursuant to applications which state the policy is intended to replace existing insurance, are issued with a Temporary Money Market Allocation Amendment. Under this Amendment, we temporarily allocate the entire issue premium paid less applicable charges (along with any other premiums paid during your right to cancel period) to the money market subaccount of the Separate Account and, at the expiration of the right to cancel period, the policy value of the money market subaccount is allocated among the subaccounts of the Separate Account or to the Guaranteed Interest Accounts in accordance with your allocation instructions in the application for insurance. Premium payments received by us will be reduced by the premium expense charge.

Premium payments received during a grace period, after deduction of the premium expense charge, will first be used to cover any monthly deductions during the grace period. Any balance will be applied on the payment date to the various subaccounts of the Separate Account or to the Guaranteed Interest Accounts, based on the premium allocation schedule elected in the application for the policy or by your most recent instructions. See "Transfer of Policy Value--Nonsystematic Transfers."

POLICY REFUND

Should you elect to return your policy under your right to cancel, we will treat your policy as if we had never issued it. For policies other than those issued with a Temporary Money Market Allocation Amendment, we will return the sum of the following as of the date we receive the returned policy:

- 1) the current policy value less any debt; plus
- 2) any monthly deductions and other charges made under the policy.

For policies issued with the Temporary Money Market Amendment, the amount returned will equal any premiums paid less any debt and less any partial surrender amounts paid.

We retain the right to decline to process an application within seven days of our receipt of the completed application for insurance. If we decline to process the application, we will return the premium paid. Even if we have approved the application for processing, we retain the right to decline to issue the policy. If we decline to issue the policy, we will refund to you the same amount as would have been refunded under the policy had it been issued but returned for refund while you have your right to cancel.

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GENERAL

----- POSTPONEMENT OF PAYMENTS

We may postpone payment of surrenders, partial withdrawals, policy loan or death benefits under certain circumstances. We may also postpone subaccount transfers under any of the following circumstances:

[diamond] We may postpone for up to six months, payment for any transaction that depends on the value of the Guaranteed Interest Accounts.

[diamond] We may postpone payment whenever the NYSE is closed other than for customary weekend and holiday closings, trading on the NYSE is restricted, on days when a certain market is closed (e.g., the U.S. Government bond market is closed on Columbus Day and Veteran's Day) or may have closed early; or

[diamond] When the SEC decides an emergency exists and the sale of securities or the determination of the value of securities in the Separate Account is not reasonably practicable.

Transfers also may be postponed under these circumstances.

DEATH BENEFIT

Death Benefit Option 1 will pay the policy's face amount on the date of the insured person's death but not less than the minimum death benefit.

Death Benefit Option 2 will pay the policy's face amount plus the policy value on the date of the insured person's death but not less than the minimum death benefit.

All policies will be issued with Death Benefit Option 2. Death Benefit Option changes are permitted after the 4th policy year.

After age 100, the death benefit option is automatically changed to Death Benefit Option 1.

We will determine the minimum death benefit by increasing the policy value on the date of death using the applicable percentage as shown by a table in your policy. The applicable percentage will be based on the insured person's attained age at the beginning of the policy year in which death occurs.

Loans can reduce the policy's death benefit. We deduct the amount of any outstanding loans plus any accrued loan interest from your policy value before we calculate the death benefit.

PARTIAL SURRENDER AND REQUESTED DECREASES IN FACE AMOUNT: EFFECT ON DEATH BENEFIT

A partial surrender or a requested decrease to face amount generally decreases the death benefit. Upon a decrease in face amount or partial surrender, a partial surrender charge may be deducted from policy value based on the amount of the decrease or partial surrender. A requested decrease in face amount reduces the death benefit on the next monthly calculation day by the requested amount of the face decrease. A partial surrender reduces the death benefit immediately by the amount of the partial surrender. A decrease in the death benefit may have tax consequences.

REQUESTS FOR DECREASE IN FACE AMOUNT

You may request a decrease in face amount at any time after the first policy year. Unless we agree otherwise, the decrease must be at least \$25,000 and the face amount remaining after the decrease must be at least \$25,000. All face amount decrease requests must be in writing and will be effective on the first monthly calculation day following the date we approve the request. A partial surrender charge will be deducted from the policy value based on the amount of the decrease. The charge will equal the applicable surrender charge that would apply to a full surrender multiplied by a fraction. The fraction is equal to the

decrease in face amount divided by the face amount of the policy before the decrease. Generally, there will be a pro-rata reduction of the cost of insurance and administration charges. For more information, see "Federal Income Tax Consideration - Partial Surrenders."

REQUESTS FOR INCREASE IN FACE AMOUNT

Face amount increases are not available with this policy.

PAYMENT OF PROCEEDS

SURRENDER AND DEATH BENEFIT PROCEEDS

We will process death benefits and full or partial surrenders at values next computed after we receive the request for surrender or due proof of death, provided such request is complete and in good order. Payment of surrender or death proceeds usually will be made in one lump sum within seven days, unless another mode of payment has been agreed upon by you and us. Payment of the death proceeds, however, may be delayed if the claim for payment of the death proceeds needs to be investigated; e.g., to ensure payment of the proper amount to the proper payee. Any such delay will not be beyond that reasonably necessary to investigate such claims consistent with insurance practices customary in the life insurance industry. Under this policy, the death proceeds will be paid when the insured person dies.

If the policy is assigned as collateral security, we will pay any amount due the assignee in one lump sum.

PAYMENT AMOUNT

We will make the death benefit payment based on the death benefit option in effect at the time.

| | Value we apply to payment option |
|------------------------|--------------------------------------|
| Death Benefit Option 1 | Policy face amount |
| Death Benefit Option 2 | Policy face amount plus policy value |

We will pay the minimum death benefit if it is greater under your chosen option. We will reduce the amount of death benefit payment by the amount of any outstanding debt.

The cash surrender value is the policy value reduced by outstanding debt on the surrender date.

SURRENDERS

You may take a full or partial surrender of your policy at any time as long as insured person is living and the policy is in

force. The amount available for surrender will be the cash surrender value at the end of the valuation period during which we receive the surrender request.

We generally pay a surrendered amount within seven days of receiving your written request in good order. We may postpone surrender payments under certain circumstances.

FULL SURRENDERS

You may fully surrender your policy by sending the policy to us along with the written release and surrender of all claims in a form satisfactory to us at VPMO.

PARTIAL SURRENDERS

You may receive a part of the policy's cash surrender value by requesting a partial surrender of the policy. You must submit a written request to VPMO. We may require you to return your policy before we make payment. A partial surrender will be effective on the date we receive your written request and the returned policy, if required.

We do not normally permit partial surrenders of less than \$500 or if the resulting death benefit would be less than \$25,000. We may require you to surrender the entire value allocated to an investment option if the partial surrender would result in a value below \$500 in that investment option.

You may choose in what proportions we deduct the following amounts from among your investment options. If you do not choose, we will make the deductions in the same manner as for monthly deductions. A partial surrender will reduce your policy value by the sum of the:

[diamond] Partial Surrender Amount - the portion of the cash surrender value you choose, but not less than \$500; plus

[diamond] Partial Surrender Fee of \$25; plus

[diamond] Pro rated Surrender Charge. We deduct a pro rata portion of the surrender charge that would apply to a full surrender.

We will reduce your policy's cash surrender value by the partial surrender amount paid. If your policy has Death Benefit Option 1, we will reduce your policy's face amount by the same amounts as described above for the reduction of policy value.

TRANSFER OF POLICY VALUE

INTERNET, INTERACTIVE VOICE RESPONSE AND TELEPHONE TRANSFERS

You may transfer your policy value among the available investment options and make changes to your premium payment allocations by Internet, Interactive Voice Response or telephone. You may also write to VPMO or call VULA between the hours of 8:30 AM and 4:00 PM, Eastern Time. (The appropriate address and telephone number are on page 1.) We will execute a written request the day we receive it at VPMO. We will execute transfers on the day you make the request except as noted below.

We do not charge for transfers at this time. However, we reserve the right to charge a fee of \$20 for each transfer after your first twelve transfers in a policy year. Should we begin imposing this charge, we would not count transfers made under a Systematic Transfer Program toward the twelve-transfer limit. For more information, see "Disruptive Trading and Market Timing."

You may permit your registered representative to submit transfer requests on your behalf.

PHL Variable and Phoenix Equity Planning Corporation ("PEPCO"), our national distributor, will use reasonable procedures to confirm that transfer instructions are genuine. We require verification of account information and will record telephone instructions on tape. You will receive written confirmation of all transfers. PHL Variable and PEPCO may be liable for following unauthorized transfer instructions if we fail to follow our established security procedures. However, you will bear the risk of a loss resulting from instructions entered by an unauthorized third party that PHL Variable and PEPCO reasonably believe to be genuine.

We may modify or terminate your transfer and allocation privileges at any time. You may find it difficult to exercise these privileges during times of extreme market volatility. In such a case, you should submit your request in writing.

We will not accept batches of transfer instructions from registered representatives acting under powers of attorney for multiple policy owners, unless the registered representative's broker-dealer firm and PHL Variable have entered into a third-party transfer service agreement. If we reject a transfer request for any of these reasons, we will notify you of our decision in writing.

TRANSFER RESTRICTIONS

We do not permit transfers of less than \$500 unless either:

[diamond] the entire balance in the subaccount or the Guaranteed Interest Accounts is being transferred; or

[diamond] the transfer is part of a Systematic Transfer Program.

We reserve the right to prohibit a transfer to any subaccount if the value of your investment in that subaccount immediately after the transfer would be less than \$500. We further reserve the right to require that the entire balance of a subaccount or the Guaranteed Interest Accounts be transferred if the value of your investment in that subaccount immediately after the transfer, would be less than \$500.

You may make only one transfer per policy year from the non-loaned portion of the Guaranteed Interest Account or the Long-term Guaranteed Interest Account. You may make additional transfers out of the Guaranteed Interest Account if the transfers are made as part of a Systematic Transfer Program or unless we agree to make an exception to this rule. The amount you may transfer is limited to the greater of \$1,000 or 25% of the value of the non-loaned portion of the Guaranteed Interest Account. The amount you may transfer is limited to the greater of \$1,000, 10% of the value of the Long-term Guaranteed Interest Account or the amount of policy value transferred out of the Long-term Guaranteed Interest

Account in the prior policy year. You may transfer policy value into the Guaranteed Interest Accounts at anytime.

For more information on the Guaranteed Interest Accounts, please see, "The

Guaranteed Interest Accounts."

DISRUPTIVE TRADING AND MARKET TIMING

Your ability to make transfers among subaccounts under the policy is subject to modification if we determine, in our sole opinion, that your exercise of the transfer privilege may disadvantage or potentially harm the rights or interests of other policy owners.

Frequent purchases, redemptions and transfers, programmed transfers, transfers into and then out of a subaccount in a short period of time, and transfers of large amounts at one time ("Disruptive Trading") can have harmful effects for other policy owners. These risks and harmful effects include:

- [diamond] dilution of the interests of long-term investors in a subaccount, if market timers or others transfer into the subaccount at prices that are below the true value or transfer out of the subaccount at prices that are higher than the true value;
- [diamond] an adverse affect on portfolio management, as determined by portfolio management in its sole discretion, such as causing the underlying fund to maintain a higher level of cash than would otherwise be the case, or causing the underlying fund to liquidate investments prematurely; and
- [diamond] increased brokerage and administrative expenses.

To protect our policy owners and the underlying funds from Disruptive Trading, we have adopted certain market timing policies and procedures.

Under our market timing policy, we could modify your transfer privileges for some or all of the subaccounts. Modifications include, but are not limited to, not accepting a transfer request from you or from any person, asset allocation service, and/or market timing service made on your behalf. We may also limit the amount that may be transferred into or out of any subaccount at any one time. Unless prohibited by the terms of the policy, we may (but are not obligated to):

- [diamond] limit the dollar amount and frequency of transfers (e.g., prohibit more than one transfer a week, or more than two a month, etc.),
- [diamond] restrict the method of making a transfer (e.g., require that all transfers into a particular subaccount be sent to our Service Center by first class U.S. mail and rescind telephone or fax transfer privileges),
- [diamond] require a holding period for some subaccounts (e.g., prohibit transfers into a particular subaccount within a specified period of time after a transfer out of that subaccount),
- [diamond] impose redemption fees on short-term trading (or implement and administer redemption fees imposed by one or more of the underlying funds), or
- [diamond] impose other limitations or restrictions.

Currently we attempt to detect Disruptive Trading by monitoring both the dollar amount of individual transfers and the frequency of a policy owner's transfers. With respect to both dollar amount and frequency, we may consider an individual transfer alone or when combined with transfers from other policies owned by or under the control or influence of the same individual or entity. We currently review transfer activity on a regular basis. We also consider any concerns brought to our attention by the managers of the underlying funds. We may change our monitoring procedures at any time without notice.

Because we reserve discretion in applying these policies, they may not be applied uniformly. However, we will to the best of our ability apply these policies uniformly. Consequently, there is a risk that some policy owners could engage in market timing while others will bear the effects of their market timing.

Currently we attempt to detect Disruptive Trading by monitoring activity for all policies. If a policy owner's transfer request exceeds the transfer parameters, we may send the owner a warning letter. Then, if at any time thereafter the owner's transfer activity exceeds the transfer parameters, we will revoke the policy owner's right to make Internet and Interactive Voice Response (IVR) transfers. We will notify policy owners in writing (by mail to their address of record on file with us) if we limit their trading.

We have adopted these policies and procedures as a preventative measure to protect all policy owners from the potential affects of Disruptive Trading, while also abiding by any rights that policy owners may have to make transfers and providing reasonable and convenient methods of making transfers that do not have the potential to harm other policy owners.

We currently do not make any exceptions to the policies and procedures discussed above to detect and deter Disruptive Trading. We may reinstate Internet, IVR,

telephone and fax transfer privileges after they are revoked, but we will not reinstate these privileges if we have reason to believe that they might be used thereafter for Disruptive Trading.

We cannot guarantee that our monitoring will be 100% successful in detecting all transfer activity that exceeds the parameters discussed above (and we do not guarantee that these are appropriate transfer parameters to prevent Disruptive Trading). Moreover, we cannot guarantee that revoking or limiting a policy owner's Internet, IVR, telephone and fax transfer privileges will successfully deter all Disruptive Trading. In addition, some of the underlying funds are available to insurance companies other than Phoenix and we do not know whether those other insurance companies have adopted any policies and procedures to detect and deter Disruptive Trading, or if so what those policies and procedures might be. Because we may not be able to detect or deter all Disruptive Trading and because some of these funds are available through other insurance companies, some policy owners may be treated differently than others, resulting in the

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risk that some policy owners could engage in market timing while others will bear the effects of their market timing.

We may, without prior notice, take whatever action we deem appropriate to comply with or take advantage of any state or federal regulatory requirement. In addition, orders for the purchase of underlying fund shares are subject to acceptance by the relevant fund. We reserve the right to reject, without prior notice, any transfer request into any subaccount if the purchase of shares in the corresponding underlying fund is not accepted for any reason.

We do not include transfers made pursuant to the Dollar Cost Averaging, Automatic Asset Rebalancing or other similar programs when applying our market timing policy.

SYSTEMATIC TRANSFER PROGRAMS

You may elect a systematic transfer program that we offer under the policy. We reserve the right to change, eliminate or add optional programs subject to applicable laws.

We base transfers under a Systematic Transfer Program on the subaccount values on the first day of the month following our receipt of your transfer request. Should the first day of the month fall on a holiday or weekend, we will process the transfer on the next business day. You may have only one program in effect at a time.

We do not charge for these programs.

DOLLAR COST AVERAGING PROGRAM: Dollar Cost Averaging periodically transfers policy value from one of the subaccounts or from the Guaranteed Interest Account (a "source account") to one or several of the available subaccounts ("target subaccounts") and the Long-term Guaranteed Interest Account. You choose to make these transfers monthly, quarterly, semiannually or annually. The minimums you may transfer from the source account are:

| | |
|--------------------------|------------------------------|
| [diamond] \$25 monthly | [diamond] \$150 semiannually |
| [diamond] \$75 quarterly | [diamond] \$300 annually |

You must have at least \$2,000 in the source account to begin a Dollar Cost Averaging Program. Should the value in the source account fall below the transfer amount, we will transfer the remaining balance and end the Program. Transfers must be made in approximately equal amounts over a minimum of six months. The Dollar Cost Averaging Program is not available if you invest through a bank draft program.

You may start or discontinue this program at any time by submitting a written request to VPMO, or calling VULA (see page one). Dollar Cost Averaging does not ensure a profit nor guarantee against a loss in a declining market. The Dollar Cost Averaging Program is not available while the Asset Rebalancing Program is in effect.

ASSET REBALANCING PROGRAM: Under this program, we transfer policy value among the subaccounts to match your chosen allocation percentages. You can choose to have us make these transfers monthly, quarterly, semiannually or annually. We reserve the right to not permit transfers to or from the Guaranteed Interest Accounts.

You may start or discontinue this program at any time by submitting a written request to VPMO or calling VULA (see page one). The Asset Rebalancing Program does not ensure a profit nor guarantee against a loss in a declining market. The Asset Rebalancing Program is not available while the Dollar Cost Averaging Program is in effect.

POLICY LOANS

Generally, you may borrow up to amount of your policy value less the current

surrender charge and loan interest accrued to the end of the policy year. We will count any outstanding loan toward the applicable limit. We generally do not allow loans under \$500 except to pay premiums on any PHL Variable policies (including affiliates).

When you take a loan, we will take an amount equal to the loan from your investment options as collateral and deposit it to the "loaned portion" of the Guaranteed Interest Account. You may instruct us how to withdraw policy value from the subaccounts and the Guaranteed Interest Accounts for deposit to the loaned portion of the Guaranteed Interest Account. If you do not instruct us, we will make the withdrawal in the same manner as monthly deductions.

We charge interest on the loan at annual rates given below, compounded daily and payable in arrears:

| POLICY YEARS | LOAN INTEREST RATE |
|--------------|--------------------|
| 1-10 | 5% |
| 11-15 | 4% |
| 16 and after | 3% |

At the end of each policy year, all interest due will be treated as a new loan and will be offset by a transfer from your subaccounts, the non-loaned portion of the Guaranteed Interest Account or Long-term Guaranteed Interest Account to the loaned portion of the Guaranteed Interest Account.

We credit the loaned portion of the Guaranteed Interest Account with interest at an effective annual rate of 3%, compounded daily and payable in arrears. At the end of each policy year, or when you repay a loan, the interest credited to the loaned portion of the Guaranteed Interest Account will be transferred to the non-loaned portion of the Guaranteed Interest Account.

You may repay a loan at any time the policy is in force. We apply loan repayments first to pay any outstanding loan interest. We then apply any remaining amount to reduce the loaned portion of the Guaranteed Interest Account and correspondingly increase the non-loaned portion of the Guaranteed Interest Account. If you make a loan repayment that exceeds the remaining loan interest and loan balance, we will apply the excess among the investment options according to your most recent premium allocation schedule on file.

We will use any loan repayment we receive during a grace period first to pay any overdue monthly deductions. We will then apply any remaining balance to reduce loan interest and any loans.

We will apply any payment we receive while you have outstanding loans to reduce loan interest and the loans, unless you designate it as a premium payment.

Failure to repay a policy loan or to pay loan interest will not terminate the policy unless your policy's cash surrender value becomes insufficient to maintain the policy in force.

Policy value for loaned amounts increases at the rate we credit the loaned portion of the Guaranteed Interest Account, whereas non-loaned policy value varies with the investment performance of the chosen subaccounts, at the rate we credit the non-loaned portion of the Guaranteed Interest Account and the Long-term Guaranteed Interest Account. Loans can also reduce your policy's death benefit. We deduct the amount of any outstanding loans plus any accrued loan interest from your policy value before we calculate the death benefit. The amount available for a full surrender is similarly reduced by the amount of any outstanding debt.

The proceeds of policy loans may be subject to federal income tax under some circumstances. If a request for a decrease in face amount occurs, the contract will have to be retested under section 7702 and 7702A of the Internal Revenue Code. This decrease may cause the contract to become a Modified Endowment Contract and impact the testing under section 7702. Following reduction in the face amount, if the contract becomes a Modified Endowment Contract, any loan on the policy must be treated as a taxable distribution to the owner to the extent of gain in the policy.

A policy loan will have a permanent effect on the policy value because the investment results of the loaned portion of the Guaranteed Interest Account will differ from that of the subaccounts, the non-loaned portion of the Guaranteed Interest Account and the Long-term Guaranteed Interest Account. The longer a loan is outstanding, the greater the effect is likely to be. The effect could be favorable or unfavorable. Under Death Benefit Option 1, outstanding policy loans do not reduce the policy's gross death benefit, because the policy value is inclusive of the gross death benefit amount. A policy loan can also have an effect on the policy's death benefit under Death Benefit Option 2 due to any resulting differences in policy value.

Subject to approval in your state, the policy loan interest rates for policy years 11 and subsequent, may change (based upon issue age of the insured). Under the revised schedule, we charge loan interest at an effective annual rate of 3% at the earlier of the 16th policy year or upon the insured reaching age of 65 (but not before policy year 11).

OVERLOAN PROTECTION PROVISION

This option is designed to prevent a heavily loaned policy from lapsing and may be exercised under the following conditions.

[diamond] The policy has been in force for at least 15 years.

[diamond] The Insured is at least 75 years old.

[diamond] All premiums paid have been withdrawn by partial surrender.

[diamond] The loan balance is equal to 96% of the policy value (any loan in excess of this amount must be repaid).

Note: If the loan balance exceeds 96% of the policy value, the loan balance in excess of 96% must be repaid at the time that this provision is requested.

When You elect this option, the following actions will occur on the next monthly calculation day.

[diamond] Riders in effect, if any, will terminate;

[diamond] Deduction of a one-time transaction charge of 3.5% of the policy value;

[diamond] The death benefit option will permanently change to Death Benefit Option 1;

[diamond] The face amount will be reduced to the policy value multiplied by 101%;

[diamond] The remaining policy value will be transferred to the Long Term Guaranteed Interest Account. No transfer charge will be assessed for this transfer. No further transfers will be allowed;

[diamond] The death benefit will be the greater of:

- o the new face amount, or
- o the greater of the policy value or the loan multiplied by the applicable minimum death benefit percentage.

After election of this option, monthly charges will no longer be assessed, however, loan interest will continue to accrue. No additional premium payments will be accepted. No additional partial surrenders, policy loans or loan repayments will be allowed. Any loan balance will reduce the death benefit payable and the loan interest will continue to accrue.

LAPSE

Payment of the issue premium, no matter how large or the payment of additional premiums will not guarantee the policy will remain in force. If you take a partial surrender or a policy loan, it could negatively affect the policy value, and therefore increase the risk of policy lapse.

If, during the first 7 policy years, required premiums are not paid or the policy value is less than the monthly deduction, we will allow a grace period of 61 days during which you must pay an amount equal to the larger of three times the required monthly deduction plus any amount overdue or the required premium less the actual premium to prevent the policy from lapsing.

If, at any time after the first seven policy years, the cash surrender value is less than the monthly deduction, we will allow a grace period of 61 days during which you must pay an amount equal to the larger of three times the required monthly deduction plus any amount overdue or the amount required to provide a positive cash surrender value to prevent the policy from lapsing.

If you fail to make the required payment before the 61-day grace period ends, the policy will lapse and expire without

value. We will mail you notice at least 15 days and not more than 45 days before any potential lapse will occur. By lapse, we mean that the policy is no longer in full force and has no value except to the extent of any extended insurance provided by the cash surrender value, if any, as described in the "Extended Term Insurance" section below.

The policy will remain in force during the grace period, however, we will not permit any subaccount transfers, loans, full or partial surrenders. We apply any premium payment we receive during the grace period, less the premium expense charge, to first pay any monthly deductions due during the grace period. We will apply any excess premium according to your current premium allocation schedule.

The death benefit during the grace period is equal to the death benefit immediately before the grace period begins.

EXTENDED TERM INSURANCE

If this policy lapses during the required annual premium years payable period and has a positive cash surrender value on the date of lapse, coverage under this policy will continue as Extended Term Insurance. At that time, all values from the Separate Account and all values from the Long-term Guaranteed Interest Account will be transferred to the non-loaned portion of the Guaranteed Interest Account. We then assess the full surrender charge against the policy, which will be taken from the non-loaned portion of the Guaranteed Interest Account.

If the policy is in Death Benefit Option 1, the face amount of the policy will be reduced by the amount of any outstanding debt in effect on the date of lapse.

If the policy is in Death Benefit Option 2, the face amount will remain unchanged, however the policy value will be reduced by the amount of any outstanding debt in effect on the date of lapse.

The loaned portion of the Guaranteed Interest Account would then be set to zero, and there will no longer be any outstanding debt in effect under the policy. At the time the policy lapses to Extended Term Insurance, the policy value would be set equal to the cash surrender value as of the date of lapse.

Once the policy has lapsed to Extended Term Insurance, the monthly administration charge will no longer apply, and no additional premium payments, transfers, partial surrenders, risk classification changes, or changes in face amount may be made. In addition, policy loans will no longer be available. All additional benefit riders will terminate unless they provide otherwise.

While this policy is in force as Extended Term Insurance, monthly processing will proceed with the following difference:

[diamond] The cost of insurance charge rates will be those in effect for Extended Term Insurance, but in no event will such rates be higher than the maximum guaranteed cost of insurance rates.

This policy will be continued as Extended Term Insurance until the first monthly calculation day that the policy value is not sufficient to pay the monthly deduction. In such event, the policy will lapse and terminate without value as of such date.

TERMINATION

This policy terminates automatically on the earliest of the date of death, full surrender, the date that the grace period expires without the payment of sufficient premium in accordance with the lapse provision or until the first monthly calculation day that the policy value is not sufficient to pay the monthly deduction in accordance with the lapse provision.

REINSTATEMENT

Unless this policy has been surrendered for its cash surrender value, this policy may be reinstated at any time within three years from the date of the premium default. You may request reinstatement in writing and will require submission of evidence of insurability satisfactory to us along with the payment of all required annual premiums in arrears with interest at a rate of 6% compounded annually, or an amount if greater that would result in a cash surrender value equal to at least three monthly deductions.

FEDERAL INCOME TAX CONSIDERATIONS

----- INTRODUCTION

This discussion is general in nature and is not intended as income tax advice. We make no attempt to consider any estate and inheritance taxes, or any state, local or other tax laws. Because this discussion is based upon our understanding of federal income tax laws as they are currently interpreted, we cannot guarantee the income tax status of any policy. The Internal Revenue Service ("IRS") makes no representation regarding the likelihood of continuation of current federal income tax laws, U.S. Treasury regulations or of the current interpretations. We reserve the right to make changes to the policy to assure that it will continue to qualify as a life insurance contract for federal income tax purposes.

The ultimate effect of federal income taxes on values under the Separate Account and on the economic benefit to you or your beneficiary depends on our income tax status and upon the income tax status of the individual concerned. For complete information on federal and state income tax considerations, an income tax advisor should be consulted.

The Internal Revenue Service ("IRS") makes no representation regarding the

likelihood of continuation of current federal income tax laws, Treasury regulations or of the current interpretations. We reserve the right to make changes to the policy to assure that it will continue to qualify as a life insurance contract for federal income tax purposes.

INCOME TAX STATUS

We are taxed as a life insurance company under the Internal Revenue Code of 1986 (the "Code"), as amended. For federal income tax purposes, neither the Separate Account nor the Guaranteed Interest Accounts are separate entities from

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Phoenix Life Insurance Company, PHL Variable Insurance Company and Phoenix Life and Annuity Company and their operations form a part of the companies.

Investment income and realized capital gains on the assets of the Separate Account are reinvested and taken into account in determining the value of the Separate Account. Investment income of the Separate Account, including realized net capital gains, is not taxed to us. Due to our income tax status under current provisions of the Code, no charge currently will be made to the Separate Account for our federal income taxes which may be attributable to the Separate Account. We reserve the right to make a deduction for taxes if our federal income tax treatment is determined to be other than what we currently believe it to be, if changes are made affecting the income tax treatment to our variable life insurance contracts, or if changes occur in our income tax status. If imposed, such charge would be equal to the federal income taxes attributable to the investment results of the Separate Account.

POLICY BENEFITS

DEATH BENEFIT PROCEEDS

The policy, whether or not it is a modified endowment contract (see "Modified Endowment Contracts"), should be treated as meeting the definition of a life insurance contract for federal income tax purposes under Section 7702 of the Code. As such, the death benefit proceeds thereunder should be excludable from the gross income of the beneficiary under Code Section 101(a)(1). Also, a policy owner should not be considered to be in constructive receipt of the cash surrender value, including investment income. However, see the sections below on possible taxation of amounts received under the policy, via full surrender, partial surrender or loan. In addition, a benefit paid under a Living Benefits Rider may be taxable as income in the year of receipt.

Code Section 7702 imposes certain conditions with respect to premiums received under a policy. We monitor the premiums to assure compliance with such conditions. However, if the premium limitation is exceeded during the year, we may return the excess premium, with interest, to the policy owner within 60 days after the end of the policy year, and maintain the qualification of the policy as life insurance for federal income tax purposes.

FULL SURRENDER

Upon full surrender of a policy for its cash surrender value, the excess, if any, of the policy value (unreduced by any outstanding indebtedness) over the premiums paid will be treated as ordinary income for federal income tax purposes. The full surrender of a policy that is a modified endowment contract may result in the imposition of an additional 10% tax on any income received.

PARTIAL SURRENDER

If the policy is a modified endowment contract, partial surrenders and other distributions are fully taxable to the extent of income in the policy and are possibly subject to an additional 10% tax. See the discussion on modified endowment contracts below. If the policy is not a modified endowment contract, partial surrenders still may be taxable, as follows. Code Section 7702(f)(7) provides that where a reduction in death benefits occurs during the first 15 years after a policy is issued and there is a cash distribution associated with that reduction, the policy owner may be taxed on all or a part of that amount distributed. A reduction in death benefits may result from a partial surrender. After 15 years, the proceeds will not be subject to tax, except to the extent such proceeds exceed the total amount of premiums paid but not previously recovered. We suggest you consult with your tax advisor in advance of a proposed decrease in death benefits or a partial surrender as to the portion, if any, which would be subject to tax, and in addition as to the impact such partial surrender might have under the new rules affecting modified endowment contracts. The benefit payment under the Living Benefits Rider is not considered a partial surrender.

LOANS

We believe that any loan received under a policy will be treated as your indebtedness. If the policy is a modified endowment contract, loans are fully taxable to the extent of income in the policy and are possibly subject to an additional 10% tax. See the discussion on modified endowment contracts. If the policy is not a modified endowment contract, we believe that no part of any loan under a policy will constitute income to you.

The deductibility by a policy owner of loan interest under a policy may be limited under Code Section 264, depending on the circumstances. A policy owner intending to fund premium payments through borrowing should consult an income tax advisor with respect to the tax consequences. Under the "personal" interest limitation provisions of the Code, interest on policy loans used for personal purposes is not tax deductible. Other rules may apply to allow all or part of the interest expense as a deduction if the loan proceeds are used for "trade or business" or "investment" purposes. See your tax advisor for further guidance.

BUSINESS-OWNED POLICIES

If a business or a corporation owns the policy, the Code may impose additional restrictions. The Code limits the interest deduction on business-owned policy loans and may impose tax upon the inside build-up of corporate-owned life insurance policies through the corporate alternative minimum tax.

MODIFIED ENDOWMENT CONTRACTS

GENERAL

Pursuant to Code Section 72(e), loans and other amounts received under modified endowment contracts will, in general, be taxed to the extent of accumulated income (generally, the excess of policy value over premiums paid). Life insurance policies can be modified endowment contracts if they fail to meet what is known as "the 7-pay test."

This test compares your policy to a hypothetical life insurance policy of equal face amount which requires seven equal annual premiums to be "fully paid-up," continuing to provide a level death benefit with no further premiums. A policy becomes a

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modified endowment contract if, at any time during the first seven years, the cumulative premium paid on the policy exceeds the cumulative premium that would have been paid under the hypothetical policy. Premiums paid during a policy year but which are returned by us with interest within 60 days after the end of the policy year will be excluded from the 7-pay test. A life insurance policy received in exchange for a modified endowment contract will be treated as a modified endowment contract.

REDUCTION IN BENEFITS DURING THE FIRST SEVEN YEARS

If there is a reduction in death benefits previously elected, during the first seven policy years, the premiums are redetermined for purposes of the 7-pay test as if the policy originally had been issued at the reduced death benefit level and the new limitation is applied to the cumulative amount paid for each of the first seven policy years.

DISTRIBUTIONS AFFECTED

If a policy fails to meet the 7-pay test, it is considered a modified endowment contract only as to distributions in the year in which the test is failed and all subsequent policy years. However, distributions made in anticipation of such failure (there is a presumption that distributions made within two years prior to such failure were "made in anticipation") also are considered distributions under a modified endowment contract. If the policy satisfies the 7-pay test for seven years, distributions and loans generally will not be subject to the modified endowment contract rules.

PENALTY TAX

Any amounts taxable under the modified endowment contract rule will be subject to an additional 10% excise tax, with certain exceptions. This additional tax will not apply in the case of distributions that are:

[diamond] made on or after the taxpayer attains age 59 1/2;

[diamond] attributable to the taxpayer's disability (within the meaning of Code Section 72(m)(7)); or

[diamond] part of a series of substantially equal periodic payments (not less often than annually) made for the life (or life expectancy) of the taxpayer or the joint lives (or life expectancies) of the taxpayer and his beneficiary.

MATERIAL CHANGE RULES

Any determination of whether the policy meets the 7-pay test will begin again any time the policy undergoes a "material change," which includes any increase in death benefits or any increase in or addition of a qualified additional benefit, or any increase in or addition of any rider benefit available as an Optional Insurance Benefit (described above), with the following two exceptions.

[diamond] First, if an increase is attributable to premiums paid "necessary to fund" the lowest death benefit and qualified additional benefits payable in the first seven policy years or to the crediting of interest or dividends with respect to these premiums, the "increase" does not constitute a material change.

[diamond] Second, to the extent provided in regulations, if the death benefit or qualified additional benefit increases as a result of a cost-of-living adjustment based on an established broad-based index specified in the policy, this does not constitute a material change if:

- o the cost-of-living determination period does not exceed the remaining premium payment period under the policy; and
- o the cost-of-living increase is funded ratably over the remaining premium payment period of the policy.

A reduction in death benefits is not considered a material change unless accompanied by a reduction in premium payments.

A material change may occur at any time during the life of the policy (within the first seven years or thereafter), and future taxation of distributions or loans would depend upon whether the policy satisfied the applicable 7-pay test from the time of the material change. An exchange of policies is considered to be a material change for all purposes.

SERIAL PURCHASE OF MODIFIED ENDOWMENT CONTRACTS

All modified endowment contracts issued by the same insurer (or affiliated companies of the insurer) to the same policy owner within the same calendar year will be treated as one modified endowment contract in determining the taxable portion of any loans or distributions made to the policy owner. The U.S. Treasury has been given specific legislative authority to issue regulations to prevent the avoidance of the new distribution rules for modified endowment contracts. A tax advisor should be consulted about the tax consequences of the purchase of more than one modified endowment contract within any calendar year.

LIMITATIONS ON UNREASONABLE MORTALITY AND EXPENSE CHARGES

The Code imposes limitations on unreasonable mortality and expense charges for purposes of ensuring that a policy qualifies as a life insurance contract for federal income tax purposes. The mortality charges taken into account to compute permissible premium levels may not exceed those charges required to be used in determining the federal income tax reserve for the policy, unless U.S. Treasury regulations prescribe a higher level of charge. In addition, the expense charges taken into account under the guideline premium test are required to be reasonable, as defined by the U.S. Treasury regulations. We will comply with the limitations for calculating the premium we are permitted to receive from you.

QUALIFIED PLANS

A policy may be used in conjunction with certain qualified plans. Since the rules governing such use are complex, you should not use the policy in conjunction with a qualified plan until you have consulted a pension consultant or income tax advisor.

DIVERSIFICATION STANDARDS

To comply with the Diversification Regulations under Code Section 817(h), ("Diversification Regulations") each series is required to diversify its investments. The Diversification Regulations generally require that on the last day of each calendar quarter the series' assets be invested in no more than:

- [diamond] 55% in any one investment
- [diamond] 70% in any two investments
- [diamond] 80% in any three investments
- [diamond] 90% in any four investments

A "look-through" rule applies to treat a pro rata portion of each asset of a series as an asset of the Separate Account; therefore, each series will be tested for compliance with the percentage limitations. For purposes of these diversification rules, all securities of the same issuer are treated as a single investment, but each United States government agency or instrumentality is treated as a separate issuer.

The general diversification requirements are modified if any of the assets of the Separate Account are direct obligations of the U.S. Treasury. In this case, there is no limit on the investment that may be made in U.S. Treasury securities, and for purposes of determining whether assets other than U.S. Treasury securities are adequately diversified, the generally applicable percentage limitations are increased based on the value of the Separate Account's investment in U.S. Treasury securities. Notwithstanding this modification of the general diversification requirements, the portfolios of the funds will be structured to comply with the general diversification standards because they serve as an investment vehicle for certain variable annuity contracts that must comply with these standards.

In connection with the issuance of the Diversification Regulations, the U.S. Treasury announced that such regulations do not provide guidance concerning the extent to which you may direct your investments to particular divisions of a

separate account. It is possible that a revenue ruling or other form of administrative pronouncement in this regard may be issued in the near future. It is not clear, at this time, what such a revenue ruling or other pronouncement will provide. It is possible that the policy may need to be modified to comply with such future U.S. Treasury announcements. For these reasons, we reserve the right to modify the policy, as necessary, to prevent you from being considered the owner of the assets of the Separate Account.

We intend to comply with the Diversification Regulations to assure that the policies continue to qualify as a life insurance contract, for federal income tax purposes.

CHANGE OF OWNERSHIP OR INSURED OR ASSIGNMENT

Changing the policy owner or the insured or an exchange or assignment of the policy may have tax consequences depending on the circumstances. Code Section 1035 provides that a life insurance contract can be exchanged for another life insurance contract, without recognition of gain or loss, assuming that no money or other property is received in the exchange, and that the policies relate to the same Insured. If the surrendered policy is subject to a policy loan, this may be treated as the receipt of money on the exchange. We recommend that any person contemplating such actions seek the advice of an income tax advisor.

OTHER TAXES

Federal estate tax, state and local estate, inheritance and other tax consequences of ownership or receipt of policy proceeds depend on the circumstances of each policy owner or beneficiary. We do not make any representations or guarantees regarding the tax consequences of any policy with respect to these types of taxes.

WITHHOLDING

We are required to withhold federal income taxes on the taxable portion of any amounts received under the policy unless you elect to not have any withholding or in certain other circumstances. You are not permitted to elect out of withholding if you do not provide a social security number or other taxpayer identification number. Special withholding rules apply to payments made to nonresident aliens. You are liable for payment of federal income taxes on the taxable portion of any amounts received under the policy. You may be subject to penalties if your withholding or estimated tax payments are insufficient.

FINANCIAL STATEMENTS

The financial statements of PHL Variable Insurance Company at December 31, 2004 and 2003, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2004 and the results of its operations and cash flows for the periods indicated are contained in the Statement of Additional Information (SAI), which you can get free of charge by calling the toll free number given on page one. The financial statements of PHL Variable Insurance Company included herein should be considered only as bearing upon the ability of PHL Variable Insurance Company to meet its obligations under the policies. You should not consider them as bearing on the investment performance of the assets held in the Separate Account or the Guaranteed Interest Accounts' rates that we credit during a guarantee period.

APPENDIX A - INVESTMENT OPTIONS

<TABLE>
<CAPTION>
INVESTMENT TYPES

| Subaccount | Investment Type | | | | | |
|---|-------------------|--------------|-----------|-----------------|--------|-----------|
| | Aggressive Growth | Conservative | Growth | Growth & Income | Income | Specialty |
| <S> Phoenix-Aberdeen International Series | <C> | <C> | <C> X | <C> | <C> | <C> |
| Phoenix-AIM Growth Series | | | X | | | |
| Phoenix-Alger Small-Cap Growth Series | | | X | | | |
| Phoenix-Alliance/Bernstein Enhanced Index Series | | | X | | | |
| Phoenix-Duff & Phelps Real Estate Securities Series | | | | | | X |
| Phoenix-Engemann Capital Growth Series | | | X | | | |
| Phoenix-Engemann Growth and Income Series | | | | X | | |
| Phoenix-Engemann Small-Cap Growth Series | X | | | | | |

| | | | |
|---|---|---|---|
| Phoenix-Engemann Strategic Allocation Series | | X | |
| Phoenix-Engemann Value Equity Series | | X | |
| Phoenix-Goodwin Money Market Series | X | | |
| Phoenix-Goodwin Multi-Sector Fixed Income Series | | | X |
| Phoenix-Goodwin Multi-Sector Short Term Bond Series | | | X |
| Phoenix-Kayne Rising Dividends Series | | X | |
| Phoenix-Kayne Small-Cap Quality Value Series | | X | |
| Phoenix-Lazard International Equity Select Series | | X | |
| Phoenix-Northern Dow 30 Series | | X | |
| Phoenix-Northern Nasdaq-100 Index(R) Series | | X | |
| Phoenix-Sanford Bernstein Mid-Cap Value Series | | X | |
| Phoenix-Sanford Bernstein Small-Cap Value Series | | X | |
| Phoenix-Seneca Mid-Cap Growth Series | X | | |
| Phoenix-Seneca Strategic Theme Series | | X | |
| AIM V.I. Capital Appreciation Fund | | X | |
| AIM V.I. Mid Cap Core Equity Fund | | X | |
| AIM V.I. Premier Equity Fund | | X | |
| Alger American Leveraged AllCap Portfolio | | X | |
| Federated Fund for U.S. Government Securities II | | | X |
| Federated High Income Bond Fund II | | X | |
| VIP Contrafund(R) Portfolio | | X | |
| VIP Growth Opportunities Portfolio | | X | |
| VIP Growth Portfolio | | X | |
| Mutual Shares Securities Fund | | X | |
| Templeton Foreign Securities Fund | | X | |
| Templeton Growth Securities Fund | | X | |
| Lazard Retirement Small Cap Portfolio | | X | |
| Bond-Debenture Portfolio | | | X |
| Growth and Income Portfolio | | X | |
| Mid-Cap Value Portfolio | | X | |
| Rydex Variable Trust Juno Fund | | | X |
| Rydex Variable Trust Nova Fund | X | | |
| Rydex Variable Trust Sector Rotation Fund | | | X |
| Scudder VIT EAFE(R) Equity Index Fund | X | | |
| Scudder VIT Equity 500 Index Fund | | X | |
| Technology Portfolio | | | X |
| Wanger International Select | X | | |
| Wanger International Small Cap | X | | |
| Wanger Select | | X | |
| Wanger U.S. Smaller Companies | | X | |

</TABLE>

<TABLE>
 <CAPTION>
 INVESTMENT ADVISORS

| Subaccount | Advisors | | | | | |
|---|----------------------------------|---------------------------------|---|--------------------|---------------------------|-----------------------------|
| | Phoenix Investment Counsel, Inc. | Phoenix Variable Advisors, Inc. | Duff & Phelps Investment Management Co. | AIM Advisors, Inc. | Engemann Asset Management | Fred Alger Management, Inc. |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Phoenix-Aberdeen International Series | X | | | | | |
| Phoenix-AIM Growth Series | | X | | | | |
| Phoenix-Alger Small-Cap Growth Series | | X | | | | |
| Phoenix-Alliance/Bernstein Enhanced Index Series | | X | | | | |
| Phoenix-Duff & Phelps Real Estate Securities Series | | | X | | | |
| Phoenix-Engemann Capital Growth Series | X | | | | | |
| Phoenix-Engemann Growth and Income Series | | | | | X | |
| Phoenix-Engemann Small-Cap Growth Series | X | | | | | |
| Phoenix-Engemann Strategic Allocation Series | X | | | | | |
| Phoenix-Engemann Value Equity Series | | | | | X | |
| Phoenix-Goodwin Money Market Series | X | | | | | |
| Phoenix-Goodwin Multi-Sector Fixed Income Series | X | | | | | |
| Phoenix-Goodwin Multi-Sector Short Term Bond Series | X | | | | | |
| Phoenix-Kayne Rising Dividends Series | X | | | | | |
| Phoenix-Kayne Small-Cap Quality Value Series | X | | | | | |
| Phoenix-Lazard International Equity Select Series | | X | | | | |
| Phoenix-Northern Dow 30 Series | | X | | | | |
| Phoenix-Northern Nasdaq-100 Index(R) Series | | X | | | | |
| Phoenix-Sanford Bernstein Mid-Cap Value Series | | X | | | | |
| Phoenix-Sanford Bernstein Small-Cap Value Series | | X | | | | |
| Phoenix-Seneca Mid-Cap Growth Series | X | | | | | |
| Phoenix-Seneca Strategic Theme Series | X | | | | | |
| AIM V.I. Capital Appreciation Fund | | | | X | | |
| AIM V.I. Mid Cap Core Equity Fund | | X | | | | |
| AIM V.I. Premier Equity Fund | | | | X | | |
| Alger American Leveraged AllCap Portfolio | | | | | | X |
| Federated Fund for U.S. Government Securities II | | | | | | |
| Federated High Income Bond Fund II | | | | | | |
| VIP Contrafund(R) Portfolio | | | | | | |
| VIP Growth Opportunities Portfolio | | | | | | |
| VIP Growth Portfolio | | | | | | |
| Mutual Shares Securities Fund | | | | | | |

Templeton Foreign Securities Fund
 Templeton Growth Securities Fund
 Lazard Retirement Small Cap Portfolio
 Bond-Debenture Portfolio
 Growth and Income Portfolio
 Mid-Cap Value Portfolio
 Rydex Variable Trust Juno Fund
 Rydex Variable Trust Nova Fund
 Rydex Variable Trust Sector Rotation Fund
 Scudder VIT EAFE(R) Equity Index Fund
 Scudder VIT Equity 500 Index Fund
 Technology Portfolio
 Wanger International Select
 Wanger International Small Cap
 Wanger Select
 Wanger U.S. Smaller Companies

</TABLE>

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Advisors

| Subaccount | Deutsche Asset Management, Inc. | Federated Investment Management Company | Fidelity Management and Research Company | Franklin Mutual Advisers, LLC | Lazard Asset Management LLC | Lord, Abbett & Co. LLC |
|---|--|--|--|--|--------------------------------------|---------------------------------|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Phoenix-Aberdeen International Series | | | | | | |
| Phoenix-AIM Growth Series | | | | | | |
| Phoenix-Alger Small-Cap Growth Series | | | | | | |
| Phoenix-Alliance/Bernstein Enhanced Index Series | | | | | | |
| Phoenix-Duff & Phelps Real Estate Securities Series | | | | | | |
| Phoenix-Engemann Capital Growth Series | | | | | | |
| Phoenix-Engemann Growth and Income Series | | | | | | |
| Phoenix-Engemann Small-Cap Growth Series | | | | | | |
| Phoenix-Engemann Strategic Allocation Series | | | | | | |
| Phoenix-Engemann Value Equity Series | | | | | | |
| Phoenix-Goodwin Money Market Series | | | | | | |
| Phoenix-Goodwin Multi-Sector Fixed Income Series | | | | | | |
| Phoenix-Goodwin Multi-Sector Short Term Bond Series | | | | | | |
| Phoenix-Kayne Rising Dividends Series | | | | | | |
| Phoenix-Kayne Small-Cap Quality Value Series | | | | | | |
| Phoenix-Lazard International Equity Select Series | | | | | | |

| | | | | | |
|--|---|---|---|---|---|
| Phoenix-Northern Dow 30 Series | | | | | |
| Phoenix-Northern Nasdaq-100 Index(R) Series | | | | | |
| Phoenix-Sanford Bernstein Mid-Cap Value Series | | | | | |
| Phoenix-Sanford Bernstein Small-Cap Value Series | | | | | |
| Phoenix-Seneca Mid-Cap Growth Series | | | | | |
| Phoenix-Seneca Strategic Theme Series | | | | | |
| AIM V.I. Capital Appreciation Fund | | | | | |
| AIM V.I. Mid Cap Core Equity Fund | | | | | |
| AIM V.I. Premier Equity Fund | | | | | |
| Alger American Leveraged AllCap Portfolio | | | | | |
| Federated Fund for U.S. Government Securities II | | X | | | |
| Federated High Income Bond Fund II | | X | | | |
| VIP Contrafund(R) Portfolio | | | X | | |
| VIP Growth Opportunities Portfolio | | | X | | |
| VIP Growth Portfolio | | | X | | |
| Mutual Shares Securities Fund | | | | X | |
| Templeton Foreign Securities Fund | | | | | |
| Templeton Growth Securities Fund | | | | | |
| Lazard Retirement Small Cap Portfolio | | | | | X |
| Bond-Debenture Portfolio | | | | | X |
| Growth and Income Portfolio | | | | | X |
| Mid-Cap Value Portfolio | | | | | X |
| Rydex Variable Trust Juno Fund | | | | | |
| Rydex Variable Trust Nova Fund | | | | | |
| Rydex Variable Trust Sector Rotation Fund | | | | | |
| Scudder VIT EAFE(R) Equity Index Fund | X | | | | |
| Scudder VIT Equity 500 Index Fund | X | | | | |
| Technology Portfolio | | | | | |
| Wanger International Select | | | | | |
| Wanger International Small Cap | | | | | |
| Wanger Select | | | | | |
| Wanger U.S. Smaller Companies | | | | | |

</TABLE>

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| Advisors | | | | | |
|---------------------------------------|---|-----------------------|-----------------------------------|-----------------------------------|-------------------------------|
| Subaccount | Morgan Stanley Investment Management Inc. | Rydex Global Advisors | Templeton Global Advisors Limited | Templeton Investment Counsel, LLC | Wanger Asset Management, L.P. |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Phoenix-Aberdeen International Series | | | | | |

| | |
|---|---|
| Phoenix-AIM Growth Series | |
| Phoenix-Alger Small-Cap Growth Series | |
| Phoenix-Alliance/Bernstein Enhanced Index Series | |
| Phoenix-Duff & Phelps Real Estate Securities Series | |
| Phoenix-Engemann Capital Growth Series | |
| Phoenix-Engemann Growth and Income Series | |
| Phoenix-Engemann Small-Cap Growth Series | |
| Phoenix-Engemann Strategic Allocation Series | |
| Phoenix-Engemann Value Equity Series | |
| Phoenix-Goodwin Money Market Series | |
| Phoenix-Goodwin Multi-Sector Fixed Income Series | |
| Phoenix-Goodwin Multi-Sector Short Term Bond Series | |
| Phoenix-Kayne Rising Dividends Series | |
| Phoenix-Kayne Small-Cap Quality Value Series | |
| Phoenix-Lazard International Equity Select Series | |
| Phoenix-Northern Dow 30 Series | |
| Phoenix-Northern Nasdaq-100 Index(R) Series | |
| Phoenix-Sanford Bernstein Mid-Cap Value Series | |
| Phoenix-Sanford Bernstein Small-Cap Value Series | |
| Phoenix-Seneca Mid-Cap Growth Series | |
| Phoenix-Seneca Strategic Theme Series | |
| AIM V.I. Capital Appreciation Fund | |
| AIM V.I. Mid Cap Core Equity Fund | |
| AIM V.I. Premier Equity Fund | |
| Alger American Leveraged AllCap Portfolio | |
| Federated Fund for U.S. Government Securities II | |
| Federated High Income Bond Fund II | |
| VIP Contrafund(R) Portfolio | |
| VIP Growth Opportunities Portfolio | |
| VIP Growth Portfolio | |
| Mutual Shares Securities Fund | |
| Templeton Foreign Securities Fund | X |
| Templeton Growth Securities Fund | X |
| Lazard Retirement Small Cap Portfolio | |
| Bond-Debenture Portfolio | |
| Growth and Income Portfolio | |
| Mid-Cap Value Portfolio | |
| Rydex Variable Trust Juno Fund | X |

| | |
|---|---|
| Rydex Variable Trust Nova Fund | X |
| Rydex Variable Trust Sector Rotation Fund | X |
| Scudder VIT EAFE(R) Equity Index Fund | |
| Scudder VIT Equity 500 Index Fund | |
| Technology Portfolio | X |
| Wanger International Select | X |
| Wanger International Small Cap | X |
| Wanger Select | X |
| Wanger U.S. Smaller Companies | X |

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<TABLE>
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INVESTMENT SUBADVISORS

| Subadvisors | | | | | |
|---|--------------------------------|------------------------------|-----------------------------------|---------------------------|-----------------------------|
| Subaccount | Aberdeen Asset Management Inc. | AIM Capital Management, Inc. | Alliance Capital Management, L.P. | Engemann Asset Management | Fred Alger Management, Inc. |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Phoenix-Aberdeen International Series | X | | | | |
| Phoenix-AIM Growth Series | | X | | | |
| Phoenix-Alger Small-Cap Growth Series | | | | | X |
| Phoenix-Alliance/Bernstein Enhanced Index Series | | | X | | |
| Phoenix-Engemann Capital Growth Series | | | | X | |
| Phoenix-Engemann Growth and Income Series | | | | X | |
| Phoenix-Engemann Small-Cap Growth Series | | | | X | |
| Phoenix-Engemann Strategic Allocation Series | | | | X | |
| Phoenix-Engemann Value Equity Series | | | | X | |
| Phoenix-Kayne Rising Dividends Series | | | | | |
| Phoenix-Kayne Small-Cap Quality Value Series | | | | | |
| Phoenix-Lazard International Equity Select Series | | | | | |
| Phoenix-Northern Dow 30 Series | | | | | |
| Phoenix-Northern Nasdaq-100 Index(R) Series | | | | | |
| Phoenix-Sanford Bernstein Mid-Cap Value Series | | | | X | |
| Phoenix-Sanford Bernstein Small-Cap Value Series | | | | X | |
| Phoenix-Seneca Mid-Cap Growth Series | | | | | |
| Phoenix-Seneca Strategic Theme Series | | | | | |

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<CAPTION>
INVESTMENT SUBADVISORS

| Subadvisors | | | | |
|-------------|---|-------------------------|-----------------------------|----------------------------|
| | Kayne Anderson Rudnick Investment Management, | Lazard Asset Management | Northern Trust Investments, | Seneca Capital Management, |
| | | | | |

| Subaccount | LLC | LLC | N.A. | LLC |
|---|-----|-----|------|-----|
| <S> | <C> | <C> | <C> | <C> |
| Phoenix-Aberdeen International Series | | | | |
| Phoenix-AIM Growth Series | | | | |
| Phoenix-Alger Small-Cap Growth Series | | | | |
| Phoenix-Alliance/Bernstein Enhanced Index Series | | | | |
| Phoenix-Engemann Capital Growth Series | | | | |
| Phoenix-Engemann Growth and Income Series | | | | |
| Phoenix-Engemann Small-Cap Growth Series | | | | |
| Phoenix-Engemann Strategic Allocation Series | | | | |
| Phoenix-Engemann Value Equity Series | | | | |
| Phoenix-Kayne Rising Dividends Series | X | | | |
| Phoenix-Kayne Small-Cap Quality Value Series | X | | | |
| Phoenix-Lazard International Equity Select Series | | X | | |
| Phoenix-Northern Dow 30 Series | | | X | |
| Phoenix-Northern Nasdaq-100 Index(R) Series | | | X | |
| Phoenix-Sanford Bernstein Mid-Cap Value Series | | | | |
| Phoenix-Sanford Bernstein Small-Cap Value Series | | | | |
| Phoenix-Seneca Mid-Cap Growth Series | | | | X |
| Phoenix-Seneca Strategic Theme Series | | | | X |

</TABLE>