SECURITIES AND EXCHANGE COMMISSION

# FORM 497

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## FILER

**PHOENIX LIFE VARIABLE ACCUMULATION ACCOUNT**

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PHOENIX INVESTOR'S EDGE(R)
PHOENIX LIFE VARIABLE ACCUMULATION ACCOUNT
ISSUED BY: PHOENIX LIFE INSURANCE COMPANY ("PHOENIX")

PROSPECTUS MAY 1, 2005

This prospectus describes a fixed and variable accumulation deferred annuity contract offered to groups and individuals. The contract is designed to provide you with retirement income in the future. The contract offers a variety of fixed variable and investment options. You may allocate premium payments and contract value to one or more of the subaccounts of the Phoenix Life Variable Accumulation Account ("Separate Account") and the Guaranteed Interest Account ("GIA"). The assets of each subaccount will be used to purchase, at net asset value, shares of a series in the following designated 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

The contract is not a deposit or obligation of, underwritten or guaranteed by, any financial institution, credit union or affiliate. It is not federally insured by the Federal Deposit Insurance Corporation or any other state or federal agency. Contract investments are subject to risk, including the fluctuation of contract values and possible loss of principal. The Securities and Exchange Commission ("SEC") has not approved or disapproved these securities, nor passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

It may not be in your best interest to purchase a contract to replace an existing annuity contract or life insurance policy. You must understand the basic features of the proposed contract and your existing coverage before you decide to replace your present coverage. You must also know if the replacement will result in any tax liability.

This prospectus provides important information that a prospective investor ought to know before investing. This prospectus should be kept for future reference. A Statement of Additional Information ("SAI") dated May 1, 2005, is incorporated by reference and has been filed with the SEC and is available free of charge by contacting us at the address or phone number listed below. A table of contents for the SAI appears on the last page of this prospectus.

<TABLE>
<CAPTION>

| <S> | <C> | <C> |
|---|---|---|
| IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT: | [envelope] | PHOENIX LIFE INSURANCE COMPANY<br>ANNUITY OPERATIONS DIVISION<br>PO Box 8027<br>Boston, MA 02266-8027 |
| | [telephone] | TEL. 800/541-0171 |

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## GLOSSARY OF SPECIAL TERMS

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

ACCOUNT VALUE: The value of all assets held in the Separate Account.

ACCUMULATION UNIT: A standard of measurement for each subaccount used to determine the value of a contract and the interest in the subaccounts prior to the maturity date and amounts held under Annuity Payment Option L.

ACCUMULATION UNIT VALUE: The value of one accumulation unit was set at $1.000 on the date assets were first allocated to each subaccount. The value of one accumulation unit on any subsequent valuation date is determined by multiplying the immediately preceding accumulation unit value by the applicable net investment factor for the valuation period just ended.

ANNUITANT(S)/JOINT ANNUITANT: There may be one or two annuitants. One is the primary annuitant and the other is considered to be the joint annuitant. Prior to the maturity date, the annuitants may be changed. However, there may be tax consequences.

ANNUITY PAYMENT OPTION: The provisions under which we make a series of annuity payments to the annuitant or other payee, such as Life Annuity with Ten Years Certain. See "Annuity Payment Options."

ANNUITY UNIT: A standard of measurement used in determining the amount of each periodic payment under the variable Annuity Payment Options I, J, K, M and N. The number of annuity units in each subaccount with assets under the chosen option is equal to the portion of the first payment provided by that subaccount divided by the annuity unit value for that subaccount on the first payment calculation date.

ANNUITY UNIT VALUE: On the first valuation date selected by us, we set all annuity unit values in each subaccount of the Separate Account at $1.00. The annuity unit value on any subsequent valuation date is equal to the annuity unit value of the subaccount on the immediately preceding valuation date multiplied by the net investment factor for that subaccount for the valuation period divided by 1.00 plus the rate of interest for the number of days in the valuation period based on the assumed investment rate.

CLAIM DATE: The valuation date following receipt of a certified copy of the death certificate at our Annuity Operations Division.

CONTRACT DATE: The date that the initial premium payment is invested under a contract.

CONTRACT OWNER (OWNER, YOU, YOUR): Usually the person or entity to whom we issue the contract.

CONTRACT VALUE: Prior to the maturity date, the sum of all accumulation units held in the subaccounts of the Separate Account and the value held in the GIA. For Tax-sheltered Annuity plans (as described in Internal Revenue Code (IRC) Section 403(b)) with loans, the contract value is the sum of all accumulation units held in the subaccounts of the Account and the value held in the GIA plus the value held in the Loan Security Account, and less any Loan Debt.

DEATH BENEFIT OPTIONS: The selected death benefit option determines the method of death benefit calculation upon death of the owner or if there is more than one owner, on the earliest death of any of the owners.

FIXED PAYMENT ANNUITY: An annuity providing payments with a fixed dollar amount after the first payment is made.

GIA: An investment option under which premium amounts are guaranteed to earn a fixed rate of interest.

MATURITY DATE: The date elected by the owner as to when annuity payments will begin. The maturity date will not be any earlier than the first contract anniversary and no later than the annuitant's 95th birthday or ten years from the contract date, unless we agree otherwise. The election is subject to certain conditions described in "The Annuity Period." If more than one annuitant, the primary annuitant's age will be used to determine that maturity date.

MINIMUM GUARANTEED INTEREST RATE: The minimum interest rate credited to amounts held in the GIA. This rate will never be less than the statutory required minimum interest rate under applicable state insurance law.

MINIMUM INITIAL PAYMENT: The amount that you pay when you purchase a contract. We require minimum initial premium payments of:

[diamond] Nonqualified plans--$10,000
[diamond] Bank draft program--$50
[diamond] Qualified plans--$2,000

MINIMUM SUBSEQUENT PAYMENT: The least amount that you may pay when you make any subsequent premium payments, after the minimum initial payment (see above). The minimum subsequent payment for all contracts is $500 except for the bank draft program, which is $50.

NET ASSET VALUE: Net asset value of a series' shares is computed by dividing the value of the net assets of the series' by the total number of the series' outstanding shares.

PAYMENT UPON DEATH: The obligation of Phoenix under a contract to make a payment on the death of the owner or annuitant anytime: (a) before the maturity date of a contract (see "Payment Upon Death Before Maturity Date") or (b) after the maturity date of a contract (see "Payment Upon Death After Maturity Date").



PHOENIX (OUR, US, WE, COMPANY): Phoenix Life Insurance Company.

SEPARATE ACCOUNT: Phoenix Life Variable Accumulation Account.

SERIES: A separate investment portfolio of a fund.

VALUATION DATE: A valuation date is every day the New York Stock Exchange ("NYSE") is open for trading and Phoenix is open for business.

VARIABLE PAYMENT ANNUITY: An annuity providing payments that vary with the investment experience of the subaccounts.



<TABLE>
<CAPTION>
SUMMARY OF EXPENSES

The following tables describe the fees and expenses that you will pay when buying, owning and surrendering the contract.

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| | | |
|---|---|---|
| **CONTRACT OWNER TRANSACTION EXPENSES** | | These tables describe the fees and expenses that you will pay at the time that you purchase the contract, surrender the contract or transfer value between the subaccounts. State premium taxes may also be deducted. |
| Deferred Surrender Charge (as a percentage of amount surrendered: | | |
| Complete Premium Payment Year 0 | 8% | |
| Complete Premium Payment Year 1 | 7% | |
| Complete Premium Payment Years 2 | 6% | |
| Complete Premium Payment Years 3+ | None | |
| Transfer Charge(1) | | |
| Current | None | |
| Maximum | $20 | |

| | | |
|---|---|---|
| **ANNUAL ADMINISTRATIVE CHARGE** | | These tables describe the fees and expenses that you will pay periodically during the time that you own the contract, not including annual fund fees and expenses. |
| Maximum(2) | $35 | |
| **GUARANTEED MINIMUM INCOME BENEFIT RIDER (GMIB) FEE(3)** (as a percentage of the guaranteed annuitization value) | | |
| Maximum | .60% | |
| **GUARANTEED MINIMUM ACCUMULATION BENEFIT (GMAB) FEE(4)** (as a percentage of the greater of the Guaranteed Amount and contract value) | | |
| Maximum | 1.00% | |
| **ANNUAL SEPARATE ACCOUNT EXPENSES** (as a percentage of average account value) | | |
| DEATH BENEFIT OPTION 1 - RETURN OF PREMIUM | | |
| Mortality and Expense Risk Fee | 1.525% | |
| Daily Administrative Fee | .125% | |
| Total Annual Separate Account Expenses | 1.650% | |
| DEATH BENEFIT OPTION 2 - ANNUAL STEP-UP | | |
| Mortality and Expense Risk Fee | 1.675% | |
| Daily Administrative Fee | .125% | |
| Total Annual Separate Account Expenses | 1.800% | |
| DEATH BENEFIT OPTION 3 - RELIEF AMOUNT(5) | | |
| Mortality and Expense Risk Fee | 1.825% | |
| Daily Administrative Fee | .125% | |
| Total Annual Separate Account Expenses | 1.950% | |

| ANNUAL FUND OPERATING EXPENSES | Minimum | Maximum | |
|---|---|---|---|
| Total Annual Fund Operating Expenses (expenses that are deducted from the fund assets include management fees, 12b-1 fees and other expenses) | 0.29% | 2.68% | This table shows the minimum and maximum total operating expenses for the year ended 12/31/04, charged by the fund companies that you may pay periodically during the time that you own the contract. More detail concerning the funds' fees and total and net fund operating expenses can be found after the Expense Examples and are contained in the fund prospectuses. |

</TABLE>

1 We reserve the right to impose a transfer charge of up to $20 per transfer after the first 12 transfers in each contract year. See "Transfers."

2 This charge is deducted annually on the contract anniversary, on a pro rata basis from each investment option in which you have an interest. See "Deductions and Charges."

3 The Guaranteed Minimum Income Benefit Rider is an optional rider. The fee for this rider will be deducted annually on the contract anniversary if the rider is selected. See "Optional Program & Riders."

4 The Guaranteed Minimum Accumulation Benefit is an optional benefit. The fee for this benefit will be deducted annually on the contract anniversary only if the benefit is selected and in effect. See "Optional Programs & Riders."

5 This death benefit option is subject to state approval. See "Payment Upon Death After Maturity."

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EXPENSE EXAMPLES

If you surrender or annuitize your contract at the end of the applicable time period, your maximum costs would be:

DEATH BENEFIT OPTION 1

| 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| $1,216 | $2,027 | $2,479 | $4,964 |

DEATH BENEFIT OPTION 2

| 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| $1,229 | $2,067 | $2,545 | $5,076 |

DEATH BENEFIT OPTION 3

| 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| $1,243 | $2,106 | $2,610 | $5,186 |

If you do not surrender your contract at the end of the applicable time period, your maximum costs would be:

DEATH BENEFIT OPTION 1

| 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| $495 | $1,487 | $2,479 | $4,964 |

DEATH BENEFIT OPTION 2

| 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| $510 | $1,528 | $2,545 | $5,076 |

DEATH BENEFIT OPTION 3

| 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| $525 | $1,570 | $2,610 | $5,186 |

These examples are intended to help you compare the cost of investing in the contract with the cost of investing in other variable annuity contracts. These costs include contract owner transaction expenses, contract fees, separate account annual expenses, maximum rider and benefit fees and the maximum fund fees and expenses that were charged for the year ended 12/31/04.

The examples assume that you invest $10,000 in the contract for the time periods indicated. The examples also assume that your investment has a 5% return each year and assumes the maximum fees and expenses of any of the funds. Your assumptions.

</TABLE>



<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.

<TABLE>
<CAPTION>

| Series | Reimbursements | Net Annual Fund Expenses | Series | Reimbursements | Net Annual Fund Expenses |
|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> |
| 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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<TABLE>
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| 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 |
|---|---|---|---|---|---|---|
| AIM VARIABLE INSURANCE FUNDS - SERIES I SHARES | | | | | | |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| 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% |

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<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 & Waivers | Net Annual Fund Expenses | Series | Reimbursements & Waivers | Net Annual Fund Expenses |
|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> |
| 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>



## CONTRACT SUMMARY

This summary describes the general provisions of the annuity contract.

Certain provisions of the annuity contract described in this prospectus may differ in a particular state because of specific state requirements.

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

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

### OVERVIEW

The contract offers a dynamic idea in retirement planning. It's designed to give you maximum flexibility in obtaining your investment goals. The contract is intended for those seeking income and long-term tax-deferred accumulation of assets to provide income for retirement or other purposes. Those considering the contract for other purposes should consult with their tax advisors. Participants in qualified plans should note that, generally, they would not benefit from the tax deferral provided by an annuity contract and should not consider the contract for its tax treatment, but for its investment and annuity benefits. For more information, see "Purchase of Contracts."

The contract offers a combination of variable and fixed investment options. Investments in the variable options provide results that vary and depend upon the performance of the underlying funds, while investments in the GIA provide guaranteed interest earnings subject to certain conditions. For more information, see "Investments of the Separate Account" and "GIA."

You also select a death benefit option that is suitable to your financial objectives. The death benefit options differ in how the death benefit is calculated and in the amount of the mortality and expense risk fee. Certain age restrictions may apply to each death benefit option. For more information, see "The Accumulation Period--Payment Upon Death Before the Maturity Date" and "Taxation of Annuities in General--Nonqualified Plans" and "Taxation of Annuities in General--Qualified Plans."

INVESTMENT FEATURES

FLEXIBLE PREMIUM PAYMENTS

[diamond] Other than the minimum initial payment, there are no required premium payments.

[diamond] You may make premium payments anytime until the maturity date.

[diamond] You can vary the amount and frequency of your premium payments.

MINIMUM PREMIUM PAYMENT

[diamond] Generally, the minimum initial premium payment is $2,000 for a qualified plan and $10,000 for nonqualified plans. For more information, see "Purchase of Contracts."

ALLOCATION OF PREMIUMS AND CONTRACT VALUE

[diamond] premium payments are invested in one or more of the subaccounts and the GIA.

[diamond] Transfers between the subaccounts and from the subaccounts into the GIA can be made anytime. Transfers from the GIA are subject to rules discussed in the section, "GIA" and in "The Accumulation Period--Transfers."

[diamond] The contract value allocated to the subaccounts varies with the investment performance of the funds and is not guaranteed.

[diamond] The contract value allocated to the GIA will depend on deductions taken from the GIA and interest accumulated at rates we set. For contracts issued prior to March 31, 2003, the Minimum Guaranteed Interest Rate is equal to 3%. For contracts issued on or after March 31, 2003, and subject to state insurance department approval, the Minimum Guaranteed Interest Rate will equal the statutory required minimum interest rate under applicable state insurance law where the contract is delivered (generally between 1.5% and 3%).

[diamond] For contracts issued on or after March 31, 2003, payments and transfers to the GIA are subject to the maximum GIA percentage. The maximum GIA percentage is the maximum amount of a premium payment or total contract value that can be allocated to the GIA. The maximum amount is expressed as a percentage and that percentage will never be less than 5%.

WITHDRAWALS

[diamond] You may partially or fully surrender the contract at anytime for its contract value less any applicable surrender charge, market value adjustment and premium tax.

[diamond] Each year you may withdraw part of your contract value free of any surrender charges. In the first contract year, you may withdraw up to 10% of the contract value at the time of the first withdrawal without surrender charges. In subsequent years, the free withdrawal amount is 10% of the contract value as of the end of the previous contract year. For more information, see "Deductions and Charges--Surrender Charges."

[diamond] Withdrawals may be subject to a 10% penalty tax. For more information, see "Federal Income Taxes--Penalty Tax on Certain Surrenders and Withdrawals."

[diamond] Prior to the maturity date, contract owners who have elected the Guaranteed Minimum Income Benefit Rider ("GMIB"), may request partial withdrawals to be made either pro rata from all subaccounts and the GIA or from a specific investment option.



DEDUCTIONS AND CHARGES

FROM THE CONTRACT VALUE

[diamond] Annual Administrative Charge--currently, $35 each year. For more information, see "Deductions and Charges."

[diamond] Guaranteed Minimum Income Benefit Rider Fee--for contracts issued

before September 8, 2003, the fee equals 0.40% multiplied by the guaranteed annuitization value on the date the fee is deducted. For contracts issued on or after September 8, 2003, the fee equals 0.60% multiplied by the guaranteed annuitization value on the date the fee is deducted. For more information, see "Deductions and Charges."

[diamond] Guaranteed Minimum Accumulation Benefit Fee--for contracts issued on or after October 11, 2004, the fee equals 0.50%, multiplied by the greater of the guaranteed amount or contract value on the date the fee is deducted. For more information, see "Deductions and Charges."

[diamond] Surrender Charges--may occur when you surrender your contract or request a withdrawal if the assets have not been held under the contract for a specified period of time. If we impose a surrender charge, it is deducted from amounts withdrawn. No surrender charges are taken upon the death of the owner before the maturity date. A declining surrender charge is assessed on withdrawals in excess of the free withdrawal amount, based on the date the premium payments are deposited:

| Percent | 8% | 7% | 6% | 0% |
|---|---|---|---|---|
| Complete Premium Payment Years | 0 | 1 | 2 | 3+ |

[diamond] Taxes--from the contract value upon premium payment or annuitization.

- o PHL Variable will reimburse itself for such taxes upon the remittance to the applicable state.

[diamond] Transfer Charge--currently, there is no transfer charge; however, we reserve the right to charge up to $20 per transfer after the first 12 transfers each contract year. For more information, see "Deductions and Charges."

FROM THE SEPARATE ACCOUNT

[diamond] Daily administrative fee--currently, 0.125% annually. For more information, see "Deductions and Charges."

[diamond] Mortality and expense risk fee--varies based on the death benefit option selected. For more information, see "Deductions and Charges."

OTHER CHARGES OR DEDUCTIONS

In addition, certain charges are deducted from the assets of the funds for investment management services. For more information, see the fund prospectuses.

DEATH BENEFIT

The death benefit is calculated differently for each death benefit option and the amount varies based on the option selected.

DEATH BENEFIT OPTIONS

The contract offers three death benefit options. At purchase, you select a death benefit option that best meets your financial needs. Each death benefit option varies in the method of death benefit calculation, the amount of the mortality and expense risk fee. Age restrictions apply to certain death benefit options.

For more information, see "The Accumulation Period--Payment Upon Death Before Maturity Date."

ADDITIONAL INFORMATION

FREE LOOK PERIOD

You have the right to review and return the contract. If for any reason you are not satisfied, you may return it within ten days (or later, if applicable state law requires) after you receive it and cancel the contract. You will receive the contract value in cash. However, if applicable state law requires, we will return the original premium payments paid less any withdrawals.

For more information, see "Free Look Period."

TERMINATION

If on any valuation date the total contract value equals zero, the contract will immediately terminate without value.

FINANCIAL HIGHLIGHTS

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Financial highlights give the historical value for a single unit of each of the available subaccounts and the number of units outstanding at the end of each of the past ten years, or since the subaccount began operations, if less. These tables are highlights only.

More information, including the Separate Account and Company financial statements, is in the SAI and in the annual report. You may obtain a copy of the

SAI by calling the Annuity Operations Division at 800/541-0171.

There are different sets of financial highlight tables in this prospectus, please be sure you refer to the appropriate set for your contract. The tables are set forth in Appendix C.

## PERFORMANCE HISTORY

We may include the performance history of the subaccounts in advertisements, sales literature or reports. Performance information about each subaccount is based on past performance only and is not an indication of future performance. Historical returns are usually calculated for one year, five years and ten years. If the subaccount has not been in existence for at least one year, returns are calculated from inception of the subaccount. Standardized average annual total return is measured by comparing the value of a hypothetical $1,000 investment in the subaccount at the beginning of the relevant period to the value of the investment at the end of the period, assuming the reinvestment of all distributions at net asset value and the deduction of all applicable contract and surrender charges except for taxes (which may vary by state). See the SAI for more information.



## THE VARIABLE ACCUMULATION ANNUITY

The individual deferred variable accumulation annuity contract (the "contract") issued by Phoenix is significantly different from a fixed annuity contract in that, unless the GIA is selected, it is the owner under a contract who bears the risk of investment gain or loss rather than Phoenix. To the extent that premium payments are not allocated to the GIA, the amounts that will be available for annuity payments under a contract will depend on the investment performance of the amounts allocated to the subaccounts. Upon the maturity of a contract, the amounts held under a contract will continue to be invested in the Separate Account or the GIA and monthly annuity payments will vary in accordance with the investment experience of the investment options selected. However, a fixed annuity may be elected, in which case Phoenix will guarantee specified monthly annuity payments.

You select the investment objective of your contract on a continuing basis by directing the allocation of premium payments and the reallocation of the contract value among the subaccounts and the GIA.

## PHOENIX AND THE SEPARATE ACCOUNT

On June 25, 2001, Phoenix Home Life Mutual Insurance Company (a New York mutual life insurance company incorporated May 1, 1851, originally chartered in Connecticut in 1851 and redomiciled to New York in 1992) converted to a stock life insurance company by "demutualizing" pursuant to a plan of reorganization approved by the New York Superintendent of Insurance and changed its name to Phoenix Life Insurance Company ("Phoenix"). As part of the demutualization, Phoenix became a wholly owned subsidiary of The Phoenix Companies, Inc., a newly formed, publicly traded Delaware corporation.

Our executive and administrative office is located at One American Row, Hartford, Connecticut, 06102-5056. Our New York principal office is at 10 Krey Boulevard, East Greenbush, New York 12144. We sell life insurance policies and annuity contracts through producers of affiliated distribution companies and through brokers.

On June 21, 1982, we established the Separate Account, a separate account created under the insurance laws of Connecticut. The Separate Account is registered with the SEC as a unit investment trust under the Investment Company Act of 1940 (the "1940 Act") and it meets the definition of a "separate account" under the 1940 Act. Registration under the 1940 Act does not involve supervision by the SEC of the management or investment practices or policies of the Separate Account or of Phoenix.

On July 1, 1992, the Separate Account's domicile was transferred to New York. Under New York law and the contracts, all income, gains or losses whether or not realized, of the Separate Account must be credited to or charged against the amounts placed in the Separate Account without regard to the other income, gains or losses of Phoenix. The assets of the Separate Account may not be used to pay liabilities arising out of any other business that Phoenix may conduct. The Separate Account has several subaccounts that invest in underlying mutual funds. Obligations under the contracts are obligations of Phoenix Life Insurance Company.

Contributions to the GIA are not invested in the Separate Account; rather, they become part of the general account of Phoenix (the "General Account"). The General Account supports all insurance and annuity obligations of Phoenix and is made up of all of its general assets other than those allocated to any separate account such as the Separate Account. For more information, see "GIA."

## INVESTMENTS OF THE SEPARATE ACCOUNT

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PARTICIPATING INVESTMENT FUNDS

- [diamond] The Phoenix Edge Series Fund
- [diamond] AIM Variable Insurance Funds
- [diamond] The Alger American Fund
- [diamond] Federated Insurance Series
- [diamond] Fidelity(R) Variable Insurance Products
- [diamond] Franklin Templeton Variable Insurance Products Trust
- [diamond] Lazard Retirement Series
- [diamond] Lord Abbett Series Fund, Inc.
- [diamond] The Rydex Variable Trust
- [diamond] Scudder Investments VIT Funds
- [diamond] The Universal Institutional Funds, Inc.
- [diamond] Wanger Advisors Trust

For additional information concerning the available investment options, please see Appendix A.

Each investment option is subject to market fluctuations and the risks that come with the ownership of any security, and there can be no assurance that any series will achieve its stated investment objective.

For additional information concerning the funds, please see the appropriate fund prospectuses, which should be read carefully before investing. Copies of the fund prospectuses may be obtained by writing or calling us at the address or telephone number provided on the front page of this prospectus.

The shares of the funds are not directly offered to the public. Shares of the funds are currently offered through separate accounts to fund variable accumulation annuity contracts and variable universal life insurance policies issued by Phoenix, PHL Variable Insurance Company ("PHL Variable"), and Phoenix Life and Annuity Company ("PLAC"). Shares of the funds may be offered to separate accounts of other insurance companies.

The interests of variable annuity contract owners and variable life policy owners could diverge based on differences in federal and state regulatory requirements, tax laws, investment management or other unanticipated developments. Currently, we do not foresee any such differences or disadvantages at this time. However, we intend to monitor for any material conflicts and will determine what action, if any should be taken in response to such conflicts. If such a conflict were to occur, one or more separate accounts might



be required to withdraw its investments in the fund or shares of another fund may be substituted.

### INVESTMENT ADVISORS AND SUBADVISORS

For a complete list of advisors and subadvisors, please see Appendix A.

### SERVICES OF THE ADVISORS

The advisors and subadvisors continually furnish an investment program for each series and manage the investment and reinvestment of the assets of each series subject at all times to the authority and supervision of the trustees. A detailed discussion of the investment advisors and subadvisors, and the investment advisory and subadvisory agreements, is contained in the fund prospectuses.

## GIA

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In addition to the Account, you may allocate premiums or transfer values to the GIA. Amounts you allocate or transfer to the GIA become part of our general account assets. You do not share in the investment experience of those assets. Rather, we guarantee a minimum rate of return on the allocated amount, as provided under the terms of your product. Although we are not obligated to credit interest at a higher rate than the minimum, we will credit any excess interest as determined by us based on expected investment yield information.

We reserve the right to limit total deposits to the GIA, including transfers, to no more than $250,000 during any one-week period per policy.

You may make transfers into the GIA at any time. In general, you may make only one transfer per year from the GIA. The amount that can be transferred out is limited to the greater of $1,000 or 25% of the contract value in the GIA as of the date of the transfer. Also, the contract value allocated to the GIA may be transferred out to one or more of the subaccounts over a consecutive 4-year period according to the following schedule:

- [diamond] Year One: 25% of the total value
- [diamond] Year Two: 33% of remaining value
- [diamond] Year Three: 50% of remaining value
- [diamond] Year Four: 100% of remaining value

Transfers from the GIA may also be subject to other rules as described throughout 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 1940 Act, as amended. Therefore, neither the general account nor any of its interests are subject to these Acts, and the 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.

GIA RESTRICTIONS

For contracts issued on or after March 31, 2003, contracts will be subject to a Maximum GIA Percentage contained in the contract that restricts investments in the GIA. The Maximum GIA Percentage will never be less than 5%. No more than the Maximum GIA Percentage of each premium payment may be allocated to the GIA. We will not permit transfers into the GIA during the first year, nor allow any transfers during subsequent years that would result in GIA investments exceeding the Maximum GIA Percentage of contract value. These restrictions are subject to state insurance department approval.

## PURCHASE OF CONTRACTS

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Generally, we require minimum initial premium payments of:

[diamond] Nonqualified plans--$10,000

[diamond] Bank draft program--$50
- You may authorize your bank to draw $50 or more from your personal checking account monthly to purchase units in any available subaccount or for deposit in the GIA. The amount you designate will be automatically invested on the date the bank draws on your account. If Check-o-matic is elected, the minimum initial premium payment is $50. Each subsequent premium payment under a contract must be at least $50.

[diamond] Qualified plans--$2,000

We require minimum subsequent premium payments of $500, except as described above for bank draft program.

Generally, a contract may not be purchased for a proposed owner who is 86 years of age or older. Total premium payments in excess of $1,000,000 cannot be made without our permission. While the owner is living and the contract is in force, premium payments may be made anytime before the maturity date of a contract.

Premium payments received under the contract will be allocated in any combination to any subaccount or the GIA in the proportion you elect upon receipt. Changes in the allocation of premium payments will be effective as of receipt by us of notice of election in a form satisfactory to us (either in writing or by telephone) and will apply to any premium payments accompanying such notice or made subsequent to the receipt of the notice, unless otherwise requested by you.

In certain circumstances we may reduce the minimum initial or subsequent premium payment amount we accept for a contract. Factors in determining qualifications for any such reduction include:

(1) the makeup and size of the prospective group;
(2) the method and frequency of premium payments; and
(3) the amount of compensation to be paid to registered representatives on each premium payment.

Any reduction will not unfairly discriminate against any person. We will make any such reduction according to our



own rules in effect at the time the premium payment is received. We reserve the right to change these rules from time to time.

For contracts issued on or after March 31, 2003, payments to the GIA are subject to the Maximum GIA Percentage.

## DEDUCTIONS AND CHARGES

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ANNUAL ADMINISTRATIVE CHARGE

We deduct an annual administrative charge from the contract value. This charge is used to reimburse us for some of the administrative expenses we incur in establishing and maintaining the contracts.

The maximum annual administrative charge under a contract is $35. This charge is deducted annually on the contract anniversary date. It is deducted on a pro rata basis from the subaccounts and GIA in which you have an interest. If you fully surrender your contract, the full administrative fee if applicable, will be deducted at the time of surrender. The administrative charge will not be deducted (either annually or upon withdrawal) if your contract value is $50,000 or more on the day the administrative charge is due. This charge may be decreased but will never increase. If you elect Annuity Payment Options I, J, K, M or N, the annual administrative charge after the maturity date will be deducted from each annuity payment in equal amounts.

DAILY ADMINISTRATIVE FEE

We make a daily deduction from the contract value to cover the costs of administration. This fee is based on an annual rate of 0.125% and is taken against the net assets of the subaccounts. It compensates the company for administrative expenses that exceed revenues from the annual administrative charge described above. (This fee is not deducted from the GIA.)

GUARANTEED MINIMUM INCOME BENEFIT RIDER FEE

For contracts issued before September 8, 2003, the fee for this rider is equal to 0.40% multiplied by the guaranteed annuitization value on the date the rider fee is deducted. For contracts issued on or after September 8, 2003, and subject to state insurance department approval, the fee for this rider is equal to 0.60% multiplied by the guaranteed annuitization value on the date the rider fee is deducted. The fee is deducted on each contract anniversary that this rider is in effect. If this rider terminates on the contract anniversary, the entire fee will be deducted. If this rider terminates on any other day, a pro rated portion of the fee will be deducted. The rider fee will be deducted from the total contract value with each subaccount and GIA, if available, bearing a pro rata share of such fee based on the proportionate contract value of each subaccount and GIA. We will waive the rider fee if the contract value on any contract anniversary is greater than twice the guaranteed annuitization value.

GUARANTEED MINIMUM ACCUMULATION BENEFIT FEE

Currently, the fee is equal to 0.50%, multiplied by the greater of the guaranteed amount or contract value on the day that the fee is deducted. However, we reserve the right to charge up to 1.00%, multiplied by the greater of the guaranteed amount or contract value on the day that the fee is deducted. The fee is deducted on each contract anniversary during the ten year term. If this benefit terminates on the contract anniversary prior to the end of the term for any reason other than death or annuitization, the entire fee will be deducted. If this benefit terminates on any other day prior to the end of the term for any reason other than death or annuitization, a pro rated portion of the fee will be deducted. The rider fee will be deducted from the total contract value with each subaccount and GIA, if available, bearing a pro rata share of such fee based on the proportionate contract value of each subaccount and GIA. We will waive the fee if the benefit terminates due to death or annuitization.

MORTALITY AND EXPENSE RISK FEE

We make a daily deduction from each subaccount for the mortality and expense risk fee. The charge is assessed against the daily net assets of the subaccounts and varies based on the death benefit option you selected. The charge under each death benefit option is equal to the following percentages on an annual basis:

| DEATH BENEFIT OPTION 1 - RETURN OF PREMIUM | DEATH BENEFIT OPTION 2 - ANNUAL STEP-UP | DEATH BENEFIT OPTION 3 - RELIEF AMOUNT |
|---|---|---|
| 1.525% | 1.675% | 1.825% |

Although you bear the investment risk of the series in which you invest, once you begin receiving annuity payments that carry life contingencies, the annuity payments are guaranteed by us to continue for as long as the annuitant lives. We assume the risk that annuitants as a class may live longer than expected (requiring a greater number of annuity payments) and that our actual expenses may be higher than the expense charges provided for in the contract.

In assuming the mortality risk, we promise to make these lifetime annuity payments to the owner or other payee for as long as the annuitant lives.

No mortality and expense risk fee is deducted from the GIA. If the charges prove insufficient to cover actual administrative costs, then the loss will be borne by us; conversely, if the amount deducted proves more than sufficient, the excess will be a profit to us.

We have concluded that there is a reasonable likelihood that the distribution financing arrangement being used in connection with the contract will benefit the Separate Account and the contract owners.

SURRENDER CHARGES

A surrender charge may apply to partial withdrawals or a full surrender of the contract. The amount of a surrender charge depends on the period of time your premium payments are held under the contract. The surrender charge is designed to recover the expense of distributing contracts that are terminated before distribution expenses have been recouped from revenue generated by these contracts. These are contingent charges because they are paid only if you surrender your contract. They are deferred charges because the are not deducted from premiums. The surrender charge schedule is



shown in the chart below. No surrender charge will be taken from death proceeds. Surrender charges will also be waived when you begin taking annuity payments, provided your contract has been in effect for one year. Also, no surrender charge will be taken after the annuity period has begun except with respect to unscheduled withdrawals under Annuity Payment Options K or L. For more information, see "Annuity Payment Options." Any surrender charge imposed is deducted from amounts withdrawn. The surrender charge is calculated on a first-in, first-out basis. In other words, we calculate your surrender charge by assuming your withdrawal is applied to premium payments in the order your premium payments were received.

The surrender charge is deducted from amounts withdrawn in excess of the free withdrawal amount available at the time of the withdrawal up to the total of all premium payments paid less any prior withdrawals for which a surrender charge was paid. The free withdrawal amount is equal to 10% of the contract value. In the first contract year, you may withdraw up to 10% of the contract value at the time of the first withdrawal without surrender charges. In subsequent years, the free withdrawal amount is 10% of the contract value as of the end of the previous contract year. Unused free withdrawal percentage amounts do not accumulate.

The surrender charges, expressed as a percentage of the amount withdrawn in excess of the 10% allowable amount, are as follows:

| Percent | 8% | 7% | 6% | 0% |
|---|---|---|---|---|
| Complete Premium Payment Years | 0 | 1 | 2 | 3+ |

Surrender charges imposed in connection with partial withdrawals will be deducted from the subaccounts and GIA on a pro rata basis. Any distribution costs not paid for by surrender charges will be paid by Phoenix from the assets of the General Account.

TAX

Tax is considered to be any tax charged by a state or municipality on premium payments, whether or not characterized as premium payment tax (or premium tax). It is also other state or local taxes imposed or any other governmental fees which may be required based on the laws of the state or municipality of delivery, the owner's state or municipality of residence on the contract date. Taxes on premium payments currently range from 0% to 3.5% (the amount of state premium payment tax, if any, will vary from state to state), depending on the state. We will pay any premium payment tax, any other state or local taxes imposed or other governmental fee due and will only reimburse ourselves upon the remittance to the applicable state. For a list of states and taxes, see "Appendix B."

We reserve the right, when calculating unit values, to deduct a credit or fee with respect to any taxes we have paid or reserved for during the valuation period that we determine to be attributable to the operations of a fund. No federal income taxes are applicable under present law and we are not presently making any such deduction.

TRANSFER CHARGE

Currently, there is no charge for transfers; however, we reserve the right to charge a transfer fee of up to $20 per transfer after the first 12 transfers in each contract year to defray administrative costs.

REDUCED FEES, CREDITS AND EXCESS INTEREST

We may reduce or eliminate the mortality and expense risk fee or the withdrawal charge, credit additional amounts, or credit excess interest when sales of the contracts are made to certain individuals or groups of individuals that result in savings of sales expenses. We will consider the following characteristics:

(1) the size and type of the group of individuals to whom the contract is offered;

(2) the amount of anticipated purchase payments;

(3) whether there is a preexisting relationship with the company such as being an employee of the company or its affiliates and their spouses; or to employees or agents who retire from the company or its affiliates or Phoenix

Equity Planning Corporation ("PEPCO"), or its affiliates or to registered representatives of the principal underwriter and registered representatives of broker-dealers with whom PEPCO has selling agreements; and

(4) internal transfers from other contracts issued by the company or an affiliate, or making transfers of amounts held under qualified plans sponsored by the company or an affiliate.

Any reduction or elimination of withdrawal or administrative fee, credit of additional amounts or excess interest will not unfairly discriminate against any person. We will make any reduction or credit according to our own rules in effect at the time the contract was issued. We reserve the right to change these rules from time to time.

OTHER CHARGES

As compensation for investment management services, the advisors are entitled to a fee, payable monthly and based on an annual percentage of the average daily net asset values of each series. These fund charges and other fund expenses are described more fully in the fund prospectuses.

## THE ACCUMULATION PERIOD

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The accumulation period is that time before annuity payments begin during which your premium payments into the contract remain invested.

ACCUMULATION UNITS

Your initial premium payment will be applied within two days of receipt at our Annuity Operations Division if the application or order form for a contract is complete. If an incomplete application or order form is completed within five business days of receipt by our Annuity Operations Division, your premium payment will be applied within two days. If our Annuity Operations Division does not accept the application or order form within five business days of receipt by our Annuity



Operations Division, then your premium payment will be immediately returned. You may request us to hold your premium payment after the five-day period while the application or order form is completed and within two days after completion we will apply your premium payment. Please note that prior to the completion of your application or order form, we will hold the premium in a suspense account, which is a non-interest-bearing account. Additional premium payments allocated to the GIA are deposited on the date of receipt of the premium payment at our Annuity Operations Division. Additional premium payments allocated to subaccounts are used to purchase accumulation units of the subaccount(s), at the value of such units next determined after the receipt of the premium payment at our Annuity Operations Division. The number of accumulation units of a subaccount purchased with a specific premium payment will be determined by dividing the premium payment by the value of an accumulation unit in that subaccount next determined after receipt of the premium payment. The value of the accumulation units of a subaccount will vary depending upon the investment performance of the applicable series of the funds, the expenses charged against the fund and the charges and deductions made against the subaccount.

ACCUMULATION UNIT VALUES

On any date before the maturity date of the contract, the total value of the accumulation units in a subaccount can be computed by multiplying the number of such units by the value of an accumulation unit on that date. The value of an accumulation unit on a day other than a valuation date is the value of the accumulation unit on the next valuation date. The number of accumulation units credited to you in each subaccount and their current value will be reported to you at least annually.

INTERNET, INTERACTIVE VOICE RESPONSE AND TELEPHONE TRANSFERS

You may transfer your contract value among the available investment options and make changes to your premium payment allocations by Internet, Interactive Voice Response or telephone.

Phoenix 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. Phoenix and PEPCO may be liable for following unauthorized 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 Phoenix 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 Phoenix 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.

Prior to the maturity date of your contract, you may elect to transfer all or any part of the contract value among one or more subaccounts or the GIA subject to the limitations established for the GIA. A transfer from a subaccount will result in the redemption of accumulation units and, if another subaccount is selected, in the purchase of accumulation units. The exchange will be based on the values of the accumulation units next determined after the receipt by our Annuity Operations Division of notice of election in a form satisfactory to us. A transfer among subaccounts or the GIA does not automatically change the payment allocation schedule of your contract.

You may also request transfers and changes in payment allocations among available subaccounts or the GIA by calling us at 800/541-0171 between the hours of 8:30 a.m. and 4:00 p.m. Eastern Time on any valuation date. You may permit your registered representative to submit transfer requests on your behalf. We will employ reasonable procedures to confirm that transfer instructions are genuine. We will require verification of account information and will record telephone instructions on tape. All transfer and allocation changes will be confirmed in writing to you. To the extent that procedures reasonably designed to prevent unauthorized transfers are not followed, we may be liable for following transfer instructions for transfers that prove to be fraudulent. However, you will bear the risk of loss resulting from instructions entered by an unauthorized third party we reasonably believe to be genuine. These transfer and allocation change privileges may be modified or terminated at any time on a case by case basis. In particular, during times of extreme market volatility, transfer privileges may be difficult to exercise. In such cases you should submit written instructions.

Unless we otherwise agree or unless the Dollar Cost Averaging Program has been elected, (see below), you may make only one transfer per contract year from the GIA. Nonsystematic transfers from the GIA will be made on the date of receipt by our Annuity Operations Division except as you may otherwise request. For nonsystematic transfers, the amount that may be transferred from the GIA at any one time cannot exceed the greater of $1,000 or 25% of the contract value in the GIA at the time of transfer.

No surrender charge will be assessed when a transfer is made. The date a premium payment was originally credited for the purpose of calculating the surrender charge will remain the same. Currently, 12 transfers are permitted from the subaccounts and one transfer from the GIA; however, we reserve the right to change our policy to limit the number of transfers made during each contract year 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 contract owners. For more information, see "Disruptive Trading and Market Timing." There are additional restrictions on transfers from the GIA as described above and in the section titled, "GIA."



For contracts issued on or after March 31, 2003, transfers to the GIA are not permitted during the first contract year. After the first Contract Year, a transfer into the GIA will not be permitted if such transfer would cause the percentage of the Contract Value in the GIA to exceed the Maximum GIA Percentage shown on the schedule page.

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

DISRUPTIVE TRADING AND MARKET TIMING

Your ability to make transfers among subaccounts under the contract 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 contract 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 contract 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 contract owners and the underlying funds from Disruptive Trading, we have adopted certain market policies and procedures.

Under our current Disruptive Trading 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 contract, 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, Internet 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 for a given contract 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 contracts 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 contract 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 contracts. If a transfer request exceeds the transfer parameters, we may send the owner a warning letter. If at any time thereafter the owner's transfer activity exceeds the transfer parameters, we will revoke the contract owner's right to make Internet and Interactive Voice Response (IVR) transfers. We will notify contract 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 contract owners from the potential effects of Disruptive Trading, while also abiding by any rights that contract owners may have to make transfers and providing reasonable and convenient methods of making transfers that do not have the potential to harm other contract 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 contract 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 contract owners may be treated differently than others, resulting in the risk that some contract 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.

OPTIONAL PROGRAMS AND RIDERS

If you should elect any of the programs listed below, your limit of 12 transfers per contract year will not be affected.

DOLLAR COST AVERAGING PROGRAM

You also may elect to transfer funds automatically among the subaccounts or GIA on a monthly, quarterly, semiannual or annual basis under the Dollar Cost Averaging Program. Generally, the minimum initial and subsequent transfer amounts are $25 monthly, $75 quarterly, $150 semiannually or $300 annually. You must have an initial value of $2,000 in the GIA or in the subaccount from which funds will be transferred (sending subaccount), and if the value in that subaccount or the GIA drops below the amount to be transferred, the entire remaining balance will be transferred and no more systematic transfers will be processed. Also, premium payments of $1,000,000 or more require our approval before we will accept them for processing. Values may be transferred from only one sending subaccount or from the GIA but may be allocated to multiple receiving subaccounts. Under the Dollar Cost Averaging Program, you may transfer approximately equal amounts from the GIA over a period of 6 months or more. Transfers under the Dollar Cost Averaging Program are not subject to the general restrictions on transfers from the GIA. There is no charge for participating in this program.

Upon completion of the Dollar Cost Averaging Program, you must notify us at 800/541-0171 or in writing to our Annuity Operations Division to start another Dollar Cost Averaging Program.

All transfers under the Dollar Cost Averaging Program will be executed on the basis of values as of the first of the month rather than on the basis of values next determined after receipt of the transfer request. If the first of the month falls on a holiday or weekend, then the transfer will be processed on the next succeeding business day.

The Dollar Cost Averaging Program is not available to individuals who invest via a bank draft program or while the Asset Rebalancing Program is in effect.

The Dollar Cost Averaging Program does not ensure a profit nor guarantee against a loss in a declining market.

For contracts issued on or after March 31, 2003, transfers to the GIA under the Dollar Cost Averaging Program are subject to the Maximum GIA Percentage.

We may at different times offer an Enhanced Dollar Cost Averaging Program. New premium allocated to the GIA for transfer out to the subaccounts under an Enhanced Dollar Cost Averaging Program will be credited with an interest rate higher than the current GIA interest rate. New premium allocated to the GIA for transfer out to the subaccounts under an Enhanced Dollar Cost Averaging Program can only be transferred to the subaccounts and will not be subject to the Maximum GIA Percentage.

ASSET REBALANCING PROGRAM

Under the Asset Rebalancing Program, we transfer funds among the subaccounts to maintain the percentage allocation you have selected among these subaccounts. At your election, we will make these transfers on a monthly, quarterly, semiannual or annual basis.

The Asset Rebalancing Program does not permit transfers to or from the GIA.

The Asset Rebalancing Program does not ensure a profit nor guarantee against a loss in a declining market. There is no cost associated with participating in this program.

SYSTEMATIC WITHDRAWAL PROGRAM

Prior to the maturity date, you may partially withdraw amounts automatically on a monthly, quarterly, semiannual or annual basis under the Systematic Withdrawal Program.

The minimum withdrawal amount is $100. Withdrawals will be processed on each monthly contract anniversary and any applicable premium tax and surrender charges will be applied.

You may start or terminate this program by sending written instructions to our Annuity Operations Division. This program is not available on or after the maturity date. There is no charge for participating in this program.

INTEREST INVESTMENT PROGRAM

We may at different times offer an Interest Investment Program. Under this program, interest earned on premium allocated to the GIA will automatically be transferred out to any of the subaccounts under the separate account.



You may elect to transfer interest earned on premium allocated to the GIA on a monthly, quarterly, semiannual or annual basis. The amount that we transfer under the program will be based on the interest earned for the period you elect. We will process the automatic transfers on the first day of the month for the period that applies following our receipt of your transfer request. Should the first day of the applicable month fall on a holiday or weekend, we will process the transfer on the next business day.

You must have a value of $10,000 in the GIA at all times to keep this program in effect. If the value in the GIA drops below $10,000 for any reason, then no more automatic transfers will be processed under the program. To start or stop the Interest Investment Program, you must notify us at 800/541-0171 or send a written request to our Annuity Operations Division.

Transfers under the Interest Investment Program are not subject to the general restrictions on transfers from the GIA.

The Interest Investment Program is not available to individuals who invest via a bank draft program or while the Dollar Cost Averaging Program or Asset Rebalancing Program are in effect.

The Interest Investment Program does not ensure a profit nor guarantee against a loss in a declining market. There is no charge associated with participating in this program.

ASSET ALLOCATION MODEL PROGRAM

Asset allocation is the distribution of investments among various participating subaccounts and involves decisions about which subaccount should be selected and how much of the total contract value should be allocated to each subaccount. The strategy behind asset allocation models is that diversification among subaccounts may help reduce volatility over the long term.

PHL Variable and Ibbotson Associates have developed five asset allocation models, each comprised of carefully selected combinations of subaccounts. The asset allocation models we currently offer are:

- Model 1 - Conservative
- Model 2 - Moderately Conservative
- Model 3 - Moderate
- Model 4 - Moderately Aggressive
- Model 5 - Aggressive

When you select an asset allocation model, your initial premium payment (or contract value for inforce contracts) and subsequent payments will be allocated to the subaccounts according to the model that you select for your initial premium payment and subsequent payments. Subject to regulatory requirements and approvals, in the future we may offer other reallocation services. There is no charge associated with participating in this program.

GUARANTEED MINIMUM INCOME BENEFIT RIDER ("GMIB")

This optional rider provides a benefit that guarantees minimum monthly fixed annuity payments. The minimum monthly fixed annuity payment amount is calculated by multiplying the guaranteed annuitization value by the annuity payment option rate for the annuity payment option selected under the rider.

The benefit provided by this rider will not be available until the later of 7 years after the rider is added to the contract ("rider date") or the contract anniversary following the oldest annuitant's 60th birthday. For example, if you were age 40 when you bought the contract with the rider, the earliest you could exercise the benefit under the rider would be when you reach age 60. While the benefit is available, you can only exercise it within 30 days following any contract anniversary. This benefit will not be available 30 days after the contract anniversary following the oldest annuitant's 90th birthday.

GUARANTEED ANNUITIZATION VALUE

On and before the contract anniversary following the older annuitant's 85th birthday, the guaranteed annuitization value shall be equal to the lesser of (i) the sum of (A plus B) minus (C plus D), or (ii) 200% of all premium payments minus the sum of the guaranteed annuitization value reductions, where:

A= the contract value on the rider date accumulated at an effective annual rate (as determined below in the provision entitled "Effective Annual Rate") starting on the rider date and ending on the date the guaranteed annuitization value is calculated.

B= the sum of premium payments made after rider date minus any taxes paid, accumulated at an effective annual rate starting on the date each premium payment is applied to the contract and ending on the date the guaranteed annuitization value is calculated.

C= the sum of the guaranteed annuitization value reductions, accumulated at an effective annual rate starting on the date each withdrawal occurs and ending on the date the guaranteed annuitization value is calculated.

D= any tax that may be due.

After the contract anniversary following the older annuitant's 85th birthday, the guaranteed annuitization value shall equal the lesser of (i) (A plus B) minus (C plus D), or (ii) 200% of all premium payments minus the sum of the guaranteed annuitization value reductions, where:

A= the guaranteed annuitization value on the contract anniversary following the older annuitant's 85th birthday.

B= the sum of premium payments made after the contract anniversary following the older annuitant's 85th birthday.

C= the sum of the guaranteed annuitization value reductions determined for withdrawals occurring after the contract anniversary following the older annuitant's 85th birthday.

D= any tax that may be due.

GUARANTEED ANNUITIZATION VALUE REDUCTION

A guaranteed annuitization value reduction is an amount determined for each withdrawal that occurs on or after the



rider date. The reduction is equal to the guaranteed annuitization value immediately prior to a withdrawal, multiplied by the percentage reduction in contract value as a result of the withdrawal.

EFFECTIVE ANNUAL RATE

On the rider date, we will set the effective annual rate of accumulation to 5%. After the first contract year, this rate may be adjusted based on the value of the Guaranteed Interest Account (GIA) in relation to the total contract value as described below:

After the first contract year, we will reset the effective annual rate to 0% if the value of the GIA is greater than 40% of the total contract value on any of the following dates:

1. each date we process a premium payment.
2. each date we process a transfer.
3. each date we process a withdrawal.

Subsequently, we will raise the effective annual rate to 5% if the current effective annual rate is equal to 0% and the value of the GIA is less than or equal to 40% of the total contract value on any of the following dates:

1. each date we process a premium payment.
2. each date we process a transfer.
3. each date we process a withdrawal.
4. each contract anniversary.

RIDER FEE

There is a fee associated with the GMIB rider. Please see "Guaranteed Minimum Income Benefit Rider Fee" in Section "Deductions and Charges."

TERMINATION OF THIS RIDER

You may not terminate this rider by request. This rider will terminate on the first of any of the following events to occur:

1. the 30th day after the last contract anniversary that occurs after the oldest annuitant's 90th birthday;
2. the termination of the contract to which this rider is attached;
3. the date a death benefit becomes payable under the contract to which this rider is attached;
4. the date annuity payments commence under the contract to which this rider is attached; and
5. the death of the last surviving annuitant or joint annuitant named under this rider.

GMIB ANNUITY PAYMENT OPTIONS

Under this rider, you may only elect one of the following annuity payment options:

GMIB OPTION A - LIFE ANNUITY WITH SPECIFIED PERIOD CERTAIN: a fixed annuity payable monthly while the annuitant named under this rider is living or, if later, until the end of the specified period certain. The period certain may be specified as five or ten years. The period certain must be specified on the date the benefit is exercised. If the annuitant dies prior to the end of the period certain, the remaining period certain annuity payments will continue. No monthly payment, death benefit or refund is payable if any annuitant dies after the end of the period certain. This option is not available if the life expectancy of the annuitant is less than the period certain on the date the benefit is exercised.

GMIB OPTION B - NON-REFUND LIFE ANNUITY: a fixed annuity payable monthly while any annuitant named under this rider is living. No monthly payment, death benefit or refund is payable after the death of the annuitant.

GMIB OPTION D - JOINT AND SURVIVORSHIP LIFE ANNUITY: in addition to other applicable restrictions, a fixed annuity payable monthly while either the annuitant or joint annuitant named under this rider is living. This option is only available if the annuitant and joint annuitant named under this rider are both alive on the date the benefit is exercised. No monthly payment, death benefit or refund is payable after the death of the surviving annuitant.

GMIB OPTION F - JOINT AND SURVIVORSHIP LIFE ANNUITY WITH 10-YEAR PERIOD CERTAIN: in addition to other applicable restrictions, a fixed annuity payable monthly while either the annuitant or joint annuitant named under this rider is living, or if later, the end of ten years. This option is only available if the annuitant and joint annuitant named under this rider are both alive on the date the benefit is exercised. If the surviving annuitant dies prior to the end of the 10-year period certain, the remaining period certain annuity payments will continue. No monthly payment, death benefit or refund is payable if the surviving annuitant dies after the end of the 10-year period certain. This option is not available if the life expectancy of the older annuitant is less than ten years on the date the benefit is exercised.

PAYMENT UPON DEATH AFTER MATURITY DATE

If an owner dies on or after the maturity date and there is no surviving owner, any remaining certain period annuity payments will be paid to the beneficiary under the annuity payment option in effect on the date of death. Payments may not be deferred or otherwise extended. If there is a surviving owner, the payments continue as if there had been no death.

If the annuitant and joint annuitant, if any, die and are survived by any owner(s), any remaining certain period annuity payments will be paid to such owner(s). Payments will continue under the annuity payment option in effect at the date of death and may not be deferred or otherwise extended.



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IMPORTANT INFORMATION REGARDING THE GMIB

While the GMIB does provide guaranteed minimum fixed annuity payments, it may not be appropriate for all investors and should be understood completely before you elect it.

[diamond] The GMIB does not provide contract value or in any way guarantee the investment performance of any investment option available under the contract.

[diamond] The minimum monthly fixed annuity payment amount provided by the GMIB may be less than the annuity payment amount under the contract even if the guaranteed annuitization value is greater than the contract value.

[diamond] The GMIB is irrevocable once elected.

[diamond] You may not change any annuitant or joint annuitant while the GMIB is in effect.

[diamond] The GMIB does not restrict or limit your right to annuitize at other times permitted under the contract, but doing so will terminate the GMIB.

[diamond] You should consult with a qualified financial advisor if you are considering the GMIB.

[diamond] The GMIB is only available if approved in your state and if we offer it for use with the contract.

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GUARANTEED MINIMUM ACCUMULATION BENEFIT ("GMAB")

The GMAB is available with contracts issued on or after October 11, 2004 and provides a guaranteed minimum return if funds remain invested according to a designated asset allocation model for a ten year term. This benefit must be elected prior to issue and may be terminated at any time by request.

A fee for this benefit is deducted on each contract anniversary during the ten year term. See "Deductions and Charges."

The benefit is available if each owner and annuitant are less than 81 years old on the rider date.

The GMAB is only available if you allocate your premiums to an approved asset allocation model for the ten year term. Currently, the asset allocation models approved for use with the GMAB are:

- Model 1 - Conservative
- Model 2 - Moderately Conservative
- Model 3 - Moderate
- Model 4 - Moderately Aggressive
- Model 5 - Aggressive

When you select an asset allocation model, your initial premium payment and subsequent payments will be allocated to the subaccounts according to the model that you select for your initial premium payment and subsequent payments. Subject to regulatory requirements and approvals, in the future we may offer other reallocation services.

For more information on the asset allocation models, see "Asset Allocation Model Program."

GUARANTEED AMOUNT

The guaranteed amount is equal to the guaranteed amount base multiplied by Guaranteed Amount Factor 1. The guaranteed amount base is equal to (A) plus (B) minus (C), where:

A = the contract value on the rider date.

B = 100% of each subsequent purchase payment paid to the contract during the first year of the 10-year period beginning on the rider date (the "term").

C = pro rata adjustment for withdrawals from the contract during the term. The adjustment for each withdrawal is calculated by multiplying the guaranteed amount base prior to the withdrawal by the ratio of the amount withdrawn (including any applicable withdrawal fees) to the contract value immediately prior to the withdrawal.

Currently, Guaranteed Amount Factors 1 and 2 are equal to 1.05.

ADDITIONAL AMOUNT If on the last day of the term:

- the contract value is less than the guaranteed amount base; we will add an additional amount to the contract value equal to the difference between the contract value and the guaranteed amount.

- the contract value is greater than or equal to the guaranteed amount base, we will add an additional amount to the contract value equal to the guaranteed amount base multiplied by the difference between the Guaranteed Amount Factor 2 and 1.00.

- the contract annuitizes, the death of an owner or annuitant occurs or a full surrender is made; the contract value will reflect any additional amount prior to the payment of any annuity, death or full surrender benefits. Note: no additional amount will be paid if any of the above occurs prior to the end of the term.

If on any day following the rider date, any portion of the contract value is no longer invested according to an asset allocation model established and maintained by us for this benefit, the benefit will terminate and no additional amount will be added to the contract value.

BENEFIT TERMINATION

This benefit will terminate at the end of the term or upon the occurrence of any of the following:

- the date that any portion of the contract value is not invested according to an asset allocation model established and maintained by us for the benefit;

- the date that a full surrender is made;

- the date of the first death of an owner unless the surviving spouse elects spousal continuation of the contract and benefit;

- the contract annuitizes; or

- the termination of the contract.

If the benefit terminates for any of the above reasons prior to the end of the term, an additional amount will not be paid.

SURRENDER OF CONTRACT; PARTIAL WITHDRAWALS

If the owner is living, amounts held under the contract may be withdrawn in whole or in part prior to the maturity date, or after the maturity date under Annuity Payment Options K or L. Prior to the maturity date, you may withdraw up to 10% of the contract value in a contract year, either in a lump sum or by multiple scheduled or unscheduled partial withdrawals, without the imposition of a surrender charge. During the first contract year, the 10% withdrawal without a surrender charge will be determined based on the contract value at the time of the first partial withdrawal. In all subsequent years, the 10% will be based on the previous contract anniversary value. A signed written request for withdrawal must be sent to our Annuity Operations Division. If you have not yet reached age 59 1/2, a 10% penalty tax may apply on taxable income withdrawn. See "Federal Income Taxes."

The appropriate number of accumulation units of a subaccount will be redeemed at their value next determined after the receipt by our Annuity Operations Division of a written notice in a form satisfactory to us. Accumulation units redeemed in a partial withdrawal from multiple subaccounts will be redeemed on a pro rata basis unless you designate otherwise. Contract values in the GIA will also be withdrawn on a pro rata basis unless you designate otherwise. The resulting cash payment will be made in a single sum, ordinarily within seven days after receipt of such notice. However, redemption and payment may be delayed under certain circumstances. See "Payment Deferral." There may be adverse tax consequences to certain surrenders and partial withdrawals. See "Surrenders or Withdrawals Prior to the Contract Maturity Date." Certain restrictions on redemptions are imposed on contracts used in connection with Internal Revenue Code Section 403(b) plans. Although loans are available under 403(b) plans only, certain limitations may apply. See "Qualified Plans--Tax Sheltered Annuities." A deduction for surrender charges may be imposed on partial withdrawals from, and complete surrender of, a contract. See "Surrender Charges." Any surrender charge imposed is deducted from amounts withdrawn. The surrender charge is calculated on a first-in, first-out basis. In other words, we calculate your surrender charge by assuming your withdrawal is applied to premium payments in the order your premium payments were received.

Requests for partial withdrawals or full surrenders should be mailed to our Annuity Operations Division.

CONTRACT TERMINATION

The contract will terminate without value, if on any valuation the contract value is zero. Phoenix will notify you in writing that the contract has terminated.

PAYMENT UPON DEATH BEFORE MATURITY DATE

WHEN IS THE DEATH BENEFIT PAYABLE?

A death benefit is payable when the owner (or primary annuitant when the contract is owned by a non-natural person) dies. If there is more than one owner, a death benefit is payable upon the first owner to die.

WHO RECEIVES PAYMENT?

[diamond] DEATH OF AN OWNER

If the owner dies before the contract maturity date, the death benefit will be paid to the beneficiary.

[diamond] DEATH OF AN OWNER - MULTIPLE OWNERS

If one of the owners dies prior to the maturity date, the death benefit will be paid to the surviving owner(s), if any, who will be deemed to be the designated beneficiary(s).

[diamond] DEATH OF AN ANNUITANT WHO IS NOT THE OWNER

If the owner and the annuitant are not the same individual and the annuitant dies prior to the maturity date, the owner becomes the annuitant, unless the owner appoints a new annuitant. If a joint annuitant dies prior to the maturity date, the owner may appoint a new joint annuitant. The death of an annuitant or joint annuitant will not cause the death benefit to be paid.

[diamond] SPOUSAL BENEFICIARY CONTRACT CONTINUANCE

If the spouse of a deceased owner, as designated beneficiary, is entitled to receive all or some portion of the death benefit amount, the spouse may elect to continue the contract as the new owner. This election is only allowed prior to the maturity date and can be elected only one time. When the spouse elects to continue the contract, the death benefit amount that the spouse is entitled to receive will become the new contract value for the continued contract and the current death benefit option will remain in effect.

[diamond] OWNERSHIP OF THE CONTRACT BY A NON-NATURAL PERSON

If the owner is not an individual, and the primary annuitant dies before the maturity date, we will pay the death benefit to the owner.

WHAT IS THE DEATH BENEFIT AMOUNT?

The owner shall elect any of the available death benefit options at the time of the initial premium payment. If no option is elected, Death Benefit Option 1 will apply.

[diamond] DEATH BENEFIT OPTION 1--RETURN OF PREMIUM

Upon the death of the owner (or if there is more than one owner, on the death of the owner who dies first), the death benefit is the greater of:

a) the sum of all of premium payments, less adjusted partial withdrawals (as defined below); or
b) the contract value on the claim date.

[diamond] DEATH BENEFIT OPTION 2--ANNUAL STEP-UP

This death benefit is based on the age of the owner. If there is more than one owner, it is based upon the age of the eldest owner at issue.

Upon the death of the owner who has not attained age 80, the death benefit is the greater of:

a) the sum of all premium payments, less adjusted partial withdrawals (as defined below); or
b) the contract value on the claim date; or
c) the annual step-up amount (as defined below).



Upon the death of the owner who has attained age 80, the death benefit is the greater of:

a) the death benefit in effect at the end of the contract year prior to the owner turning age 80, plus the sum of all premium payments less adjusted partial withdrawals (as defined below) made since the end of the contract year prior to the owner reaching age 80; or
b) the contract value on the claim date.

If the owner is not an individual, the age of the primary annuitant will be used to calculate the death benefit amount. If the spouse elects to continue the contract under Death Benefit Option 2, the death benefit will be calculated using the surviving spouse's attained age. If we grant your request to change ownership, Death Benefit Option 1 shall apply, unless we agree otherwise.

Adjusted Partial Withdrawals: The result of multiplying the ratio of the partial withdrawal to the contract value and the death benefit (prior to the withdrawal) on the withdrawal date.

Annual Step-up Amount: In the first contract year the step-up amount is equal to 100% of premium payments less adjusted partial withdrawals. After that, in any following contract year the step-up amount equals the greater of (1) the step-up amount at the end of the prior contract year, plus any premium payments made since the end of the prior contract year, less any adjusted partial withdrawals made since the end of the prior year; or (2) the contract value.

[diamond] DEATH BENEFIT OPTION 3--RELIEF AMOUNT

The availability of this option is subject to state approval.

This death benefit is based on the age of the owner. If there is more than one owner, it is based upon the age of the eldest owner at issue. This option is available only for owners less than age 76 on the contract date.

Upon the death of the owner who has not attained age 70 on the contract date, the death benefit is the greater of:

a) the sum of all of premium payments, less adjusted partial withdrawals (as defined above); or
b) the contract value on the claim date plus 40% of the relief amount (as defined below).

Upon death of the owner who has attained age 70, but is less than 76 on the contract date, the death benefit is the greater of:

a) the sum of all of premium payments, less adjusted partial withdrawals (as defined above); or
b) the contract value on the claim date plus 25% of the relief amount (as defined below).

If the owner is not an individual, the age of the primary annuitant will be used to calculate the death benefit amount. If the spouse elects to continue the contract under Death Benefit Option 3, we will calculate the death benefit using the surviving spouse's attained age as of the date we continue the contract.

ACCUMULATION ENHANCEMENT

Death Benefit Option 3 includes an accumulation enhancement. This enhancement provides monetary assistance during confinement in an assisted care living facility or nursing home if the following conditions are met:

- 120 consecutive days of confinement prior to the maturity date, after the first contract year; and
- the 120 days must occur prior to the owner attaining age 91.

The enhancement provides:

- that we will pay 40% of the relief amount (if the owner has not attained age 70 on the contract date) or 25% of the relief amount (if the owner is between the ages of 70-75 on the contract date);

- that the amount we pay under this enhancement will not be paid in a lump sum but will be credited to the contract value over a period of 50 months, in the amount of 2% per month, while the owner is alive;

- that even if the owner is dismissed from the facility/ nursing home prior to the 50 months expiring, we will continue to increase the contract value for 50 months;

- that the maximum amount we will pay under this enhancement (and all similar enhancements issued by us or an affiliated company) for the owner is $750,000; and

- this benefit is separate from the relief amount that is calculated at death.

The monthly benefit payments will be added to the contract value according to the current allocation schedule on file. The owner can remove the payments from the contract value via partial withdrawals and surrender charges will be waived.

Relief Amount: the relief amount is equal to the contract value less modified premium payments not to exceed the following maximum amount:

- When the age of the eldest owner on the contract date is less than 70, the maximum relief amount equals 200% multiplied by:

  1) the sum of modified premium payments (made prior to the date of the death benefit calculation) minus

  2) the sum of premium payments (made during the prior 12 months of the death benefit calculation date) minus

  3) the sum of monthly benefits (as defined below) credited to the contract value.

- When the eldest owner on the contract date is between the ages of 70 - 75, the maximum relief amount equals 100% multiplied by:

  1) the sum of modified premium payments (made prior to the date of the death benefit calculation) minus

  2) the sum of premium payments (made during the 12 months prior to the death benefit calculation date) minus



  3) the sum of monthly benefits (as defined below) credited to the contract value.

Modified Premium Payments: equals the sum of all premium payments plus monthly benefits (as defined below), if any, minus the amount that each partial withdrawal exceeds the difference between the contract value and the modified premium payments prior the partial withdrawal. If there are no partial withdrawals or the partial withdrawal does not exceed the difference, the value is zero.

Monthly Benefit: is the monthly amount credited to the contract value when a claim under the Accumulation Enhancement is being paid.

Death benefit proceeds will be payable in a single lump sum or, if the recipient chooses, in the form of an annuity option. Any such annuity option is subject to all restrictions (including minimum amount requirements) as are other annuities under this contract. In addition, there may be legal requirements that limit the recipient's annuity options and the timing of payments. See "Distributions at Death" under "Federal Income Taxes." A recipient should consult a qualified tax adviser before electing to receive an annuity.

Depending upon state law, the amounts paid to the owner may avoid probate and the death benefit may be reduced by any tax due. For more information, see "Tax" and "Distribution at Death" under "Federal Income Taxes."

We reserve the right to discontinue offering any one of the available death benefit options in the future.

## THE ANNUITY PERIOD

The annuity period begins after the accumulation period of the contract, when annuity payments are made to you.

### ANNUITY PAYMENTS

Annuity payments will begin on the contract's maturity date if the owner is alive and the contract is still in force. Beginning on the maturity date, investment in the Separate Account is continued unless a fixed payment annuity is selected. Surrender charges will also be waived when you begin taking annuity payments, provided your contract has been in effect for one year. If you have not selected an annuity payment option by the maturity date, the default is Annuity Payment Option I--Variable Life Annuity with 10-Year Period Certain.

For more information, see "Annuity Payment Options."

If the amount to be applied on the maturity date is less than $2,000, we may pay such amount in one lump sum in lieu of providing an annuity. If the initial monthly annuity payment under an annuity payment option would be less than $20, we may make a single sum payment equal to the total contract value on the date the initial annuity payment would be payable, or make periodic annuity payments quarterly, semiannually or annually in place of monthly annuity payments.

Your contract specifies a maturity date at the time of its issuance. However, you may subsequently elect a different maturity date. The maturity date may not be earlier than the first contract anniversary. The latest maturity date is the contract anniversary nearest the annuitant's 95th birthday or ten years from the contract date, unless agreed otherwise. Generally, under qualified plans, the maturity date must be such that distributions begin no later than April 1st of the calendar year following the later of: (a) the year in which the employee attains age 70 1/2 or (b) the calendar year in which the employee retires. The date set forth in (b) does not apply to an Individual Retirement Annuity ("IRA").

The maturity date election must be made by written notice and must be received by us 30 days before the provisional maturity date. If you do not elect a maturity date, which is different from the provisional maturity date, the provisional maturity date becomes the maturity date. Particular care should be taken in electing the maturity date of a contract issued under a Tax Sheltered Annuity (TSA), a Keogh Plan or an IRA plan. For more information, see "Tax Sheltered Annuities," "Keogh Plans" and "Individual Retirement Accounts."

### ANNUITY PAYMENT OPTIONS

Unless an alternative annuity payment option is elected on or before the maturity date, the amounts held under a contract on the maturity date will be applied to provide a Variable Life Annuity with 10-Year Period Certain (Option I) as described below. Instead of Option I, you may, by sending a written request to our Annuity Operations Division on or before the maturity date of the contract, elect any of the other annuity payment options described below. After the first annuity payment, you may not change the elected annuity payment option. No surrender charge will be assessed under any annuity payment option, unless unscheduled withdrawals are made under Annuity Payment Options K or L.

With the exception of the Fixed Annuity Payment Options and Annuity Payment Option L, each annuity payment will be based upon the value of the annuity units credited to the contract. The number of annuity units in each subaccount to be credited is based on the value of the accumulation units in that subaccount and the applicable annuity payment rate. The contract is issued with guaranteed minimum annuity payment rates, however, if the current rate is higher, we'll apply the higher rate. The annuity payment rate differs according to the annuity payment option selected and the age of the annuitant(s). The annuity payment rate is applied and will determine all annuity payments for the fixed annuity payment options and the first annuity payment for the variable annuity payment options. The value of the annuity units will vary with the investment performance of each subaccount to which annuity units are credited. The initial annuity payment will be calculated based on an assumed investment return of 4 1/2% per year. This rate is a fulcrum return around which variable annuity payments will vary to reflect whether actual investment experience of the subaccount is better or worse than the assumed investment return. The assumed investment return and the calculation of variable annuity payments for a 10-year period certain variable payment life annuity and for Annuity Payment Options J and K described below are described in more detail in the contract and in the SAI.

The level of annuity payments payable under the following options is based upon the annuity payment option selected. In addition, such factors as the age at which annuity payments begin, the form of annuity, annuity payment rates, assumed investment rate (for variable annuity payments) and the frequency of annuity payments will affect the level of annuity payments. The longer the duration, and more frequent the payments, the lower the annuity payment amount. The assumed investment rate is 4 1/2% per year. We use this rate to determine the first annuity payment under Variable Annuity Payment Options I, J, K, M and N. Under Option L, we determine the amount of the annual distribution by dividing the amount of contract value as of the payment calculation date by the life expectancy of the annuitant or the joint life expectancy of the annuitant and joint annuitant at that time.

We deduct a daily charge for mortality and expense risks and a daily administrative fee from contract values held in the subaccounts. For more information, see "Charges For Mortality and Expense Risks" and "Charges for Administrative Services." Therefore, electing Option K will result in a deduction being made even though we assume no mortality risk under that option.

The following are descriptions of the annuity payment options available under a contract. These descriptions should allow you to understand the basic differences between the options, however, you should contact our Annuity Operations Division well in advance of the date you wish to elect an option to obtain estimates of annuity payments under each option.

OPTION A--LIFE ANNUITY WITH SPECIFIED PERIOD

A fixed payout annuity payable monthly while the annuitant is living or, if later, the end of the specified period certain. The period certain may be specified as 5, 10, or 20 years. The period certain must be specified at the time this option is elected.

OPTION B--NON-REFUND LIFE ANNUITY

A fixed payout annuity payable monthly while the annuitant is living. No monthly payment, death benefit or refund is payable after the death of the annuitant.

OPTION C--[RESERVED]

OPTION D--JOINT AND SURVIVOR LIFE ANNUITY

A fixed payout annuity payable monthly while either the annuitant or joint annuitant is living. You must designate the joint annuitant at the time you elect this option. The joint annuitant must be at least age 40 on the first payment calculation date.

OPTION E--INSTALLMENT REFUND LIFE ANNUITY

A fixed payout annuity payable monthly while the annuitant is living. If the annuitant dies before the annuity payments made under this option total an amount which refunds the entire amount applied under this option, we will make a lump sum payment equal to the entire amount applied under this option less the sum of payments already made.

OPTION F--JOINT AND SURVIVOR LIFE ANNUITY WITH 10-YEAR PERIOD CERTAIN

A fixed payout annuity payable monthly while either the annuitant or joint annuitant is living, or if later, the end of 10 years. You must designate the joint annuitant at the time you elect this option. The joint annuitant must be at least age 40 on the first payment calculation date.

OPTION G--PAYMENTS FOR SPECIFIED PERIOD

A fixed payout annuity payable monthly over a specified period of time. Payments continue whether the annuitant lives or dies. The specified period must be in whole numbers of years from 5 to 30, but cannot be greater than 100 minus the age of the annuitant. However, if the beneficiary of any death benefits payable under this contract elects this payment option, the period selected by the beneficiary may not extend beyond the life expectancy of such beneficiary.

OPTION H--PAYMENTS OF SPECIFIED AMOUNT

Equal income installments of a specified amount are paid until the principal sum remaining under this option from the amount applied is less than the amount of the installment. When that happens, the principal sum remaining will be paid as a final payment. The amount specified must provide for payments for a period of at least 5 years.

OPTION I--VARIABLE LIFE ANNUITY WITH 10-YEAR PERIOD CERTAIN

A variable payout annuity payable monthly while the Annuitant is living or, if later, for ten years. If the beneficiary of any death benefits payable under this contract elects this payment option, the period certain will equal the shorter of ten years or the life expectancy of such beneficiary.

OPTION J--JOINT SURVIVOR VARIABLE LIFE ANNUITY WITH 10-YEAR PERIOD CERTAIN

A variable payout annuity payable monthly while either the annuitant or joint annuitant is living, or if later, the end of 10 years. You must designate the joint annuitant at the time you elect this option. The joint annuitant must be at least age 40 on the first payment calculation date. This option is not available for the payment of any death benefit under this contract.

OPTION K--VARIABLE ANNUITY FOR A SPECIFIED PERIOD

A variable payout annuity payable monthly over a specified period of time. Payments continue whether the annuitant lives or dies. The specified period must be in whole numbers of years from 5 to 30, but cannot be greater than 100 minus the age of the annuitant. However, if the beneficiary of any death benefits payable under this contract elects this payment option, the period selected by the beneficiary may not extend beyond the life expectancy of such beneficiary. This option also provides for unscheduled withdrawals. An unscheduled withdrawal will reduce the number of fixed annuity units in each subaccount and affect the amount of future payments.

OPTION L--VARIABLE LIFE EXPECTANCY ANNUITY

This option provides a variable income which is payable over the annuitant's annually recalculated life expectancy or the annually recalculated life expectancy of the annuitant and joint annuitant. This option also provides for unscheduled withdrawals. An unscheduled withdrawal will reduce the contract value and affect the amount of future payments. Upon the death of the annuitant (and joint annuitant, if applicable), any remaining contract value will be paid in a lump sum to the beneficiary.



OPTION M--UNIT REFUND VARIABLE LIFE ANNUITY

This option provides variable monthly payments as long as the annuitant lives. In the event of the death of the annuitant, the monthly payments will stop and the beneficiary will receive a lump sum payment equal to the value of the remaining annuity units. This value is equal to the sum of the number of remaining annuity units for each subaccount multiplied by the current annuity unit value for that subaccount. The number of remaining annuity units for each subaccount will be calculated as follows:

1. the net amount in the subaccount applied under this option on the first payment calculation date divided by the corresponding annuity unit value on that date, minus

2. the sum of the annuity units released from the subaccount to make the payments under this option.

You may not transfer any assets under Annuity Payment Option M, unless we agree otherwise.

OPTION N--VARIABLE NON-REFUND LIFE ANNUITY

A variable payout annuity payable monthly while the annuitant is living. No monthly payment, death benefit or refund is payable after the death of the annuitant.

OTHER OPTIONS AND RATES

We may offer other annuity payment options at the time a contract reaches its maturity date. In addition, in the event that annuity payment rates for contracts are at that time more favorable than the applicable rates guaranteed under the contract, the then current settlement rates shall be used in determining the amount of any annuity payment under the Annuity Payment Options above.

OTHER CONDITIONS

Federal income tax requirements currently applicable to most qualified plans provide that the period of years guaranteed under joint and survivorship annuities with specified periods certain (see "Option F" and "Option J" above) cannot be any greater than the joint life expectancies of the payee and his or her spouse.

Federal income tax requirements also provide that participants in regular or SIMPLE IRAs must begin minimum distributions by April 1 of the year following the year in which they attain age 70 1/2. Minimum distribution requirements do not apply to Roth IRAs. Distributions from qualified plans generally must begin by the later of actual retirement or April 1 of the year following the year participants attain age 70 1/2. Any required minimum distributions must be such that the full amount in the contract will be distributed over a period not greater than the participant's life expectancy or the combined life expectancy of the participant and his or her spouse or designated beneficiary. Distributions made under this method are generally referred to as Life Expectancy Distributions ("LEDs"). An LED program is available to participants in qualified plans or IRAs. Requests to elect this program must be made in writing.

Under the LED program, regardless of contract year, amounts up to the required minimum distribution may be withdrawn without a deduction for surrender charges, even if the minimum distribution exceeds the 10% allowable amount. See "Surrender Charges." Any amounts withdrawn that have not been held under a contract for at least six years and are in excess of both the minimum distribution and the 10% free available amount will be subject to any applicable surrender charge.

If the initial monthly annuity payment under an annuity payment option would be less than $20, we may make a single sum payment equal to the contract value on the date the initial annuity payment would be payable, in place of all other benefits provided by the contract, or, may make periodic annuity payments quarterly, semiannually or annually in place of monthly annuity payments.

Currently, transfers between subaccounts are available for amounts allocated to any of the variable annuity payment options except Option M.

PAYMENT UPON DEATH AFTER MATURITY DATE

If an owner dies on or after the maturity date and there is no surviving owner, any remaining certain period annuity payments will be paid to the beneficiary under the annuity payment option in effect on the date of death. Payments may not be deferred or otherwise extended. If there is a surviving owner, the payments continue as if there had been no death.

If the annuitant and joint annuitant, if any, die and are survived by any owner(s), any remaining certain period annuity payments will be paid to such owner(s). Payments will continue under the annuity payment option in effect at the date of death and may not be deferred or otherwise extended.

VARIABLE ACCOUNT VALUATION PROCEDURES

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VALUATION DATE

A valuation date is every day the New York Stock Exchange ("NYSE") is open for trading and we are 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 (usually 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 | |



VALUATION PERIOD

Valuation period is that period of time from the beginning of the day following a valuation date to the end of the next following valuation date.

ACCUMULATION UNIT VALUE

The value of one accumulation unit was set at $1.000 on the date assets were first allocated to a subaccount. The value of one accumulation unit on any subsequent valuation date is determined by multiplying the immediately preceding accumulation unit value by the applicable net investment factor for the valuation period ending on such valuation date. After the first valuation period, the accumulation unit value reflects the cumulative investment experience of that subaccount.

NET INVESTMENT FACTOR

The net investment factor for any valuation period is equal to 1.000 plus the applicable net investment rate for such valuation period. A net investment factor may be more or less than 1.000 depending on whether the assets gained or lost value that day. To determine the net investment rate for any valuation period for the funds allocated to each subaccount, the following steps are taken: (a) the aggregate accrued investment income and capital gains and losses, whether realized or unrealized, of the subaccount for such valuation period is computed, (b) the amount in (a) is then adjusted by the sum of the charges and credits for any applicable income taxes and the deductions at the beginning of the valuation period for mortality and expense risk fees and daily administration fee, and (c) the results of (a) as adjusted by (b) are divided by the aggregate unit values in the subaccount at the beginning of the valuation period.

MISCELLANEOUS PROVISIONS

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ASSIGNMENT

Owners of contracts issued in connection with non-tax qualified plans may assign their interest in the contract to a spouse or a grantor trust. A written notice of such assignment must be filed with our Annuity Operations Division before it will be honored.

A pledge or assignment of a contract is treated as payment received on account of a partial surrender of a contract. For more information, see "Surrenders or Withdrawals Prior to the Contract Maturity Date." Transfer of ownership will nullify the original death benefit option and the death benefit option will become Option 1.

In order to qualify for favorable tax treatment, contracts issued in connection with tax qualified plans may not be sold, assigned, discounted or pledged as collateral for a loan or as security for the performance of an obligation, or for any other purpose, to any person other than to us.

PAYMENT DEFERRAL

Payment of the contract value in a single sum upon a partial withdrawal or full surrender of the contract will ordinarily be made within 7 days after receipt of the written request by our Annuity Operations Division. However, we may postpone payment of the value of any accumulation units at times (a) when the NYSE is closed, other than customary weekend and holiday closings, (b) when trading on the NYSE is restricted, (c) when an emergency exists as a result of which disposal of securities in the series is not reasonably practicable or it is not reasonably practicable to determine the contract value or (d) when a governmental body having jurisdiction over us by order permits such suspension. Rules and regulations of the SEC, if any, are applicable and will govern as to whether conditions described in (b), (c) or (d) exist.

FREE LOOK PERIOD

We may mail the contract to you or we may deliver it to you in person. You may return a contract for any reason within ten days after you receive it and receive in cash the adjusted contract value less any charges. (A longer Free Look Period may be required by your state.) You may receive more or less than the initial premium payment depending on investment experience within the subaccounts during the Free Look Period. If a portion or all of your initial premium payment has been allocated to the GIA, we also will refund any earned interest. If applicable state law requires, we will return the full amount of any premium payments we received.

During periods of extreme market volatility, we reserve the right to make the Temporary Money Market Allocation Amendment available. We will generally allocate the premium payment, less applicable charges, according to your instructions when we receive your completed application. We may issue some contracts with a Temporary Money Market Allocation Amendment. Under this amendment we allocate the net premium payment and the net of other premium payments paid during your Free Look Period to the Phoenix-Goodwin Money Market subaccount. When your Free Look Period expires we allocate the contract value among the subaccounts and/or the GIA according to your instructions. We may use the Temporary Money Market Allocation Amendment depending on the state of issue and under certain other circumstances.

AMENDMENTS TO CONTRACTS

Contracts may be amended to conform to changes in applicable law or interpretations of applicable law, or to accommodate design changes. Changes in the contract may need to be approved by contract owners and state insurance departments. A change in the contract that necessitates a corresponding change in the prospectus or the SAI must be filed with the SEC.

SUBSTITUTION OF FUND SHARES

If, in the judgment of Phoenix's management, one or more of the funds becomes unsuitable for investment by contract owners, we reserve the right to substitute accumulation units of another subaccount for accumulation units already purchased or to be purchased in the future by premium payments under this contract. Any substitution will be subject to approval by the SEC, if required, and where required, one or more state insurance departments.



OWNERSHIP OF THE CONTRACT

Ordinarily, the purchaser of a contract is both the owner and the annuitant and is entitled to exercise all the rights under the contract. However, the owner may be an individual or entity other than the annuitant. More than one owner may own a contract as joint owner. Transfer of the ownership of a contract may involve federal income tax consequences, and a qualified advisor should be consulted before any such transfer is attempted.

FEDERAL INCOME TAXES

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INTRODUCTION

The contracts are designed for use with retirement plans which may or may not be tax-qualified plans ("qualified plans") under the provisions of the Internal Revenue Code of 1986, (the "Code"). The ultimate effect of federal income taxes on the amounts held under a contract, on annuity payments and on the economic benefits of the contract owner, annuitant or beneficiary depends on our income tax status, on the type of retirement plan for which the contract is purchased, and upon the income tax and employment status of the individual concerned.

The following discussion is general in nature and is not intended as tax advice. The income tax rules are complicated and this discussion is intended only to make you aware of the issues. Each person concerned should consult a professional tax advisor. No attempt is made to consider any estate or inheritance taxes or any applicable state, local or other tax laws. Moreover, the discussion is based upon our understanding of the federal income tax laws as they are currently interpreted. No representation is made regarding the likelihood of continuation of the federal income tax laws or the current interpretations by the Internal Revenue Service (the "IRS"). We do not guarantee the tax status of the contracts or any transactions involving the contracts. Purchasers bear the complete risk that the contracts may not be treated as "annuity contracts" under federal income tax laws. For a discussion of federal income taxes as they relate to the funds, please see the fund prospectuses.

INCOME TAX STATUS

We are taxed as a life insurance company under Part 1 of Subchapter L of the Code. Since the Separate Account is not a separate entity from Phoenix and its operations form a part of Phoenix, it will not be taxed separately as a "regulated investment company" under Subchapter M of the Code. Investment income and realized capital gains on the assets of the Separate Account are reinvested and taken into account in determining the contract value. Under existing federal income tax law, the Separate Account's investment income, including realized net capital gains, is not taxed to us. We reserve the right to make a deduction for taxes should they be imposed on us with respect to such items in the future.

TAXATION OF ANNUITIES IN GENERAL--NONQUALIFIED PLANS

Section 72 of the Code governs taxation of annuities. In general, a contract owner is not taxed on increases in value of the units held under a contract until some form of distribution is made. However, in certain cases the increase in value may be subject to tax currently. In the case of contracts not owned by natural persons, see "Contracts Owned by Non-Natural Persons." In the case of contracts not meeting the diversification requirements, see "Diversification Standards."

As the owner of the contract, you may elect one of the available death benefit guarantees under the contract. One or more of the options available may, in some cases, exceed the greater of the sum of premium payments or the contract value. The IRS may take the position with respect to these death benefit guarantees that they are not part of the annuity contract. In such a case, the charges against the cash value of the annuity contract or charges withheld from a rollover for the benefits would be considered distributions subject to tax, including penalty taxes, and charges withheld from purchase payments for the contract would not be deductible. If the IRS were to take this position, we would take all reasonable steps to avoid this result, which would include the right to amend the contract, with appropriate notice to you. You should consult with your tax advisor before electing a death benefit guarantee under this contract or any amendments, benefits or endorsements to the contract.

SURRENDERS OR WITHDRAWALS PRIOR TO THE CONTRACT
MATURITY DATE

Code Section 72 provides that a withdrawal or surrender of the contract prior to the contract maturity date will be treated as taxable income to the extent the amounts held under the contract exceed the "investment in the contract." The "investment in the contract" is that portion, if any, of purchase payments by or on behalf of an individual under a contract that have not been excluded from the individual's gross income. The taxable portion is taxed as ordinary income in an amount equal to the value of the amount received in excess of the "investment in the contract" on account of a withdrawal or surrender of a contract. For purposes of this rule, a pledge or assignment of a contract is treated as a payment received on account of a withdrawal from a contract.

SURRENDERS OR WITHDRAWALS ON OR AFTER THE CONTRACT
MATURITY DATE

Upon receipt of a lump sum payment under the contract, the recipient is taxed on the portion of the payment that exceeds the investment in the contract. Ordinarily, such taxable portion is taxed as ordinary income.

For fixed annuity payments, the taxable portion of each payment is determined by using a formula known as the "exclusion ratio," which establishes the ratio that the investment in the contract bears to the total expected amount of annuity payments for the term of the contract. That ratio is then applied to each payment to determine the non-taxable portion of the payment. The remaining portion of each payment is taxed as ordinary income. For variable annuity payments, the taxable portion is determined by a formula that establishes a specific dollar amount of each payment that is not taxed. The dollar amount is determined by dividing the investment in the contract by the total number of expected periodic payments. The remaining portion of each payment is taxed as ordinary income. Once the excludable portion of annuity payments equals the investment in the contract, the



balance of the annuity payments will be fully taxable. For certain types of qualified plans, there may be no investment in the contract resulting in the full amount of the payments being taxable. A simplified method of determining the exclusion ratio is effective with respect to qualified plan annuities started after November 18, 1996.

Withholding of federal income taxes on all distributions may be required unless the recipient elects not to have any amounts withheld and properly notifies our Annuity Operations Division of that election.

PENALTY TAX ON CERTAIN SURRENDERS AND WITHDRAWALS

Amounts surrendered, withdrawn or distributed before the taxpayer reaches age 59 1/2 are subject to a penalty tax equal to ten percent (10%) of the portion of such amount that is includable in gross income. However, the penalty tax will not apply to withdrawals: (i) made on or after the death of the contract owner (or where the contract owner is not an individual, the death of the "primary annuitant," who is defined as the individual the events in whose life are of primary importance in affecting the timing and amount of the payout under the contract); (ii) attributable to the taxpayer's becoming totally disabled within the meaning of Code Section 72(m)(7); (iii) which are part of a series of substantially equal periodic payments made (not less frequently than annually) for the life (or life expectancy) of the taxpayer, or the joint lives (or joint life expectancies) of the taxpayer and his or her beneficiary; (iv) from certain qualified plans (such distributions may, however, be subject to a similar penalty under Code Section 72(t) relating to distributions from qualified retirement plans and to a special penalty of 25% applicable specifically to SIMPLE IRAs or other special penalties applicable to Roth IRAs); (v) allocable to investment in the contract before August 14, 1982; (vi) under a qualified funding asset (as defined in Code Section 130(d)); (vii) under an immediate annuity contract (as defined in Code Section 72(u)(4)); or (viii) that are purchased by an employer on termination of certain types of qualified plans and which are held by the employer until the employee separates from service.

If the penalty tax does not apply to a withdrawal as a result of the application of item (iii) above, and the series of payments are subsequently modified (other than by reason of death or disability), the tax for the first year when the modification occurs will be increased by an amount (determined by the Treasury regulations) equal to the tax that would have been imposed but for item (iii) above, plus interest for the deferral period, but only if the modification takes place: (a) within 5 years from the date of the first payment, or (b) before the taxpayer reaches age 59 1/2.

Separate tax withdrawal penalties apply to qualified plans. See "Penalty Tax on Surrenders and Withdrawals from Qualified Contracts."

ADDITIONAL CONSIDERATIONS

DISTRIBUTION-AT-DEATH RULES

In order to be treated as an annuity contract for federal income tax purposes, a contract must provide the following two distribution rules: (a) if the contract owner dies on or after the contract maturity date, and before the entire interest in the contract has been distributed, the remainder of the contract owner's interest will be distributed at least as quickly as the method in effect on the contract owner's death; and (b) if a contract owner dies before the contract maturity date, the contract owner's entire interest generally must be distributed within five (5) years after the date of death, or if payable to a designated beneficiary, may be annuitized over the life or life expectancy of that beneficiary and payments must begin within one (1) year after the contract owner's date of death. If the beneficiary is the spouse of the contract owner, the contract (together with the deferral of tax on the accrued and future income thereunder) may be continued in the name of the spouse as contract owner. Similar distribution requirements apply to annuity contracts under qualified plans (other than Code Section 457 Plans). However, a number of restrictions, limitations and special rules apply to qualified plans and contract owners should consult with their tax advisor.

If the primary annuitant, which is not the contract owner, dies before the maturity date, the owner will become the annuitant unless the owner appoints another annuitant. If the contract owner is not an individual, the death of the primary annuitant is treated as the death of the contract owner. In addition, when the contract owner is not an individual, however, a change in the primary annuitant is treated as the death of the contract owner. Finally, in the case of non-spousal joint contract owners, distribution will be required at the earliest death of any of the contract owners.

If the contract owner or a joint contract owner dies on or after the maturity date, the remaining payments, if any, under the Annuity Payment Option selected will be made at least as rapidly as under the method of distribution in effect at the time of death.

Any death benefits paid under the contract are taxable to the beneficiary. The rules governing the taxation of payments from an annuity contract, as discussed above, generally apply whether the death benefits are paid as lump sum or annuity payments. Estate taxes may also apply.

TRANSFER OF ANNUITY CONTRACTS

Transfers of nonqualified contracts prior to the maturity date for less than full and adequate consideration to the contract owner at the time of such transfer, will trigger tax on the gain in the contract, with the transferee getting a step-up in basis for the amount included in the contract owner's income. This provision does not apply to transfers between spouses and incident to a divorce.

CONTRACTS OWNED BY NON-NATURAL PERSONS

If a non-natural person (for example, a corporation) holds the contract, the income on that contract (generally the increase in the net surrender value less the premium payments paid) is includable in income each year. The rule does not apply where the non-natural person is the nominal owner of a contract and the beneficial owner is a natural person. The rule also does not apply where the annuity contract is acquired by the estate of a decedent, where the contract is held under a



qualified plan, a TSA program or an IRA, where the contract is a qualified funding asset for structured settlements, or where the contract is purchased on behalf of an employee upon termination of a qualified plan.

SECTION 1035 EXCHANGES

Code Section 1035 provides, in general, that no gain or loss shall be recognized on the exchange of one annuity contract for another. A replacement contract obtained in a tax-free exchange of contracts generally succeeds to the status of the surrendered contract. If the surrendered contract was issued prior to August 14, 1982, the tax rules that formerly provided that the surrender was taxable only to the extent the amount received exceeds the contract owner's investment in the contract will continue to apply. In contrast, contracts issued on or after January 19, 1985 are, in a Code Section 1035 exchange, treated as new contracts for purposes of the distribution-at-death rules. Special rules and procedures apply to Code Section 1035 transactions. Prospective contract owners wishing to take advantage of Code Section 1035 should consult their tax advisors.

MULTIPLE CONTRACTS

Code Section 72(e)(11)(A)(ii) provides that for contracts entered into after October 21, 1988, for purposes of determining the amount of any distribution under Code Section 72(e) (amounts not received as annuities) that is includable in gross income, all nonqualified annuity contracts issued by the same insurer (or affiliate) to the same contract owner during any calendar year are to be aggregated and treated as one contract. Thus, any amount received under any such contract prior to the contract maturity date, such as a withdrawal, dividend or loan, will be taxable (and possibly subject to the 10% penalty tax) to the extent of the combined income in all such contracts.

The U.S. Treasury Department has specific authority to issue regulations that prevent the avoidance of Code Section 72(e) through the serial purchase of annuity contracts or otherwise. In addition, there may be situations where the Treasury may conclude that it would be appropriate to aggregate two or more contracts purchased by the same contract owner. Accordingly, a contract owner should consult a competent tax advisor before purchasing more than one contract or other annuity contracts.

OWNER CONTROL

For variable annuity contracts, tax deferral depends on the insurance company and not you having control of the assets held in the separate accounts. You can allocate account values from one fund of the separate account to another but you cannot direct the investments each fund makes. If you have too much "investor control" of the assets supporting the separate account funds, then you will be taxed on the gain in the contract as it is earned rather than when it is withdrawn.

In 2003, the Internal Revenue Service (IRS) in Revenue Ruling 2003-91, issued formal guidance that indicates that if the number of underlying mutual funds available in a variable insurance product does not exceed 20, the number of underlying mutual funds alone would not cause the contract to not qualify for the desired tax treatment. The IRS has also indicated that exceeding 20 investment options may be considered a factor, along with other factors, including the number of transfer opportunities available under the contract, when determining whether the contract qualifies for the desired tax treatment. The Revenue Ruling did not indicate the actual number of underlying mutual funds that would cause the contract to not provide the desired tax treatment but stated that whether the owner of a variable contract is to be treated as the owner of the assets held by the insurance company under the contract will depend on all of the facts and circumstances.

The Revenue Ruling considered certain variable annuity and variable life insurance contracts and held that the types of actual and potential control that the contract owners could exercise over the investment assets held by the insurance company under the variable contracts was not sufficient to cause the contract owners to be treated as the owners of those assets and thus to be subject to current income tax on the income and gains produced by those assets. Under this contract, like the contracts described in the Revenue Ruling, there will be no arrangement, plan, contract, or agreement between the contract owner and Phoenix regarding the availability of a particular investment option and, other than the contract owner's right to allocate premium payments and transfer funds among the available subaccounts, all investment decisions concerning the subaccounts will be made by us or an advisor in its sole and absolute discretion.

At this time, it cannot be determined whether additional guidance will be provided by the U.S. Treasury on this issue and what standards may be contained in such guidance. Should the U.S. Treasury issue additional rules or regulations limiting the number of underlying mutual funds, transfers between or among underlying mutual funds, exchanges of underlying mutual funds or changes in investment objectives of underlying mutual funds such that the contract would no longer qualify for tax deferred treatment under section 72 of the Internal Revenue Code, Phoenix reserves the right to modify the contract to the extent required to maintain favorable tax treatment.

DIVERSIFICATION STANDARDS

DIVERSIFICATION REGULATIONS

To comply with the diversification regulations under Code Section 817(h) ("Diversification Regulations"), after a start-up period, each series of the funds will be 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 1 investment
[diamond] 70% in any 2 investments
[diamond] 80% in any 3 investments
[diamond] 90% in any 4 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, and each series of the funds are tested for compliance with the percentage limitations. All securities of the same issuer are



treated as a single investment. As a result of the 1988 Act, each government agency or instrumentality will be treated as a separate issuer for purposes of these limitations.

The Treasury Department has indicated that the Diversification Regulations do not provide guidance regarding the circumstances in which contract owner control of the investments of the Separate Account will cause the contract owner to be treated as the owner of the assets of the Separate Account, thereby resulting in the loss of favorable tax treatment for the contract. At this time, it cannot be determined whether additional guidance will be provided and what standards may be contained in such guidance. The amount of contract owner control which may be exercised under the contract is different in some respects from the situations addressed in published rulings issued by the IRS in which it was held that the contract owner was not the owner of the assets of the separate account. It is unknown whether these differences, such as the contract owner's ability to transfer among investment choices or the number and type of investment choices available, would cause the contract owner to be considered as the owner of the assets of the Separate Account resulting in the imposition of federal income tax to the contract owner with respect to earnings allocable to the contract prior to receipt of payments under the contract.

In the event any forthcoming guidance or ruling is considered to set forth a new position, such guidance or ruling generally will be applied only prospectively. However, if such ruling or guidance was not considered to set forth a new position, it may be applied retroactively resulting in the contract owner being determined retroactively to be the owner of the assets of the Separate Account.

Due to the uncertainty in this area, we reserve the right to modify the contract in an attempt to maintain favorable tax treatment.

We represent that we intend to comply with the Diversification Regulations to assure that the contracts continue to be treated as annuity contracts for federal income tax purposes.

DIVERSIFICATION REGULATIONS AND QUALIFIED PLANS

Code Section 817(h) applies to a variable annuity contract other than a pension plan contract. The Diversification Regulations reiterate that the diversification requirements do not apply to a pension plan contract. All of the qualified plans (described below) are defined as pension plan contracts for these purposes. Notwithstanding the exception of qualified plan contracts from application of the diversification rules, all investments of the Phoenix Qualified Plan Contracts (i.e., the funds) will be structured to comply with the diversification standards because the funds serve as the investment vehicle for nonqualified contracts as well as qualified plan contracts.

Any death benefits paid under the contract are taxable to the beneficiary. The rules governing the taxation of payments from an annuity contract, as discussed above, generally apply whether the death benefits are paid as lump sum or annuity payments. Estate taxes may also apply.

TAXATION OF ANNUITIES IN GENERAL--QUALIFIED PLANS

The contracts may be used with several types of qualified plans. TSAs, Keoghs, IRAs, Corporate Pension and Profit-sharing Plans and State Deferred Compensation Plans will be treated, for purposes of this discussion, as qualified plans. The tax rules applicable to participants in such qualified plans vary according to the type of plan and the terms and conditions of the plan itself. No attempt is made here to provide more than general information about the use of the contracts with the various types of qualified plans. Phoenix reserves the right at any time to discontinue the availability of this contract for use with qualified plans. Participants under such qualified plans as well as contract owners, annuitants and beneficiaries, are cautioned that the rights of any person to any benefits under such qualified plans may be subject to the terms and conditions of the plans themselves or limited by applicable law, regardless of the terms and conditions of the contract issued in connection therewith. For example, Phoenix will accept beneficiary designations and payment instructions under the terms of the contract without regard to any spousal consent that may be required under the Retirement Equity Act (REA). Consequently, a contract owner's beneficiary designation or elected annuity payment option may not be enforceable.

As the owner of the contract, you may elect one of the available death benefit guarantees under the contract. We are of the opinion that the death benefit guarantees available under the contract are part of the annuity contract. One or more of the death benefit guarantees available may exceed the greater of the sum of premium payments or the contract value. The contract and its amendments, benefits or endorsements (together referred to herein as the "contract") have not been reviewed by the IRS for qualification as an IRA or any other qualified plan. Moreover, the IRS has not addressed in a ruling of general applicability whether a death benefit option such as the those available under the contract complies with the qualification requirements for an IRA or any other qualified plan. There is a risk that the IRS would take the position that one or more of the death benefit guarantees are not part of the annuity contract. In such a case, charges against the cash value of the annuity contract or charges withheld from a rollover for the benefits would be considered distributions subject to tax, including penalty taxes, and charges withheld from purchases for the contract would not be deductible. While we regard the death benefit guarantees available for your election under the contract as a permissible benefit under an IRA, the IRS may take a contrary position regarding tax qualification resulting in deemed distributions and penalty taxes. If the IRS were to take this position, we would take all reasonable steps to avoid this result, which would include the right to amend the contract, with appropriate notice to you. You should consult with your tax advisor before electing a death benefit option under this contract for an IRA or other qualified plan.

Certain death benefit guarantees may be purchased under your contract. IRA's and other qualified contracts generally may not invest in life insurance contracts. If you own an IRA or other qualified contract and purchase these death benefit



guarantees, the IRS may consider these benefits "incidental death benefits." The IRC imposes limits on the amount of the incidental death benefits allowable for qualified contracts. If the death benefit(s) selected by you are considered to exceed these limits, the benefit(s) could result in taxable income to the owner of the IRA or qualified contract. Furthermore, the IRC provides that the assets of an IRA (including a traditional IRA, Roth IRA, SEP IRA and SIMPLE IRA) may not be invested in life insurance, but may provide, in the case of death during the accumulation phase, for a death benefit payment equal to the greater of sum of premium payments (less withdrawals) or contract value. This contract offers death benefits, which may exceed the greater of sum of premium payments (less withdrawals) or contract value. If the IRS determines that these benefits are providing life insurance, the contract may not qualify as an IRA (including traditional IRA, Roth IRA, SEP IRA and SIMPLE IRA) or other qualified contract. That determination could result in the immediate taxation of amounts held in the contract and the imposition of penalty taxes. You should consult your tax advisor regarding these features and benefits prior to purchasing a contract.

Under certain circumstances, the proceeds of a surrender of a contract may qualify for "lump sum distribution" treatment under qualified plans. See your tax advisor if you think you may qualify for "lump sum distribution" treatment. The 5-year averaging rule for lump sum distribution has been repealed for tax years beginning after 1999.

Effective January 1, 1993, Section 3405 of the Internal Revenue Code was amended to change the roll-over rules applicable to the taxable portions of distributions from qualified pension and profit-sharing plans and Section 403(b) TSA arrangements. Taxable distributions eligible to be rolled over generally will be subject to 20 percent income tax withholding. Mandatory withholding can be avoided only if the employee arranges for a direct rollover to another qualified pension or profit-sharing plan or to an IRA.

The new mandatory withholding rules apply to all taxable distributions from qualified plans or TSAs (not including IRAs), except (a) distributions required under the Code, (b) substantially equal distributions made over the life (or life expectancy) of the employee, or for a term certain of 10 years or more and (c) the portion of distributions not includable in gross income (i.e., return of after-tax contributions).

On July 6, 1983, the Supreme Court decided in ARIZONA GOVERNING COMMITTEE VS. NORRIS that optional annuity benefits provided under an employer's deferred compensation plan could not, under Title VII of the Civil Rights Act of 1964, vary between men and women. The contracts sold by Phoenix in connection with certain qualified plans will utilize annuity tables that do not differentiate on the basis of sex. Such annuity tables also will be available for use in connection with certain nonqualified deferred compensation plans.

Numerous changes have been made to the income tax rules governing qualified plans as a result of legislation enacted during the past several years, including rules with respect to: coverage, participation, maximum contributions, required distributions, penalty taxes on early or insufficient distributions and income tax withholding on distributions. The following are general descriptions of the various types of qualified plans and of the use of the contracts in connection therewith.

TAX SHELTERED ANNUITIES ("TSAS")

Code Section 403(b) permits public school systems and certain types of charitable, educational and scientific organizations, generally specified in Code Section 501(c)(3), to purchase annuity contracts on behalf of their employees and, subject to certain limitations, allows employees of those organizations to exclude the amount of payments from gross income for federal income tax purposes. These annuity contracts are commonly referred to as TSAs.

For taxable years beginning after December 31, 1988, Code Section 403(b)(11) imposes certain restrictions on a contract owner's ability to make withdrawals from, or surrenders of, Code Section 403(b) Contracts, if the cash withdrawn is attributable to payments made under a salary reduction agreement. Specifically, Code Section 403(b)(11) allows a contract owner to make a surrender or withdrawal only (a) when the employee attains age 59 1/2, separates from service, dies or becomes disabled (as defined in the Code), or (b) in the case of hardship. In the case of hardship, the distribution amount cannot include any income earned under the contract.

The 1988 Act amended the effective date of Code Section 403(b)(11), so that it applies only with respect to distributions from Code Section 403(b) Contracts which are attributable to assets other than assets held as of the close of the last year beginning before January 1, 1989. Thus, the distribution restrictions do not apply to assets held as of December 31, 1988.

In addition, in order for certain types of contributions under a Code Section 403(b) Contract to be excluded from taxable income, the employer must comply with certain nondiscrimination requirements. Contract owners should consult their employers to determine whether the employer has complied with these rules. Contract owner loans are not allowed under the contracts.

Effective May 4, 1998, loans may be made available under Internal Revenue Code Section 403(b) tax-sheltered annuity programs. A loan from a participant's contract value may be requested only if we make loans available with the contract and if the employer permits loans under their tax-sheltered annuity program. The loan must be at least $1,000 and the maximum loan amount is the greater of: (a) 90% of the first $10,000 of contract value minus any withdrawal charge; and (b) 50% of the contract value minus any withdrawal charge. The maximum loan amount is $50,000. If loans are outstanding from any other tax-qualified plan, then the maximum loan amount of the contract may be reduced from the amount stated above in order to comply with the maximum loan amount requirements under Section 72(p) of the Internal Revenue Code. Amounts borrowed from the GIA are subject to the same limitations as applies to transfers from the GIA; thus no more than the greatest of $1000 and 25% of the contract value in the GIA may be borrowed at any one time.

Loan repayments will first pay any accrued loan interest. The balance will be applied to reduce the outstanding loan balance and will also reduce the amount of the Loan Security Account by the same amount that the outstanding loan balance is reduced. The Loan Security Account is part of the general account and is the sole security for Tax-sheltered Annuity loans (as described in IRC Section 403(b)) loans. It is increased with all loan amounts taken and reduced by all repayments of loan principal. The balance of loan repayments, after payment of accrued loan interest, will be credited to the subaccounts of the Separate Account or the GIA in accordance with the participant's most recent premium payments allocation on file with us.

If we do not receive a loan repayment before 90 days after the payment was due, then the entire loan balance plus accrued interest will be in default. In the case of default, the outstanding loan balance plus accrued interest will be deemed a distribution for income tax purposes, and will be reported as such to the extent required by law. At the time of such deemed distribution, interest will continue to accrue until such time as an actual distribution occurs under the contract.

KEOGH PLANS

The Self-Employed Individual Tax Retirement Act of 1962, as amended permits self-employed individuals to establish "Keoghs" or qualified plans for themselves and their employees. The tax consequences to participants under such a plan depend upon the terms of the plan. In addition, such plans are limited by law with respect to the maximum permissible contributions, distribution dates, nonforfeitability of interests, and tax rates applicable to distributions. In order to establish such a plan, a plan document must be adopted and implemented by the employer, as well as approved by the IRS.

INDIVIDUAL RETIREMENT ANNUITIES

Code Sections 408 and 408A permit eligible individuals to contribute to an individual retirement program known as an "IRA." These IRAs are subject to limitations on the amount that may be contributed, the persons who may be eligible and on the time when distributions may commence. In addition, distributions from certain other types of qualified plans may be placed on a tax-deferred basis into an IRA. Effective January 1, 1997, employers may establish a new type of IRA called SIMPLE (Savings Incentive Match Plan for Employees). Special rules apply to participants' contributions to and withdrawals from SIMPLE IRAs. Also effective January 1, 1997, salary reduction IRAs (SARSEP) no longer may be established. Effective January 1, 1998, individuals may establish Roth IRAs. Special rules also apply to contributions to and withdrawals from Roth IRAs.

CORPORATE PENSION AND PROFIT-SHARING PLANS

Code Section 401(a) permits corporate employers to establish various types of retirement plans for employees. Such retirement plans may permit the purchase of contracts to provide benefits thereunder.

These retirement plans may permit the purchase of the contracts to provide benefits under the Plan. Contributions to the Plan for the benefit of employees will not be includable in the gross income of the employee until distributed from the Plan. The tax consequences to participants may vary depending upon the particular Plan design. However, the Code places limitations and restrictions on all Plans, including on such items as: amount of allowable contributions; form, manner and timing of distributions; transferability of benefits; vesting and nonforfeitability of interests; nondiscrimination in eligibility and participation; and the tax treatment of distributions, withdrawals and surrenders. Participant loans are not allowed under the contracts purchased in connection with these Plans. Purchasers of contracts for use with Corporate Pension or Profit-sharing Plans should obtain competent tax advice as to the tax treatment and suitability of such an investment.

DEFERRED COMPENSATION PLANS WITH RESPECT TO SERVICE FOR STATE AND LOCAL GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS

Code Section 457 provides for certain deferred compensation plans with respect to service for state and local governments and certain other entities. The contracts may be used in connection with these plans; however, under these plans if issued to tax exempt organizations, the contract owner is the plan sponsor, and the individual participants in the plans are the annuitants. Under such contracts, the rights of individual plan participants are governed solely by their agreements with the plan sponsor and not by the terms of the contracts. Effective in 1997 for new state and local government plans, such plans must be funded through a tax-exempt annuity contract held for the exclusive benefit of plan participants.

PENALTY TAX ON CERTAIN SURRENDERS AND WITHDRAWALS FROM QUALIFIED PLANS

In the case of a withdrawal under a qualified plan, a ratable portion of the amount received is taxable, generally based on the ratio of the individual's cost basis to the individual's total accrued benefit under the retirement plan. Special tax rules may be available for certain distributions from a qualified plan. Section 72(t) of the Code imposes a 10% penalty tax on the taxable portion of any distribution from qualified retirement plans, including contracts issued and qualified under Code Sections 401 (Keogh and Corporate Pension and Profit-sharing Plans), Tax-Sheltered Annuities and Individual Retirement

Annuities other than Roth IRAs. The penalty is increased to 25% instead of 10% for SIMPLE IRAs if distribution occurs within the first two years of the contract owner's participation in the SIMPLE IRA. To the extent amounts are not includable in gross income because they have been properly rolled over to an IRA or to another eligible qualified plan, no tax penalty will be imposed. The tax penalty will not apply to the following distributions: (a) if distribution is made on or after the date on which the contract owner or annuitant (as applicable) reaches age 59 1/2; (b) distributions following the death or disability of the contract owner or annuitant (as applicable) (for this purpose disability is as defined in Section 72(m)(7) of the Code); (c) after separation from service, distributions that are part of substantially equal periodic payments made not less frequently than annually for the life (or life expectancy) of the contract owner or annuitant (as applicable) or the joint lives (or joint life expectancies) of such contract owner or annuitant (as applicable) and his or her



designated beneficiary; (d) distributions to a contract owner or annuitant (as applicable) who has separated from service after he has attained age 55; (e) distributions made to the contract owner or annuitant (as applicable) to the extent such distributions do not exceed the amount allowable as a deduction under Code Section 213 to the contract owner or annuitant (as applicable) for amounts paid during the taxable year for medical care; (f) distributions made to an alternate payee pursuant to a qualified domestic relations order; (g) distributions from an IRA for the purchase of medical insurance (as described in Section 213(d)(1)(D) of the Code) for the contract owner and his or her spouse and dependents if the contract owner has received unemployment compensation for at least 12 weeks; and (h) distributions from IRAs for first-time home purchase expenses (maximum $10,000) or certain qualified educational expenses of the contract owner, spouse, children or grandchildren of the contract owner. This exception will no longer apply after the contract owner has been reemployed for at least 60 days. The exceptions stated in items (d) and (f) above do not apply in the case of an IRA. The exception stated in item (c) applies to an IRA without the requirement that there be a separation from service.

Generally, distributions from a qualified plan must commence no later than April 1 of the calendar year following the later of: (a) the year in which the employee attains age 70 1/2 or (b) the calendar year in which the employee retires. The date set forth in (b) does not apply to a regular or SIMPLE IRA and the required distribution rules do not apply to Roth IRAs. Required distributions must be over a period not exceeding the life expectancy of the individual or the joint lives or life expectancies of the individual and his or her designated beneficiary. If the required minimum distributions are not made, a 50% penalty tax is imposed as to the amount not distributed.

### SEEK TAX ADVICE

The above description of federal income tax consequences of the different types of qualified plans which may be funded by the contracts offered by this prospectus is only a brief summary meant to alert you to the issues and is not intended as tax advice. The rules governing the provisions of qualified plans are extremely complex and often difficult to comprehend. Anything less than full compliance with the applicable rules, all of which are subject to change, may have adverse tax consequences. A prospective contract owner considering adoption of a qualified plan and purchase of a contract in connection therewith should first consult a qualified tax advisor, with regard to the suitability of the contract as an investment vehicle for the qualified plan.

## SALES OF VARIABLE ACCUMULATION CONTRACTS

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PEPCO serves as national distributor of the contracts. PEPCO is located at 56 Prospect Street, Hartford, Connecticut 06115. PEPCO is also an indirect, wholly owned subsidiary of The Phoenix Companies, Inc. and is an affiliate of Phoenix.

Contracts may also be purchased through other broker-dealers registered under the 1934 Act whose representatives are authorized by applicable law to sell policies under terms of agreement provided by PEPCO.

In addition to reimbursing PEPCO for its expenses, we pay PEPCO an amount equal to up to 7.25% of the payments made under the contract. PEPCO pays any qualified distribution organization an amount, which may not exceed 7.25% of the payments under the contract. We will pay any such amount paid with respect to contracts sold through other broker-dealers to or through PEPCO. The amounts paid are not deducted from the payments. Deductions for surrender charges (as described under "Deductions and Charges") may be used as reimbursement for commission payments.

To the extent permitted by NASD rules, overrides and promotional incentives or payments also may be provided to such broker-dealers based on sales volumes, the assumption of wholesaling functions, or other sales-related criteria. Additional payments may be made for other services not directly related to the sale of the contract, including the recruitment and training of personnel, production of promotional literature, and similar services.

SERVICING AGENT

The Phoenix Edge Series Fund reimburses Phoenix Life Insurance Company for various shareholder services provided by the Annuity Operations Division, PO Box 8027, Boston, MA 02266-8027. The functions performed include investor inquiry support, shareholder trading, confirmation of investment activity, quarterly statement processing and Web/Interactive Voice Response trading. The rate of reimbursement for 2005 is 0.073% of the fund's average daily net assets. The total administrative service fees paid by the fund for the last three fiscal years follows:

| YEAR ENDED DECEMBER 31, | FEE PAID |
|---|---|
| 2002 | N/A |
| 2003 | $1.7 Million |
| 2004 | $2.2 Million |

STATE REGULATION

We are subject to the provisions of the New York insurance laws applicable to life insurance companies and to regulation and supervision by the New York Superintendent of Insurance. We also are subject to the applicable insurance laws of all the other states and jurisdictions in which we do an insurance business.

State regulation of Phoenix includes certain limitations on the investments that may be made for its General Account and separate accounts, including the Separate Account. It does not include, however, any supervision over the investment policies of the Separate Account.

REPORTS

Reports showing the contract value and containing the financial statements of the Account will be furnished to you at least annually.



VOTING RIGHTS

As stated above, all of the assets held in an available subaccount will be invested in shares of a corresponding series of the funds. We are the legal owner of those shares and as such have the right to vote to elect the Board of Trustees of the funds, to vote upon certain matters that are required by the 1940 Act to be approved or ratified by the shareholders of a mutual fund and to vote upon any other matter that may be voted upon at a shareholders' meeting. However, we intend to vote the shares of the funds at regular and special meetings of the shareholders of the funds in accordance with instructions received from owners of the contracts.

We currently intend to vote fund shares attributable to any of our assets and fund shares held in each subaccount for which no timely instructions from owners are received in the same proportion as those shares in that subaccount for which instructions are received. In the future, to the extent applicable federal securities laws or regulations permit us to vote some or all shares of the fund in its own right, we may elect to do so.

Matters on which owners may give voting instructions may include the following: (1) election of the Board of Trustees of a fund; (2) ratification of the independent accountant for a fund; (3) approval or amendment of the investment advisory agreement for the series of the fund corresponding to the owner's selected subaccount(s); (4) any change in the fundamental investment policies or restrictions of each such series; and (5) any other matter requiring a vote of the shareholders of a fund. With respect to amendment of any investment advisory agreement or any change in a series' fundamental investment policy, owners participating in such series will vote separately on the matter.

The number of votes that you have the right to cast will be determined by applying your percentage interest in a subaccount to the total number of votes attributable to the subaccount. In determining the number of votes, fractional shares will be recognized. The number of votes for which you may give us instructions will be determined as of the record date for fund shareholders chosen by the Board of Trustees of a fund. We will furnish you with the proper forms and proxies to enable you to give your instructions.

TEXAS OPTIONAL RETIREMENT PROGRAM

Participants in the Texas Optional Retirement Program may not receive the proceeds of a withdrawal from, or complete surrender of, a contract, or apply them to provide annuity payment options prior to retirement except in the case of termination of employment in the Texas public institutions of higher education, death or total disability. Such proceeds, however, may be used to fund another eligible retirement vehicle.

## LEGAL MATTERS

Joseph P. DeCresce, Counsel, and Brian A. Giantonio, Vice President, Tax and ERISA Counsel, The Phoenix Companies, Inc., have provided advice on certain matters relating to the federal securities, state regulations and income tax laws in connection with the contracts described in this prospectus.

## SAI TABLE OF CONTENTS

The SAI contains more specific information and financial statements relating to the Account and Phoenix. The Table of Contents of the SAI is set forth below:



Contract owner inquiries and requests for an SAI should be directed, in writing, to our Annuity Operations Division, or by calling us at 800/541-0171.



## APPENDIX A - INVESTMENT OPTIONS

<TABLE>
<CAPTION>
INVESTMENT TYPES

| | Investment Type | | | | | |
|---|---|---|---|---|---|---|
| Subaccount | Aggressive Growth | Conservative | Growth | Growth & Income | Income | Specialty |
| <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 | | | | 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>



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INVESTMENT ADVISORS

| | Advisors | | | | | |
|---|---|---|---|---|---|---|
| Subaccount | 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 | | | | | | |

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<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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INVESTMENT SUBADVISORS

| Subaccount | Subadvisors: 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 | | | | | |

</TABLE>

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INVESTMENT SUBADVISORS

| Subaccount | Subadvisors: Kayne Anderson Rudnick Investment Management, LLC | Lazard Asset Management LLC | Northern Trust Investments, N.A. | Seneca Capital Management, 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>



<TABLE>
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APPENDIX B - DEDUCTIONS FOR TAXES - QUALIFIED AND NONQUALIFIED ANNUITY CONTRACTS

| STATE | UPON PREMIUM PAYMENT | UPON ANNUITIZATION | NONQUALIFIED | QUALIFIED |
|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> |
| California ........................................ | | X | 2.35% | 0.50% |
| Maine.............................................. | X | | 2.00* | |
| Nevada............................................. | | X | 3.50 | |
| South Dakota....................................... | X | | 1.25** | |
| West Virginia...................................... | | X | 1.00 | 1.00 |
| Wyoming............................................ | | X | 1.00 | |
| Commonwealth of Puerto Rico......................... | | X | 1.00 | 1.00 |

</TABLE>

NOTE: The above tax deduction rates are as of January 1, 2005. No tax deductions are made for states not listed above. However, tax statutes are subject to amendment by legislative act and to judicial and administrative interpretation, which may affect both the above lists of states and the applicable tax rates. Consequently, we reserve the right to deduct tax when necessary to reflect changes in state tax laws or interpretation.

For a more detailed explanation of the assessment of Taxes, see "Deductions and Charges - Tax."

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* Maine changed its tax laws affecting annuities in 2003 retroactive to January 1, 1999. Under the revised statute, annuity premium payments are taxed upon premium payment for payments received on or after January 1, 1999.

** South Dakota law provides a lower rate of 0.8% that applies to premium payments received in excess of $500,000 in a single calendar year.



APPENDIX C - FINANCIAL HIGHLIGHTS

The following tables give the historical unit values for a single share of each of the available subaccounts. More information can be obtained in the Statement of Additional Information ("SAI"). You may obtain a copy of the SAI free of charge by calling 800/541-0171 or by writing to:

Phoenix Life Insurance Company
Annuity Operations Division
PO Box 8027
Boston, MA 02266-8027

<TABLE>
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DEATH BENEFIT OPTION 1 CONTRACTS

| SUBACCOUNT | SUBACCOUNT UNIT VALUE BEGINNING OF PERIOD | SUBACCOUNT UNIT VALUE END OF PERIOD | UNITS OUTSTANDING AT END OF PERIOD (THOUSANDS) |
|---|---|---|---|
| PHOENIX-ABERDEEN INTERNATIONAL | | | |
| <S> <C> | <C> | <C> | <C> |
| From 12/31/03* to 12/31/03 | $1.000 | $1.139 | 6 |
| From 1/1/04 to 12/31/04 | $1.139 | $1.353 | 26 |
| PHOENIX-AIM GROWTH | | | |
| From 2/14/03* to 12/31/03 | $1.000 | $0.861 | 25 |
| From 1/1/04 to 12/31/04 | $0.861 | $0.883 | 79 |
| PHOENIX-ALGER SMALL-CAP GROWTH | | | |
| From 8/8/03* to 12/31/03 | $1.000 | $1.512 | 10 |
| From 1/1/04 to 12/31/04 | $1.512 | $1.518 | 11 |
| PHOENIX-ALLIANCE/BERNSTEIN ENHANCED INDEX | | | |
| From 11/15/02* to 12/31/02 | $1.000 | $0.771 | 20 |
| From 1/1/03 to 12/31/03 | $0.771 | $0.957 | 64 |
| From 1/1/04 to 12/31/04 | $0.957 | $1.034 | 190 |
| PHOENIX-DUFF & PHELPS REAL ESTATE SECURITIES | | | |
| From 10/1/02* to 12/31/02 | $1.000 | $1.100 | 3 |
| From 1/1/03 to 12/31/03 | $1.100 | $1.495 | 50 |
| From 1/1/04 to 12/31/04 | $1.495 | $1.981 | 95 |
| PHOENIX-ENGEMANN CAPITAL GROWTH | | | |
| From 7/7/03* to 12/31/03 | $1.000 | $0.946 | 18 |
| From 1/1/04 to 12/31/04 | $0.946 | $0.977 | 36 |
| PHOENIX-ENGEMANN GROWTH AND INCOME | | | |
| From 7/1/02* to 12/31/02 | $1.000 | $0.779 | 2 |
| From 1/1/03 to 12/31/03 | $0.779 | $0.976 | 67 |
| From 1/1/04 to 12/31/04 | $0.976 | $1.061 | 234 |
| PHOENIX-ENGEMANN SMALL-CAP GROWTH | | | |
| From 8/8/03* to 12/31/03 | $1.000 | $1.084 | 4 |
| From 1/1/04 to 12/31/04 | $1.084 | $1.170 | 11 |
| PHOENIX-ENGEMANN STRATEGIC ALLOCATION | | | |
| From 1/6/03* to 12/31/03 | $1.000 | $1.053 | 18 |
| From 1/1/04 to 12/31/04 | $1.053 | $1.113 | 54 |
| PHOENIX-ENGEMANN VALUE EQUITY | | | |
| From 7/1/02* to 12/31/02 | $1.000 | $0.795 | 2 |
| From 1/1/03 to 12/31/03 | $0.795 | $0.969 | 31 |
| From 1/1/04 to 12/31/04 | $0.969 | $1.076 | 168 |

</TABLE>

* Date subaccount began operations.



<TABLE>
<CAPTION>

| SUBACCOUNT | SUBACCOUNT UNIT VALUE BEGINNING OF PERIOD | SUBACCOUNT UNIT VALUE END OF PERIOD | UNITS OUTSTANDING AT END OF PERIOD (THOUSANDS) |
|---|---|---|---|
| PHOENIX-GOODWIN MONEY MARKET | | | |
| <S> <C> | <C> | <C> | <C> |
| From 9/27/02* to 12/31/02 | $1.000 | $0.998 | 30 |
| From 1/1/03 to 12/31/03 | $0.998 | $0.988 | 65 |
| From 1/1/04 to 12/31/04 | $0.988 | $0.979 | 68 |

| | | | |
|---|---|---|---|
| PHOENIX-GOODWIN MULTI-SECTOR FIXED INCOME | | | |
| From 1/6/03* to 12/31/03 | $1.000 | $1.211 | 57 |
| From 1/1/04 to 12/31/04 | $1.211 | $1.272 | 193 |
| PHOENIX-GOODWIN MULTI-SECTOR SHORT TERM BOND | | | |
| From 7/1/03* to 12/31/03 | $1.000 | $1.020 | 263 |
| From 1/1/04 to 12/31/04 | $1.020 | $1.056 | 319 |
| PHOENIX-KAYNE RISING DIVIDENDS | | | |
| From 7/1/03* to 12/31/03 | $1.000 | $1.124 | 31 |
| From 1/1/04 to 12/31/04 | $1.124 | $1.163 | 52 |
| PHOENIX-KAYNE SMALL-CAP QUALITY VALUE | | | |
| From 3/28/03* to 12/31/03 | $1.000 | $1.187 | 27 |
| From 1/1/04 to 12/31/04 | $1.187 | $1.468 | 41 |
| PHOENIX-LAZARD INTERNATIONAL EQUITY SELECT | | | |
| From 5/27/03* to 12/31/03 | $1.000 | $1.215 | 21 |
| From 1/1/04 to 12/31/04 | $1.215 | $1.384 | 76 |
| PHOENIX-NORTHERN DOW 30 | | | |
| From 11/13/02* to 12/31/02 | $1.000 | $0.841 | 26 |
| From 1/1/03 to 12/31/03 | $0.841 | $1.054 | 79 |
| From 1/1/04 to 12/31/04 | $1.054 | $1.085 | 104 |
| PHOENIX-NORTHERN NASDAQ-100 INDEX(R) | | | |
| From 11/13/02* to 12/31/02 | $1.000 | $0.634 | 32 |
| From 1/1/03 to 12/31/03 | $0.634 | $0.929 | 59 |
| From 1/1/04 to 12/31/04 | $0.929 | $1.005 | 74 |
| PHOENIX-SANFORD BERNSTEIN MID-CAP VALUE | | | |
| From 7/1/02* to 12/31/02 | $1.000 | $0.883 | 1 |
| From 1/1/03 to 12/31/03 | $0.883 | $1.224 | 53 |
| From 1/1/04 to 12/31/04 | $1.224 | $1.450 | 106 |
| PHOENIX-SANFORD BERNSTEIN SMALL-CAP VALUE | | | |
| From 7/1/02* to 12/31/02 | $1.000 | $0.891 | 1 |
| From 1/1/03 to 12/31/03 | $0.891 | $1.261 | 21 |
| From 1/1/04 to 12/31/04 | $1.261 | $1.521 | 71 |
| PHOENIX-SENECA MID-CAP GROWTH | | | |
| From 12/30/02* to 12/31/02 | $1.000 | $0.671 | 5 |
| From 1/1/03 to 12/31/03 | $0.671 | $0.851 | 10 |
| From 1/1/04 to 12/31/04 | $0.851 | $0.893 | 10 |
| AIM V.I. CAPITAL APPRECIATION FUND | | | |
| From 2/24/03* to 12/31/03 | $1.000 | $0.976 | 15 |
| From 1/1/04 to 12/31/04 | $0.976 | $1.024 | 41 |
| AIM V.I. MID CAP CORE EQUITY | | | |
| From 12/3/04* to 12/31/04 | $1.000 | $1.016 | 26 |

</TABLE>

* Date subaccount began operations.



<TABLE>
<CAPTION>

| SUBACCOUNT | SUBACCOUNT UNIT VALUE BEGINNING OF PERIOD | SUBACCOUNT UNIT VALUE END OF PERIOD | UNITS OUTSTANDING AT END OF PERIOD (THOUSANDS) |
|---|---|---|---|
| AIM V.I. PREMIER EQUITY FUND | | | |
| <S> <C> | <C> | <C> | <C> |
| From 10/21/04* to 12/31/04 | $1.000 | $0.918 | 0 |

| | | | |
|---|---|---|---|
| ALGER AMERICAN LEVERAGED ALLCAP PORTFOLIO | | | |
| From 7/1/02* to 12/31/02 | $1.000 | $0.681 | 2 |
| From 1/1/03 to 12/31/03 | $0.681 | $0.902 | 8 |
| From 1/1/04 to 12/31/04 | $0.902 | $0.960 | 54 |
| FEDERATED FUND FOR U.S. GOVERNMENT SECURITIES II | | | |
| From 7/1/02* to 12/31/02 | $1.000 | $1.063 | 75 |
| From 1/1/03 to 12/31/03 | $1.063 | $1.070 | 412 |
| From 1/1/04 to 12/31/04 | $1.070 | $1.090 | 595 |
| FEDERATED HIGH INCOME BOND FUND II | | | |
| From 8/1/02* to 12/31/02 | $1.000 | $0.983 | 1 |
| From 1/1/03 to 12/31/03 | $0.983 | $1.182 | 192 |
| From 1/1/04 to 12/31/04 | $1.182 | $1.284 | 145 |
| VIP CONTRAFUND(R) PORTFOLIO | | | |
| From 10/1/02* to 12/31/02 | $1.000 | $0.898 | 6 |
| From 1/1/03 to 12/31/03 | $0.898 | $1.134 | 72 |
| From 1/1/04 to 12/31/04 | $1.134 | $1.286 | 291 |
| VIP GROWTH PORTFOLIO | | | |
| From 9/3/02* to 12/31/02 | $1.000 | $0.704 | 42 |
| From 1/1/03 to 12/31/03 | $0.704 | $0.919 | 148 |
| From 1/1/04 to 12/31/04 | $0.919 | $0.934 | 180 |
| MUTUAL SHARES SECURITIES FUND | | | |
| From 12/10/02* to 12/31/02 | $1.000 | $0.879 | 18 |
| From 1/1/03 to 12/31/03 | $0.879 | $1.081 | 136 |
| From 1/1/04 to 12/31/04 | $1.081 | $1.198 | 196 |
| TEMPLETON FOREIGN SECURITIES FUND | | | |
| From 12/30/02* to 12/31/02 | $1.000 | $0.838 | 11 |
| From 1/1/03 to 12/31/03 | $0.838 | $1.089 | 67 |
| From 1/1/04 to 12/31/04 | $1.089 | $1.270 | 104 |
| TEMPLETON GROWTH SECURITIES FUND | | | |
| From 6/2/03* to 12/31/03 | $1.000 | $1.071 | 11 |
| From 1/1/04 to 12/31/04 | $1.071 | $1.222 | 49 |
| RYDEX VARIABLE TRUST JUNO FUND | | | |
| From 7/2/03* to 12/31/03 | $1.000 | $1.049 | 450 |
| From 1/1/04 to 12/31/04 | $1.049 | $0.922 | 688 |
| RYDEX VARIABLE TRUST NOVA FUND | | | |
| From 1/6/04* to 12/31/04 | $1.000 | $1.367 | 16 |
| SCUDDER VIT EAFE(R) EQUITY INDEX FUND | | | |
| From 7/1/03* to 12/31/03 | $1.000 | $1.076 | 46 |
| From 1/1/04 to 12/31/04 | $1.076 | $1.260 | 49 |

</TABLE>

* Date subaccount began operations.



<TABLE>
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| SUBACCOUNT | SUBACCOUNT UNIT VALUE BEGINNING OF PERIOD | SUBACCOUNT UNIT VALUE END OF PERIOD | UNITS OUTSTANDING AT END OF PERIOD (THOUSANDS) |
|---|---|---|---|
| SCUDDER VIT EQUITY 500 INDEX FUND | | | |
| <S> <C> | <C> | <C> | <C> |
| From 8/1/02* to 12/31/02 | $1.000 | $0.782 | 107 |
| From 1/1/03 to 12/31/03 | $0.782 | $0.986 | 176 |
| From 1/1/04 to 12/31/04 | $0.986 | $1.072 | 275 |

| | | | |
|---|---|---|---|
| TECHNOLOGY PORTFOLIO | | | |
| From 8/8/03* to 12/31/03 | $1.000 | $0.764 | 6 |
| From 1/1/04 to 12/31/04 | $0.764 | $0.739 | 6 |
| WANGER INTERNATIONAL SMALL CAP | | | |
| From 7/1/03* to 12/31/03 | $1.000 | $1.261 | 16 |
| From 1/1/04 to 12/31/04 | $1.261 | $1.616 | 30 |
| WANGER SELECT | | | |
| From 1/30/04* to 12/31/04 | $1.159 | $1.393 | 4 |
| WANGER U.S. SMALLER COMPANIES | | | |
| From 7/1/02* to 12/31/02 | $1.000 | $0.823 | .8 |
| From 1/1/03 to 12/31/03 | $0.823 | $1.159 | 40 |
| From 1/1/04 to 12/31/04 | $1.159 | $1.349 | 70 |

</TABLE>

* Date subaccount began operations.



<TABLE>
<CAPTION>
DEATH BENEFIT OPTION 2 CONTRACTS

| SUBACCOUNT | SUBACCOUNT UNIT VALUE BEGINNING OF PERIOD | SUBACCOUNT UNIT VALUE END OF PERIOD | UNITS OUTSTANDING AT END OF PERIOD (THOUSANDS) |
|---|---|---|---|
| PHOENIX-ABERDEEN INTERNATIONAL | | | |
| <S> <C> | <C> | <C> | <C> |
| From 6/27/03* to 12/31/03 | $1.000 | $1.136 | 129 |
| From 1/1/04 to 12/31/04 | $1.136 | $1.347 | 212 |
| PHOENIX-AIM GROWTH | | | |
| From 10/1/02* to 12/31/02 | $1.000 | $0.724 | 2 |
| From 1/1/03 to 12/31/03 | $0.724 | $0.859 | 208 |
| From 1/1/04 to 12/31/04 | $0.859 | $0.879 | 222 |
| PHOENIX-ALGER SMALL-CAP GROWTH | | | |
| From 6/25/03* to 12/31/03 | $1.000 | $1.508 | 44 |
| From 1/1/04 to 12/31/04 | $1.508 | $1.513 | 41 |
| PHOENIX-ALLIANCE/BERNSTEIN ENHANCED INDEX | | | |
| From 1/6/04* to 12/31/04 | $1.000 | $1.029 | 1,600 |
| PHOENIX-DUFF & PHELPS REAL ESTATE SECURITIES | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $1.099 | 70 |
| From 1/1/03 to 12/31/03 | $1.099 | $1.491 | 113 |
| From 1/1/04 to 12/31/04 | $1.491 | $1.972 | 182 |
| PHOENIX-ENGEMANN CAPITAL GROWTH | | | |
| From 12/2/02* to 12/31/02 | $1.000 | $0.760 | 1 |
| From 1/1/03 to 12/31/03 | $0.760 | $0.944 | 115 |
| From 1/1/04 to 12/31/04 | $0.944 | $0.973 | 147 |
| PHOENIX-ENGEMANN GROWTH AND INCOME | | | |
| From 11/1/02* to 12/31/02 | $1.000 | $0.778 | 9 |
| From 1/1/03 to 12/31/03 | $0.778 | $0.973 | 186 |
| From 1/1/04 to 12/31/04 | $0.973 | $1.056 | 593 |
| PHOENIX-ENGEMANN SMALL-CAP GROWTH | | | |
| From 12/10/02* to 12/31/02 | $1.000 | $0.752 | 17 |
| From 1/1/03 to 12/31/03 | $0.752 | $1.081 | 167 |
| From 1/1/04 to 12/31/04 | $1.081 | $1.165 | 184 |
| PHOENIX-ENGEMANN STRATEGIC ALLOCATION | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $0.892 | 93 |

| | | | |
|---|---|---|---|
| From 1/1/03 to 12/31/03 | $0.892 | $1.050 | 365 |
| From 1/1/04 to 12/31/04 | $1.050 | $1.108 | 379 |
| **PHOENIX-ENGEMANN VALUE EQUITY** | | | |
| From 10/9/02* to 12/31/02 | $1.000 | $0.794 | 9 |
| From 1/1/03 to 12/31/03 | $0.794 | $0.966 | 116 |
| From 1/1/04 to 12/31/04 | $0.966 | $1.071 | 309 |
| **PHOENIX-GOODWIN MONEY MARKET** | | | |
| From 6/13/02* to 12/31/02 | $1.000 | $0.996 | 27 |
| From 1/1/03 to 12/31/03 | $0.996 | $0.985 | 160 |
| From 1/1/04 to 12/31/04 | $0.985 | $0.975 | 100 |
| **PHOENIX-GOODWIN MULTI-SECTOR FIXED INCOME** | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $1.073 | 119 |
| From 1/1/03 to 12/31/03 | $1.073 | $1.207 | 1,048 |
| From 1/1/04 to 12/31/04 | $1.207 | $1.266 | 527 |

</TABLE>

* Date subaccount began operations.



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| SUBACCOUNT | SUBACCOUNT UNIT VALUE BEGINNING OF PERIOD | SUBACCOUNT UNIT VALUE END OF PERIOD | UNITS OUTSTANDING AT END OF PERIOD (THOUSANDS) |
|---|---|---|---|
| **PHOENIX-GOODWIN MULTI-SECTOR SHORT TERM BOND** | | | |
| <S> <C> | <C> | <C> | <C> |
| From 8/8/03* to 12/31/03 | $1.000 | $1.019 | 653 |
| From 1/1/04 to 12/31/04 | $1.019 | $1.054 | 303 |
| **PHOENIX-KAYNE RISING DIVIDENDS** | | | |
| From 10/9/02* to 12/31/02 | $1.000 | $0.959 | 7 |
| From 1/1/03 to 12/31/03 | $0.959 | $1.121 | 123 |
| From 1/1/04 to 12/31/04 | $1.121 | $1.159 | 197 |
| **PHOENIX-KAYNE SMALL-CAP QUALITY VALUE** | | | |
| From 10/31/02* to 12/31/02 | $1.000 | $1.003 | 4 |
| From 1/1/03 to 12/31/03 | $1.003 | $1.185 | 9 |
| From 1/1/04 to 12/31/04 | $1.185 | $1.462 | 22 |
| **PHOENIX-LAZARD INTERNATIONAL EQUITY SELECT** | | | |
| From 10/31/02* to 12/31/02 | $1.000 | $0.951 | 4 |
| From 1/1/03 to 12/31/03 | $0.951 | $1.212 | 77 |
| From 1/1/04 to 12/31/04 | $1.212 | $1.379 | 210 |
| **PHOENIX-NORTHERN DOW 30** | | | |
| From 10/1/02* to 12/31/02 | $1.000 | $0.840 | 5 |
| From 1/1/03 to 12/31/03 | $0.840 | $1.051 | 145 |
| From 1/1/04 to 12/31/04 | $1.051 | $1.080 | 165 |
| **PHOENIX-NORTHERN NASDAQ-100 INDEX(R)** | | | |
| From 10/1/02* to 12/31/02 | $1.000 | $0.634 | 3 |
| From 1/1/03 to 12/31/03 | $0.634 | $0.926 | 156 |
| From 1/1/04 to 12/31/04 | $0.926 | $1.001 | 199 |
| **PHOENIX-SANFORD BERNSTEIN MID-CAP VALUE** | | | |
| From 6/13/02* to 12/31/02 | $1.000 | $0.882 | 21 |
| From 1/1/03 to 12/31/03 | $0.882 | $1.221 | 168 |
| From 1/1/04 to 12/31/04 | $1.221 | $1.443 | 908 |
| From 1/1/04 to 12/31/04 | | | |
| **PHOENIX-SANFORD BERNSTEIN SMALL-CAP VALUE** | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $0.890 | 64 |
| From 1/1/03 to 12/31/03 | $0.890 | $1.257 | 224 |
| From 1/1/04 to 12/31/04 | $1.257 | $1.514 | 345 |
| **PHOENIX-SENECA MID-CAP GROWTH** | | | |

| | | | |
|---|---|---|---|
| From 9/10/02* to 12/31/02 | $1.000 | $0.670 | 25 |
| From 1/1/03 to 12/31/03 | $0.670 | $0.848 | 59 |
| From 1/1/04 to 12/31/04 | $0.848 | $0.889 | 109 |
| **AIM V.I. CAPITAL APPRECIATION FUND** | | | |
| From 10/31/02* to 12/31/02 | $1.000 | $0.765 | 38 |
| From 1/1/03 to 12/31/03 | $0.765 | $0.973 | 161 |
| From 1/1/04 to 12/31/04 | $0.973 | $1.019 | 254 |
| **AIM V.I. MID CAP CORE EQUITY** | | | |
| From 12/3/04*to 12/31/04 | $1.000 | $1.016 | 141 |
| **AIM V.I. PREMIER EQUITY FUND** | | | |
| From 7/1/03* to 12/31/03 | $1.000 | $0.880 | 14 |
| From 1/1/04 to 12/31/04 | $0.880 | $0.914 | 64 |

</TABLE>

* Date subaccount began operations.



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| SUBACCOUNT | SUBACCOUNT UNIT VALUE BEGINNING OF PERIOD | SUBACCOUNT UNIT VALUE END OF PERIOD | UNITS OUTSTANDING AT END OF PERIOD (THOUSANDS) |
|---|---|---|---|
| **ALGER AMERICAN LEVERAGED ALLCAP PORTFOLIO** | | | |
| <S> <C> | <C> | <C> | <C> |
| From 7/2/03* to 12/31/03 | $1.000 | $0.990 | 13 |
| From 1/1/04 to 12/31/04 | $0.900 | $0.956 | 57 |
| **FEDERATED FUND FOR U.S. GOVERNMENT SECURITIES II** | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $1.061 | 1,429 |
| From 1/1/03 to 12/31/03 | $1.061 | $1.067 | 2,651 |
| From 1/1/04 to 12/31/04 | $1.067 | $1.086 | 2,834 |
| **FEDERATED HIGH INCOME BOND FUND II** | | | |
| From 6/13/02* to 12/31/02 | $1.000 | $0.982 | 60 |
| From 1/1/03 to 12/31/03 | $0.982 | $1.179 | 1,709 |
| From 1/1/04 to 12/31/04 | $1.179 | $1.278 | 314 |
| **VIP CONTRAFUND(R) PORTFOLIO** | | | |
| From 6/13/02* to 12/31/02 | $1.000 | $0.897 | 23 |
| From 1/1/03 to 12/31/03 | $0.897 | $1.130 | 298 |
| From 1/1/04 to 12/31/04 | $1.130 | $1.280 | 2,380 |
| **VIP GROWTH OPPORTUNITIES PORTFOLIO** | | | |
| From 1/28/03* to 12/31/03 | $1.000 | $1.010 | 469 |
| From 1/1/04 to 12/31/04 | $1.010 | $1.062 | 39 |
| **VIP GROWTH PORTFOLIO** | | | |
| From 8/1/02* to 12/31/02 | $1.000 | $0.703 | 48 |
| From 1/1/03 to 12/31/03 | $0.703 | $0.917 | 318 |
| From 1/1/04 to 12/31/04 | $0.917 | $0.929 | 439 |
| **MUTUAL SHARES SECURITIES FUND** | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $0.877 | 184 |
| From 1/1/03 to 12/31/03 | $0.877 | $1.078 | 420 |
| From 1/1/04 to 12/31/04 | $1.078 | $1.193 | 563 |
| **TEMPLETON FOREIGN SECURITIES FUND** | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $0.837 | 47 |
| From 1/1/03 to 12/31/03 | $0.837 | $1.086 | 200 |
| From 1/1/04 to 12/31/04 | $1.086 | $1.264 | 306 |
| **TEMPLETON GROWTH SECURITIES FUND** | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $0.823 | 63 |

| | | | |
|---|---|---|---|
| From 1/1/03 to 12/31/03 | $0.823 | $1.067 | 271 |
| From 1/1/04 to 12/31/04 | $1.067 | $1.216 | 338 |

RYDEX VARIABLE TRUST JUNO FUND

| | | | |
|---|---|---|---|
| From 7/1/03* to 12/31/03 | $1.000 | $1.048 | 706 |
| From 1/1/04 to 12/31/04 | $1.048 | $0.920 | 1,164 |

RYDEX VARIABLE TRUST NOVA FUND

| | | | |
|---|---|---|---|
| From 10/23/03* to 12/31/03 | $1.000 | $1.211 | 3 |
| From 1/1/04 to 12/31/04 | $1.211 | $1.363 | 30 |

RYDEX VARIABLE TRUST SECTOR ROTATION FUND

| | | | |
|---|---|---|---|
| From 10/23/03* to 12/31/03 | $1.000 | $1.149 | 6 |
| From 1/1/04 to 12/31/04 | $1.149 | $1.249 | 50 |

</TABLE>

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|---|---|---|---|
| SCUDDER VIT EAFE(R) EQUITY INDEX FUND | | | |
| <S> <C> | <C> | <C> | <C> |
| From 1/24/03* to 12/31/03 | $1.000 | $1.072 | 97 |
| From 1/1/04 to 12/31/04 | $1.072 | $1.254 | 108 |
| SCUDDER VIT EQUITY 500 INDEX FUND | | | |
| From 8/1/02* to 12/31/02 | $1.000 | $0.781 | 38 |
| From 1/1/03 to 12/31/03 | $0.781 | $0.983 | 403 |
| From 1/1/04 to 12/31/04 | $0.983 | $1.067 | 694 |
| TECHNOLOGY PORTFOLIO | | | |
| From 8/1/02* to 12/31/02 | $1.000 | $0.525 | 6 |
| From 1/1/03 to 12/31/03 | $0.525 | $0.761 | 132 |
| From 1/1/04 to 12/31/04 | $0.761 | $0.735 | 80 |
| WANGER INTERNATIONAL SELECT | | | |
| From 11/1/02* to 12/31/02 | $1.000 | $0.870 | 1 |
| From 1/1/03 to 12/31/03 | $0.870 | $1.206 | 13 |
| From 1/1/04 to 12/31/04 | $1.206 | $1.473 | 42 |
| WANGER INTERNATIONAL SMALL CAP | | | |
| From 5/23/02* to 12/31/02 | $1.000 | $0.860 | 67 |
| From 1/1/03 to 12/31/03 | $0.860 | $1.258 | 103 |
| From 1/1/04 to 12/31/04 | $1.258 | $1.609 | 176 |
| WANGER SELECT | | | |
| From 1/28/03* to 12/31/03 | $1.000 | $1.183 | 43 |
| From 1/1/04 to 12/31/04 | $1.183 | $1.386 | 49 |
| WANGER U.S. SMALLER COMPANIES | | | |
| From 8/1/02* to 12/31/02 | $1.000 | $0.822 | 66 |
| From 1/1/03 to 12/31/03 | $0.822 | $1.555 | 219 |
| From 1/1/04 to 12/31/04 | $1.555 | $1.343 | 305 |

</TABLE>

* Date subaccount began operations.