The NYLIAC Variable Universal Life Product Prospectus, dated May 1, 2020, describes a flexible premium variable universal life insurance policy provided by New York Life Insurance and Annuity Corporation (NYLIAC). This policy offers lifetime insurance protection with a death benefit payable upon the death of the Primary Insured while the policy is active. Policyholders can select between a level death benefit equal to the policy's face amount or a variable benefit that fluctuates based on the policy's Cash Value and investment performance. Premium payments are flexible, but additional payments may be necessary to keep the policy active, as it can lapse if the Net Cash Value is insufficient to cover monthly charges. The Cash Surrender Value may vary based on investment performance and premium payments, with surrender charges applicable if the policy is surrendered or partially withdrawn within the first fifteen years or after an increase in the face amount.

Policyholders can borrow against or withdraw funds from their policy, but these actions will reduce the policy's proceeds and Cash Surrender Value. Increases or decreases to the face amount are allowed within limits, with new surrender charges applicable to increases. The prospectus emphasizes that variable life insurance is not suitable for short-term savings due to substantial fees and tax implications. It also highlights the importance of reading the prospectus carefully, as it must be accompanied by current prospectuses for various investment funds associated with the policy. The policy allows investment in 80 different Investment Divisions and a Fixed Account, with no guarantees on investment performance. Important notices regarding risks, including potential loss of principal and lack of federal insurance, are included. Policyholders are encouraged to contact the Variable Products Service Center for service requests and to manage their accounts electronically.

The document outlines various charges and fees associated with the policy, including fund charges, surrender charges, partial withdrawal charges, transfer charges, and loan charges. It details how the policy operates, including the separate account and eligible portfolios, as well as provisions for reinvestment and other policies. The general provisions section specifies when life insurance coverage begins, premium payment schedules, and implications of returned payments due to insufficient funds. It also addresses termination conditions, maturity dates, and options for dollar-cost averaging and automatic asset rebalancing.

The death benefit under the policy is discussed, including changes to the face amount and life insurance benefit options. The document explains cash value and cash surrender value, including how to request transfers, limits on transfers, and the impact of investment returns. Policy loans are covered, detailing loan interest, repayment, and the effects of policy loans. Additional provisions include reinstatement options and various riders such as accidental death benefits and guaranteed insurability.

Payment methods for proceeds are addressed, including lump sum payments and payment options, as well as beneficiary designations and assignment rights. The importance of accurate records and reports, legal proceedings, and financial statements is emphasized. The prospectus clarifies that it is not an offering in jurisdictions where the policy cannot be sold and that different provisions may apply in certain jurisdictions.

The document provides contact information for policy services, including online access to policy information, fund transfers, and allocation changes. It highlights risks associated with information systems failures and cybersecurity, as well as the potential impact of serious infectious disease outbreaks on policy administration. The document concludes with a note on the importance of business continuity plans to mitigate these risks.

The policy outlines various risks and operational challenges that may impact the policyholder's Cash Value, particularly in the context of serious infectious disease outbreaks, which could lead to regulatory fines, litigation, and financial losses. Such outbreaks may also affect the issuers of securities in which the underlying funds invest, potentially decreasing the value of the funds and influencing market interest rates, which in turn could affect the interest credited on the Fixed

Account, subject to a guaranteed minimum rate. The policy emphasizes that there is no assurance that these risks can be completely avoided.

The policy references the CARES Act, enacted on March 27, 2020, which relaxes certain distribution requirements from qualified plans and waives early withdrawal penalties for eligible participants withdrawing up to $100,000. Policyholders are advised to consult financial or tax advisers regarding the implications of the CARES Act on their policies.

Policyholders may authorize registered representatives to manage premium allocations, transfers, and updates to investment objectives through electronic or telephone instructions. However, such requests must be made by the registered representative, and the Automatic Asset Rebalancing (AAR) will be canceled if not modified concurrently with any changes. Authorization for trading can be revoked or denied, and all transactions will be confirmed in writing. The policy specifies that NYLIAC is not liable for losses incurred from acting on instructions believed to be genuine.

Key definitions include the Cash Value, which is the sum of the Accumulation Value and the Fixed Account value, and the Cash Surrender Value, which is the Cash Value minus any applicable charges. The Fixed Account offers a minimum guaranteed interest rate of 4% and is part of NYLIAC’s general account. The policy is a flexible premium variable universal life insurance policy, allowing for adjustments in premiums and death benefits, with the Cash Value subject to the performance of selected Investment Divisions.

The policy is no longer available for issue, and the Cash Value is influenced by premium amounts, investment performance, and any withdrawals or charges. The Accumulation Unit value is calculated daily based on the net asset value of the portfolios and is subject to mortality and expense risk charges. The Net Premium is the amount remaining after deductions from premium payments, which can be allocated among various investment options, including the Fixed Account, which guarantees a minimum interest rate.

The insurance policy remains in force as long as the Net Cash Value is sufficient to cover monthly deductions, and it does not automatically terminate due to non-payment of scheduled premiums. In New York, policies issued after May 1, 1995, will terminate when the insured reaches age 100. The death benefit is guaranteed as long as the policy is active, calculated based on the selected life insurance benefit option, and is subject to any Policy Debt. Generally, the death benefit is not subject to federal income tax, but specific tax laws regarding employer-owned life insurance may apply. The policy has a Cash Surrender Value that can be accessed at any time, with partial withdrawals allowed under certain conditions. Surrendering the policy requires written notification, and tax implications may arise upon surrender or partial withdrawals.

A modified endowment contract (MEC) may occur if cumulative premiums exceed a certain threshold within the first seven policy years, leading to taxable distributions if gains are present. Premiums are detailed on the Policy Data Page, and while scheduled premiums are not mandatory if sufficient Net Cash Value exists, they must adhere to IRC guidelines. Unscheduled premiums can be paid at any time, subject to minimum amounts and potential insurability requirements. Premiums are allocated to the Fixed Account or Separate Account after deducting sales expense and tax charges.

Charges against the policy include a sales expense charge, state premium tax, and federal tax, deducted from premiums and Cash Value on a monthly basis. The policyholder can borrow against the policy up to its loan value, which is calculated based on the Cash Value minus applicable charges. The policy can be canceled during a Free Look period of 20 days for a refund. Additionally, during the first two policy years, the policyholder has the option to exchange the policy for a fixed benefit policy or transfer Cash Value to the Fixed Account. Age is calculated based on the nearest birthday, affecting cost of insurance charges. Overall, the policy includes various charges and conditions that impact its value and benefits, which are detailed throughout the document.

The insurance policy includes an Expense Allocation Option that allows policyholders to choose how deductions from their Cash Value are allocated, including costs for insurance, riders, and monthly contract charges. Deductions can be made from the MainStay VP U.S. Government Money Market Investment Division, the unloaned portion of the Fixed Account, or a combination of both. If these funds are insufficient, charges will be deducted proportionately from all Investment Divisions. The Monthly Contract Charge is $312 in the first Policy Year and $84 in subsequent years, with a maximum of $324 and $96, respectively. Charges are deducted monthly, and any excess from the first year will be deferred until the first policy anniversary or policy surrender. A charge for the cost of insurance protection is deducted monthly, calculated based on the Net Amount at Risk, which is the difference between the current life insurance benefit and the policy’s Cash Value. The cost of insurance may vary monthly and is influenced by underwriting factors. An optional Guaranteed Minimum Death Benefit Rider incurs a charge of $0.01 per $1,000 of the policy's face amount, along with a required premium commitment. Additional charges apply for other riders, including the Accidental Death Benefit Rider and the Living Benefits Rider.

The policy also includes separate account charges, such as a mortality and expense risk charge of 0.60% annually, guaranteed not to exceed 0.90%, and an administrative charge of 0.10% annually, which is not designed to produce profit. Fund charges reflect investment advisory fees and other expenses, which may vary and are detailed in the Funds’ prospectuses. Surrender charges apply during the first 15 Policy Years for complete surrenders or decreases in face amount, with a maximum charge based on a percentage of the Surrender Charge Guideline Annual Premium. The surrender charge structure is tiered, decreasing over time, and exceptions exist for policy cancellations, death benefits, or required distributions. Partial withdrawals incur a processing fee, and transfers beyond 12 per year may incur a charge. Loan charges include an effective annual interest rate of 6%, guaranteed not to exceed 8%, with specific conditions for collateral and interest credited on loaned amounts. The policy outlines how it operates, including an example based on a hypothetical investment return and specific charges, emphasizing that current charges may change.

The insurance policy outlines the financial components and structure of a variable universal life insurance product. The net premium is calculated at $2,752.50, with additional net investment performance of $115.