UNIVERSAL LIFE INSURANCE COMPANY EQUITY INDEXED ANNUITY (EIA) DISCLOSURE STATEMENT

All guarantees are based on claims-paying ability of Universal Life Insurance Company. Not insured by FDIC or any federal government agency. Not a deposit or guaranteed by any bank, bank affiliate, or credit union. Please read carefully and consult your tax or financial advisor before investing

Table of Contents

Thank you for your interest in the Universal Equity Index Annuity. Universal Life Insurance Company has prepared this summary to help you understand some of the provisions of your annuity policy. This summary is not a contract; refer to your policy for complete product details. Please verify your understanding of the annuity provisions described in the summary by initialing and signing the Acknowledgement and Confirmation Statement at the end of this document.

Single Premium Equity Indexed Deferred Annuity

Universal Equity Index Annuity is a single premium equity indexed deferred annuity.

Universal Equity Index Annuity is designed to be a long-term retirement planning tool intended to help you achieve the standard of living you want in the future. Various income options are available at or prior to the annuity commencement date.

The Annuity Policy

Your annuity will be issued after we receive your single premium, and after all necessary documentation is received and approved by us. Universal Equity Index Annuity policies are issued on the 1st of each month. Premium payments will be held in our general account until the policy is issued, and will not accrue interest.

Universal Equity Index Annuity requires a minimum single premium of $5,000 for Qualified contracts and $10,000 for Non Qualified contracts. The maximum total premium payment that we will accept without our prior approval is $1,000,000.

Maximum Contributory Age

- Non-Qualified contracts and IRA rollovers: 85 years
- Qualified contracts (IRA/ROTH IRA): 75 years

<u>Interest Crediting Method</u>

Equity Indexed Account

We calculate and credit interest, if any, on the selected period anniversary date of the policy. If the interest crediting period date of the policy falls on a weekend or holiday, the date used will be the prior business day the Standard and Poor's® Composite Stock Price Index (S&P 500 Index®) was calculated.

The interest rate for this account is determined by the interest crediting period chosen using a formula based on changes in the S&P 500 Index®, excluding dividend income.

The interest formula compares the index value on the current crediting period date to the index value on the prior crediting period date or the policy issue date (for the policy's first crediting period) and then dividing the difference by the prior anniversary's index value.

If the results are a positive index change, the percentage change in growth will be used to determine index interest. If the positive percentage index change is greater than current cap (read Cap section below for more detail), however, the current cap percentage is used to determine the interest rate credited to the Policy Value.

Only positives changes are applied to your account; if there is a negative growth during the interest crediting period selected for the S&P 500 Index®, no gain or loss will be applied to your Policy Value.

Even though the interest credited to the Annuity Policy may be affected by the S&P 500 Index®, this contract is an insurance contract and not ownership in stock or an index.

Cap

A Cap for this crediting strategy will be declared for each Index Crediting Strategy Term. The initial Cap is set forth on the Contract Specification Page. Each subsequent Cap will be determined based on the length of the Index Crediting Strategy Term. The cap may be declared without a limit on the index performance, indicated in the Contract Specification Page as "Uncapped". Subsequent caps for crediting strategies with a cap stated as "Uncapped" may be subject to a limit on the index performance.

Participation Rate

The participation rate determines how much of an increase in the index will be used to calculate any Credited Interest. The index change for the Index Crediting Strategy Term is multiplied by any applicable participation rate. The participation rate, if applicable, appears on the Contract Specification Page, is declared by the Company at the beginning of the Index Crediting Strategy Term and is guaranteed for the Index Crediting Strategy Term.

The interest crediting options to choose from within the Universal EIA are:

1. Annual Point to Point methodology formula compares the index value on an annual basis. When this interest crediting period is selected, we will compare the index value at anniversary with the index value of the anniversary 1 year before that date or the index value at issue date (for the policy's 1st crediting period) and then divides the difference by the prior crediting anniversary's index value.

2. Two year Point to Point methodology formula compares the index value every 2 years. When this interest crediting period is selected, we will compare the index value at anniversary with the index value of the anniversary 2 years before that date or the index value at issue date (for the policy's 1st crediting period) and then divides the difference by the prior crediting anniversary's index value.

3. Three year Point to Point methodology formula compares the index value every 3 years. When this interest crediting period is selected, we will compare the index value at anniversary with the index value of the anniversary 3 years before that date or the index value at issue date (for the policy's 1st crediting period) and then divides the difference by the prior crediting period anniversary's index value.

Interest Crediting Option with a Rider:

1. **Three year Point to Point Strategy with a Rider Charge** methodology formula compares the index value every 3 years. When this interest crediting period is selected, we will compare the index value at anniversary with the index value of the anniversary 3 years before that date or the index value at issue date (for the policy's 1st crediting period) and then divides the difference by the prior crediting period anniversary's index value. There will be a 1% annual fee for this option, which will be deducted from contract value each year according to amount allocated to this crediting option.

Lock in Gains

The Point to Point methodology locks in the gains of positive crediting periods while protecting principal and accumulated interest from any years with negative returns. The policy value does not change prior to the crediting period selected, except for distributions made from the contract, including withdrawals and/or Rider Fees, prior to crediting anniversary. Amounts withdrawn due to partial withdrawals and/or Rider Fees will not be considered when crediting returns.

Additional Contract Features

Free Withdrawals

Each policy year, you can withdraw up to 10% of the annuity contract value without surrender charges. The withdrawal amounts can be transferred and can be distributed monthly or quarterly. Withdrawals may reduce contract values, death benefits or any other benefit. Partial withdrawal amount in excess of the surrender charge free amount are subject to a surrender charge.

Charges

There are no opening costs or administrative charges for the Universal Equity Index Annuity.

Surrender Charges

Universal EIA is offered with two contractual surrender charge options of five and ten years. If the contract is fully surrendered before ending the contractual period or an amount in excess of the

Free Withdrawal explained above is taken, the Policy will be subject to a surrender charge. The surrender charge is equal to a percentage from the table below:

	Contract Anniversary										
Terms	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Thereafter**
5 yrs	9%	8%	7%	6%	5%	0%	0%	0%	0%	0%	0%
10 yrs	9%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

IRA Early Distributions

Generally, a distribution from your IRA & Roth IRA before age 60 will be included in your gross income and subject to a penalty tax. The penalty is a tax equal to 10% or 15% for contracts who chose prepayment of earnings under Law 77 and Section Code 1023.23, of the amount includible in gross income. There will be no penalty tax if the distribution qualifies as any of the following exceptions; death, disability, unemployment, payment for college tuition on dependent, principal home purchase, or repair to principal home due to damage caused by hurricane, fire, earthquake or other loss. The 10% (or 15% for contracts under Law 77) will be retained by the company unless the owner provides sufficient proof that the distribution qualifies for the above exceptions.

Cash Value

If you surrender your annuity policy on or before the date income option payments begin, the cash value of the policy is equal to the policy value less any applicable surrender charges.

Annual Report

We will provide you a report each quarter to show the value of your policy, withdrawals, cash value, and other information.

Right to Examine and Cancel

The contract owner has the “Right to Examine and Cancel” the contract. The contract owner may return the contract within fifteen days of the date it is mailed from the Home Office of Universal Life. When Universal Life receives the contract, it will cancel the contract and refund the contract value in full.

Guaranteed Minimum Death Benefit

At the death of contract owner; the Death Benefit for the contract will be the greater of account value at last anniversary adjusted for withdrawals and applicable fees or Guaranteed Minimum Death Benefit (“GMDB”); where GMDB equals 100% of premium (reduced proportionately by withdrawals and applicable fees) and increase 1% each year (simple interest).

How the Equity Indexed Account Works

The hypothetical illustrations presented herein are intended to help you understand benefits of the Universal Equity Index Annuity with hypothetical returns and hypothetical caps. Illustrations presented do not guarantee or predict actual or future performance. Policy values are subject to surrender charges, if applicable.

Example 1: Positive Index Change Less Than the Cap

Assumptions:

- Cap = 5.00% (declared annually, the actual cap may be more or less)
- Income for Life Rider Fee = 0.85%
- Initial Premium allocated to Equity Index Annuity = $10,000
- S&P Index® Value at beginning of Policy Year 1 = 900
  S&P Index® Value at end of Policy Year 1 = 940

Calculations:

- Percent change of S&P 500 Index® growth during policy year:
- $\dfrac{\text{Ending Index} - \text{Beginning Index}}{\text{Beginning Index}} = \dfrac{940 - 900}{900}$

The result of the calculation is a change in the index of 0.0444, or 4.44%.

Interest rate credited to the equity indexed account is the lower of the positive change in the index or the cap, with a minimum of 0.00%. In this example, the change in the index of 4.44% is lower than the cap of 5.00%; the amount used to calculate the interest credited for the Policy Year will be the change in the index of 4.44%.

The interest credited this policy year:

- Initial Policy value – Income for Life Rider Fee = $10,000 – 85.00 = $9,915
- New Policy Value x Interest credit = $9,915 x 4.44%

The result of this calculation is $436.26. This amount of policy credit is added to the initial premium adjusted for any applicable fees, to get a policy value on the anniversary of $10,351.26.

Example 1 Summary

- Cap = 5.00%
- Income for Life Rider Fee = 0.85%
- Initial Premium allocated to Equity Index Annuity = $10,000
- S&P 500 Index® growth during policy year = 4.44%
- Amount credited due to change of index and fee adjustment = $436.26
- Policy Value at first anniversary = $10,351.26

Example 2: Positive Index Change Greater than Cap

Assumptions:

- Cap = 5.00% (declared annually, the actual cap may be more or less)
- Income for Life Rider Fee = 0.85%
- Initial Premium allocated to Equity Index Annuity = $10,000
- S&P Index® Value at beginning of Policy Year 1 = 900
  S&P Index® Value at end of Policy Year 1 = 981

Calculations:

- Percent change of S&P 500 Index® growth during policy year:
- $\frac{\text{Ending Index – Beginning Index}}{\text{Beginning Index}} = \frac{981 - 900}{900}$

The result of the calculation is a change in the index of 0.09, or 9.00%.
Interest rate credited to the equity indexed account is the lower of the positive change in the index or the cap, with a minimum of 0.00%. In this example, the change in the index of 9.00% is higher than the cap of 5.00%; the amount used to calculate the interest credited for the Policy Year will be the cap of 5.00%.

The interest credited this policy year:

- Initial Policy value - Income for Life Rider Fee = $10,000 – 85.00 = $9,915.00
- New Policy Value x Cap = $9,915 x 5.00%

The result of this calculation is $495.75. This amount of policy credit is added to the initial premium, to get a policy value on the anniversary of $10,410.75

Example 2 Summary

- Cap = 5.00%
- Income for Life Rider Fee = 0.85%
- Initial Premium allocated to Equity Index Annuity = $10,000
- S&P 500 Index® growth during policy year = 9.00%
- Amount credited due to cap = $495.75
- Policy Value at first anniversary = $10,410.75

Example 3: Negative Index Change for the Policy Year

Assumptions:

- Cap = 5.00% (declared annually, the actual cap may be more or less)
- Income for Life Rider Fee = 0.85%
- Initial Premium allocated to Equity Index Annuity = $10,000
- S&P Index® Value at beginning of Policy Year 1 = 900
  S&P Index® Value at end of Policy Year 1 = 873

Calculations:

Percent change of S&P 500 Index® growth during policy year:

- $\dfrac{\text{Ending Index – Beginning Index}}{\text{Beginning Index}} = \dfrac{873 - 900}{900}$

The result of the calculation is a change in the index of -0.03, or -3.00%.

Interest rate credited to the equity indexed account is the lower of the change in the index or the cap, with a minimum of 0.00%. In this example, the change in the index of -3.00% is lower than the minimum of 0.00%; the amount used to calculate the interest credited for the Policy Year will be the credit of 0.00%.

The interest credited this policy year:

- Policy value – Income for Life Rider Fee = $10,000 – 85.00 = $9,915.00
- New Policy Value x Cap = $9,915.00 x 0.00%

The result of this calculation is $0. This amount of policy credit is added to the initial premium, to get a policy value on the anniversary of $9,915.00.

Example 3 Summary

- Cap = 5.00%
- Income for Life Rider Fee = 0.85%
- Initial Premium allocated to Equity Index Annuity = $10,000
- S&P 500 Index® growth during policy year = -3.00%
- Amount credited due to change of index = $0
- Policy Value at first anniversary = $9,915.00

Example 4: Three Year Point to Point with a Rider Charge

Assumptions:

- Participation Rate = 100.00% (declared every 3 years, renewal participation rate may vary)
- Annual Rider Charge = 1.00%
- Initial Premium allocated to Equity Index Annuity = $10,000
- S&P Index® Value at beginning of Policy Year 1 = 900
  S&P Index® Value at end of Policy Year 3 = 1,050

Calculations:

- Percent change of S&P 500 Index® growth during crediting period:
- $\dfrac{\text{Ending Index – Beginning Index}}{\text{Beginning Index}} = \dfrac{1{,}050 - 900}{900}$

The result of the calculation is a change in the index of 0.1666, or 16.66%.

Interest rate credited to the equity indexed account is the lower of the positive change in the index, the cap or the participation rate, with a minimum of 0.00%. In this example, the change in the index of 16.66%; the amount used to calculate the interest credited for the Crediting Period will be the change in the index of 16.66%.

The interest credited this crediting period:

- Initial Policy value – 1st Anniversary Rider Charge = \$10,000 – \$100 = \$9,900
- Policy Value – 2nd Anniversary Rider Charge = \$9,900 – \$99 = \$9,801
- Policy Value + Interest Credit = \$9,801 + 16.66% = \$11,433.85
- New Policy Value – 3rd Anniversary Rider Charge = \$11,433.85 – 98.01 = \$11,335.84

The result of this calculation is \$1,632.85. This amount of interest credit is added to the policy value at last anniversary and then adjusted for any applicable fees, to get a policy value on the anniversary of \$11,335.84.

Example 4 Summary

- Participation rate = 100.00%
- Annual Rider Charge = 1.00%
- Initial Premium allocated to Equity Index Annuity = \$10,000
- S&P 500 Index® growth during policy year = 16.66%
- Amount credited due to change of index and fee adjustment = \$1,632.85
- Policy Value at first anniversary = \$11,335.84

Optional Benefits

Enhanced Guaranteed Minimum Surrender Value

The Enhanced Guaranteed Minimum Surrender Value (Enhanced GMSV) is an optional benefit that may be attached to the policy at inception for an additional annual fee. It provides a guaranteed minimum surrender value that may exceed the surrender value of the base contract. The Enhanced GMSV provides that upon full surrender of the contract, the minimum surrender value will not be less than the premium, accumulated at simple interest for up to ten (10) years, adjusted for withdrawals, less any applicable surrender charges. The annual fee of the Universal EIA Enhanced Guaranteed Minimum Surrender Value is 0.10%

Guaranteed Lifetime Withdrawal Benefit ("GLWB")

The Guaranteed Lifetime Withdrawal Benefit (Universal EIA Income for Life Rider) is an optional living benefit available at contract inception for an additional annual fee. It is designed to provide you with a guaranteed income amount for life. The GLWB payments are calculated from the Total Withdrawal Base, an amount tracked separately from the account value. The annual fee of the Universal EIA Income for Life Rider is 0.85%.

Total Withdrawal Base (TWB) – is used to calculate the Maximum Annual Withdrawal Amount (also known as the MAWA)

1) The TWB is the initial premium at issue. Thereafter, it is increased by growth and reduced proportionately for excess withdrawals.
2) At each contract anniversary the TWB is set equal to the greatest of:
   i. The current TWB
   ii. The contract Policy Value
   iii. The prior year's TWB * (1 + the growth factor)
3) The growth factor is the growth interest rate if the contract year is less than the maximum growth years. These values are shown on the Policy Data Page. However, the growth percentage is 0% in any year that a partial withdrawal is taken.
4) There are two TWB Growth Factor options to choose from.
   a. Income for Life: Growth Factor of 6% for the first 10 contract anniversaries if the client does not make any withdrawals.
   b. Income for Life Plus: Growth Factor of 4% + credited interest for the first 10 contract anniversaries if the client does not make any withdrawals.

Maximum Annual Withdrawal Amount ("MAWA") – This is the maximum amount that can be withdrawn in a rider year without reducing the TWB. This is also the benefit amount paid if the Policy Value is exhausted. On each rider anniversary the MAWA is the Withdrawal Percentage multiplied by the TWB. Any increase/decrease in the TWB will consequently increase/decrease the MAWA on each rider anniversary.

Withdrawal Percentage – The Withdrawal Percentage is based on the annuitant's attained age when a withdrawal is taken unless it has been locked in. The Withdrawal Percentage is initially locked in if the withdrawal is taken after attained age 60. The Withdrawal Percentage starts at 4.90% at age 60 and increases by 0.10% each year no withdrawals are taken until age 86. The percentages are:

Age	**60**	**61**	**62**	**63**	**64**	**65**	**66**	**67**	**68**	**69**
Percentage	4.9%	5.0%	5.1%	5.2%	5.3%	5.4%	5.5%	5.6%	5.7%	5.8%
Age	**70**	**71**	**72**	**73**	**74**	**75**	**76**	**77**	**78**	**79**
Percentage	5.9%	6.0%	6.1%	6.2%	6.3%	6.4%	6.5%	6.6%	6.7%	6.8%
Age	**80**	**81**	**82**	**83**	**84**	**85**	**86 and over**			
Percentage	6.9%	7.0%	7.1%	7.2%	7.3%	7.4%	7.5%			

Excess Withdrawal – Partial Withdrawals that are less than or equal to the MAWA will not reduce the TWB. Excess Withdrawals occur when the sum of gross withdrawals in a rider year exceed the MAWA. The withdrawals in excess of the MAWA are Excess Withdrawals. Any withdrawal taken before age 60 is considered an Excess Withdrawal. Excess Withdrawals will reduce the TWB by the TWB Adjustment. The TWB Adjustment is the greater of (i) and (ii) where:

i. The Excess Withdrawal.

ii. (a) multiplied by (c) and divided by (b), where:

(a) The Excess Withdrawal.

(b) The Policy Value after the MAWA has been withdrawn but before the Excess Withdrawal.

(c) The TWB prior to the withdrawal.

Guaranteed Lifetime Withdrawal Benefit ("GLWB") Extended Care Payout Enhancer

This endorsement is activated when the annuitant is unable to perform, at least two of the six Activities of Daily Living and that the annuitant's Impairment requires an appropriately licensed professional to provide care related to the Impairment. The Payout Enhancer is an embedded benefit of the Income for Life and Income for Life Plus (GLWB) Riders. It is available for clients up to age 85. If client fulfills all requirements listed below, he/she may be eligible to receive the MAWA multiplied by 200%. If Annuitant is no longer Impaired or if the Policy Value is less than or equal to zero, the GLWB payment will revert to the MAWA.

Eligibility Requirements:

- Impairment begins at least one (1) year after the contract date of issue;
- The endorsement has been in force for three (3) years and the Annuitant has attained age 60;
- No premiums may have been paid into the Contract for at least three (3) years prior to the request for the Enhanced Benefit;
- The annuitant is a resident of the United States on the date we approve the benefit;
- Satisfactory written proof is received, at our home office, that and the Situation is expected to be permanent.

Is This Product Appropriate for You?

The Universal Equity Index Annuity is designed to provide deferral of income tax on interest earned and can offer several options for retirement income. This annuity may be appropriate for you for reasons beyond retirement and taxes:

▸ **Death Benefit -** Should the annuitant die before electing to receive income payments, the death benefit become payable. The contract value is not subject to surrender charges upon death.

▸ **Access to funds in the event of Hospital Confinement –** if you, or your spouse are admitted to any qualified hospital care facility during or after the specified contract date, and are hospitalized for at least 30 consecutive days, any distributions of the contract are not subject to surrender charges. This means that you can receive up to the total value of your contract without any charges. The minimum permissible amount for withdrawals for these events is $1,000.00.

▸ **Access to funds in the event of Terminal Illness –** if you or your spouse is diagnosed with a terminal illness and life expectancy is less than 12 months after your specified contract date; you can surrender the policy without any charges.

▸ **Access to annuitization -** Universal EIA offers multiple annuitization options, after the first contract anniversary, such as: Income for a Specified Period, Life Income, Income of a Specified Amount and Joint and Survivor Annuity (Available for Non-Qualified Contracts Only).

About Universal Equity Index Annuity

The Universal Equity Index Annuity is not intended for policy holders who need the funds to meet current expenses, as withdrawals may be subject to surrender charges and tax penalties. Interest crediting based on changes in an external index have the potential for fluctuations in interest crediting. The interest credited will never be less than zero.

All guarantees are based on claims-paying ability of Universal Life Insurance Company. Not insured by FDIC or any federal government agency. Not a deposit or guaranteed by any bank, bank affiliate, or credit union. Please read carefully and consult your tax or financial advisor before investing.

Universal Equity Index Annuity is a single premium equity indexed deferred annuity issued by Universal Life Insurance Company. Universal EIA is only available to residents of Puerto Rico.

Annuities are long-term financial vehicles designed amongst other for retirement purposes. You should consider a different product with more liquidity for some or all of your assets if you anticipate a future need to access the funds prior to the end of the surrender charge period. This contract does not purchase shares of stocks or shares of a stock index fund. Please consider your investment objectives, risks and contract charges carefully before investing.

Annuities have no additional tax deferral benefit when they are purchased as an Individual Retirement Annuity (IRA) or through some other tax-qualified plan. Universal Life Insurance Company does not provide tax or legal advice. You must consult with your tax or legal advisors regarding your personal circumstances.

"Standard & Poor's", "S&P 500", "Standard & Poor's 500" and "500" are trademarks of the McGraw-Hill Companies, Inc. and have been licensed for use by Universal Life Insurance Company. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's make no representation regarding the advisability of purchasing this product.

[Intentionally left blank]

Equity Index Annuity
Applicant's Acknowledgement and Confirmation Statement

This form must be signed, detached and sent to Universal Life Insurance Company with the Equity Index Annuity application.

By signing below, I acknowledge that I have received and read the Universal Equity Index Annuity Disclosure Statement, and that I understand the descriptions of the annuity features. I have reviewed my financial needs and objectives with my authorized representative, and I have determined that the Universal Equity Index Annuity is appropriate for my financial needs and objectives. I acknowledge that Universal Life Insurance Company or my authorized representative have not made any guarantees or promises regarding future index values, index changes, index credits or interest rates under the annuity.

____________________________ __________________________

Signature of Applicant Date

____________________________ __________________________

Signature of Joint Applicant Date

For Authorized Representative Use:

____________________________ ________________________________

Name of Authorized Representative Signature of Authorized Representative

____

Agency and Agency Address