

FAQs: Athena Universal Life II COI Rate Change

Answers can be verbally shared with clients, and can be adapted for FPs and Producers

WHAT IS HAPPENING

1. What is happening?

- Effective with the first monthly deduction that occurs on or after January 1st, 2016, the current (non-guaranteed) schedule of cost of insurance (COI) rates for Athena Universal Life (AUL) II policy will increase.

2. Do the new current COI rates exceed the guaranteed maximum COI rates?

- The new current COI rates do not – and will never – exceed the guaranteed maximum COI rates as specified in the policy.

3. Does AXA Equitable plan to increase the COIs on these policies again?

- At this time, we have no plans to increase the COIs on these policies again. It is possible that, in the future, we may adjust the rates further. Please be assured that in no event will the current schedule of COI rates ever be increased above the guaranteed maximum rates as set forth in the policy.

4. How will policies be affected? (Check first whether the policy has an active Lapse Protection Rider - LPR)

- *Policy does not have an active LPR*
 - As the cost of insurance charge will be higher than before, this will lower the policy's cash surrender value which will mean there is less value available to cover the policy's monthly charges. Clients will likely need to make additional premium payments to prevent the policy from lapsing. We invite clients to request an in-force illustration showing how their policy's values may appear in the future based on these new COI rates.
- *Policy has an active LPR*
 - As the policy has a Lapse Protection Rider, the premiums needed to keep the policy in force will NOT increase if your clients do not borrow or withdraw from their policy or make any changes to their policy. However, unless clients pay additional premium, the increase in charges will reduce the policy's cash value.

5. What support is available for policyholders and Financial Professionals?

- We have set up a special toll free number (888) 994-1899 and a dedicated team in our Life Operations Center. This team is available to respond to questions from policyholders and Financial Professionals Monday thru Friday from 8am to 5pm EST.
- Policyholders can call the special toll free number and request an inforce illustration.
- Financial Professionals can also request illustrations via email at life-service@axa.us.com.
- Financial Professionals can run illustrations reflecting the impact starting September 28, 2015.

6. When do you plan to inform policyholders?

- We will mail a letter alerting affected policyholders of this increase on October 5, 2015.
- In addition, annual statements for the policy year ending anytime between January 1, 2016 and December 31, 2016 included or will include notification of the increase.

WHY THIS IS HAPPENING

7. Why is AXA Equitable increasing COI rates on my policy?

- We continuously monitor our forward expectations for the performance of our various books of in-force policies. It is central to prudently managing our life insurance business. Our assumptions about each of the components that comprise our experience - (including mortality, interest rates, and investment earnings) are reviewed against our assumptions when we introduced the product.
- We expect future mortality and investment experience to be less favorable than what was anticipated when the current schedule of COI rates was established and because our view of the anticipated experience has changed, this has necessitated a change in COI rates. We guarantee that interest rates will not fall below the guaranteed minimums and that COIs will not go above the guaranteed maximums.

WHAT THIS MEANS

8. If a policyholder got an in-force illustration earlier in 2015 and would like to get a new illustration with the new rates, will AXA Equitable charge for the new illustration?

- While we normally charge clients a fee for additional illustrations requested in the same policy year, this fee is being waived. A policyholder can request an illustration with up to 3 variations for the rest of the policy year without being charged. Financial Professionals can run illustrations reflecting the impact starting September 28, 2015.

9. How can I find out the impact on my client's policy?

- We can provide you and your clients with an inforce illustration that shows the impact of the new charges. Our normal business practice is to process illustration request within 7-10 business days.

10. Are all AUL II policies affected by this change?

- Reviewing our expectations is a normal part of how AXA Equitable manages its product portfolios. As the AUL II block was reviewed, we concluded the impact of changes in our future mortality and investment income expectations was most pronounced for the class of policies issued age 70 and above and with face amount of \$1 million and above. Therefore those are the policies that will be affected by this change.

11. Is AXA Equitable allowed to make changes to certain policies within a block of business?

- Yes, we follow insurance law, as reflected in our policy form language, which requires us to treat all policies within the same class equitably.

12. To keep an affected policy in-force, what are the options other than paying additional premium?

- Policy owners who elected the Lapse Protection Rider at issue can maintain their coverage without increasing premiums so long as the conditions in the rider continue to be met. This rider cannot be selected after the policy is issued.
- A Face Amount reduction may be possible. The minimum face amount reduction is \$10,000. If your face amount goes below \$1,000,000, your policy will not be impacted by the COI rate increase. However, after the face amount decrease, your charges are likely to be higher than under your current rates. In addition, surrender charges will likely apply, which will reduce your cash surrender value. Please contact your Financial Professional if you wish to explore this option further.

13. Under a systematic payment arrangement, will premium payments automatically increase as result this change?

- No, AUL II is a flexible premium product, and therefore your clients need to notify us if they decide to change their systematic premium payments.

14. Why should I as a producer not be concerned that the AUL II COI increase represents a new modus operandi for AXA?

- At the time of pricing, our assumptions are always actuarially justifiable, as required by law. As experience has emerged on this block, our expectations have changed. Following prudent business practices, and as allowed under the policy, we have raised our charges accordingly. At this time, we have no plans to raise COIs on any other products, including all products we are currently selling.

If there are follow up questions, please call our special toll free number (888) 994-1899.

“AXA” is the brand name of AXA Equitable Financial Services, LLC and its family of companies, including AXA Equitable Life Insurance Company (NY, NY), MONY Life Insurance Company of America (AZ stock company, administrative office: Jersey City, NJ), AXA Advisors, LLC, and AXA Distributors, LLC. AXA S.A. is a French holding company for a group of international insurance and financial services companies, including AXA Equitable Financial Services, LLC. This brand name change does not change the legal name of any of the AXA Equitable Financial Services, LLC companies. The obligations of AXA Equitable Life Insurance Company and MONY Life Insurance Company of America are backed solely by their claims-paying ability.

Athena Universal Life II is issued by AXA Equitable Life Insurance Company (AXA Equitable), New York, NY, and is co-distributed by affiliates AXA Network, LLC and AXA Distributors, LLC.

AXA Equitable, AXA Distributors and AXA Network are subsidiaries of AXA Financial Services, LLC and AXA Financial, Inc. and do not provide tax or legal advice.

© 2015 AXA Equitable Life Insurance Company. All rights reserved.

1290 Avenue of the Americas, New York, NY 10104, (212) 554-1234

IU-107308 (9/15) (Exp. 9/17)

