

**Statement of Additional Information**

dated

**May 1, 2018**

for

**New York Life Variable Universal Life Accumulator II**

from

**NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION (“NYLIAC”)**

This Statement of Additional Information (“SAI”) is not a prospectus. The SAI contains information that expands upon subjects discussed in the current New York Life Variable Universal Life Accumulator II (“VUL”) prospectus. You should read the SAI in conjunction with the current prospectus dated May 1, 2018, and any supplements thereto. This SAI is incorporated by reference into the prospectus. You may obtain a paper copy of the prospectus by calling NYLIAC at 1-800-598-2019 or by writing to NYLIAC at the VPSC at one of the addresses listed on the first page of the prospectus (or any other address we indicate to you in writing). The prospectus is also posted on our corporate website, [www.newyorklife.com](http://www.newyorklife.com). Capitalized terms used but not defined in the SAI have the same meaning as in the current prospectus.

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**VUL is offered under NYLIAC Variable Universal Life Separate Account-I.**

## GENERAL INFORMATION AND HISTORY

The VUL prospectus and SAI describe a flexible premium variable universal life insurance policy that NYLIAC issues: New York Life Variable Universal Life Accumulator II.

### About NYLIAC

NYLIAC is a stock life insurance company incorporated in Delaware in 1980. NYLIAC is licensed to sell life, accident, and health insurance and annuities in the District of Columbia and all states. In addition to the policy described in the prospectus, NYLIAC offers other life insurance policies and annuities. NYLIAC and Separate Account financial statements are also included in this SAI. NYLIAC's principal business address is 51 Madison Avenue, New York, New York 10010.

NYLIAC is a wholly-owned subsidiary of NYLIC, a mutual life insurance company founded in New York in 1845. NYLIAC had total assets amounting to \$164.7 billion at the end of 2017. NYLIC has invested in NYLIAC, and will occasionally make additional contributions to NYLIAC in order to maintain capital and surplus in accordance with state requirements.

### About NYLIAC Variable Universal Life Separate Account—I

NYLIAC Variable Universal Life Separate Account—I (the "Separate Account") is a segregated asset account that NYLIAC established to receive and invest your Net Premiums. NYLIAC established the Separate Account on June 4, 1993 under the laws of the State of Delaware, in accordance with resolutions set forth by the NYLIAC Board of Directors. The Separate Account is registered as a unit investment trust with the SEC under the Investment Company Act of 1940, as amended. This registration does not mean that the SEC supervises the management, investment practices, or policies of the Separate Account.

### Tax Status of NYLIAC and the Separate Account

NYLIAC is taxed as a life insurance company under IRC Subchapter L. The Separate Account is not a taxable entity separate from NYLIAC, and we take its operations into account in determining NYLIAC's income tax liability. As a result, NYLIAC takes into account applicable tax attributes of the assets of the Separate Account on its corporate income tax return, including corporate dividends received deductions and foreign tax credits that may be produced by assets of the Separate Account. All investment income and realized net capital gains on the assets of the Separate Account are reinvested and taken into account in determining policy Cash Values and are applied automatically to increase the book reserves associated with the policies. Under existing federal income tax law, neither the investment income nor any net capital gains of the Separate Account are taxed to NYLIAC to the extent that those items are applied to increase tax deductible reserves associated with the policies.

## ADDITIONAL INFORMATION ABOUT THE OPERATION OF THE POLICIES

The prospectus provides information about the policy and its riders. The following is additional information about these terms.

### Changing the Face Amount of Your Policy

You can request one increase in the Face Amount each Policy Year of your policy if all of the following conditions are met:

- the insured is still living;
- the insured is age 80 or younger;
- the increase you are requesting is \$5,000 or more;
- the requested increase will not cause the policy's Face Amount to exceed our maximum limit on the risk we retain, which we set at our discretion; and
- you submit a written application in Good Order, that is signed by the insured(s) and the policyowner(s) to either your registered representative or to the VPSC at one of the addresses listed on the first page of prospectus (or any other address we indicate to you in writing) along with satisfactory evidence of

insurability.

We can limit any increase in the Face Amount of your policy.

You can request one decrease in the Face Amount of your policy each Policy Year if all of the following conditions are met:

- the insured is still living;
- the decrease you are requesting will not reduce the policy's Face Amount below \$50,000; and
- you submit a written application in Good Order signed by the policyowner(s) to the VPSC at one of the addresses listed on the first page of the prospectus (or any other address we indicate to you in writing).

We may limit any decrease in the Face Amount of your policy.

#### **Additional Information About the Amount in the Separate Account: Valuation of Accumulation Units**

The value of an accumulation unit on any Valuation Day equals the value of an accumulation unit on the preceding Valuation Day multiplied by the net investment factor. We calculate a net investment factor for the period from the close of the New York Stock Exchange on the immediately preceding Valuation Day to its close on the current Valuation Day using the following formula:

$$(a/b)$$

Where: a = the sum of:

- (1) the net asset value of the Fund share held in the Separate Account for that Investment Division at the end of the current Valuation Day, plus
- (2) the per share amount of any dividends or capital gains distributions made by the Fund for shares held in the Separate Account for that Investment Division if the ex-dividend date occurs during such period; and

b = the net asset value of the Fund share held in the Separate Account for that Investment Division at the end of the preceding Valuation Day.

The net investment factor may be greater or less than one. Therefore, the value of an accumulation unit may increase or decrease.

## Examples of IRC Section 7702 on Life Insurance Benefits

Under this policy, you can choose from different Life Insurance Benefit Options. The following are standardized examples of how the choice of the Guideline Premium Test (GPT) or the Cash Value Accumulation Test (CVAT) can impact the Life Insurance Benefit.

### EXAMPLES (Effect of IRC Section 7702 on Life Insurance Benefit)

LIFE INSURANCE BENEFIT OPTION 1		
<b>Example 1 (GPT)</b>		
Male, Nonsmoker, Age 45 at Death		
Life Insurance Benefit = Face Amount		
	<b>Policy A</b>	<b>Policy B</b>
(1) Face Amount .....	1,000,000	1,000,000
(2) Cash Value .....	400,000	500,000
(3) IRC Sec. 7702 Percentage On		
Date of Death.....	215%	215%
(4) Basic Death Benefit .....	1,000,000	1,000,000
(5) Cash Value multiplied by 7702		
percentage.....	860,000	1,075,000
(6) Death Benefit [Greater of (4) or (5)]	1,000,000	1,075,000
<b>Example 2 (CVAT)</b>		
Male, Nonsmoker, Age 45 at Death		
Life Insurance Benefit = Face Amount		
	<b>Policy A</b>	<b>Policy B</b>
(1) Face Amount .....	1,000,000	1,000,000
(2) Cash Value .....	200,000	500,000
(3) IRC Sec. 7702 Percentage On		
Date of Death.....	407%	407%
(4) Basic Death Benefit .....	1,000,000	1,000,000
(5) Cash Value multiplied by 7702		
percentage.....	814,000	2,035,000
(6) Death Benefit [Greater of (4) or (5)]	1,000,000	2,035,000

LIFE INSURANCE BENEFIT OPTION 2		
<b>Example 1 (GPT)</b>		
Male, Nonsmoker, Age 45 at Death		
Life Insurance Benefit = Face Amount + Cash Value		
	<b>Policy A</b>	<b>Policy B</b>
(1) Face Amount .....	1,000,000	1,000,000
(2) Cash Value .....	400,000	900,000
(3) IRC Sec. 7702 Percentage On Date		
of Death .....	215%	215%
(4) Basic Death Benefit.....	1,400,000	1,900,000
(5) Cash Value multiplied by 7702		
percentage.....	860,000	1,935,000
(6) Death Benefit [Greater of (4) or (5)]..	1,400,000	1,935,000
<b>Example 2 (CVAT)</b>		
Male, Nonsmoker, Age 45 at Death		
Life Insurance Benefit = Face Amount + Cash Value		
	<b>Policy A</b>	<b>Policy B</b>
(1) Face Amount .....	1,000,000	1,000,000
(2) Cash Value .....	300,000	600,000
(3) IRC Sec. 7702 Percentage On Date		
of Death .....	407%	407%
(4) Basic Death Benefit.....	1,300,000	1,600,000
(5) Cash Value multiplied by 7702		
percentage.....	1,221,000	2,442,000
(6) Death Benefit [Greater of (4) or (5)]..	1,300,000	2,442,000

## Additional Information About Changing Options

You can change your Life Insurance Benefit Option once per Policy Year, provided the Insured is under age 121. The following Examples demonstrate the impact this change can have on your Life Insurance Benefit.

### EXAMPLE

<b>Change From Option 1 To Option 2</b>		<b>Change From Option 2 To Option 1</b>	
Cash Value .....	\$ 200,000	Cash Value.....	\$ 150,000
Face Amount before Option change	\$2,000,000	Face Amount before Option change	\$2,000,000
Face Amount after Option change (\$2,000,000 – \$200,000) .....	\$1,800,000	Face Amount after Option change (\$2,000,000 + \$150,000) .....	\$2,150,000
Life Insurance Benefit immediately before and after Option change.....	\$2,000,000	Life Insurance Benefit immediately before and after Option change.....	\$2,150,000

## DISTRIBUTION AND COMPENSATION ARRANGEMENTS

NYLIFE Distributors, the underwriter and distributor of the policies, is registered with the SEC and FINRA as a broker-dealer. The firm is an indirect wholly-owned subsidiary of NYLIC, and an affiliate of NYLIAC. Its principal business address is 30 Hudson Street, Jersey City, NJ 07302.

The policies are sold by registered representatives of NYLIFE Securities, a broker-dealer that is an affiliate of NYLIFE Distributors, and by registered representatives of unaffiliated broker-dealers. Your registered representative is also a licensed insurance agent with NYLIC. He or she may be qualified to offer other forms of life insurance, annuities, and other investment products. In certain circumstances, NYLIFE Securities registered representatives can sell both products manufactured and issued by NYLIC or its affiliates and products provided by other companies.

The selling broker-dealer, and in turn your registered representative, will receive compensation for selling you this policy or any other investment product. Compensation may consist of commissions, asset-based compensation, allowances for expenses, and other compensation programs. The amount of compensation received by your registered representative will vary depending on the policy that he or she sells, on sales production goals, and on the specific payment arrangements of the relevant broker-dealer. Differing compensation arrangements have the potential to influence the recommendation made by your registered representative or broker-dealer.

The maximum commissions payable to a broker-dealer in the first 30 years are equivalent to the present value of an annual commission rate for 30 years of 6.9% per year. (This figure is based on planned annual premiums of \$2,900 and assumes a discount rate of 6%. Additional assumptions for the policy are: Male issue age 40, issued Preferred, with an initial face amount of \$250,000 and Life Insurance Benefit Option 1.) Broker-dealers receive commission not to exceed 50% of the premiums paid up to a policy's Commissionable Target Premium in Policy Year 1, 8% in Policy Year 2, 6.25% in Policy Years 3-4, 6.5% in Policy Years 5-6, 6% in Policy Years 7-10 and 3.5% in Policy Years 11-15, plus 3% of premiums paid in excess of such amount in Policy Years 1-15. Broker-dealers may also receive additional asset-based fees of 0.08% in Policy Years 11 and beyond.

The "Commissionable Target Premium" is used in the calculation of the maximum commission payable and is based on the Life Insurance Benefit option you choose, the age of the insured at the inception of the policy, gender, risk class, and the face amount of the policy.

NYLIC also has other compensation programs where registered representatives, managers, and employees involved in the sales process receive additional compensation related to the sale of products manufactured and issued by NYLIC or its affiliates. NYLIFE Securities registered representatives who are members of the General Office management team receive compensation based on a number of sales-related incentive programs designed to compensate for education, supervision, training, and recruiting of agents.

Unaffiliated broker-dealers may receive sales support for products manufactured and issued by NYLIC or its affiliates from Brokerage General Agents (“BGAs”) who are not employed by NYLIC. BGAs receive commissions on the policies based on a percentage of the commissions the registered representative receives and an allowance for expenses based on first year premiums paid.

NYLIFE Securities registered representatives can qualify to attend NYLIC-sponsored educational, training, and development conferences based on the sales they make of life insurance, annuities, and investment products during a particular twelve-month period. In addition, qualification for recognition programs sponsored by NYLIC depends on the sale of products manufactured and issued by NYLIC or its affiliates.

The policies are sold and premium payments are accepted on a continuous basis.

## **UNDERWRITING A POLICY**

The underwriting of a policy determines: (1) whether the policy application will be approved or disapproved; and (2) into what premium class the insured should be placed. Risk factors that are considered for these determinations include: (a) the insured’s age; (b) the insured’s health history; (c) whether the insured smokes or not; and (d) the amount of insurance coverage requested on the policy application. As risk factors are added (i.e., higher age, smoker, poor health history, higher insurance coverage) the amount of the premium required for an approved policy will increase.

## ADDITIONAL INFORMATION ABOUT CHARGES

The following example reflects how charges can impact a policy.

This example assumes a Male insured, issue age 40, Preferred rating, a Target Premium of \$2,792.75, a Surrender Charge Premium Target of \$5,572.50, and an annual planned premium of \$2,900.00, an initial Face Amount of \$250,000, and a selection of Life Insurance Benefit Option 1 by the policyowner. It also assumes current charges and a 6% hypothetical gross annual investment return, which results in a 5.11% net annual investment return. The assumption is that 10% of the premium is invested in the fixed account, 90% is invested in the separate account. It also assumes the policy is in its first Policy Year. There is no guarantee that the current charges illustrated below will not change.

PREMIUM	\$2,900.00	You choose the amount of premium you intend to pay and the frequency with which you intend to make these payments. We call this your planned premium. Any additional premium payments you make are called unplanned premiums
Less Premium Expense Charge <sup>(1)</sup>	116.00	
<b>NET PREMIUM</b>	<b>\$2,784.00</b>	
Plus net investment performance (earned from the Investment Divisions and/or the Fixed Account)	115.24	We allocate your Net Premium to the Investment Divisions, the Fixed Account and/or DCA Accounts based on your instructions.
Less total annual Monthly Contract Charge <sup>(2)</sup>	120.00	
Less total annual Monthly Cost of Insurance Charge		
(varies monthly)	167.65	
Less total annual monthly cost of riders <sup>(3)</sup>	0.00	
Less total annual Monthly Mortality and Expense Risk Charge <sup>(4)</sup>	2.23	
Less total annual Monthly Per Thousand of Face Amount charge	499.35	The Monthly Per Thousand of Face Amount Charge is computed as the Target Premium of \$2,792.75 multiplied by the Policy Charge rate (1.49% for Preferred).
<b>CASH VALUE</b>	<b>\$2,110.01</b>	
Less Surrender Charge (if applicable)	1,450.00	Cash Value may be used to determine the amount of your Life Insurance Benefit as well as the Cash Surrender Value of your policy.
<b>CASH SURRENDER VALUE</b> (as of the end of first Policy Year)	<b>\$660.01</b>	

The amount of loans, withdrawals and surrenders you can make is based on your policy's Cash Surrender Value. Your policy will terminate if your Cash Surrender Value is insufficient to pay your policy's Monthly Deduction Charges.

We may assess a surrender charge when you make a Face Amount decrease, partial withdrawal, or full surrender during the Surrender Charge Period, or during the Surrender Charge Period after a Face Amount increase.

The Surrender Charge computed during the Surrender Charge Period is the Minimum of the Calculated Surrender Charge of \$5,238.15 and 50% of the Premium paid or \$1,450. The Calculated Surrender Charge is equal to the Surrender Charge Premium Target multiplied by the Surrender Charge Rate (94% for the first policy year).

(1) For details about how we calculate the Premium Expense Charge for your policy, please refer to the Table of Fees and Expenses in the prospectus.  
 (2) We currently deduct a Monthly Contract Charge of \$10 per month.  
 (3) This example assumes you have not chosen any riders.  
 (4) For details about how we calculate the Monthly Mortality and Expense Risk Charge for your policy, please refer to the Table of Fees and Expenses in the prospectus.

## **FINANCIAL STATEMENTS**

The consolidated statements of financial position of NYLIAC as of December 31, 2017 and 2016, and the consolidated statements of operations, of comprehensive income, of stockholder's equity and of cash flows for each of the three years in the period ended December 31, 2017 included in this SAI have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting. The Separate Account statement of assets and liabilities as of December 31, 2017 and the statements of operations and of changes in net assets and the financial highlights for each of the periods indicated in the Financial Statements included in this SAI have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.