

DATE: February 24, 2017

TO: Life Insurance Producers, Management, Office Administrators, and
Technical Staff

SUBJECT: Introducing: Pacific Discovery Xelerator IUL Indexed Universal Life Insurance
(IUL)

Category	
☐	Administration
☐	Compliance
☐	Marketing
☒	Product
☐	Risk Selection
☐	Miscellaneous

Top Tier Potential vs. Competition Introducing Pacific Discovery Xelerator IUL

Beginning Feb. 27, 2017, Pacific Discovery Xelerator IUL¹ is available for new sales, subject to state approval. This new product is the latest addition to Pacific Life Insurance Company's line of indexed universal life insurance (IUL) products and is not replacing any other product.

Pacific Discovery Xelerator IUL is designed for death benefit protection with competitive long-term cash value accumulation potential after policy year 15. This new product illustrates particularly well when funded with large premiums within the policy's first 7 to 10 years, including short-pay premium scenarios and life insurance with supplemental income potential designs.

Product Highlights

- Designed for affluent clients with 15 years or more until their first planned policy distribution or life insurance goal.
- Indexed interest performance factor and fixed account additional credit that may increase policy performance on a nonguaranteed basis.²
- Benefit Distribution Rider³ spreads payment of death proceeds over policyowner's choice of 5 to 30 years and may also reduce policy charges on a nonguaranteed basis, for greater cash value growth potential.
- Fixed Account and 7 Indexed Accounts, including 1-Year High Par and 1-Year High Cap⁴ Indexed Accounts.
- Choice of Long-Term Care⁵ or Chronic Illness Riders⁶ in eligible policies.⁷

What's New in Pacific Discovery Xelerator IUL?

Longer coverage charges (to age 121 on a current basis) and an indexed account performance factor that may increase policy performance on a nonguaranteed basis.

***Top Tier Performance—Short-Pay
Premium and Distribution Potential.***

***Check out Pacific Discovery
Xelerator IUL vs. the competition!***

Up to \$3 Million Life Insurance Coverage with No Medical Exams

With the Executive Class Simplified Underwriting Program, your high income earning clients may apply for up to \$3 million of cash value life insurance coverage with no medical exams, needles, or bodily fluids. Attending Physician Statements (APS) required and additional requirements may be required, depending on the answers to the medical and nonmedical questions contained on the application. Underwriting is done by

phone call and it takes just one simple form to apply. While only a short form (TeleApp forms kit: #KT- 10192) is needed, Pacific Life reserves the right to order additional requirements as determined by the underwriter. Only one simplified underwriting program offer per insured. Contact us for additional information.

Administrative Notes

- Current state availability grid on Lifeline.PacificLife.com
- Illustrations available on Navigator, 2/27/2017
- Sales materials available on Lifeline and SEEK, 2/27/2017

Submission Guidelines

Date	Requirement
2/27/2017	To Apply for Pacific Discovery Xelerator IUL <u>with</u> the Premier LTC Rider Include <u>signed</u> copies of: • Product illustration including Premier LTC Rider Supplemental Illustration Report • Application for Individual Life Insurance (form #A15IUW) • LTC Rider Supplement Application (form #A15LCR) • LTC Rider Personal Suitability Worksheet (form #M15PWR) • HIPAA Authorization to Release Medical Information • HIPAA Authorization to Obtain Medical Information • Notices of replacement for Life and LTC Coverage (if applicable) • W-9 Request for Taxpayer ID & Certification Form (or W-8 beneficiary version) Give to client: • Life Disclosures Book, LTC Disclosures Booklet (CD), and any other applicable forms listed on the LTC Rider Supplement Application (form #A15LCR) • Must acknowledge receipt by initializing the LTC Rider Supplement Application (form #A15LCR) Additional Underwriting Requirement for Insureds Age 65 and Older As part of the underwriting process the Premier LTC Rider, a Cognitive Assessment is required for insureds age 65 and older for both formal applications and Tele-APP Life Tickets. • If using the formal application process, when placing your order, please notify the Paramed Facility not to order the Med Plus, as the Medical Examiner's Report, along with the Cognitive Assessment, will satisfy the Med Plus requirement. • If using the Tele-APP Life Ticket expedited process, please note this additional underwriting requirement may require more than one phone interview for insureds age 65 and older. <i>To order the Minnesota Cognitive Acuity Screening (MCAS) from LTCG, call (888) 302-8291.</i>
2/27/2017	To Apply for Pacific Discovery Xelerator IUL <u>without</u> the Premier LTC Rider Include <u>signed</u> copies of: • Product illustration • A15IUW application • Replacement paperwork and any applicable supplemental applications

Transition Guidelines

Date	Requirement
Prior to Policy Issue or within 90 Days of State Availability	To Request Pacific Discovery Xelerator IUL <u>without</u> the Premier LTC Rider, when Another IUL Case Is Pending For pending cases that would now like Pacific Discovery Xelerator IUL, the request must be submitted in writing and include a signed illustration for Pacific Discovery Xelerator IUL. For policies previously issued that would now like Pacific Discovery Xelerator IUL, the normal 90-day reissue requirements would apply, pending state availability. All submission and underwriting requirements must be completed and received within the 90-day window from original policy issue date.
	To Request Pacific Discovery Xelerator IUL <u>with</u> the Premier LTC Rider, when Another IUL Case Is Pending For pending cases or previously issued policies that would now like Pacific Discovery Xelerator IUL with the Premier LTC Rider, the normal 90-day reissue requirements would apply, pending state availability. All submission and underwriting requirements for the LTC Rider (covered in Submission Guidelines section above) must be completed and received within the 90-day window from original policy issue date.

Endnotes:

Indexed universal life insurance does not directly participate in any stock or equity investments. Indexed Universal Life Insurance generally requires additional premium payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that coverage will expire.

Riders will likely incur additional charges and are subject to availability, restrictions and limitations. Clients should be shown policy illustrations with and without riders to help show the rider's impact on the policy's values.

1. Pacific Discovery Xelerator IUL (policy form #P15IUL and S16PDX or ICC15 P15IUL and ICC16 S16PDX, based on state of policy issue) is flexible premium indexed universal life insurance.

2. Pacific Life Insurance Company reserves the right to change or modify any non-guaranteed or current elements. The right to modify these elements is not limited to a specific time or reason.

3. Benefit Distribution Rider (Form #R15BDR) is optional and must be elected at policy issue. On a nonguaranteed basis, Pacific Life may reduce policy charges through a Benefit Distribution Rider Credit. On a guaranteed basis, the rider's Periodic Payments of death benefit reflect a 2% level annual interest rate. If the rider is not elected, the beneficiary can elect to receive periodic payments under an Income Benefit plan we make available to them at the insured's death that may credit a higher or lower interest rate than the rider's 2% guaranteed rate. However, the election of an Income Benefit plan at the insured's death will not result in any nonguaranteed reduction of policy charges while the policy is in force. Once elected at policy issue, the rider's Periodic Payment elections may not be changed unless the policyowner is approved for an unscheduled Basic Coverage face amount increase as specified in the contract. Exercising other available riders may adversely affect or limit the Benefit Distribution Rider.

4. The 1-Year High Cap Indexed Account assesses a monthly charge of 0.067% (0.80% annually) of the accumulated value allocated to it as part of the monthly policy charges.

5. Premier LTC Rider is an accelerated death benefit rider for long-term care (Form # R15LTC or ICC15 R15LTC, based state of policy issue). In order to sell the Premier LTC Rider, you must have a health insurance license and meet LTC Continuing Education requirements. Contact your licensing coordinator for details.

6. Premier Living Benefits Rider is an accelerated death benefit rider for chronic illness (Form #R12CII or ICC12 R12CII, based on state of policy issue).

7. Eligible insureds are issue age 18-75, subject to additional underwriting requirements and a one chronic illness rider or long-term care rider per insured issue limit. Rider is not available on Guaranteed Issue or Simplified Issue policies, policies that were issued as a conversion from another policy (unless the rider was available on the original policy), or policies with scheduled Face Amount increases.

Pacific Life is a product provider. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products. Only a life insurance producer who is also a fiduciary is required to advise if the product purchase and any subsequent action taken with regard to the product are in their client's best interest.



PACIFIC LIFE

Pacific Life Insurance Company, Newport Beach, CA

Pacific Life Insurance Company is licensed to issue insurance products in all states except New York. Product availability and features may vary by state. Insurance products and their guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company. Look to the strength of the life insurance company with regard to such guarantees as these guarantees are not backed by the broker-dealer, insurance agency, or their affiliates from which products are purchased. Neither these entities nor their representatives make any representation or assurance regarding the claims-paying ability of the life insurance company.

Pacific Life Insurance Company's individual life insurance products are marketed exclusively through independent third-party life insurance producers, which may include bank affiliated entities. Some selling entities may limit availability of some optional riders based on their client's age and other factors. Your broker-dealer or firm can help you determine which optional riders and investment options are available and appropriate for your clients.

Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value

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