

Pacific Indexed Accumulator II

vs.

A Side Fund

Introduction

A decision to acquire additional life insurance can represent one of several significant phases in your overall financial planning. An important part of this decision involves the comparison of the life insurance policy to alternative investment possibilities.

To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to a Side Fund.

The study offers information from which you and your advisers can draw informed conclusions about the suitability of either plan.

Following are major features of the life insurance policy for you to consider as part of your overall assessment:

1. Accumulating cash values;
2. Income tax favored growth of cash values;
3. Competitive current rate of return;
4. Lifelong income options;
5. Tax free access to cash values through policy loans;
6. Income tax free death benefits for beneficiaries;
7. Probate free death benefits for beneficiaries;
8. Privacy of all transactions.

Favorable income tax consequences combine with significant policy values and benefits to produce a life insurance solution that has a considerable amount of financial leverage. This is particularly evident in the following presentation.

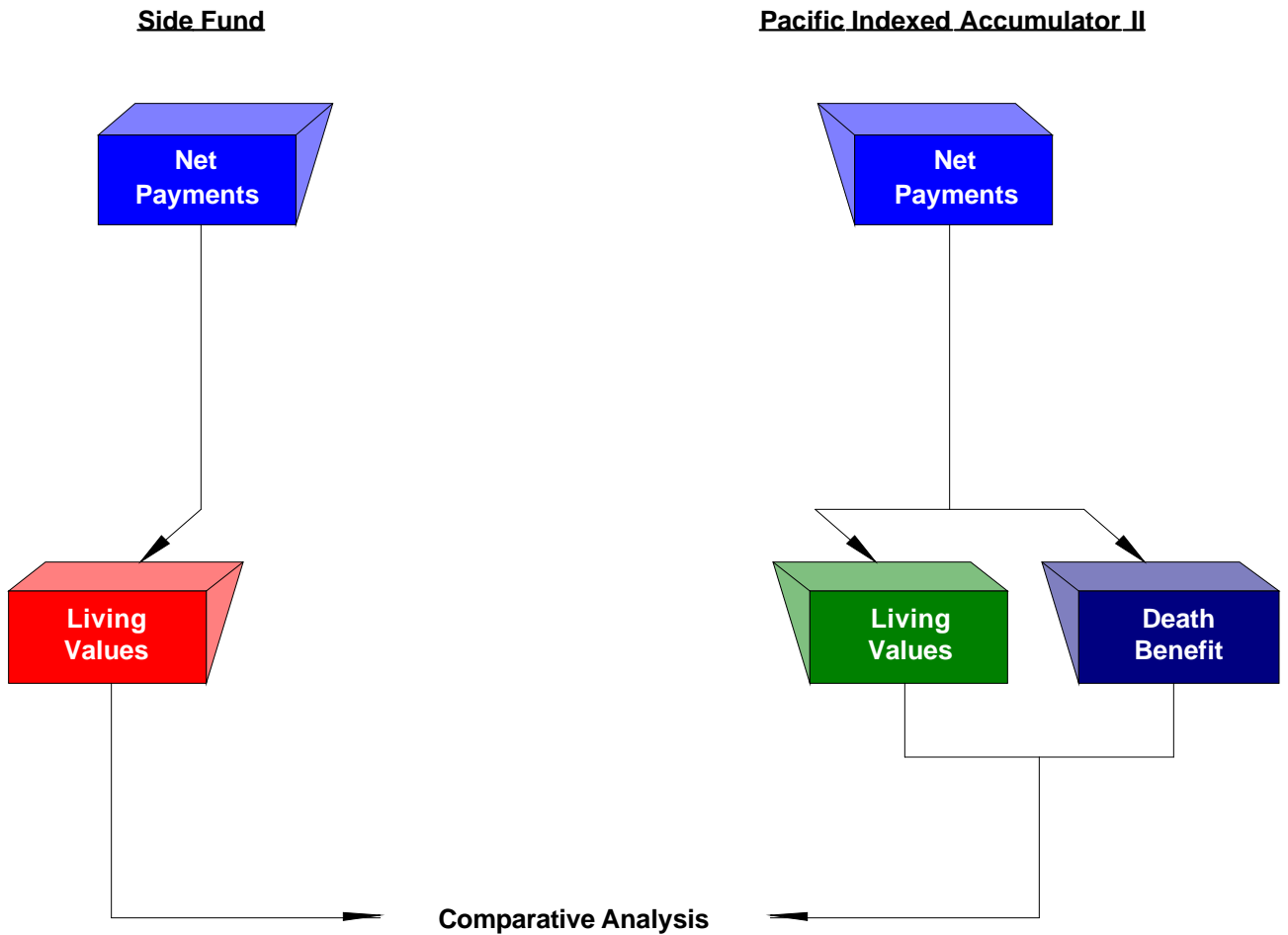
Pacific Indexed Accumulator II vs. A Side Fund

Date: 03/01/2007

Presented By: Kenneth B. Sapon, LUTCF

For: Mr. Sample

Flow Chart Analysis



Pacific Indexed Accumulator II

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Male Age 40	Side Fund Yield 7.00%	Tax Bracket 39.00%	PIA 2 Interest Rate 7.00%	Initial Payment 5,000	Initial Death Benefit 257,400
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Year	Side Fund				Pacific Indexed Accumulator II			
	(1) Net Payment	(2) Pre-Tax Investment Income	(3) After Tax Investment Income	(4) After Tax Values	(5) Net Payment	(6) Year End Accum Value*	(7) Year End Surrender Value*	(8) Death Benefit
1	5,000	336	205	4,954	5,000	4,572	4,558	257,400
2	5,000	683	416	10,066	5,000	9,132	9,120	257,400
3	5,000	1,041	635	15,341	5,000	13,661	13,651	257,400
4	5,000	1,410	860	20,786	5,000	18,173	18,164	257,400
5	5,000	1,791	1,093	26,405	5,000	22,671	22,664	257,400
6	5,000	2,184	1,332	32,203	5,000	27,160	27,154	257,400
7	5,000	2,590	1,580	38,187	5,000	31,635	31,631	257,400
8	5,000	3,009	1,836	44,363	5,000	36,090	36,087	257,400
9	5,000	3,441	2,099	50,736	5,000	40,524	40,523	257,400
10	5,000	3,888	2,371	57,313	5,000	44,931	44,931	257,400
11	5,000	4,348	2,652	64,101	5,000	52,567	52,567	257,400
12	5,000	4,823	2,942	71,106	5,000	60,704	60,704	257,400
13	5,000	5,313	3,241	78,335	5,000	69,379	69,379	257,400
14	5,000	5,819	3,550	85,795	5,000	78,638	78,638	257,400
15	5,000	6,342	3,868	93,494	5,000	88,530	88,530	257,400
16	5,000	6,881	4,197	101,440	5,000	99,016	99,016	257,400
17	5,000	7,437	4,536	109,639	5,000	110,225	110,225	257,400
18	5,000	8,011	4,887	118,101	5,000	122,213	122,213	257,400
19	5,000	8,603	5,248	126,834	5,000	135,040	135,040	257,400
20	5,000	9,214	5,621	135,846	5,000	148,769	148,769	257,400
	100,000				100,000			

Sales charge on payments to column (1): 4.00%

Management fees reflected in column (4): 1.00%

20 Year Summary

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.

	Side Fund	PIA 2
Death Benefit	135,846	257,400
Income Tax	0	0
Net Proceeds	135,846	257,400

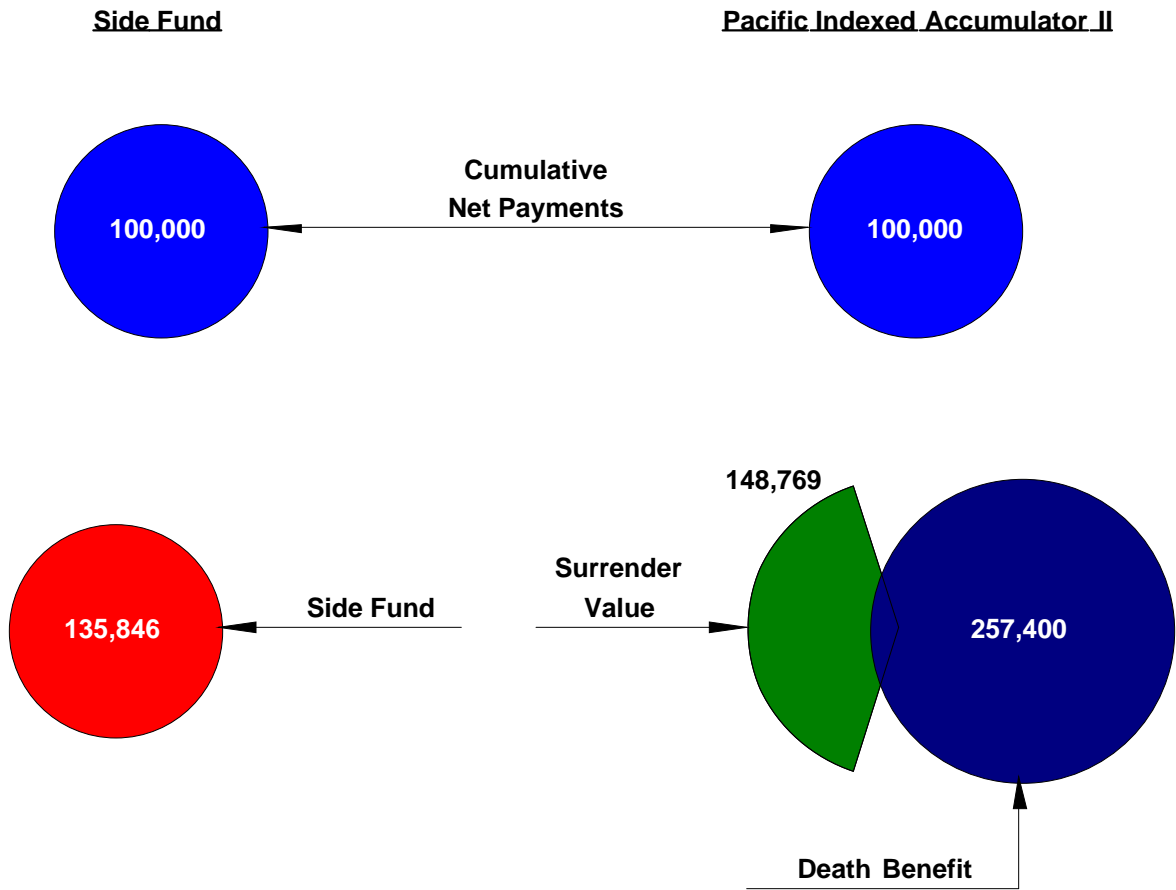
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20th Year Summary Analysis



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Male	Side Fund	Tax	PIA 2	Initial	Initial
Age	Yield	Bracket	Interest Rate	Payment	Death Benefit
40	7.00%	39.00%	7.00%	5,000	257,400

Gross Interest Rate Required on a Side Fund to Match Pacific Indexed Accumulator II Policy Values over 20 Years

	Gross Interest Rate Required
To match Accumulation Value of: \$148,769	8.34%
To match Surrender Value of: \$148,769	8.34%
To match Death Benefit of: \$257,400	16.13%

Income Tax Considerations

1. : Interest is taxed as earned.
2. Pacific Indexed Accumulator II:
 - a. Death Benefit including cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from Pacific Life.



Ledger Illustration
Non-Guaranteed Detail

Yr	Age (BOY)	*Premium Outlay (BOY) (1)	Partial Withdrawal (BOY) (2)	Net Annual Loan (BOY) (3)	Net Outlay (4)	--Non-Guaranteed Values (EOY) @ 7.00%--		
						Net Accumulated Value (5)	Net Cash Surrender Value (6)	Death Benefit (7)
21	60	5,000	0	0	5,000	163,481	163,481	257,400
22	61	5,000	0	0	5,000	179,258	179,258	257,400
23	62	5,000	0	0	5,000	196,192	196,192	257,400
24	63	5,000	0	0	5,000	214,387	214,387	265,840
25	64	5,000	0	0	5,000	233,889	233,889	285,345
26	65	5,000	0	0	5,000	254,696	254,696	305,636
27	66	0	22,170	0	-22,170	248,780	248,780	296,048
28	67	0	22,170	0	-22,170	242,441	242,441	286,080
29	68	0	22,170	0	-22,170	235,653	235,653	275,713
30	69	0	22,170	0	-22,170	228,352	228,352	264,889
Total		130,000	88,680	0	41,320			
31	70	0	22,170	0	-22,170	220,465	220,465	253,535
32	71	0	19,150	3,020	-22,170	212,048	212,048	240,008
33	72	0	0	22,170	-22,170	203,152	203,152	228,308
34	73	0	0	22,170	-22,170	193,691	193,691	215,493
35	74	0	0	22,170	-22,170	183,609	183,609	201,508
36	75	0	0	22,170	-22,170	172,887	172,887	186,339
37	76	0	0	22,170	-22,170	161,375	161,375	175,481
38	77	0	0	22,170	-22,170	149,013	149,013	163,759
39	78	0	0	22,170	-22,170	135,736	135,736	151,104
40	79	0	0	22,170	-22,170	121,477	121,477	137,447
Total		130,000	130,000	180,380	-180,380			
41	80	0	0	22,170	-22,170	106,156	106,156	122,705
42	81	0	0	22,170	-22,170	89,691	89,691	106,791
43	82	0	0	22,170	-22,170	71,993	71,993	89,614
44	83	0	0	22,170	-22,170	52,967	52,967	71,075
45	84	0	0	22,170	-22,170	32,512	32,512	51,067
46	85	0	0	22,170	-22,170	10,516	10,516	29,474
47	86	0	0	0	0	0	0	18,847
48	87	0	0	0	0	0	0	19,271
49	88	0	0	0	0	0	0	19,705
50	89	0	0	0	0	0	0	20,148
Total		130,000	130,000	313,400	-313,400			

This illustration is not complete and cannot be presented without the Basic Illustration report. The Basic Illustration report begins with a page entitled Basic Illustration Summary. Please refer to the Basic Illustration Tabular Detail for guaranteed elements and other important information.

* A zero in the premium outlay column does not mean the policy is paid up. Charges will continue to be deducted from the Accumulated Value as long as the policy remains in-force. The actual premium amounts and number of years of premium payments that are needed to maintain the illustrated non-guaranteed policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options.



Ledger Illustration
Non-Guaranteed Detail

Yr	Age (BOY)	*Premium Outlay (BOY) (1)	Partial Withdrawal (BOY) (2)	Net Annual Loan (BOY) (3)	Net Outlay (4)	--Non-Guaranteed Values (EOY) @ 7.00%--		
						Net Accumulated Value (5)	Net Cash Surrender Value (6)	Death Benefit (7)
51	90	0	0	0	0	0	0	20,601
52	91	0	0	0	0	0	0	16,852
53	92	0	0	0	0	0	0	12,923
54	93	0	0	0	0	0	0	8,809
55	94	0	0	0	0	0	0	4,504
56	95	0	0	0	0	0	0	4,605
57	96	0	0	0	0	0	0	4,709
58	97	0	0	0	0	0	0	4,815
59	98	0	0	0	0	0	0	4,923
60	99	0	0	0	0	0	0	5,034
Total		130,000	130,000	313,400	-313,400			
61	100	0	0	0	0	0	0	5,147
62	101	0	0	0	0	0	0	5,263
63	102	0	0	0	0	0	0	5,381
64	103	0	0	0	0	0	0	5,502
65	104	0	0	0	0	0	0	5,626
66	105	0	0	0	0	0	0	5,753
67	106	0	0	0	0	0	0	5,882
68	107	0	0	0	0	0	0	6,015
69	108	0	0	0	0	0	0	6,150
70	109	0	0	0	0	0	0	6,288
Total		130,000	130,000	313,400	-313,400			
71	110	0	0	0	0	0	0	6,430
72	111	0	0	0	0	0	0	6,574
73	112	0	0	0	0	0	0	6,722
74	113	0	0	0	0	0	0	6,874
75	114	0	0	0	0	0	0	7,028
76	115	0	0	0	0	0	0	7,186
77	116	0	0	0	0	0	0	7,348
78	117	0	0	0	0	0	0	7,513
79	118	0	0	0	0	0	0	7,682
80	119	0	0	0	0	0	0	7,855
Total		130,000	130,000	313,400	-313,400			

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Completing the Application

Information from this illustration that applies to the application is summarized in this section. For assistance with instructions on how to fill out the forms, please contact your Pacific Life Representative.

Premium and Billing Information
Frequency of Payment: Annually

Life Insurance Coverage Information
Product Name: Pacific Indexed Accumulator II
Planned Annual Premium: \$5,000.00

Basic Coverage \$1,000 + Riders/Other Coverage (Total) \$256,400 = Total Initial Coverage \$257,400

Accounting Benefit Rider \$256,400

Death Benefit Option: Option A (Level)

Life Insurance Qualification Test: Guideline Premium Test (GPT)

Guaranteed Cost of Insurance (COI) Period: 5

Important Information

<u>Premium Information</u>	Initial Min Premium	386.72	Initial Target Premium	4,646.07
<u>Tax Information</u>	MEC	No	Initial GSP	57,005.60
	Initial 7-Pay Premium	11,862.74	Initial GLP	5,000.00
<u>Additional Premium</u>	Internal Roll-In	0.00	1035 Exchange	No
	Initial External Roll-In	0.00	Qualified	No
<u>Term Type</u>	ART Term Type	N/A		
<u>NLG Information</u>	ST NLG Premium	2,029.95		
	ST NLG Duration	18		
<u>General Information</u>	Initial Surrender Charge Concept	13.09 Ledger	Initial Indexed Acct Rate	7.00%
			Initial Fixed Acct Rate	5.00%
<u>Underwriting</u>	Underwriting Type	Underwritten		
		<u>First Insured</u>		
	Status	Preferred Nonsmoker		
	Letter Rating	None		
	Flat Extra	0.00		

New Business Forms

State specific forms required for submitting new business may be obtained by going to one of the following locations:
1) **Navigator** - Click on the Forms button on the toolbar and follow the Lifeline Web Site instructions below.
2) **Lifeline Web Site** (www.lifeline.pacificlife.com) - Go to the Forms and Materials section of Lifeline.
3) **Order by phone** - Call the Supply Order Desk at 1-800-800-7681, ext. 3920

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