

Date Prepared: November 18, 2009
For Presentation in: New Mexico

Maximizing IRA Assets to Heirs

Using IRA Distributions to Purchase Last Survivor Indexed Universal Life Insurance

Prepared For

Male SixtyFive and Female Sixty

Presented by:

Kenneth Sapon R.P.h., LUTCF, CLU
8801 Horizon Blvd NE
Suite 320
Albuquerque, NM 87113

Important Information about the Assumption Made in this Proposal

Some of the policy elements (known as non-guaranteed or current elements) may be changed by Pacific Life at any time and for any reason, but cannot be less favorable to you than the policy's guarantees. Some non-guaranteed elements are illustrated consistent with Pacific Life's current scale, and are labeled as "current."

Values shown are based on non-guaranteed policy charges and non-guaranteed interest rates. Over time, the policy's actual non-guaranteed elements, and perhaps your actual use of the policy's options, are likely to vary from the assumptions used in this illustration. For these reasons, actual results will either be more or less favorable than shown in this illustration. Please refer to the Basic Illustration for guaranteed values and other important information.

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This material is not intended to be used, nor can it be used by any taxpayer, for the purpose of avoiding U.S. federal, state or local tax penalties. This material is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by this material. Pacific Life, its distributors and their respective representatives do not provide tax, accounting or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Terms Used in the Presentation

"ILIT" An irrevocable life insurance trust (ILIT). A properly drafted and administered ILIT should prevent any assets transferred into it from being included in the estate of the Grantor.

"IRD" Income in respect of a decedent (IRD). Income a decedent was entitled to receive before death and therefore is included in the gross income of the beneficiary upon distribution. See Estate Planning and EGTRRA page for more information. IRC § 691 (a)

"RMD" A required minimum distribution (RMD). The annual amount that IRA owners or qualified plan participants must take from the retirement accounts by April 1 following the year they reach age 70 ½. IRC §§ 408(a)(6), 408(b)(3), 401(a)(9)

Purpose of this Presentation

Many affluent clients may not realize the tax implications of shifting IRA assets from retirement assets to estate assets. Some affluent individuals find in retirement that they have saved more than enough money to maintain their lifestyle. The IRA assets originally intended for retirement income are not utilized and will be an asset to leave to heirs. But when the IRA owner dies, the IRA is included in his/her estate. The IRA assets are subject to both income and estate taxes.¹ This can significantly reduce the benefit received by the heirs.

Maximizing IRA Assets to Heirs is a planning tool designed to show the estate tax and income tax impact on an IRA at death and provide you with a strategy to re-position a portion of your IRA's assets to maximize the assets left to your heirs. In the right circumstances, using distributions from an IRA to purchase life insurance can dramatically increase the wealth you pass to your heirs.

This presentation and supporting supplemental illustration will examine investing taxable distributions from an IRA into other assets as compared to purchasing life insurance inside an Irrevocable Life Insurance Trust (ILIT).

Under the "Current Plan," the IRA owner takes required minimum distributions (RMD) from the IRA and pays income taxes on these distributions. The IRA owner then invests these amounts into other assets that we refer to a "side investment". Upon the death of the IRA owner, the IRA will pass to the surviving spouse through the unlimited marital deduction and be subject to income in respect of a decedent (IRD) tax treatment. The remaining IRA balance and the side investment will be included in the surviving spouse's estate for estate tax purposes.¹

The "Proposed Plan" details how the IRA owner can maximize the value of his or her IRA by purchasing life insurance. The IRA owner takes taxable distributions and instead of investing into other assets, he or she gifts these amounts to an ILIT. The gift taxes may be reduced or eliminated by the use of available annual exclusions and/or the lifetime gift tax exemption amount². The ILIT is established with the help of an attorney. The trustee³ of the ILIT purchases a life insurance policy on the IRA owner and his or her spouse. Upon the death of the insureds, the death benefit proceeds may pass to the heirs, through the ILIT, free of both income and estate taxes.⁴ The remaining IRA passes to the designated heirs and is included in the estate of the surviving spouse for estate tax purposes and is subject to income taxes.¹

¹ The federal estate tax exemption amount is \$3,500,000 in 2009. The highest federal estate tax rate is 45% in 2009. The federal estate tax will be repealed on 1/1/10 until 12/31/10. Beginning 2011, the federal estate tax will be reinstated with a federal estate tax exemption amount of \$1,000,000 and a maximum estate tax rate of 55%. Currently, bills are pending in Congress that, if passed, could change the estate tax exemption and the estate tax rates for 2010 and after.

² The annual gift tax exclusion is \$13,000 (in 2009) per donee and is indexed for inflation. The lifetime gift tax exemption amount is \$1,000,000.

³ The trustee appointed should not be the insured or the insured's insurance professional. An insurance professional who is paid a commission on the sale of a life insurance policy represents both his or her personal interest and the interests of the trust, creating a conflict of interest.

⁴ For federal income tax purposes, life insurance death benefit proceeds generally pay income tax-free to beneficiaries pursuant to IRC § 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC § 101(a)(2) (i.e. the "transfer-for-value rule"); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC § 101(j).

Assumptions

IRA Owner

Name	Male SixtyFive
Age	65
Income Tax Rate	39%
Estate Tax Rate	Varies
Marital Status	Married

IRA

Current Balance	\$1,000,000
Hypothetical Annual Rate of Return	3.50%

Side Investment

Hypothetical Annual Rate of Return	3.50%
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Heirs

Income Tax Rate	31%
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Proposed Life Insurance Policy Assumptions (Owned and Funded by ILIT)

Proposed Insureds	Male SixtyFive	Female Sixty
Age	65	60
Risk Classification	Preferred Nonsmoker	Preferred Nonsmoker
Gender	Male	Female
Type of Life Insurance	Last Survivor Indexed Universal Life Insurance	
Product Name	Indexed Pacific Estate Preserver (Form #P09IEP)	
Illustrated Interest Rate	7.50%	

This presentation assumes that the IRA owner has a large taxable estate. Therefore, the values assume that the entire IRA value is subject to estate taxes, does not consider other assets in the estate, and does not apply the estate tax exemption equivalent amount. Please see the page entitled "Estate Planning and EGTRRA" for additional information related to the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001.

This presentation also assumes that the IRA is not a Roth IRA.

Please refer to the supporting supplemental illustration and Basic Illustration for detail on the values and graphs shown in this presentation.

Current Plan

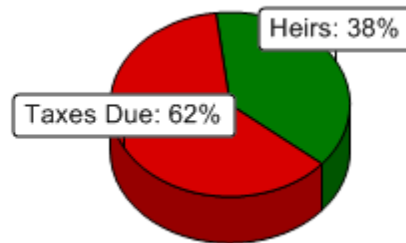
Passing an Existing IRA to Your Heirs

The Situation

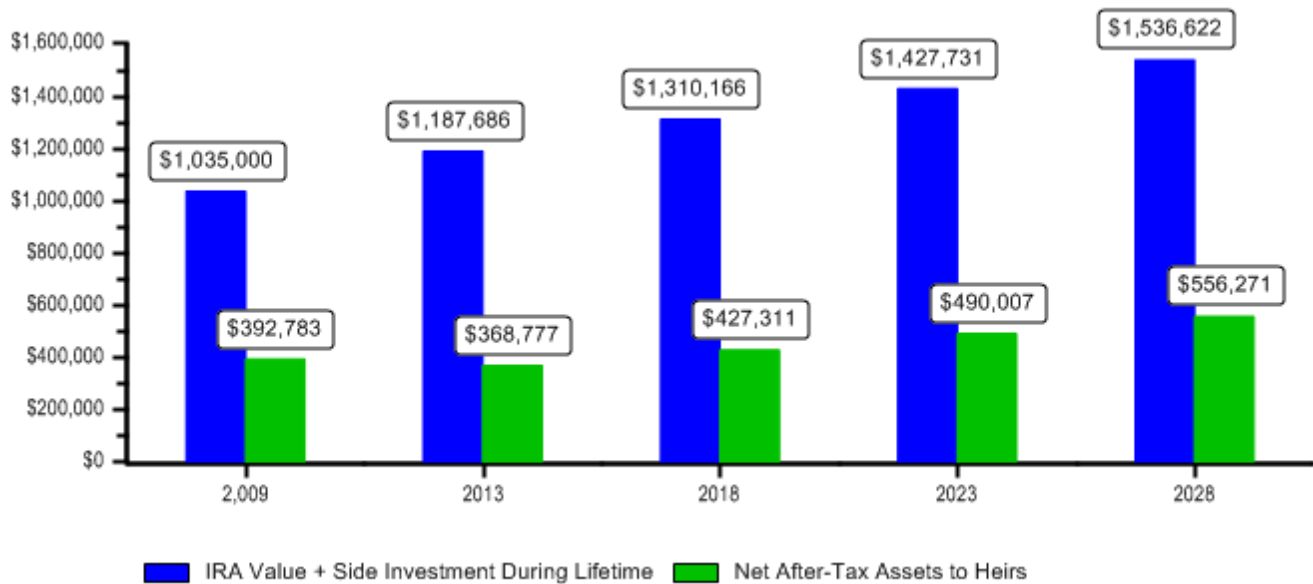
You have a large IRA that you do not plan to use for retirement purposes. You take at least the required minimum distributions (RMD) from the IRA and pay income taxes on these distributions. You then invest these amounts into other assets that we refer to as a "side investment". Upon your death, the IRA balance will pass to the surviving spouse through the unlimited marital deduction. The IRA, however, will be subject to estate taxes and income taxes when the surviving spouse dies. The combined effect of these two taxes on the IRA may significantly reduce the amount distributed to the heirs by sixty percent or more.

Impact of Estate & Income Taxes on an IRA at Death

The following graph demonstrates the potential impact of estate and income taxes when passing IRA assets to heirs. Death is assumed in 2009 and that the maximum estate and applicable income tax rates apply to the IRA.¹



The following graph demonstrates the hypothetical value of the IRA assets while living and the net after-tax value of the IRA that is passed to the heirs after death. Death is assumed in the given years and that the maximum estate and income tax rates apply to the IRA Assets.¹



Please refer to the "Current Plan Supplemental Illustration - Passing an Existing IRA to Heirs" for details.

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Proposed Strategy

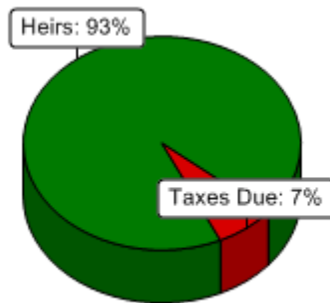
Using an ILIT, IRA Distributions and Life Insurance to Maximize Inheritance to Your Heirs

The Strategy

You have diligently saved for retirement using both qualified and non-qualified assets. Since you have accumulated significant IRA assets that you will not need to maintain your lifestyle, repositioning some of those assets into life insurance may significantly increase the wealth transferred to your heirs. In the Maximizing IRA Assets to Heirs strategy, you elect to take taxable distributions from your IRA (that may be greater than the RMDs, if older than 70 ½). The after-tax amounts are then gifted into an ILIT that was established with the assistance of an attorney. These gifted amounts are used to pay premiums on a life insurance policy that is purchased by the trustee¹. The gift taxes may be reduced or eliminated by the use of any available annual exclusions and/or lifetime gift tax exemption amount². The ILIT is the owner and beneficiary of the life insurance policy insuring you and your spouse. Upon the death of the insureds, the death benefit proceeds are paid to the ILIT income and estate tax free, if properly structured.³ The balance of the IRA will be included in the surviving spouse's estate for estate tax purposes.⁴ The trustee then distributes the death benefit proceeds to the beneficiaries pursuant to the ILIT terms. The remaining IRA balance passes to the designated beneficiaries and will be subject to income taxes upon distribution.

Impact of Estate & Income Taxes on the Proposed Strategy

The following graph demonstrates the implementation of the proposed strategy and the potential impact of estate and income taxes at death. Death is assumed in 2009 and that the maximum estate and applicable income tax rates apply to the IRA.



Please refer to the next page and the "Proposed Strategy Supplemental Illustration - Using ILIT, IRA Distribution, and Life Insurance" for details.

¹ The trustee appointed should not be the insured or the insured's insurance professional. An insurance professional who is paid a commission on the sale of a life insurance policy represents both his or her personal interest and the interests of the trust, creating a conflict of interest.

² The annual gift tax exclusion is \$13,000 (in 2009) per donee and is indexed for inflation. The lifetime gift tax exemption amount is \$1,000,000.

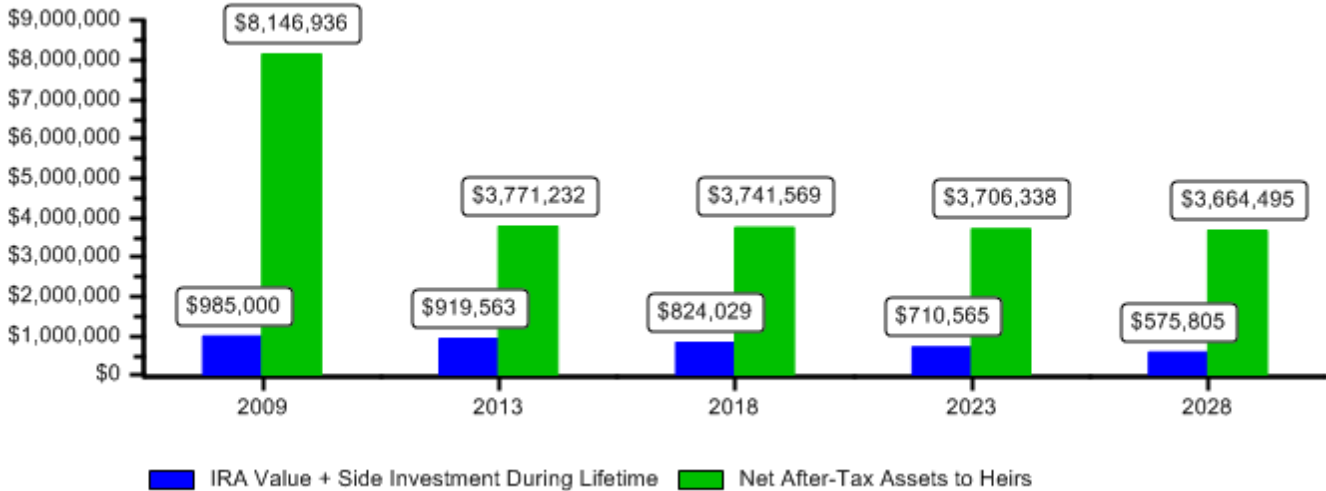
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Proposed Strategy Continued

Using an ILIT, IRA Distributions and Life Insurance to Maximize Inheritance to Your Heirs

The following graph demonstrates the implementation of the proposed strategy, the hypothetical value of the IRA plus the side investment while living and the value passed to heirs after death which includes the after-tax IRA value, the after-tax side investment, and the death benefit proceeds.¹ Death is assumed in the given years and that the maximum estate and income tax rates apply to the IRA Assets.²



Please refer to the "Proposed Strategy Supplemental Illustration - Using ILIT, IRA Distribution, and Life Insurance" for details.

¹ For federal income tax purposes, life insurance death benefit proceeds generally pay income tax-free to beneficiaries pursuant to IRC § 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC § 101(a)(2) (i.e. the "transfer-for-value rule"); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC § 101(j).

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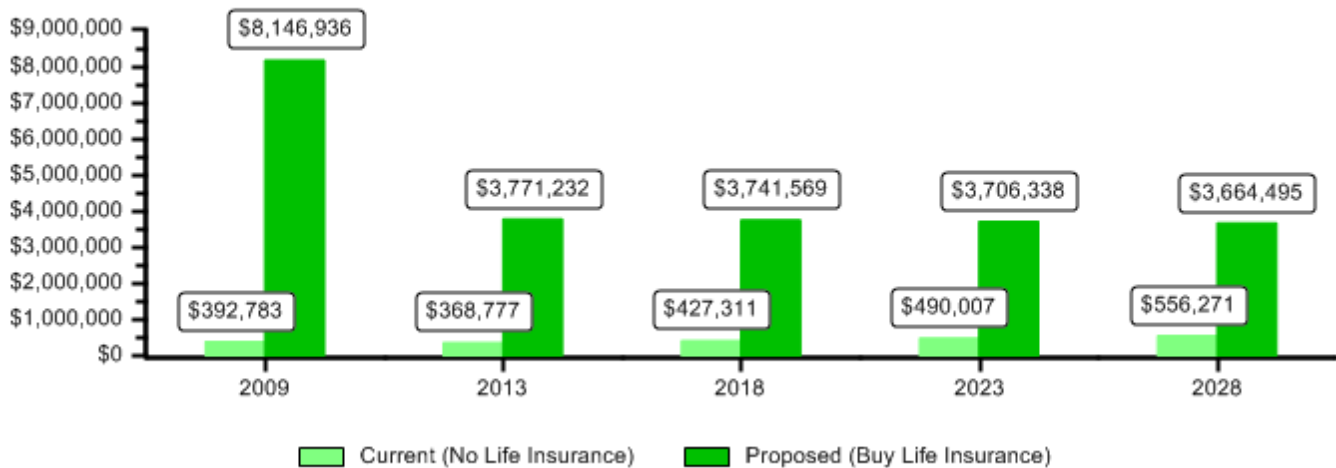
Comparison

Impact of Income & Estate Taxes at Death

Net After-Tax Assets to Heirs

Using distributions from an IRA to purchase life insurance can increase the wealth that passes to your heirs. The following compares the Net After-Tax Assets to heirs for the current plan vs. the proposed strategy. Please refer to the supplemental illustrations for year-by-year comparisons and details.

Net After-Tax Assets to Heirs



What Is Generally Being Accomplished?

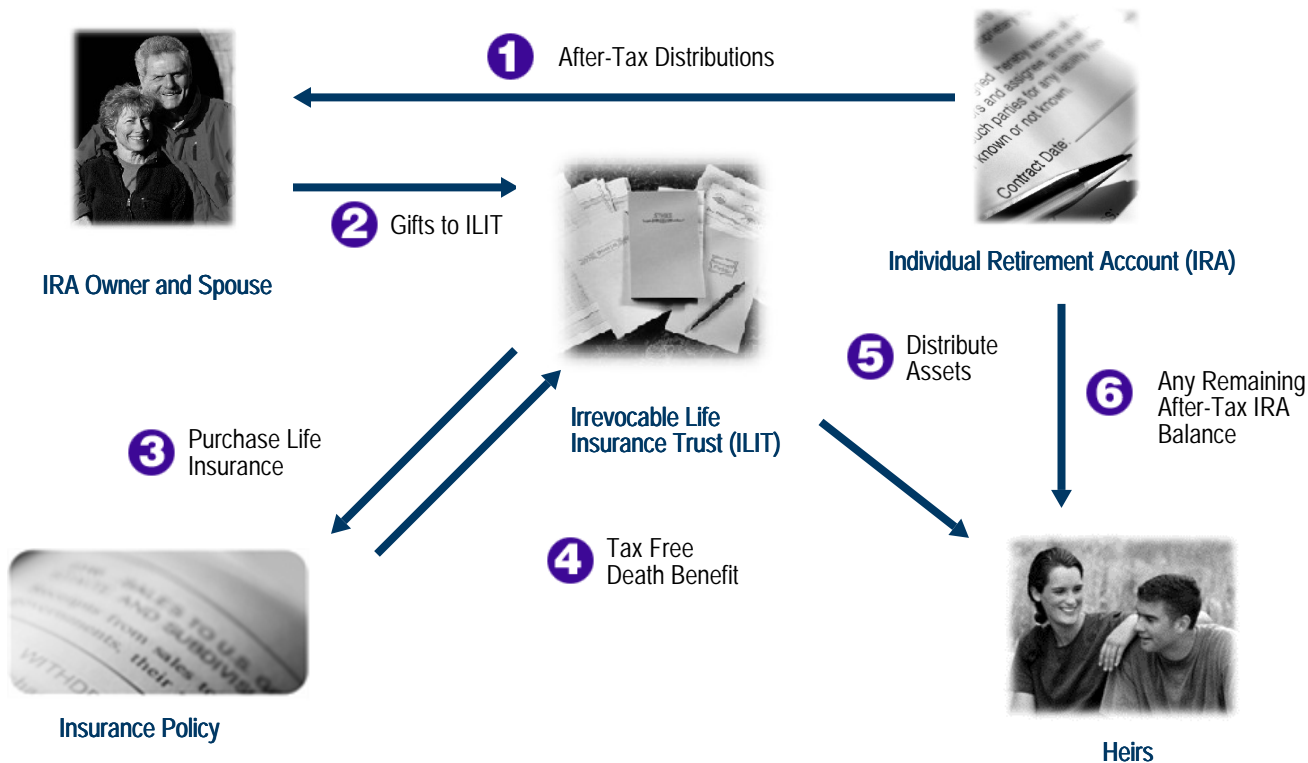
- Gifts of after-tax IRA distributions to the ILIT remove that portion of the IRA from the estate, reducing potential estate taxes.
- Heirs may receive more wealth at the surviving spouse's death because life insurance death benefit proceeds should pass to the heirs, pursuant to the terms of the trust, through the ILIT free of income and estate tax.^{1,2}
- Lifetime withdrawals from the IRA could reduce the distributions your heirs will be required to take upon the surviving spouse's death, thereby reducing their income tax liability.

¹ For federal income tax purposes, life insurance death benefit proceeds generally pay income tax-free to beneficiaries pursuant to IRC § 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC § 101(a)(2) (i.e. the "transfer-for-value rule"); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC § 101(j).

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How It Works

Using an ILIT, IRA Distributions and Life Insurance to Maximize Inheritance to Your Heirs



- 1) The IRA owner takes distributions from his Individual Retirement Account ("IRA"), and pays the income tax due at his or her marginal rate for that year.
- 2) With the assistance of an attorney, the IRA owner and his or her spouse establishes an irrevocable life insurance trust ("ILIT"), and then gifts the after-tax IRA distributions to it. Gift taxes can be reduced or eliminated by the use of any available annual exclusions and/or lifetime gift tax exemption amount¹.
- 3) The trustee² of the ILIT uses these gifted IRA distributions to purchase a trust owned last survivor life insurance policy on the life of IRA owner and his/her spouse and designates the ILIT as beneficiary.
- 4) Upon the death of the insureds, the life insurance policy's death benefit is paid to the ILIT income and estate tax free.^{3,4}
- 5) The ILIT distributes the death benefit proceeds to the beneficiaries free from income and estate tax pursuant to the terms of the trust.³ This technique may increase the wealth transferred to the heirs if properly structured.
- 6) Upon the death of the surviving spouse, any remaining IRA balance passes to the designated heirs, and is included in the estate of the surviving spouse and may be subject to estate and income taxes.

¹ The annual gift tax exclusion is \$13,000 (in 2009) per donee and is indexed for inflation. The lifetime gift tax exemption amount is \$1,000,000.

² The trustee appointed should not be the insured or the insured's insurance professional. An insurance professional who is paid a commission on the sale of a life insurance policy represents both his or her personal interest and the interests of the trust, creating a conflict of interest.

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Summary

The following values reflect net results for 20 years and the IRA owner dies in year 2028

IRA During Lifetime	Current IRA	Proposed Strategy
Total Distributions	\$807,906	\$1,000,000
Total Income Tax Paid	\$315,083	\$390,000
Total After-Tax Distributions	\$492,822	\$610,000
EOY 20 IRA Balance	\$969,241	\$575,805

ILIT		
Total Gifts to ILIT	N/A	\$610,000
Total Life Insurance Premium Payment	N/A	\$610,000
EOY 20 Life Insurance Death Benefit	N/A	\$3,485,708

Side Investment		
EOY 20 Side Investment Balance	\$567,381	\$0

Taxes at Death of Surviving Spouse		
Estate Tax on IRA Balance & Side Investment	\$845,142	\$316,693
Income Tax on IRD	\$135,209	\$80,325
Total Taxes at Death in 2028	\$980,352	\$397,017

Net After-Tax Assets to Heirs	\$556,271	\$3,664,495
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Some Tax Issues Affecting Life Insurance

Tax Definition of Life Insurance

A policy will qualify as life insurance under IRC § 7702 if the policy qualifies as life insurance under applicable state law and meets one of two alternative tests: (a) the sum of premiums paid at any time does not exceed the greater of the guideline single premium or the sum of the guideline level premium at such time, and the death benefit payable under the policy at any time is at least equal to an applicable percentage of the cash surrender value (the "guideline premium and cash value corridor test"); or (b) the cash surrender value of the policy must not at any time exceed the net single premium which would be necessary to fund future benefits under the policy (the "cash value accumulation test"). Failure to qualify as life insurance will result in taxation of all cash value increases, and only the excess of the death benefit over the net surrender value will be excludable from the income of the beneficiary as a death benefit.

Modified Endowment Contract

As defined in IRC § 7702A, a Modified Endowment Contract ("MEC") is a life insurance policy in which the cumulative premium payments in any one of the first seven policy years, exceeds the sum of the net level premiums which would have been paid to provide a paid-up policy after the payment of seven level annual premiums (the "7-pay test").

Distributions from a MEC, either a withdrawal or loan (or use of the policy as collateral for a loan), are taxed to the extent there is a gain in the policy. Also, a 10% penalty will be assessed on the taxable amount of any distributions made prior to the policyowner's attaining age 59½, unless the policyowner is disabled or receives the cash value under a life annuity settlement option. Note, however, that the 10% penalty tax is always applicable if the policyowner is a "non-natural" person (e.g., a corporation or trust).

If there has been a "material change" in the terms or benefits of the policy, the 7-pay test will be applied as if this was a new contract at the date of the material change.

Generally, once a policy is a MEC, it is always a MEC. However, if premiums in excess of the 7-pay limit are paid, the MEC rules will not apply if such premium payments, plus interest (which is taxable), are returned to the policyowner within 60 days after the end of the policy year in which the premium payment was made.

Death Benefits

For federal income tax purposes, life insurance death benefit proceeds generally pay income tax-free to beneficiaries pursuant to IRC § 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC § 101 (a)(2) (i.e. the "transfer for value rule"); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC § 101(j).

Tax-Deferred Growth of Cash Values

Annual increases in the cash value of a life insurance policy are taxable only upon withdrawal, surrender, or other distribution. T.H. Cohen, 39 TC 1055 (1963), acq. 1964-1 CB 4; IRC § 72; IRC § 7702(g).

Withdrawals

Tax-free income assumes, among other things: (1) withdrawals do not exceed tax basis (generally, premiums paid less prior withdrawals); (2) policy remains in force until death; (3) withdrawals taken during the first 15 policy years do not occur at the time of, or during the two years prior to, any reduction in benefits; and (4) the policy does not become a modified endowment contract. See IRC §§ 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.

Policy Loans

Assuming the life insurance policy is not a MEC, policy loans from a life insurance policy are not treated as withdrawals or distributions and are not subject to income tax. IRC § 7702(f).

If a life insurance policy loan is still outstanding when a policy is surrendered or lapses, the loan is automatically repaid from the cash value of the policy. This will result in taxable income to the extent the net surrender value plus the amount of the repaid loan exceeds the cost basis of the policy.

If a life insurance policy loan is still outstanding at the time of death, the loan is automatically repaid from the policy's death benefit. This use of the death benefit to repay a policy loan does not cause the recognition of taxable income.

Estate Tax

If an insured has any incidents of ownership of the life insurance policy at the time of his or her death, or within three years of his or her death, or the proceeds are payable to or for the benefit of the insured's estate, the death benefit will be includable in his or her gross estate and may be subject to federal estate tax and or state inheritance tax. IRC § 2042.

The federal estate tax exemption amount is \$3,500,000 in 2009. The highest federal estate tax rate is 45% in 2009. The federal estate tax will be repealed on 1/1/10 until 12/31/10. Beginning 2011, the federal estate tax will be reinstated with a federal estate tax exemption amount of \$1,000,000 and a maximum estate tax rate of 55%. Congress continues to discuss and consider legislation that, if passed, could change the estate tax exemption and the estate tax rates for 2010 and after.

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Estate Planning and EGTRRA

Summary of EGTRRA

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), provides a decrease of marginal transfer tax rates, an increase of the estate and generation skipping transfer tax (GST) exemption amount and a temporary repeal of the estate and GST tax on January 1, 2010. Come 2011, EGTRRA sunsets reinstating the exemption amounts that were in effect prior to 2001. Congress continues to discuss and consider legislation that, if passed, could change the estate tax exemption and the estate tax rates for 2010 and after.

Estate, GST and Gift Tax Rates EGTRRA reduces the highest marginal transfer tax rates until the beginning of year 2011. The highest estate tax and GST tax rates decrease until year 2010 when both taxes are temporarily repealed. The highest gift tax rate decreases until it reaches 35% in 2010. In 2011, EGTRRA sunsets and the transfer tax rates return to 55%.

Calendar Year	Highest Estate and GST Tax Rates	Highest Gift Tax Rates
2009	45%	45%
2010	Repealed	35%
2011 & thereafter	55%	55%

Estate and GST tax exemption equivalent for transfers at death EGTRRA reduces the highest marginal transfer tax rates until the beginning of year 2011. The highest estate tax and GST tax rates decrease until year 2010 when both taxes are temporarily repealed. The highest gift tax rate decreases until it reaches 35% in 2010. In 2011, EGTRRA sunsets and the transfer tax rates return to 55%

EGTRRA increases the amount a taxpayer can pass at death (reduced by the amount transferred during life) free of estate and GST tax with a temporary repeal in 2010. In 2011, EGTRRA sunsets and the estate tax exemption drops down to \$1,000,000.

Calendar Year	Estate & GST Tax Exemption for Transfers at Death
2009	\$3,500,000
2010	Taxes Repealed
2011 & thereafter	\$1,000,000

Lifetime gift exemption equivalent. EGTRRA provides a \$1,000,000 lifetime gift exemption amount. This allows taxpayers to transfer a \$1,000,000 during his/her lifetime worth of assets during life without incurring gift tax liability.

Repeal of the step-up in income tax basis regime in exchange for a carry-over in income tax basis regime for transfers at death. EGTRRA repeals the step-up in income tax basis regime in exchange for a carry-over in income tax basis regime for taxpayers transferring property at death during year 2010. There is an exception allowing a total basis increase of up to \$1,300,000 and an additional basis increase of up to \$3,000,000 for transfers to a surviving spouse.

Income In Respect of Decedents. "Income in respect of decedents" (IRD) refers to those amounts to which a decedent was entitled as gross income, but which were not includible in his taxable income for the year of his death. IRC §691(a). In general IRD must be included in the gross income of the recipient. A deduction is normally permitted for estate and generation-skipping transfer taxes paid on the income. The total deduction amount is determined by computing the federal estate tax (or generation-skipping transfer tax) with the net IRD included and then the tax is recomputed with the net IRD excluded. The resulting difference in the two computations is the amount of the income tax deduction.

Please Note: Neither Pacific Life nor its representatives offer legal or tax advice. Consult your attorney or tax advisor for complete up-to-date information concerning federal and state tax laws in this area.

Proposed Insured #1: Male SixtyFive
Male, Age 65
Preferred Nonsmoker
Proposed Insured #2: Female Sixty
Female, Age 60
Preferred Nonsmoker

Death Benefit Option = A
Total Face Amount = \$3,485,708
Premium Payment Interval = Annual

Producer:
Kenneth Sapon R.P.h., LUTCF,
CLU
8801 Horizon Blvd NE
Suite 320
Albuquerque, NM 87113

Maximizing IRA Assets to Heirs

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Pacific Life Insurance Company is licensed to issue individual life insurance and annuity products in all states except New York. Product availability and features vary by state, and its product and rider guarantees are backed by that company's financial strength and claims-paying ability.

The following statements apply to this Supplemental Illustration:

A zero in the premium outlay column does not mean the policy is paid up. The actual premium amounts and number of years of premium payments needed to maintain the illustrated policy benefits will depend on the policy's non-guaranteed elements and on the way you actually use the policy's options.

¹ The federal estate tax exemption amount is \$3,500,000 in 2009. The highest federal estate tax rate is 45% in 2009. The federal estate tax will be repealed on 1/1/10 until 12/31/10. Beginning 2011, the federal estate tax will be reinstated with a federal estate tax exemption amount of \$1,000,000 and a maximum estate tax rate of 55%. Currently, bills are pending in Congress that, if passed, could change the estate tax exemption and the estate tax rates for 2010 and after.

Proposed Insured #1: Male SixtyFive
 Male, Age 65
 Preferred Nonsmoker
Proposed Insured #2: Female Sixty
 Female, Age 60
 Preferred Nonsmoker

Death Benefit Option = A
 Total Face Amount = \$3,485,708
 Premium Payment Interval = Annual

Producer:
 Kenneth Sapon R.P.h., LUTCF, CLU
 8801 Horizon Blvd NE
 Suite 320
 Albuquerque, NM 87113

Maximizing IRA Assets to Heirs

Current Plan Supplemental Illustration - Passing an Existing IRA to Heirs

Year	Age	IRA			Distributions			Taxes at Death					
		BOY IRA Balance (1)	EOY IRA Distribution (2)	EOY IRA Balance @ 3.50% (3)	Income Tax on IRA Distribution (4)	After-Tax IRA Distribution (5)	EOY Side Investment Balance @ 3.50% (6)	Assumed Estate Tax Rate (7)	Estate Tax on IRA Balance & Side Investment (8)	Taxable IRD (9)	Income Tax on IRD (10)	Total Taxes @ Death (11)	Net After Tax Assets To Heirs (12)
2009	65/60	1,000,000	0	1,035,000	0	0	0	45%	465,750	569,250	176,468	642,218	392,783
2010	66/61	1,035,000	0	1,071,225	0	0	0	0%	0	1,071,225	332,080	332,080	739,145
2011	67/62	1,071,225	0	1,108,718	0	0	0	55%	609,795	498,923	154,666	764,461	344,257
2012	68/63	1,108,718	0	1,147,523	1,108,718	0	0	55%	631,138	516,385	160,079	791,217	356,306
2013	69/64	1,147,523	0	1,187,686	0	0	0	55%	653,227	534,459	165,682	818,910	368,777
2014	70/65	1,187,686	43,346	1,185,909	16,905	26,441	26,441	55%	666,793	533,659	165,434	832,227	380,123
2015	71/66	1,185,909	44,751	1,182,665	17,453	27,298	54,304	55%	680,333	532,199	164,982	845,314	391,654
2016	72/67	1,182,665	46,198	1,177,860	18,017	28,181	83,644	55%	693,827	530,037	164,311	858,139	403,365
2017	73/68	1,177,860	47,687	1,171,399	18,598	29,089	114,519	55%	707,254	527,129	163,410	870,665	415,253
2018	74/69	1,171,399	49,218	1,163,179	19,195	30,023	146,987	55%	720,591	523,431	162,263	882,855	427,311
2019	75/70	1,163,179	50,794	1,153,096	19,810	30,984	181,109	55%	733,813	518,893	160,857	894,670	439,536
2020	76/71	1,153,096	52,413	1,141,041	20,441	31,972	216,948	55%	746,894	513,469	159,175	906,070	451,920
2021	77/72	1,141,041	53,823	1,127,155	20,991	32,832	254,412	55%	759,862	507,220	157,238	917,100	464,467
2022	78/73	1,127,155	55,525	1,111,081	21,655	33,870	293,714	55%	772,637	499,986	154,996	927,633	477,162
2023	79/74	1,111,081	56,978	1,092,990	22,222	34,757	334,741	55%	785,252	491,845	152,472	937,724	490,007
2024	80/75	1,092,990	58,449	1,072,796	22,795	35,654	377,542	55%	797,686	482,758	149,655	947,341	502,997
2025	81/76	1,072,796	59,933	1,050,411	23,374	36,559	422,161	55%	809,915	472,685	146,532	956,447	516,125
2026	82/77	1,050,411	61,428	1,025,748	23,957	37,471	468,645	55%	821,916	461,587	143,092	965,008	529,385
2027	83/78	1,025,748	62,929	998,720	24,542	38,387	517,038	55%	833,667	449,424	139,321	972,988	542,770
2028	84/79	998,720	64,434	969,241	25,129	39,304	567,381	55%	845,142	436,159	135,209	980,352	556,271
Total			807,906		315,083	492,822							

Maximizing IRA Assets to Heirs

Current Plan Supplemental Illustration - Passing an Existing IRA to Heirs

Year	Age	IRA			Distributions			Taxes at Death					
		BOY IRA Balance (1)	EOY IRA Distribution (2)	EOY IRA Balance @ 3.50% (3)	Income Tax on IRA Distribution (4)	After-Tax IRA Distribution (5)	EOY Side Investment Balance @ 3.50% (6)	Assumed Estate Tax Rate (7)	Estate Tax on IRA Balance & Side Investment (8)	Taxable IRD (9)	Income Tax on IRD (10)	Total Taxes @ Death (11)	Net After Tax Assets To Heirs (12)
2029	85/80	969,241	65,489	937,676	25,541	39,948	619,443	55%	856,415	421,954	130,806	987,221	569,898
2030	86/81	937,676	66,502	903,992	25,936	40,566	673,234	55%	867,475	406,797	126,107	993,582	583,645
2031	87/82	903,992	67,462	868,170	26,310	41,152	728,760	55%	878,311	390,677	121,110	999,421	597,509
2032	88/83	868,170	68,360	830,196	26,660	41,700	786,018	55%	888,918	373,588	115,812	1,004,730	611,484
2033	89/84	830,196	69,183	790,070	26,981	42,202	845,001	55%	899,289	355,532	110,215	1,009,504	625,567
2034	90/85	790,070	69,304	748,418	27,029	42,276	905,318	55%	909,555	336,788	104,404	1,013,959	639,777
2035	91/86	748,418	69,298	705,315	27,026	42,272	966,918	55%	919,728	317,392	98,391	1,018,119	654,113
2036	92/87	705,315	69,149	660,852	26,968	42,181	1,029,742	55%	929,827	297,384	92,189	1,022,016	668,579
2037	93/88	660,852	68,839	615,143	26,847	41,992	1,093,719	55%	939,874	276,814	85,812	1,025,687	683,176
2038	94/89	615,143	67,598	569,075	26,363	41,235	1,158,305	55%	950,059	256,084	79,386	1,029,445	697,935
2039	95/90	569,075	66,172	522,821	25,807	40,365	1,223,399	55%	960,421	235,270	72,934	1,033,355	712,866
2040	96/91	522,821	64,546	476,574	25,173	39,373	1,288,892	55%	971,006	214,458	66,482	1,037,488	727,978
2041	97/92	476,574	62,707	430,547	24,456	38,251	1,354,661	55%	981,865	193,746	60,061	1,041,926	743,282
2042	98/93	430,547	60,640	384,976	23,650	36,991	1,420,574	55%	993,052	173,239	53,704	1,046,756	758,793
2043	99/94	384,976	57,459	340,991	22,409	35,050	1,485,953	55%	1,004,819	153,446	47,568	1,052,387	774,557
2044	100/95	340,991	54,126	298,800	21,109	33,017	1,550,695	55%	1,017,222	134,460	41,683	1,058,905	790,590
2045	101/96	298,800	50,644	258,614	19,751	30,893	1,614,695	55%	1,030,320	116,376	36,077	1,066,397	806,912
2046	102/97	258,614	47,021	220,645	18,338	28,683	1,677,851	55%	1,044,173	99,290	30,780	1,074,953	823,543
2047	103/98	220,645	42,432	185,936	16,548	25,883	1,739,557	55%	1,059,021	83,671	25,938	1,084,959	840,534
2048	104/99	185,936	37,946	154,497	14,799	23,147	1,799,843	55%	1,074,887	69,524	21,552	1,096,440	857,901
Total			2,032,782		792,785	1,239,997							

Maximizing IRA Assets to Heirs

Current Plan Supplemental Illustration - Passing an Existing IRA to Heirs

		IRA			Distributions			Taxes at Death					
Year	Age	BOY IRA Balance (1)	EOY IRA Distribution (2)	EOY IRA Balance @ 3.50% (3)	Income Tax on IRA Distribution (4)	After-Tax IRA Distribution (5)	EOY Side Investment Balance @ 3.50% (6)	Assumed Estate Tax Rate (7)	Estate Tax on IRA Balance & Side Investment (8)	Taxable IRD (9)	Income Tax on IRD (10)	Total Taxes @ Death (11)	Net After Tax Assets To Heirs (12)
2049	105/100	154,497	34,333	125,572	13,390	20,943	1,859,213	55%	1,091,632	56,507	17,517	1,109,149	875,636
2050	106/101	125,572	29,898	100,069	11,660	18,238	1,917,145	55%	1,109,468	45,031	13,960	1,123,427	893,787
2051	107/102	100,069	25,659	77,913	10,007	15,652	1,973,728	55%	1,128,402	35,061	10,869	1,139,271	912,369
2052	108/103	77,913	21,057	59,582	8,212	12,845	2,028,712	55%	1,148,562	26,812	8,312	1,156,873	931,421
2053	109/104	59,582	17,524	44,143	6,834	10,690	2,082,715	55%	1,169,772	19,865	6,158	1,175,930	950,928
2054	110/105	44,143	14,240	31,449	5,554	8,686	2,135,867	55%	1,192,024	14,152	4,387	1,196,411	970,905
2055	111/106	31,449	10,844	21,705	4,229	6,615	2,188,083	55%	1,215,383	9,767	3,028	1,218,411	991,377
2056	112/107	21,705	8,348	14,117	3,256	5,092	2,239,891	55%	1,239,704	6,352	1,969	1,241,673	1,012,334
2057	113/108	14,117	5,882	8,729	2,294	3,588	2,291,300	55%	1,265,016	3,928	1,218	1,266,234	1,033,795
2058	114/109	8,729	4,157	4,878	1,621	2,535	2,342,755	55%	1,291,198	2,195	680	1,291,878	1,055,754
2059	115/110	4,878	2,567	2,481	1,001	1,566	2,394,339	55%	1,318,251	1,117	346	1,318,597	1,078,223
2060	116/111	2,481	1,306	1,262	509	797	2,446,255	55%	1,346,134	568	176	1,346,310	1,101,206
2061	117/112	1,262	664	642	259	405	2,498,887	55%	1,374,741	289	90	1,374,831	1,124,699
2062	118/113	642	338	327	132	206	2,552,445	55%	1,404,024	147	46	1,404,070	1,148,702
2063	119/114	327	172	166	67	105	2,607,044	55%	1,433,966	75	23	1,433,989	1,173,222
2064	120/115	166	87	85	34	53	2,662,758	55%	1,464,563	38	12	1,464,575	1,198,267
2065	121/116	85	44	43	17	27	2,719,635	55%	1,495,823	19	6	1,495,829	1,223,849
2066	122/117	43	23	22	9	14	2,777,713	55%	1,527,754	10	3	1,527,757	1,249,978
2067	123/118	22	12	11	4	7	2,837,024	55%	1,560,369	5	2	1,560,371	1,276,664
2068	124/119	11	6	6	2	4	2,897,598	55%	1,593,682	3	1	1,593,683	1,303,921
Total			2,209,942		861,878	1,348,065							
2069	125/120	6	3	3	1	2	2,959,464	55%	1,627,707	1	0	1,627,707	1,331,760
Total			2,209,945		861,879	1,348,067							

Proposed Insured #1: Male SixtyFive
 Male, Age 65
 Preferred Nonsmoker
Proposed Insured #2: Female Sixty
 Female, Age 60
 Preferred Nonsmoker

Death Benefit Option = A
 Total Face Amount = \$3,485,708
 Premium Payment Interval = Annual

Producer:
 Kenneth Sapon R.P.h., LUTCF, CLU
 8801 Horizon Blvd NE
 Suite 320
 Albuquerque, NM 87113

Maximizing IRA Assets to Heirs

Proposed Strategy Supplemental Illustration - Using ILIT, IRA Distributions, and Life Insurance

		IRA			Distributions				Taxes at Death					ILIT		
Year	Age	BOY IRA Balance (1)	EOY IRA Distribution (2)	EOY IRA Balance @ 3.50% (3)	Income Tax on IRA Distribution (4)	After-Tax IRA Distribution (5)	Premium Gift to ILIT (6)	EOY Side Investment Balance @ 3.50% (7)	Assumed Estate Tax Rate (8)	Estate Tax on IRA Balance & Side Investment (9)	Taxable IRD (10)	Income Tax on IRD (11)	Total Taxes @ Death (12)	Life Insurance	Life Insurance	Net After Tax Assets To Heirs (15)
														Cash Value (13)	Death Benefit (14)	
2009	65/60	1,000,000	50,000	985,000	19,500	30,500	30,500	0	45%	443,250	541,750	167,943	611,193	107	7,773,129	8,146,936
2010	66/61	985,000	50,000	969,475	19,500	30,500	30,500	0	0%	0	969,475	300,537	300,537	25,566	7,773,129	8,442,067
2011	67/62	969,475	50,000	953,407	19,500	30,500	30,500	0	55%	524,374	429,033	133,000	657,374	52,725	7,773,129	8,069,162
2012	68/63	953,407	50,000	936,776	19,500	30,500	30,500	0	55%	515,227	421,549	130,680	645,907	81,690	7,773,129	8,063,998
2013	69/64	936,776	50,000	919,563	19,500	30,500	30,500	0	55%	505,760	413,803	128,279	634,039	112,576	3,485,708	3,771,232
2014	70/65	919,563	50,000	901,748	19,500	30,500	30,500	0	55%	495,961	405,786	125,794	621,755	145,498	3,485,708	3,765,701
2015	71/66	901,748	50,000	883,309	19,500	30,500	30,500	0	55%	485,820	397,489	123,222	609,041	180,565	3,485,708	3,759,975
2016	72/67	883,309	50,000	864,225	19,500	30,500	30,500	0	55%	475,324	388,901	120,559	595,883	217,903	3,485,708	3,754,050
2017	73/68	864,225	50,000	844,473	19,500	30,500	30,500	0	55%	464,460	380,013	117,804	582,264	257,623	3,485,708	3,747,917
2018	74/69	844,473	50,000	824,029	19,500	30,500	30,500	0	55%	453,216	370,813	114,952	568,168	299,838	3,485,708	3,741,569
2019	75/70	824,029	50,000	802,870	19,500	30,500	30,500	0	55%	441,579	361,292	112,000	553,579	350,603	3,485,708	3,734,999
2020	76/71	802,870	50,000	780,971	19,500	30,500	30,500	0	55%	429,534	351,437	108,945	538,479	404,579	3,485,708	3,728,199
2021	77/72	780,971	50,000	758,305	19,500	30,500	30,500	0	55%	417,068	341,237	105,783	522,851	461,814	3,485,708	3,721,162
2022	78/73	758,305	50,000	734,845	19,500	30,500	30,500	0	55%	404,165	330,680	102,511	506,676	522,261	3,485,708	3,713,877
2023	79/74	734,845	50,000	710,565	19,500	30,500	30,500	0	55%	390,811	319,754	99,124	489,934	585,798	3,485,708	3,706,338
2024	80/75	710,565	50,000	685,435	19,500	30,500	30,500	0	55%	376,989	308,446	95,618	472,607	652,244	3,485,708	3,698,535
2025	81/76	685,435	50,000	659,425	19,500	30,500	30,500	0	55%	362,684	296,741	91,990	454,673	721,664	3,485,708	3,690,459
2026	82/77	659,425	50,000	632,505	19,500	30,500	30,500	0	55%	347,878	284,627	88,234	436,112	793,852	3,485,708	3,682,101
2027	83/78	632,505	50,000	604,642	19,500	30,500	30,500	0	55%	332,553	272,089	84,348	416,901	868,502	3,485,708	3,673,449
2028	84/79	604,642	50,000	575,805	19,500	30,500	30,500	0	55%	316,693	259,112	80,325	397,017	945,232	3,485,708	3,664,495
Total			1,000,000		390,000	610,000	610,000									

Maximizing IRA Assets to Heirs
 Proposed Strategy Supplemental Illustration - Using ILIT, IRA Distributions, and Life Insurance

		IRA			Distributions				Taxes at Death					ILIT		
Year	Age	BOY IRA Balance (1)	EOY IRA Distribution (2)	EOY IRA Balance @ 3.50% (3)	Income Tax on IRA Distribution (4)	After-Tax IRA Distribution (5)	Premium Gift to ILIT (6)	EOY Side Investment Balance @ 3.50% (7)	Assumed Estate Tax Rate (8)	Estate Tax on IRA Balance & Side Investment (9)	Taxable IRD (10)	Income Tax on IRD (11)	Total Taxes @ Death (12)	Life Insurance Cash Value (13)	Life Insurance Death Benefit (14)	Net After Tax Assets To Heirs (15)
2029	85/80	575,805	50,000	545,958	19,500	30,500	30,500	0	55%	300,277	245,681	76,161	376,438	1,023,559	3,485,708	3,655,228
2030	86/81	545,958	50,000	515,066	19,500	30,500	30,500	0	55%	283,287	231,780	71,852	355,138	1,103,185	3,485,708	3,645,636
2031	87/82	515,066	50,000	483,094	19,500	30,500	30,500	0	55%	265,702	217,392	67,392	333,093	1,183,880	3,485,708	3,635,709
2032	88/83	483,094	50,000	450,002	19,500	30,500	30,500	0	55%	247,501	202,501	62,775	310,276	1,265,586	3,485,708	3,625,434
2033	89/84	450,002	50,000	415,752	19,500	30,500	30,500	0	55%	228,664	187,088	57,997	286,661	1,347,899	3,485,708	3,614,799
2034	90/85	415,752	50,000	380,303	19,500	30,500	30,500	0	55%	209,167	171,137	53,052	262,219	1,429,988	3,485,708	3,603,792
2035	91/86	380,303	50,000	343,614	19,500	30,500	30,500	0	55%	188,988	154,626	47,934	236,922	1,511,392	3,485,708	3,592,400
2036	92/87	343,614	50,000	305,641	19,500	30,500	30,500	0	55%	168,102	137,538	42,637	210,739	1,591,543	3,485,708	3,580,609
2037	93/88	305,641	50,000	266,338	19,500	30,500	30,500	0	55%	146,486	119,852	37,154	183,640	1,669,852	3,485,708	3,568,406
2038	94/89	266,338	50,000	225,660	19,500	30,500	30,500	0	55%	124,113	101,547	31,480	155,592	1,745,798	3,485,708	3,555,775
2039	95/90	225,660	50,000	183,558	19,500	30,500	30,500	0	55%	100,957	82,601	25,606	126,563	1,818,247	3,485,708	3,542,703
2040	96/91	183,558	50,000	139,982	19,500	30,500	30,500	0	55%	76,990	62,992	19,528	96,518	1,886,536	3,485,708	3,529,173
2041	97/92	139,982	50,000	94,882	19,500	30,500	30,500	0	55%	52,185	42,697	13,236	65,421	1,950,211	3,485,708	3,515,169
2042	98/93	94,882	50,000	48,203	19,500	30,500	30,500	0	55%	26,511	21,691	6,724	33,236	2,008,423	3,485,708	3,500,675
2043	99/94	48,203	49,890	0	19,457	30,433	30,433	0	55%	0	0	0	0	2,066,164	3,485,708	3,485,708
2044	100/95	0	0	0	0	0	0	0	55%	0	0	0	0	2,090,284	3,485,708	3,485,708
2045	101/96	0	0	0	0	0	0	0	55%	0	0	0	0	2,104,591	3,485,708	3,485,708
2046	102/97	0	0	0	0	0	0	0	55%	0	0	0	0	2,105,747	3,485,708	3,485,708
2047	103/98	0	0	0	0	0	0	0	55%	0	0	0	0	2,104,403	3,485,708	3,485,708
2048	104/99	0	0	0	0	0	0	0	55%	0	0	0	0	2,100,584	3,485,708	3,485,708
Total			1,749,890		682,457	1,067,433	1,067,433									

Maximizing IRA Assets to Heirs
 Proposed Strategy Supplemental Illustration - Using ILIT, IRA Distributions, and Life Insurance

		IRA			Distributions			Taxes at Death					ILIT			
Year	Age	BOY IRA Balance (1)	EOY IRA Distribution (2)	EOY IRA Balance @ 3.50% (3)	Income Tax on IRA Distribution (4)	After-Tax IRA Distribution (5)	Premium Gift to ILIT (6)	EOY Side Investment Balance @ 3.50% (7)	Assumed Estate Tax Rate (8)	Estate Tax on IRA Balance & Side Investment (9)	Taxable IRD (10)	Income Tax on IRD (11)	Total Taxes @ Death (12)	Life Insurance Cash Value (13)	Life Insurance Death Benefit (14)	Net After Tax Assets To Heirs (15)
2049	105/100	0	0	0	0	0	0	0	55%	0	0	0	0	2,094,224	3,485,708	3,485,708
2050	106/101	0	0	0	0	0	0	0	55%	0	0	0	0	2,085,167	3,485,708	3,485,708
2051	107/102	0	0	0	0	0	0	0	55%	0	0	0	0	2,073,166	3,485,708	3,485,708
2052	108/103	0	0	0	0	0	0	0	55%	0	0	0	0	2,057,878	3,485,708	3,485,708
2053	109/104	0	0	0	0	0	0	0	55%	0	0	0	0	2,038,850	3,485,708	3,485,708
2054	110/105	0	0	0	0	0	0	0	55%	0	0	0	0	2,015,510	3,485,708	3,485,708
2055	111/106	0	0	0	0	0	0	0	55%	0	0	0	0	1,987,144	3,485,708	3,485,708
2056	112/107	0	0	0	0	0	0	0	55%	0	0	0	0	1,952,877	3,485,708	3,485,708
2057	113/108	0	0	0	0	0	0	0	55%	0	0	0	0	1,911,642	3,485,708	3,485,708
2058	114/109	0	0	0	0	0	0	0	55%	0	0	0	0	1,862,149	3,485,708	3,485,708
2059	115/110	0	0	0	0	0	0	0	55%	0	0	0	0	1,802,843	3,485,708	3,485,708
2060	116/111	0	0	0	0	0	0	0	55%	0	0	0	0	1,731,850	3,485,708	3,485,708
2061	117/112	0	0	0	0	0	0	0	55%	0	0	0	0	1,646,926	3,485,708	3,485,708
2062	118/113	0	0	0	0	0	0	0	55%	0	0	0	0	1,545,377	3,485,708	3,485,708
2063	119/114	0	0	0	0	0	0	0	55%	0	0	0	0	1,423,980	3,485,708	3,485,708
2064	120/115	0	0	0	0	0	0	0	55%	0	0	0	0	1,278,878	3,485,708	3,485,708
2065	121/116	0	0	0	0	0	0	0	55%	0	0	0	0	1,105,460	3,485,708	3,485,708
2066	122/117	0	0	0	0	0	0	0	55%	0	0	0	0	898,215	3,485,708	3,485,708
2067	123/118	0	0	0	0	0	0	0	55%	0	0	0	0	650,559	3,485,708	3,485,708
2068	124/119	0	0	0	0	0	0	0	55%	0	0	0	0	354,627	3,485,708	3,485,708
Total			1,749,890		682,457	1,067,433	1,067,433									
2069	125/120	0	0	0	0	0	0	0	55%	0	0	0	0	1,098	3,485,708	3,485,708
Total			1,749,890		682,457	1,067,433	1,067,433									

Proposed Insured #1: Male SixtyFive
 Male, Age 65
 Preferred Nonsmoker
Proposed Insured #2: Female Sixty
 Female, Age 60
 Preferred Nonsmoker

Death Benefit Option = A
 Total Face Amount = \$3,485,708
 Premium Payment Interval = Annual

Producer:
 Kenneth Sapon R.P.h., LUTCF, CLU
 8801 Horizon Blvd NE
 Suite 320
 Albuquerque, NM 87113

Maximizing IRA Assets to Heirs
 Comparison Summary Supplemental Illustration

Year	Age	Current - No Life Insurance				Proposed - Purchase Life Insurance					
		EOY IRA Balance (1)	EOY Side Investment Balance (2)	Total Taxes @ Death (3)	Net After Tax Assets To Heirs (4)	EOY IRA Balance (5)	EOY Side Investment Balance (6)	Total Taxes @ Death (7)	Life Insurance Death Benefit (8)	Net After Tax Assets To Heirs (9)	% Increase to Heirs (10)
2009	65/60	1,035,000	0	642,218	392,783	985,000	0	611,193	7,773,129	8,146,936	1974.16%
2010	66/61	1,071,225	0	332,080	739,145	969,475	0	300,537	7,773,129	8,442,067	1042.14%
2011	67/62	1,108,718	0	764,461	344,257	953,407	0	657,374	7,773,129	8,069,162	2243.94%
2012	68/63	1,147,523	0	791,217	356,306	936,776	0	645,907	7,773,129	8,063,998	2163.22%
2013	69/64	1,187,686	0	818,910	368,777	919,563	0	634,039	3,485,708	3,771,232	922.63%
2014	70/65	1,185,909	26,441	832,227	380,123	901,748	0	621,755	3,485,708	3,765,701	890.65%
2015	71/66	1,182,665	54,304	845,314	391,654	883,309	0	609,041	3,485,708	3,759,975	860.02%
2016	72/67	1,177,860	83,644	858,139	403,365	864,225	0	595,883	3,485,708	3,754,050	830.68%
2017	73/68	1,171,399	114,519	870,665	415,253	844,473	0	582,264	3,485,708	3,747,917	802.56%
2018	74/69	1,163,179	146,987	882,855	427,311	824,029	0	568,168	3,485,708	3,741,569	775.61%
2019	75/70	1,153,096	181,109	894,670	439,536	802,870	0	553,579	3,485,708	3,734,999	749.76%
2020	76/71	1,141,041	216,948	906,070	451,920	780,971	0	538,479	3,485,708	3,728,199	724.97%
2021	77/72	1,127,155	254,412	917,100	464,467	758,305	0	522,851	3,485,708	3,721,162	701.17%
2022	78/73	1,111,081	293,714	927,633	477,162	734,845	0	506,676	3,485,708	3,713,877	678.33%
2023	79/74	1,092,990	334,741	937,724	490,007	710,565	0	489,934	3,485,708	3,706,338	656.38%
2024	80/75	1,072,796	377,542	947,341	502,997	685,435	0	472,607	3,485,708	3,698,535	635.30%
2025	81/76	1,050,411	422,161	956,447	516,125	659,425	0	454,673	3,485,708	3,690,459	615.03%
2026	82/77	1,025,748	468,645	965,008	529,385	632,505	0	436,112	3,485,708	3,682,101	595.54%
2027	83/78	998,720	517,038	972,988	542,770	604,642	0	416,901	3,485,708	3,673,449	576.80%
2028	84/79	969,241	567,381	980,352	556,271	575,805	0	397,017	3,485,708	3,664,495	558.76%
2029	85/80	937,676	619,443	987,221	569,898	545,958	0	376,438	3,485,708	3,655,228	541.38%
2030	86/81	903,992	673,234	993,582	583,645	515,066	0	355,138	3,485,708	3,645,636	524.63%
2031	87/82	868,170	728,760	999,421	597,509	483,094	0	333,093	3,485,708	3,635,709	508.48%
2032	88/83	830,196	786,018	1,004,730	611,484	450,002	0	310,276	3,485,708	3,625,434	492.89%
2033	89/84	790,070	845,001	1,009,504	625,567	415,752	0	286,661	3,485,708	3,614,799	477.84%
2034	90/85	748,418	905,318	1,013,959	639,777	380,303	0	262,219	3,485,708	3,603,792	463.29%
2035	91/86	705,315	966,918	1,018,119	654,113	343,614	0	236,922	3,485,708	3,592,400	449.20%
2036	92/87	660,852	1,029,742	1,022,016	668,579	305,641	0	210,739	3,485,708	3,580,609	435.56%
2037	93/88	615,143	1,093,719	1,025,687	683,176	266,338	0	183,640	3,485,708	3,568,406	422.33%
2038	94/89	569,075	1,158,305	1,029,445	697,935	225,660	0	155,592	3,485,708	3,555,775	409.47%
2039	95/90	522,821	1,223,399	1,033,355	712,866	183,558	0	126,563	3,485,708	3,542,703	396.97%
2040	96/91	476,574	1,288,892	1,037,488	727,978	139,982	0	96,518	3,485,708	3,529,173	384.79%
2041	97/92	430,547	1,354,661	1,041,926	743,282	94,882	0	65,421	3,485,708	3,515,169	372.93%
2042	98/93	384,976	1,420,574	1,046,756	758,793	48,203	0	33,236	3,485,708	3,500,675	361.35%
2043	99/94	340,991	1,485,953	1,052,387	774,557	0	0	0	3,485,708	3,485,708	350.03%
2044	100/95	298,800	1,550,695	1,058,905	790,590	0	0	0	3,485,708	3,485,708	340.90%
2045	101/96	258,614	1,614,695	1,066,397	806,912	0	0	0	3,485,708	3,485,708	331.98%
2046	102/97	220,645	1,677,851	1,074,953	823,543	0	0	0	3,485,708	3,485,708	323.26%
2047	103/98	185,936	1,739,557	1,084,959	840,534	0	0	0	3,485,708	3,485,708	314.70%
2048	104/99	154,497	1,799,843	1,096,440	857,901	0	0	0	3,485,708	3,485,708	306.31%

Maximizing IRA Assets to Heirs
 Comparison Summary Supplemental Illustration

Year	Age	Current - No Life Insurance				Proposed - Purchase Life Insurance					
		EOY IRA Balance (1)	EOY Side Investment Balance (2)	Total Taxes @ Death (3)	Net After Tax Assets To Heirs (4)	EOY IRA Balance (5)	EOY Side Investment Balance (6)	Total Taxes @ Death (7)	Life Insurance Death Benefit (8)	Net After Tax Assets To Heirs (9)	% Increase to Heirs (10)
2049	105/100	125,572	1,859,213	1,109,149	875,636	0	0	0	3,485,708	3,485,708	298.08%
2050	106/101	100,069	1,917,145	1,123,427	893,787	0	0	0	3,485,708	3,485,708	289.99%
2051	107/102	77,913	1,973,728	1,139,271	912,369	0	0	0	3,485,708	3,485,708	282.05%
2052	108/103	59,582	2,028,712	1,156,873	931,421	0	0	0	3,485,708	3,485,708	274.24%
2053	109/104	44,143	2,082,715	1,175,930	950,928	0	0	0	3,485,708	3,485,708	266.56%
2054	110/105	31,449	2,135,867	1,196,411	970,905	0	0	0	3,485,708	3,485,708	259.02%
2055	111/106	21,705	2,188,083	1,218,411	991,377	0	0	0	3,485,708	3,485,708	251.60%
2056	112/107	14,117	2,239,891	1,241,673	1,012,334	0	0	0	3,485,708	3,485,708	244.32%
2057	113/108	8,729	2,291,300	1,266,234	1,033,795	0	0	0	3,485,708	3,485,708	237.18%
2058	114/109	4,878	2,342,755	1,291,878	1,055,754	0	0	0	3,485,708	3,485,708	230.16%
2059	115/110	2,481	2,394,339	1,318,597	1,078,223	0	0	0	3,485,708	3,485,708	223.28%
2060	116/111	1,262	2,446,255	1,346,310	1,101,206	0	0	0	3,485,708	3,485,708	216.54%
2061	117/112	642	2,498,887	1,374,831	1,124,699	0	0	0	3,485,708	3,485,708	209.92%
2062	118/113	327	2,552,445	1,404,070	1,148,702	0	0	0	3,485,708	3,485,708	203.45%
2063	119/114	166	2,607,044	1,433,989	1,173,222	0	0	0	3,485,708	3,485,708	197.11%
2064	120/115	85	2,662,758	1,464,575	1,198,267	0	0	0	3,485,708	3,485,708	190.90%
2065	121/116	43	2,719,635	1,495,829	1,223,849	0	0	0	3,485,708	3,485,708	184.82%
2066	122/117	22	2,777,713	1,527,757	1,249,978	0	0	0	3,485,708	3,485,708	178.86%
2067	123/118	11	2,837,024	1,560,371	1,276,664	0	0	0	3,485,708	3,485,708	173.03%
2068	124/119	6	2,897,598	1,593,683	1,303,921	0	0	0	3,485,708	3,485,708	167.33%
2069	125/120	3	2,959,464	1,627,707	1,331,760	0	0	0	3,485,708	3,485,708	161.74%

Proposed Insured #1: Male SixtyFive
 Male, Age 65
 Preferred Nonsmoker
Proposed Insured #2: Female Sixty
 Female, Age 60
 Preferred Nonsmoker

Death Benefit Option = A
 Total Face Amount = \$3,485,708
 Premium Payment Interval = Annual

Producer:
 Kenneth Sapon R.P.h., LUTCF,
 CLU
 8801 Horizon Blvd NE
 Suite 320
 Albuquerque, NM 87113

Maximizing IRA Assets to Heirs

Column Definitions

IRA	
BOY IRA Balance	IRA balance at the beginning of year.
EOY IRA Distribution	Planned IRA distribution taken at the end of the year.
EOY IRA Balance @ 3.50%	IRA balance at the end of the year assuming a hypothetical earnings rate of 3.50% and planned distributions at the end of the year. Assumption is not a guarantee or indication of future results.
Distributions	
Income Tax on IRA Distribution	IRA owners assumed income tax due on the planned IRA distributions.
After-Tax IRA Distribution	Net IRA distribution after paying the assumed income tax.
Premium Gift to ILIT	Annual gift to ILIT equal to the planned life insurance premiums for the Proposed Strategy.
EOY Side Investment Balance @ 3.50%	The portion of the IRA distributions assumed to be invested into other assets (referred to as "Side Investment") earning a hypothetical rate of 3.50%. For the "Current Plan" this includes the entire IRA distribution. For the "Proposed Strategy" this includes any remaining amounts after gifting to the ILIT.
Taxes at Death	
Assumed Estate Tax Rate	Assumed Estate Tax Rates can not be greater than the Highest Estate Tax Rates provided by Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).
Estate Tax on IRA Balance & Side Investment	Assumes that the IRA owner has a large taxable estate. The entire IRA balance and side investment is subject to estate taxes, does not consider other assets in the estate, and does not apply the estate tax exemption equivalent amount.
Taxable IRD	Taxable income in respect of a decedent (IRD). The income that the decedent was entitled to receive before death and therefore is included in the gross income of the beneficiary upon distribution. IRC § 691 (a)
Income Tax on IRD	Assumed income tax the heirs would pay on the IRD.
Total Taxes @ Death	Assumed estate tax on IRA balance and side investment plus the assumed income tax on IRD.
ILIT	
Life Insurance Cash Value	Cash Value of the ILIT owned Life insurance insuring the IRA owner and his/her spouse for the "Proposed Strategy".
Life Insurance Death Benefit	Life Insurance Death Benefit payable to the ILIT upon the death of the IRA owner and his/her spouse for the "Proposed Strategy".
Heirs	
Net After-Tax Assets To Heirs	Hypothetical after-tax value passed to heirs at death. Includes the after-tax IRA value and the after-tax side investment value. The Proposed Strategy also includes the life insurance death benefit proceeds.

Proposed Insured #1: Male SixtyFive
 Male, Age 65
 Preferred Nonsmoker
Proposed Insured #2: Female Sixty
 Female, Age 60
 Preferred Nonsmoker

Death Benefit Option = A
 Total Face Amount = \$3,485,708
 Premium Frequency = Annual

Producer:
 Kenneth Sapon R.P.h., LUTCF, CLU
 8801 Horizon Blvd NE
 Suite 320
 Albuquerque, NM 87113

Ledger Illustration Non-Guaranteed Detail

Non-Guaranteed Values (EOY) @ 7.50%						
Yr	Age	Premium Outlay (1)	Accumulated Value (2)	Cash Surrender Value (3)	* Death Benefit (4)	
1	65/60	30,500	21,487	107	7,773,129	
2	66/61	30,500	44,571	25,566	7,773,129	
3	67/62	30,500	69,354	52,725	7,773,129	
4	68/63	30,500	95,943	81,690	7,773,129	
5	69/64	30,500	124,454	112,576	3,485,708	
6	70/65	30,500	155,001	145,498	3,485,708	
7	71/66	30,500	187,692	180,565	3,485,708	
8	72/67	30,500	222,654	217,903	3,485,708	
9	73/68	30,500	259,998	257,623	3,485,708	
10	74/69	30,500	299,838	299,838	3,485,708	
Total		305,000				
11	75/70	30,500	350,603	350,603	3,485,708	
12	76/71	30,500	404,579	404,579	3,485,708	
13	77/72	30,500	461,814	461,814	3,485,708	
14	78/73	30,500	522,261	522,261	3,485,708	
15	79/74	30,500	585,798	585,798	3,485,708	
16	80/75	30,500	652,244	652,244	3,485,708	
17	81/76	30,500	721,664	721,664	3,485,708	
18	82/77	30,500	793,852	793,852	3,485,708	
19	83/78	30,500	868,502	868,502	3,485,708	
20	84/79	30,500	945,232	945,232	3,485,708	
Total		610,000				
21	85/80	30,500	1,023,559	1,023,559	3,485,708	
22	86/81	30,500	1,103,185	1,103,185	3,485,708	
23	87/82	30,500	1,183,880	1,183,880	3,485,708	
24	88/83	30,500	1,265,586	1,265,586	3,485,708	
25	89/84	30,500	1,347,899	1,347,899	3,485,708	
26	90/85	30,500	1,429,988	1,429,988	3,485,708	
27	91/86	30,500	1,511,392	1,511,392	3,485,708	
28	92/87	30,500	1,591,543	1,591,543	3,485,708	
29	93/88	30,500	1,669,852	1,669,852	3,485,708	
30	94/89	30,500	1,745,798	1,745,798	3,485,708	
Total		915,000				

The Ledger Illustration is not complete and cannot be presented without the Basic Illustration report. The Basic Illustration report begins with a page entitled Basic Illustration Narrative 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

			Non-Guaranteed Values (EOY) @ 7.50%			
Yr	Age	Premium Outlay (1)	Accumulated Value (2)	Cash Surrender Value (3)	* Death Benefit (4)	
31	95/90	30,500	1,818,247	1,818,247	3,485,708	
32	96/91	30,500	1,886,536	1,886,536	3,485,708	
33	97/92	30,500	1,950,211	1,950,211	3,485,708	
34	98/93	30,500	2,008,423	2,008,423	3,485,708	
35	99/94	30,433	2,066,164	2,066,164	3,485,708	
36	100/95	0	2,090,284	2,090,284	3,485,708	
37	101/96	0	2,104,591	2,104,591	3,485,708	
38	102/97	0	2,105,747	2,105,747	3,485,708	
39	103/98	0	2,104,403	2,104,403	3,485,708	
40	104/99	0	2,100,584	2,100,584	3,485,708	
Total		1,067,433				
41	105/100	0	2,094,224	2,094,224	3,485,708	
42	106/101	0	2,085,167	2,085,167	3,485,708	
43	107/102	0	2,073,166	2,073,166	3,485,708	
44	108/103	0	2,057,878	2,057,878	3,485,708	
45	109/104	0	2,038,850	2,038,850	3,485,708	
46	110/105	0	2,015,510	2,015,510	3,485,708	
47	111/106	0	1,987,144	1,987,144	3,485,708	
48	112/107	0	1,952,877	1,952,877	3,485,708	
49	113/108	0	1,911,642	1,911,642	3,485,708	
50	114/109	0	1,862,149	1,862,149	3,485,708	
Total		1,067,433				
51	115/110	0	1,802,843	1,802,843	3,485,708	
52	116/111	0	1,731,850	1,731,850	3,485,708	
53	117/112	0	1,646,926	1,646,926	3,485,708	
54	118/113	0	1,545,377	1,545,377	3,485,708	
55	119/114	0	1,423,980	1,423,980	3,485,708	
56	120/115	0	1,278,878	1,278,878	3,485,708	
57	121/116	0	1,105,460	1,105,460	3,485,708	
58	122/117	0	898,215	898,215	3,485,708	
59	123/118	0	650,559	650,559	3,485,708	
60	124/119	0	354,627	354,627	3,485,708	
Total		1,067,433				
61	125/120	0	1,098	1,098	3,485,708	
Total		1,067,433				

* The *Death Benefit* column includes the Estate Preservation Rider face amount in the first four policy years. The rider face amount is \$4,287,421. See the **Illustrated Riders** section for details.

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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.

Producer:
 Kenneth Sapon R.P.h., LUTCF,
 CLU
 8801 Horizon Blvd NE
 Suite 320
 Albuquerque, NM 87113

Basic Illustration Narrative Summary

Proposed Insured

Proposed Insured:	Male SixtyFive	Female Sixty
Age:	65	60
Gender:	Male	Female
Risk Classification:	Preferred Nonsmoker	Preferred Nonsmoker

The assumed risk classification has a material impact on any illustration. Your actual risk classification will ultimately depend on our evaluation of your insurability and may vary from what is shown on this illustration. If so, you will receive a revised illustration with your life insurance policy.

Summary Of Proposed Initial Coverage

Initial Total Face Amount:	\$3,485,708
Death Benefit Option:	A
Premium Frequency:	Annual
Illustrated Riders:	Estate Preservation Rider

About This Illustration

This is an illustration only. An illustration is not intended to predict actual performance. Interest rates and values set forth in the illustration are not guaranteed, except for those items clearly labeled as guaranteed.

This is a life insurance illustration and not a contract. The illustration is intended to demonstrate the impact of policy charges and illustrated assumptions on the policy *Accumulated Value* and *Death Benefit*. This illustration is not intended to predict actual performance. Please review the illustration and its assumptions. You may request illustrations with different assumptions to better understand how the policy charges affect the policy *Accumulated Value* and *Death Benefit*. Once the policy is in force, you should consider a periodic review of your coverage with your producer.

This illustration assumes you, the applicant, will also be the owner. Key terms are italicized throughout this illustration. Please see the **Key Terms** section for definitions.

Pacific Life Insurance Company is licensed to issue individual life insurance and annuity products in all states except New York. Product availability and features may vary by state.

How The Policy Works

Indexed Pacific Estate Preserver is a last survivor universal life insurance product with an indexed feature. As a universal life policy it has an adjustable *Death Benefit* and flexible premiums. The indexed feature gives you the opportunity to allocate *Accumulated Value* between *Indexed Accounts* and a *Fixed Account*.

The *Death Benefit* is paid to the beneficiaries at the last surviving insured's death. Additional benefits may be provided through policy riders. The policy has no maturity date. Beginning at the younger insured's *Age* 121, the monthly administrative costs, cost of insurance and coverage charges are zero.

Flexible premiums allow you to choose the amount and frequency of your premium payments, within limits. When you pay a premium, we subtract a premium load and then allocate the net premium to the *Fixed Account*, which provides a guaranteed minimum interest crediting rate. You have the option to transfer a portion of the *Accumulated Value* in the *Fixed Account* to the *Indexed Accounts*, subject to the terms of the policy.

Each time you transfer *Fixed Account* value into the *Indexed Account*, a new *Segment* is created. *Segment Indexed Interest Credits* are added to each *Segment* at the end of the *Segment Term* using a calculation that is based, in part, on the performance of the S&P 500® Composite Stock Price Index excluding dividends ("*S&P 500® Index*")¹.

Each month, fees and charges are deducted from, and *Fixed Account* interest and *Segment Guaranteed Interest* are added to your policy's *Accumulated Value*. For more detailed information request the optional Breakout of Life Insurance Policy Charges page.

In the event of surrender, your policy's *Accumulated Value* may be reduced by a surrender charge. You may take distributions of the *Cash Surrender Value* in the form of *Policy Loans* or *Withdrawals* subject to certain limitations defined in the policy.

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Assumptions About Non-Guaranteed Elements

Some policy elements (known as non-guaranteed elements) may be changed by Pacific Life at any time and for any reason, but cannot be less favorable to you than the policy's guarantees. Some non-guaranteed elements are illustrated consistent with Pacific Life's current scale, and are labeled as "current."

Values shown in this illustration are based on non-guaranteed policy charges and non-guaranteed crediting rates. Over time, the policy's actual non-guaranteed elements, and perhaps your actual use of the policy's options, are likely to vary from the assumptions used in this illustration. For these reasons, actual policy values will either be more or less favorable than shown in this illustration.

Death Benefit

The amount that will be paid upon the last surviving insured's death will be based on the then current *Total Face Amount*, and the death benefit option you have elected, less the amount of any outstanding *Policy Debt*. The *Total Face Amount* is provided through the policy's Basic Coverage and may also be provided through:

- Annual Renewable Term Rider- Last Survivor (ARTR-LS, Form Series R07ARL)
- SVER Term Insurance Rider - Last Survivor (SVER-L, Form Series R09SVERL)

Certain product features and riders may not be available through your producer. In Connecticut, Georgia, and Illinois, SVER-L is titled Term Insurance Rider - Last Survivor.

Obtaining *Death Benefits* through a combination of Basic, ARTR-LS and/or SVER-L Coverage may be more economical than obtaining the same *Death Benefits* through Basic Coverage alone, because ARTR-LS and SVER-L Coverage have different current and guaranteed charges than Basic Coverage. The charges are based on various factors including, but not limited to, *Age*, gender, risk classification, death benefit option and coverage amount.

Illustrations with the same *Total Face Amount* and premiums but with different proportions of Basic, ARTR-LS and SVER-L Coverage will have different policy values. When deciding whether or not to add ARTR-LS and/or SVER-L Coverage to your policy, there are several factors to consider. These factors include, but are not limited to the following:

- **ARTR-LS Impacts on Accumulated Value**
 - **Non-Guaranteed** - The non-guaranteed cost of ARTR-LS Coverage is generally less than the non-guaranteed cost of Basic Coverage, SVER-L Coverage, or a combination of Basic and SVER-L Coverage. Generally, under non-guaranteed assumptions, a higher proportion of ARTR-LS Coverage will result in higher *Accumulated Values*.
 - **Guaranteed** - The guaranteed maximum cost of ARTR-LS Coverage is generally greater than the guaranteed maximum cost of Basic Coverage, SVER-L Coverage, or a combination of Basic and SVER-L Coverage. Generally under guaranteed assumptions, a higher proportion of ARTR-LS Coverage will result in lower *Accumulated Values*.
- **SVER-L Impacts on Cash Surrender Value**
 - **Early Years** - A higher proportion of SVER-L Coverage to Basic Coverage will generally result in higher early year *Cash Surrender Values*.
 - **Later Years** - A higher proportion of SVER-L Coverage to Basic Coverage will generally result in lower long term *Cash Surrender Values*.
- **Other Impacts**
 - Unlike ARTR-LS, Basic and SVER-L Coverage have the option to guarantee the current cost of insurance rates for an initial period.
 - Unlike Basic and SVER-L Coverage, ARTR-LS Coverage is not eligible for the benefits provided by the Accelerated Living Benefits Rider and Conversion Rider. See the **illustrated Riders** section for more information on these riders.
 - Different combinations of Basic, SVER-L and ARTR-LS Coverage will result in different amounts and patterns of producer compensation.

Your producer can provide you with additional illustrations showing the effects of different proportions of Basic, ARTR-LS, and SVER-L Coverage to help you make your decision. The following coverage amounts are illustrated:

Basic Coverage	<u>Basic Coverage</u>		
	Amount	Start Year	End Year
	1,133,408	1	61
ARTR-LS Coverage	<u>Annual Renewable Term Rider - Last Survivor Coverage (ARTR-LS, Form Series R07ARL)</u>		
	Amount	Start Year	End Year
	2,352,300	1	61

Initial Total Face Amount	<u>Coverage Type</u> Initial Basic Coverage Initial SVER-L Coverage Initial ARTR-LS Coverage Initial <i>Total Face Amount</i>	<u>Face Amount</u> \$1,133,408 \$0 \$2,352,300 \$3,485,708
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Death Benefit Option You may select one of the following death benefit options under your policy:

- (A) a benefit equal to the *Total Face Amount*,
- (B) a benefit equal to the sum of the *Total Face Amount* and the *Accumulated Value*,
- (C) a benefit equal to the sum of the *Total Face Amount* and the total amount of premiums paid (less any *Withdrawals*).

Death Benefit Option	Start Year	End Year
A	1	61

The *Death Benefit* column reflects: 1) any future changes described in the previous tables; 2) the death benefit option; and 3) any additional amounts necessary for the illustrated policy to qualify as life insurance under federal income tax laws.

Premium

Illustrated premiums are assumed to be paid at the beginning of each premium payment interval in the amounts and frequencies shown below.

Premium	Frequency	Annualized Premium	Start Year	End Year
30,500.00	Annual	30,500.00	1	34
30,432.78	Annual	30,432.78	35	35
0.00	Annual	0.00	36	61

The actual premium amounts and number of years of premium payments needed to maintain the illustrated policy benefits will depend on the policy's non-guaranteed elements and on your actual use of the policy's options. **As with any other deviations from the assumptions of this illustration, if your actual premium payments occur in different amounts or different times than illustrated, the illustrated policy values and benefits may not be achieved and may increase the likelihood that the policy may lapse.**

We reserve the right to require evidence of insurability, acceptable to us, for any premium payments that would result in an immediate increase in the *Death Benefit* that is greater than the increase in *Accumulated Value*.

The annual premium required to guarantee the initial *Total Face Amount* for the duration of the contract exceeds the maximum allowable Guideline Level Premium of \$87,135.30. For additional information on guideline premiums, please see the **Tax Information** section of this illustration.

Short-Term No-Lapse Guarantee Feature Provides that, while the STNLG is in effect (up to the end of the STNLG guarantee period), your policy will not lapse or enter the grace period even if the policy's *Net Accumulated Value* is zero. The STNLG is in effect if the minimum requirements are met, which includes the ongoing payment of the STNLG premium during the guarantee period. If the policy is being maintained solely by the STNLG premium you will be foregoing the advantage of building *Accumulated Value*.

Initial STNLG Premium			
<u>Annually</u>	<u>Semi-Annually</u>	<u>Quarterly</u>	<u>Monthly</u>
9,690.66	4,892.84	2,458.41	822.15

Guarantee Period 5 years from issue

Your STNLG premium requirements will be higher if you take distributions or increase benefits. Any benefit changes illustrated after the first policy year may result in a corresponding change in the STNLG premium and are not reflected in the previous table.

If the STNLG has become ineffective, it may be reinstated by paying the catch-up amount. The catch-up amount will be quoted upon request.

Fixed Account Interest Rate

The current declared *Fixed Account* interest rate is 5.35%. The declared *Fixed Account* interest rate in effect when the policy is issued is guaranteed for the first policy year. After the first policy year, non-guaranteed interest credits are based on a declared interest rate. The current *Fixed Account* declared interest rate is set at Pacific Life's discretion and is likely to change, but will never be less than the guaranteed rate of 2.00%. At the end of each policy month, we will credit interest to the portion of the *Accumulated Value* that is allocated to the *Fixed Account*. The rate shown below has been illustrated:

Rate	Start Year	End Year
5.35%	1	61

Transfers to the Indexed Account

There are three Indexed Accounts:

- 1 Year Indexed Account
- 5 Year Indexed Account
- High Par 5 Year Indexed Account (known in the contract as 5 Year Indexed Account 2)

You may make a transfer from the *Fixed Account* to the *Indexed Accounts* on the *Transfer Date*. However, the illustration assumes transfers occur when premiums are paid. Currently, *Transfer Dates* occur at least once per calendar month, but are guaranteed to be available no less than once per calendar quarter.

- Each transfer creates a new *Segment* in the *Indexed Account*
- Transfers from a *Segment* to the *Fixed Account* may only occur at *Segment Maturity*
- Transfers may be automatic or by written request

The amount automatically transferred is the lesser of: 1) your selected transfer percentage multiplied by all premium and loan repayments paid since the last *Transfer Date*; and 2) the balance of the *Fixed Account* as of the applicable *Transfer Date*. The illustrated automatic transfer percentages are:

1 Year Indexed Account			5 Year Indexed Account		
Percentage	Start Year	End Year	Percentage	Start Year	End Year
100.00%	1	61	0.00%	1	61
High Par 5 Year Indexed Account					
Percentage	Start Year	End Year			
0.00%	1	61			

Lockout Period If a deduction from an *Indexed Account* occurs as a result of a *Policy Loan* or *Withdrawal* that is not part of the Automated Income Option (AIO), then no transfers from the *Fixed Account* into the *Indexed Accounts* will be allowed for 12 months following the date of the deduction. This 12 month period is called the lockout period. Based on the assumptions used in this illustration, a lockout has not occurred.

Segments

Each *Segment* in the *Indexed Accounts*:

- Has *Segment Indexed Interest Credits* applied to a *Segment's* value only at *Segment Maturity*
- Is guaranteed not to credit less than the *Segment Guaranteed Interest Rate*

Segment Guaranteed Interest Credit Each *Segment* may earn a *Segment Guaranteed Interest Credit* which is credited monthly based on the *Segment Guaranteed Interest Rate*. The *Segment Guaranteed Interest Rate* is:

<u>1 Year Indexed Account</u>	<u>5 Year Indexed Account</u>	<u>High Par 5 Year Indexed Account</u>
0.00%	1.00%	0.00%

Segment Indexed Interest Rate Each *Segment* may earn a *Segment Indexed Interest Credit* which is calculated at *Segment Maturity* based on the:

- 1) *Segment Growth Rate*
- 2) *Participation Rate*
- 3) *Segment* value prior to the application of the *Segment Indexed Interest Credits*

The non-guaranteed *Segment Growth Rate* is based on the percentage change in the *S&P 500® Index*, the current *Growth Cap* and the current *Participation Rate*.

	Segment Term Growth Cap		Participation Rate	
	Guaranteed	Current	Guaranteed	Current
1 Year Indexed Account	3%	12%	100%	100%
5 Year Indexed Account	15%	none	100%	100%
High Par 5 Year Indexed Account	15%	none	105%	110%

Although this illustration reflects the assumption that *Segment Indexed Interest Credits* are credited on the day before the *Segment Maturity*, *Segment Indexed Interest Credits* will actually be credited at *Segment Maturity*. Annual and quarterly policy reports will first reflect increases in *Segment* value in the year *Segment Indexed Interest Credits* are actually earned.

Illustrated Indexed Account Crediting Rates The illustrated *Indexed Account* crediting rate includes the *Segment Guaranteed Interest Credit* and the *Segment Indexed Interest Credit*. The maximum hypothetical annual *Indexed Account* crediting rate that you may select for this illustration is 8.00% for the 1 Year Indexed Account , 9.50% for the 5 Year Indexed Account, and 10.00% for the High Par 5 Year Indexed Account.

For reference, a sample *S&P 500® Index* historical average annual return was 9.60%. This value was calculated by averaging the results over 240 twenty-year accumulation periods, one ending each month from 1/15/1989 through 12/15/2008. Using the historical returns along with the current *Growth Cap*, *Participation Rate* and *Segment Guaranteed Interest Rate*, the corresponding average annual Indexed Account Crediting Rates would be :

Annual Hypothetical Indexed Account Crediting Rate
with Current Growth Cap and Current Participation Rate

<u>1 Year Indexed Account</u>	<u>5 Year Indexed Account</u>	<u>High Par 5 Year Indexed Account</u>
7.51%	9.15%	9.74%

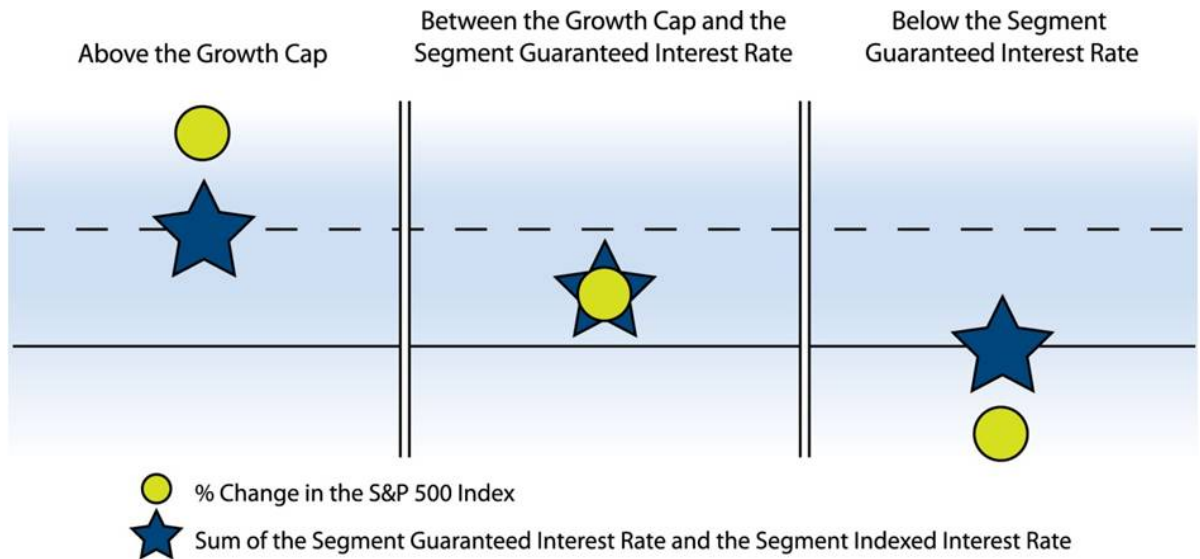
A number of different reasonable methods may be used to calculate the *S&P 500® Index*'s historical average, and each such method will result in a different historical average. The historical performance of the *S&P 500® Index* is not intended as an indication of its future performance and is not guaranteed. Note that Indexed Pacific Estate Preserver was not available for at least part of the historical period analyzed above. The actual historical *Growth Cap*, *Participation Rate* and *Segment Guaranteed Interest Rate* of an indexed life insurance product existing over the period analyzed might have been higher or lower than assumed, and likely would have fluctuated with market conditions, subject to product guarantees.

For this illustration, you have selected a hypothetical annual *Indexed Account* crediting rate of:

1 Year Indexed Account			5 Year Indexed Account		
Rate	Start Year	End Year	Rate	Start Year	End Year
7.50%	1	61	9.00%	1	61
High Par 5 Year Indexed Account					
Rate	Start Year	End Year			
9.50%	1	61			

Each *Indexed Account* has been projected at its own rate and the results have been combined with the *Fixed Account* in this illustration. Actual policy performance will be either more or less favorable than shown. Please consult with your independent advisors to obtain whatever advice you deem necessary and appropriate in selecting hypothetical *Indexed Account* crediting rates.

How it Works The following graph is a demonstration of how the *Segment Growth Rate* is affected by the performance of the *S&P 500® Index*, a *Growth Cap* and a *Segment Guaranteed Interest Rate*, assuming a *Participation Rate* of 100%.



Segment Maturity At *Segment Maturity*, we calculate and apply any *Segment Indexed Interest Credits*, resulting in the Segment Maturity Value. This Segment Maturity Value will be transferred into any of the accounts, according to your instructions. If no instructions are provided, the Segment Maturity Value will create a new *Segment* in the same account. This illustration reflects the assumption that the *Segment Maturity* transfer creates a new *Segment* in the same account.

Accumulated Value

Accumulated Value is the net premiums (premium minus premium load) less cost of insurance and other charges, accumulated at interest. The *Net Accumulated Value* is allocated to the *Fixed Account* and the *Indexed Accounts*. The *Accumulated Value* is subject to several monthly charges: cost of insurance charges, administrative charges, coverage charges, and deductions for optional insurance benefits, if present. We may profit from any policy charge, including those listed above, and may use those profits for any lawful purpose, such as the payment of distribution and administrative expenses.

All charges and *Policy Loans* and *Withdrawals* will be deducted from the *Fixed Account*. If the *Fixed Account* is depleted, further deductions will be made from the *Index Accounts*. If the total *Net Accumulated Value* is not sufficient to cover the monthly charges, you will need to pay additional premium at that time to keep the policy in force unless your Short Term No-Lapse Guarantee is in effect.

Cash Surrender Value

The current cost of insurance rates that are used to calculate non-guaranteed policy charges for the Basic Coverage and for any SVET Term Insurance Rider - Last Survivor are guaranteed for a period of 10 years after issue. They are not guaranteed after the guarantee period and are subject to change at Pacific Life's discretion. The current cost of insurance rates will never exceed the maximum cost of insurance rates, which are reflected in the guaranteed columns.

The *Cash Surrender Value* is the *Accumulated Value* minus the surrender charge. The *Net Cash Surrender Value* is the amount available upon surrender and the amount available for *Policy Loans* and *Withdrawals*. The surrender charge is determined by the insured's *Age* and risk classification, the death benefit option selected, the initial Basic Coverage face amount, and any Basic Coverage face amount increases. The surrender charge reaches zero 120 policy months after the later of issue date or the last increase in Basic Coverage face amount.

Available Riders

The following riders may be available with your policy at an additional cost provided the eligibility criteria are met. Your producer can provide you with additional illustrations that include one or more of these riders so that you can evaluate the impacts such riders have on policy values. Certain riders may not be available through your producer and rider features and availability may vary by state.

Rider Name (Form Series)	
Accelerated Living Benefits Rider (R06ALB)	Estate Preservation Rider (R07EPR)
ARTR - Individual (R09ARI)	Medium Duration No Lapse Guarantee (R03FNL)
Conversion Rider (R06CON)	Policy Split Option Rider (R03PSO)
Enhanced Policy Split Option Rider (R03ESO)	

Illustrated Riders

The benefits and costs of the riders listed below are reflected in this illustration. A brief description of the requested riders follows. Unless otherwise noted, costs are deducted monthly from the *Accumulated Value*.

Estate Preservation Rider Provides additional *Death Benefit* coverage up to 123% of the initial *Total Face Amount* to assist you in your estate planning needs. The additional coverage is subject to certain *Age*, risk classifications and amount limits and is payable in the event that both insureds die in the first four policy years. The illustrated rider face amount is \$4,287,421. This rider is provided at no additional cost and will be automatically added to your policy unless you specifically decline it in the application. (Form Series R07EPR)

Other Riders

The following riders are automatically included in your policy, but have not been illustrated. See the individual rider descriptions for more information.

Accelerated Living Benefit Rider Gives you access to a portion of the policy's Basic Coverage face amount after the death of the first insured and only if the last surviving person insured by the policy has been diagnosed with a terminal illness resulting in a life expectancy of twelve months or less. In some states, the rider's benefit will be available even if the last surviving insured's life expectancy is longer than twelve months. Benefits are subject to state requirements, may be subject to taxation and may impact eligibility for Medicaid or other government benefits. Please refer to the Accelerated Living Benefit Rider Disclosure Statement and consult your legal and tax advisor for more information. This rider is provided at no additional cost. (Form Series R06ALB)

Conversion Rider Anytime during the 8th policy year, while this policy is in-force, you may convert your Indexed Pacific Estate Preserver policy for a Pacific Life permanent life insurance policy that we make available for such conversions at that time. The *Face Amount* of the new policy equals the current Basic Coverage plus any SVER-L Coverage for your Indexed Pacific Estate Preserver policy. No evidence of insurability is required for the conversion. This conversion right is subject to state availability. This rider is provided at no additional cost. (Form Series R06CON)

Tax Information

This material is not intended or written by Pacific Life to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. This material is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by this material. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Although the information contained in this illustration is based on our understanding of the Internal Revenue Code (IRC) and on certain tax and legal assumptions, it is not intended to be tax or legal advice. Such advice should be obtained from your own counsel or other tax advisor. Tax laws or interpretations of tax laws can change. This may cause the performance and underlying tax assumptions of this policy, including any riders, to be different than illustrated. For example, tax law changes may result in distributions that are more or less than illustrated. In some cases, these changes could result in a decrease in policy values or lapse. You should request an inforce illustration from your producer periodically so that you can monitor your policy's performance in light of any tax law changes. Your actual taxes will be different from those illustrated.

Tax Rate The following tax rates you provided have been used to estimate your taxes, if any, due to a distribution:

Rate	Start Year	End Year
31.00%	1	61

Death Proceeds For federal income tax purposes, life insurance *Death Benefits* generally pay income tax-free to beneficiaries pursuant to IRC Sec. 101(a)(1). In certain situations, however, life insurance *Death Benefits* may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC Sec. 101(a)(2)(i.e. the "transfer-for-value rule"); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC Sec. 101(j).

Guideline Premium Test A life insurance policy will qualify as life insurance under IRC Section 7702 if it meets one of two alternative tests. This illustration uses the Guideline Premium Test which requires that the sum of premiums paid reduced by non-taxable *Withdrawals* at any time does not exceed the greater of the guideline single premium or the sum of the guideline level premiums at such time, and the *Death Benefit* payable under the policy at any time is at least equal to an applicable percentage of the *Accumulated Value* (the "cash value corridor test"). Guidelines are calculated at issue, but must be recalculated upon certain changes in the terms or benefits of the policy. Failure to qualify as life insurance will result in adverse tax consequences.

Modified Endowment Contract (MEC) As defined in IRC Section 7702A, a life insurance policy becomes a Modified Endowment Contract (MEC) if the cumulative premium payments (less nontaxable *Withdrawals*) applicable to the Policy's Seven-Pay-Test Period exceed, at any time during that Seven-Pay-Test Period, the cumulative total of the Seven-Pay Premiums in that Period (the 7-pay test).

The Seven-Pay-Test Period starts when a policy is issued and runs for seven years, but it will start over and run for seven more years if there is a *Material Change* in the terms or benefits of the policy. A *Material Change* can happen even if the most recent Seven-Pay Test period has ended. Each time a *Material Change* occurs the policy will start a new Seven-Pay-Test period and a new Seven-Pay Premium limitation will apply during the next seven years. A *Material Change* will subject a survivorship policy to retroactive Seven-Pay Reduction Testing if there is a reduction in benefits at any time in the future. Such retroactive reduction testing may cause the policy to become a MEC. In addition to a requested reduction in benefits, there could also be a concern if the policy Face Amount is reduced due to a withdrawal. **Prior to any *Material Change* you should consider whether future reductions or withdrawals may take place. If so, you may want to request an in-force illustration and consult your tax advisor.**

Generally, once a policy is a MEC, it is always a MEC. However, if premiums in excess of the Seven-Pay Premium limit are paid, the MEC status can be avoided if such premium payments, plus interest (which is taxable), are returned to you within 60 days after the end of the 'measuring year' in which the premium payment was made.

Note that if the benefits of a policy are reduced, the policy may be subject to retroactive "re-testing" with lower Seven-Pay Premium limits based on the reduced benefits. Such "re-testing" of prior premiums can cause a policy to become a MEC. Before you reduce your policy benefits, you should confirm with us whether your policy would become a MEC.

MEC Status **Based on our understanding of the Internal Revenue Code a policy issued and maintained consistent with the assumptions in this illustration would not be a MEC at issue or become one thereafter.**

Whether and when your policy might actually become a MEC depends on the timing and amounts of premium payments and *Withdrawals*, the policy's non-guaranteed elements, your actual use of the policy's options, and any policy changes made pursuant to your request. The federal income tax consequences of a MEC can be significant. Consult your tax advisor for further details.

Taxable Lapses or Surrenders With an Outstanding *Policy Loan*:

Income If a life insurance *Policy Loan* is still outstanding when a policy is surrendered or lapses, the *Policy Loan* is automatically repaid from policy values. This will result in taxable income to the extent the *Net Cash Surrender Value* plus the amount of the repaid loan exceeds the cost basis of the policy. This potential tax is not reflected in any tax calculation(s) included in this illustration.

Assuming the life insurance policy is not a MEC:

1. *Withdrawals* (and other distributions) are taxed under the "cost recovery rule" and are generally taxable only to the extent the *Withdrawal* exceeds the cost basis of the policy. Policy cost basis generally equals the gross premiums paid less prior untaxed *Withdrawals*.
2. However, *Withdrawals* in the first 15 policy years may be taxable in part or in full under IRC 7702(f)(7)(B) if they occur in connection with a reduction in benefits.
3. Further, when such a reduction in benefits has occurred during the first 15 policy years, it is possible that earlier *Withdrawals* (within the two years prior to the reduction in benefits) may be similarly taxable. This illustration does not reflect this "two years prior" taxation.
4. After 15 policy years, *Withdrawals* up to policy cost basis are not taxable.

If the life insurance policy is a MEC:

1. Distributions from a MEC, including *Withdrawals*, *Policy Loans*, and certain assignments, are taxed to the extent of gain in the policy and may be subject to additional penalties. Generally, gain in the policy is the excess, if any, of the *Accumulated Value*, not reduced by *Policy Debt* over the policy cost basis.
2. Further, distributions taken from a policy during the two years prior to the policy becoming a MEC will be subject to MEC rules in the year the policy became a MEC and may become taxable at that time. This illustration does not reflect this "two years prior" taxation.

Initial Premium Limits Summary	Seven-Pay Premium \$204,217.82	Guideline Single Premium \$910,422.00	Guideline Level Premium \$87,135.30
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When the *Death Benefit* is greater than the *Face Amount* due to *Accumulated Value* growth, payment of additional premium will be subject to approval.

Future Action Required

This illustration does not reflect any future changes that require a written request. However, if you want to make changes to your policy, you must request the change in writing.

Key Terms

- Accumulated Value** The sum of premiums paid less all loads and expense charges, *Monthly Deductions*, and *Withdrawals* plus credited or accrued interest since the *Policy Effective Date*.
- Age** The insured's age on the birthday nearest the beginning of the policy year shown.
- BOY** Beginning of the illustrated policy year.
- Cash Surrender Value** The *Accumulated Value* minus any applicable surrender charge.
- Death Benefit** The amount payable upon the last surviving insured's death. The Death Benefit is always reduced by any *Policy Debt* and increased by any applicable rider benefits.
- EOY** End of the illustrated policy year.
- Fixed Account** An account that is part of Pacific Life's general account to which all or a portion of net premiums may be allocated for accumulation at a non-guaranteed interest rate declared by Pacific Life. The interest rate will never be less than the guaranteed rate of 2.00%.
- Growth Cap** A limit on the amount of the *S&P 500® Index* growth in the *Segment Term* that will be used in calculating the *Segment's Index Credit*. For each *Segment*, the Growth Cap for a specific *Segment Term* is the Growth Cap in effect at the beginning of that *Segment Term*.
- "Guaranteed" Columns** Reflect maximum policy charges and guaranteed interest.
- "Illustrated" Columns** Reflect the assumptions about non-guaranteed elements which are described throughout the illustration.
- Indexed Account** The portion of the policy's *Accumulated Value* that earns *Index Credits* based on the percentage change in value of an index, subject to a *Segment Guaranteed Interest Rate* and the *Growth Cap*. The Indexed Account consists of *Indexed Account Segments*.
- "Intermediate" Columns** Reflect non-guaranteed elements, including charges and credits at rates that are halfway between the rates used in the "guaranteed" and "illustrated" columns.
- Material Change** For purposes of the Seven-Pay Test rules, a Material Change will generally occur if there is both: 1) an increase in policy benefits; and 2) a premium payment not necessary to fund the policy benefits assumed in the most recent Seven-Pay Premium determination. For purposes of this definition, the increase and the premium payment can occur separately and in either order. A Material Change may also occur as a result of certain other policy changes. IRC 7702A provides that, upon a Material Change, the policy will be subject to a new Seven-Pay Test period, with a new corresponding Seven-Pay Premium.
- Minimum Growth Cap** The 1 Year Indexed Account *Growth Cap* is guaranteed to never be less than 3.00%. The 5 Year Indexed Account and High Par 5 Year Indexed Account *Growth Cap* is guaranteed never to be less than 15% over a *Segment Term*.
- Monthly Deductions** Deducted monthly from the policy's *Accumulated Value*. Monthly Deductions include cost of insurance charges, administrative charges, coverage charges, and deductions for optional insurance benefits, if present.
- Net Accumulated Value** *Accumulated Value* less *Policy Debt*.
- Net Cash Surrender Value** *Cash Surrender Value* less *Policy Debt*.
- Participation Rate** The percentage of the *Segment Growth Rate* that will be recognized in the calculation of the *Segment Indexed Interest Credit* for a *Segment*. The Participation Rate is guaranteed to be at least 100%.
- Policy Debt** The sum of all outstanding *Policy Loans* plus accrued loan interest.
- Premium Outlay** The sum of the premium payments you plan to make each year.
- S&P 500® Index** The Standard & Poor's 500® Composite Stock Price Index is composed of 500 common stocks representing major U.S. industry sectors. *Segment Indexed Interest Credits* are added to each *Segment* at the *Segment Maturity* using a calculation that is based, in part, on the performance of the S&P 500® Composite Stock Price Index, excluding dividends.
- Segment** Created each time a transfer is made to the *Indexed Account*. Each Segment has its own *Growth Cap*, *Segment Guaranteed Interest Rate* and *Segment Term*.
- Segment Growth Rate** Based upon the percentage change in the *S&P 500® Index*. The Segment Growth Rate will not be higher than the *Growth Cap* and will not be lower than the *Segment Guaranteed Interest Rate*.

Segment Indexed Interest Credit Calculated at the *Segment Maturity* using the *Participation Rate*, the *Segment Growth Rate* and the value of the *Segment* as of the *Segment Maturity*.

Segment Maturity The end of the *Segment Term*. At *Segment Maturity*, we calculate and apply any *Segment Indexed Interest Credits*, resulting in the Segment Maturity Value. This Segment Maturity Value will be transferred into any of the accounts, according to your instructions. If no instructions are provided, the Segment Maturity Value will create a new *Segment* in the same account.

Segment Term The total length of time that the value can be allocated to the *Indexed Account*. The Segment Term begins on the day the *Segment* is created and ends at *Segment Maturity*. For example, the 1 Year Indexed Account would end one year from the date the segment is created.

Total Face Amount Basic Coverage plus any ARTR-LS and/or SVER-L Coverage covering the insured.

Transfer Date These are the dates as of which transfers between the *Fixed Account* and the *Indexed Account* may occur.

Other Information

The policy or the *Indexed Account* does not actually participate in the stock market or the *S&P 500® Index*. Historical performance of the *S&P 500® Index* should not be considered a representation of past or future performance. Future performance of the *Indexed Account* under this life insurance policy may be greater or less than the earnings shown for the *S&P 500® Index*.

The sale or liquidation of any stock, bond, individual retirement account (IRA), certificate of deposit (CD), mutual fund, annuity, or other asset to fund the purchase of this product may have tax consequences, early *Withdrawal* penalties, or other costs or penalties as a result of the sale or liquidation. You may wish to consult independent legal or financial advice before selling or liquidating any assets, prior to the purchase of the life insurance product being solicited.

Basic Illustration Numeric Summary

Yr	Age	Cumulative Premium Outlay	Guaranteed (EOY) 0.00%		Non-Guaranteed (EOY)			
			Cash Surrender Value	Death Benefit	Intermediate		Illustrated 7.50%	
					Cash Surrender Value	Death Benefit	Cash Surrender Value	Death Benefit
5	69/64	152,500	0	3,485,708	49,267	3,485,708	112,576	3,485,708
10	74/69	305,000	##	##	111,590	3,485,708	299,838	3,485,708
20	84/79	610,000			##	##	945,232	3,485,708
30	94/89	915,000					1,745,798	3,485,708

Insurance coverage will cease in year 8 based on guaranteed assumptions. Insurance coverage will cease in year 19 based on intermediate assumptions. Insurance coverage would remain in force at least through year 61 (Age 120) based on illustrated assumptions.

I have received and read a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be higher or lower. The producer has told me that they are not guaranteed. I understand this is an illustration and not a contract. For full policy details, I will refer to the contract.

Historical performance of the S&P 500® (excluding dividends) should not be considered a representation of past or future performance of the Indexed Accounts under this life insurance policy. Actual Segment Indexed Interest Credits will vary from year to year depending on the S&P 500® Index (excluding dividends), Growth Cap and Participation Rate.

APPLICANT'S SIGNATURE*

DATE

*If a Corporation, the signature and title of an authorized officer is required, and the full name of the Corporation must be shown. If a Trust all required Trustees must sign according to the trust agreement.

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements are subject to change. I have made no statements that are inconsistent with this illustration nor have I made any promises about the expected future *Index Credits* of this contract.

PRODUCER'S SIGNATURE
 PL PRODUCER#

DATE

Proposed Insured #1: Male SixtyFive
 Male, Age 65
 Preferred Nonsmoker
Proposed Insured #2: Female Sixty
 Female, Age 60
 Preferred Nonsmoker

Death Benefit Option = A
 Total Face Amount = \$3,485,708
 Premium Frequency = Annual

Producer:
 Kenneth Sapon R.P.h., LUTCF, CLU
 8801 Horizon Blvd NE
 Suite 320
 Albuquerque, NM 87113

Basic Illustration Tabular Detail

Yr	Age	Guaranteed Values (EOY) @ 0.00%				Non-Guaranteed Values (EOY) @ 7.50%			
		Premium Outlay (1)	Accumulated Value (2)	Cash Surrender Value (3)	*Death Benefit (4)	Accumulated Value (5)	Cash Surrender Value (6)	*Death Benefit (7)	
1	65/60	30,500	3,352	0	7,773,129	21,487	107	7,773,129	
2	66/61	30,500	5,970	0	7,773,129	44,571	25,566	7,773,129	
3	67/62	30,500	7,697	0	7,773,129	69,354	52,725	7,773,129	
4	68/63	30,500	8,351	0	7,773,129	95,943	81,690	7,773,129	
5	69/64	30,500	7,735	0	3,485,708	124,454	112,576	3,485,708	
6	70/65	30,500	5,597	0	3,485,708	155,001	145,498	3,485,708	
7	71/66	30,500	1,641	0	3,485,708	187,692	180,565	3,485,708	
8	72/67	30,500	0	0	0	222,654	217,903	3,485,708	
9	73/68	30,500	0	0	0	259,998	257,623	3,485,708	
10	74/69	30,500	0	0	0	299,838	299,838	3,485,708	
Total		305,000							
11	75/70	30,500	0	0	0	350,603	350,603	3,485,708	
12	76/71	30,500	0	0	0	404,579	404,579	3,485,708	
13	77/72	30,500	0	0	0	461,814	461,814	3,485,708	
14	78/73	30,500	0	0	0	522,261	522,261	3,485,708	
15	79/74	30,500	0	0	0	585,798	585,798	3,485,708	
16	80/75	30,500	0	0	0	652,244	652,244	3,485,708	
17	81/76	30,500	0	0	0	721,664	721,664	3,485,708	
18	82/77	30,500	0	0	0	793,852	793,852	3,485,708	
19	83/78	30,500	0	0	0	868,502	868,502	3,485,708	
20	84/79	30,500	0	0	0	945,232	945,232	3,485,708	
Total		610,000							
21	85/80	30,500	0	0	0	1,023,559	1,023,559	3,485,708	
22	86/81	30,500	0	0	0	1,103,185	1,103,185	3,485,708	
23	87/82	30,500	0	0	0	1,183,880	1,183,880	3,485,708	
24	88/83	30,500	0	0	0	1,265,586	1,265,586	3,485,708	
25	89/84	30,500	0	0	0	1,347,899	1,347,899	3,485,708	
26	90/85	30,500	0	0	0	1,429,988	1,429,988	3,485,708	
27	91/86	30,500	0	0	0	1,511,392	1,511,392	3,485,708	
28	92/87	30,500	0	0	0	1,591,543	1,591,543	3,485,708	
29	93/88	30,500	0	0	0	1,669,852	1,669,852	3,485,708	
30	94/89	30,500	0	0	0	1,745,798	1,745,798	3,485,708	
Total		915,000							

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.

Basic Illustration Tabular Detail

Yr	Age	Guaranteed Values (EOY) @ 0.00%				Non-Guaranteed Values (EOY) @ 7.50%			
		Premium Outlay (1)	Accumulated Value (2)	Cash Surrender Value (3)	*Death Benefit (4)	Accumulated Value (5)	Cash Surrender Value (6)	*Death Benefit (7)	
31	95/90	30,500	0	0	0	1,818,247	1,818,247	3,485,708	
32	96/91	30,500	0	0	0	1,886,536	1,886,536	3,485,708	
33	97/92	30,500	0	0	0	1,950,211	1,950,211	3,485,708	
34	98/93	30,500	0	0	0	2,008,423	2,008,423	3,485,708	
35	99/94	30,433	0	0	0	2,066,164	2,066,164	3,485,708	
36	100/95	0	0	0	0	2,090,284	2,090,284	3,485,708	
37	101/96	0	0	0	0	2,104,591	2,104,591	3,485,708	
38	102/97	0	0	0	0	2,105,747	2,105,747	3,485,708	
39	103/98	0	0	0	0	2,104,403	2,104,403	3,485,708	
40	104/99	0	0	0	0	2,100,584	2,100,584	3,485,708	
Total		1,067,433							
41	105/100	0	0	0	0	2,094,224	2,094,224	3,485,708	
42	106/101	0	0	0	0	2,085,167	2,085,167	3,485,708	
43	107/102	0	0	0	0	2,073,166	2,073,166	3,485,708	
44	108/103	0	0	0	0	2,057,878	2,057,878	3,485,708	
45	109/104	0	0	0	0	2,038,850	2,038,850	3,485,708	
46	110/105	0	0	0	0	2,015,510	2,015,510	3,485,708	
47	111/106	0	0	0	0	1,987,144	1,987,144	3,485,708	
48	112/107	0	0	0	0	1,952,877	1,952,877	3,485,708	
49	113/108	0	0	0	0	1,911,642	1,911,642	3,485,708	
50	114/109	0	0	0	0	1,862,149	1,862,149	3,485,708	
Total		1,067,433							
51	115/110	0	0	0	0	1,802,843	1,802,843	3,485,708	
52	116/111	0	0	0	0	1,731,850	1,731,850	3,485,708	
53	117/112	0	0	0	0	1,646,926	1,646,926	3,485,708	
54	118/113	0	0	0	0	1,545,377	1,545,377	3,485,708	
55	119/114	0	0	0	0	1,423,980	1,423,980	3,485,708	
56	120/115	0	0	0	0	1,278,878	1,278,878	3,485,708	
57	121/116	0	0	0	0	1,105,460	1,105,460	3,485,708	
58	122/117	0	0	0	0	898,215	898,215	3,485,708	
59	123/118	0	0	0	0	650,559	650,559	3,485,708	
60	124/119	0	0	0	0	354,627	354,627	3,485,708	
Total		1,067,433							
61	125/120	0	0	0	0	1,098	1,098	3,485,708	
Total		1,067,433							

* The *Death Benefit* column includes the Estate Preservation Rider face amount in the first four policy years. The rider face amount is 4,287,421. See the **Illustrated Riders** section for details.

Insurance coverage will cease in year 8 based on guaranteed assumptions. Insurance coverage would remain in force at least through year 61 (Age 120) based on illustrated assumptions.

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.

Coverage Detail

Yr	ARTR-LS Issue Amount	ARTR-LS Face	Base Face	Total Gross Death Benefit	Indiv 1 NAR	Indiv 2 NAR	Inforce Recreation ARTR-LS Face
1	2,352,300	2,352,300	1,133,408	3,485,708	3,464,221	3,464,221	2,352,300
2	2,352,300	2,352,300	1,133,408	3,485,708	3,441,137	3,441,137	2,352,300
3	2,352,300	2,352,300	1,133,408	3,485,708	3,416,354	3,416,354	2,352,300
4	2,352,300	2,352,300	1,133,408	3,485,708	3,389,765	3,389,765	2,352,300
5	2,352,300	2,352,300	1,133,408	3,485,708	3,361,254	3,361,254	2,352,300
6	2,352,300	2,352,300	1,133,408	3,485,708	3,330,707	3,330,707	2,352,300
7	2,352,300	2,352,300	1,133,408	3,485,708	3,298,016	3,298,016	2,352,300
8	2,352,300	2,352,300	1,133,408	3,485,708	3,263,054	3,263,054	2,352,300
9	2,352,300	2,352,300	1,133,408	3,485,708	3,225,710	3,225,710	2,352,300
10	2,352,300	2,352,300	1,133,408	3,485,708	3,185,870	3,185,870	2,352,300
11	2,352,300	2,352,300	1,133,408	3,485,708	3,135,105	3,135,105	2,352,300
12	2,352,300	2,352,300	1,133,408	3,485,708	3,081,129	3,081,129	2,352,300
13	2,352,300	2,352,300	1,133,408	3,485,708	3,023,894	3,023,894	2,352,300
14	2,352,300	2,352,300	1,133,408	3,485,708	2,963,447	2,963,447	2,352,300
15	2,352,300	2,352,300	1,133,408	3,485,708	2,899,910	2,899,910	2,352,300
16	2,352,300	2,352,300	1,133,408	3,485,708	2,833,464	2,833,464	2,352,300
17	2,352,300	2,352,300	1,133,408	3,485,708	2,764,044	2,764,044	2,352,300
18	2,352,300	2,352,300	1,133,408	3,485,708	2,691,856	2,691,856	2,352,300
19	2,352,300	2,352,300	1,133,408	3,485,708	2,617,206	2,617,206	2,352,300
20	2,352,300	2,352,300	1,133,408	3,485,708	2,540,476	2,540,476	2,352,300
21	2,352,300	2,352,300	1,133,408	3,485,708	2,462,149	2,462,149	2,352,300
22	2,352,300	2,352,300	1,133,408	3,485,708	2,382,523	2,382,523	2,352,300
23	2,352,300	2,352,300	1,133,408	3,485,708	2,301,828	2,301,828	2,352,300
24	2,352,300	2,352,300	1,133,408	3,485,708	2,220,122	2,220,122	2,352,300
25	2,352,300	2,352,300	1,133,408	3,485,708	2,137,809	2,137,809	2,352,300
26	2,352,300	2,352,300	1,133,408	3,485,708	2,055,720	2,055,720	2,352,300
27	2,352,300	2,352,300	1,133,408	3,485,708	1,974,316	1,974,316	2,352,300
28	2,352,300	2,352,300	1,133,408	3,485,708	1,894,165	1,894,165	2,352,300
29	2,352,300	2,352,300	1,133,408	3,485,708	1,815,856	1,815,856	2,352,300
30	2,352,300	2,352,300	1,133,408	3,485,708	1,739,910	1,739,910	2,352,300
31	2,352,300	2,352,300	1,133,408	3,485,708	1,667,461	1,667,461	2,352,300
32	2,352,300	2,352,300	1,133,408	3,485,708	1,599,172	1,599,172	2,352,300
33	2,352,300	2,352,300	1,133,408	3,485,708	1,535,497	1,535,497	2,352,300
34	2,352,300	2,352,300	1,133,408	3,485,708	1,477,285	1,477,285	2,352,300
35	2,352,300	2,352,300	1,133,408	3,485,708	1,419,544	1,419,544	2,352,300
36	2,352,300	2,352,300	1,133,408	3,485,708	1,395,424	1,395,424	2,352,300
37	2,352,300	2,352,300	1,133,408	3,485,708	1,381,117	1,381,117	2,352,300
38	2,352,300	2,352,300	1,133,408	3,485,708	1,379,961	1,379,961	2,352,300
39	2,352,300	2,352,300	1,133,408	3,485,708	1,381,305	1,381,305	2,352,300
40	2,352,300	2,352,300	1,133,408	3,485,708	1,385,124	1,385,124	2,352,300

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Coverage Detail

Yr	ARTR-LS Issue Amount	ARTR-LS Face	Base Face	Total Gross Death Benefit	Indiv 1 NAR	Indiv 2 NAR	Inforce Recreation ARTR-LS Face
41	2,352,300	2,352,300	1,133,408	3,485,708	1,391,484	1,391,484	2,352,300
42	2,352,300	2,352,300	1,133,408	3,485,708	1,400,541	1,400,541	2,352,300
43	2,352,300	2,352,300	1,133,408	3,485,708	1,412,542	1,412,542	2,352,300
44	2,352,300	2,352,300	1,133,408	3,485,708	1,427,830	1,427,830	2,352,300
45	2,352,300	2,352,300	1,133,408	3,485,708	1,446,858	1,446,858	2,352,300
46	2,352,300	2,352,300	1,133,408	3,485,708	1,470,198	1,470,198	2,352,300
47	2,352,300	2,352,300	1,133,408	3,485,708	1,498,564	1,498,564	2,352,300
48	2,352,300	2,352,300	1,133,408	3,485,708	1,532,831	1,532,831	2,352,300
49	2,352,300	2,352,300	1,133,408	3,485,708	1,574,066	1,574,066	2,352,300
50	2,352,300	2,352,300	1,133,408	3,485,708	1,623,559	1,623,559	2,352,300
51	2,352,300	2,352,300	1,133,408	3,485,708	1,682,865	1,682,865	2,352,300
52	2,352,300	2,352,300	1,133,408	3,485,708	1,753,858	1,753,858	2,352,300
53	2,352,300	2,352,300	1,133,408	3,485,708	1,838,782	1,838,782	2,352,300
54	2,352,300	2,352,300	1,133,408	3,485,708	1,940,331	1,940,331	2,352,300
55	2,352,300	2,352,300	1,133,408	3,485,708	2,061,728	2,061,728	2,352,300
56	2,352,300	2,352,300	1,133,408	3,485,708	2,206,830	2,206,830	2,352,300
57	2,352,300	2,352,300	1,133,408	3,485,708	2,380,248	2,380,248	2,352,300
58	2,352,300	2,352,300	1,133,408	3,485,708	2,587,493	2,587,493	2,352,300
59	2,352,300	2,352,300	1,133,408	3,485,708	2,835,149	2,835,149	2,352,300
60	2,352,300	2,352,300	1,133,408	3,485,708	3,131,081	3,131,081	2,352,300
61	2,352,300	2,352,300	1,133,408	3,485,708	3,484,610	3,484,610	2,352,300

Maximum NAR multiplication factor in the first 20 years for individual 1 is 1.00 in year 1.
 Maximum NAR multiplication factor in the first 20 years for individual 2 is 1.00 in year 1.

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