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# Retirement Shortfall Planning

## Using Life Insurance to Protect Your Family Now and Help Supplement Your Retirement Later



Prepared for Valued Client | March 23, 2016

Pacific Life Insurance Company has authorized the above-referenced life insurance producer to act on its behalf solely for purposes of soliciting and accepting Pacific Life Insurance Company insurance applications.

Policy Form #ICC11 P11PIP or P11PIP based on state of policy issue.  
For presentation in NM  
C-35A

## Risks to Your Financial Goals

There are several risks that can impact your financial goals, including dying too soon and living too long. If you die prematurely, you may leave your loved ones without the financial support they need. If you live too long, you may outlive your retirement assets.

Cash value life insurance can help you plan for these risks by:

1. Providing financial protection for a policy's beneficiaries through the policy's proceeds when the insured dies.
2. Offering supplemental retirement income through a policy's available cash value, which has the potential to grow, less policy charges.

Let's take a closer look at some risks, including how they might impact your overall financial goals and how life insurance might help offset them.

### Risk 1: Financial Protection

If you die prematurely, your family may need funds to replace your income to continue their current standard of living. If your income stops, the sudden change may put your family in a financially vulnerable position. In addition, your surviving spouse may have fewer or no funds to contribute to future financial goals, including retirement.

Cash value life insurance may help offset the financial impact your death may have on your family through tax-free\* income replacement from your policy's proceeds. Consider how much financial protection they might require. Refer to the calculator results in the right-hand column to help determine the approximate amount of life insurance needed if your family lost you today.

\*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).

This report is not complete and cannot be presented without the Basic Illustration. Please refer to the Basic Illustration for guaranteed elements and other important information. Non-Guaranteed elements are not guaranteed.

### Prepared for

### Valued Client

Male, age: 45  
Preferred Nonsmoker

Your life insurance producer has configured this presentation based on your stated financial objectives, risk tolerance, and personal situation. Keep track of any questions and concerns, and request alternative presentations from your life insurance producer, if desired.

### Life Insurance Calculator

Your Annual Earned Income:

\$250,000

Your Current Age: 45

**Life Insurance Amount:**

**\$5,000,000**

This calculation uses Pacific Life Insurance Company's financial underwriting guidelines for income replacement. The actual amount may vary due to a number of factors, including how much life insurance you already may have, how much you can afford, the sources of your income (earned versus unearned), and your expected age of retirement.

## Risk 2: Financial Potential

Along with the risk of inadequate protection for your family, your financial goals could be at risk if you are not currently saving enough for the future and eventually outlive your retirement assets. Among the more common sources of retirement income are:

- 401(k) plan distributions
- Individual Retirement Account (IRA) distributions
- Social Security benefits
- Pension plan payments
- Other savings, including annuities

Are you actively contributing to any of these income sources? Perhaps you've had some financial setbacks along the way or you're simply getting a late start on saving. Or maybe you're currently contributing the maximum amount allowed and you need another financial asset in your portfolio.

Cash value life insurance may help address these risks. It has the potential to help you build another source to supplement your future income needs.

Among the key features are:

- Any available cash value in the policy grows tax-deferred.
- Any available cash value in the policy may be accessed through withdrawals and loans tax-free.\*

Learn about the Life Insurance Retirement Plan in the right-hand column.

\*For federal income tax purposes, 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 Secs. 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.

### Life Insurance Retirement Plan

For high income earners who are regularly maximizing contributions to qualified plans, a Life Insurance Retirement Plan not only helps protect your policy's beneficiaries, but may also help build for retirement.

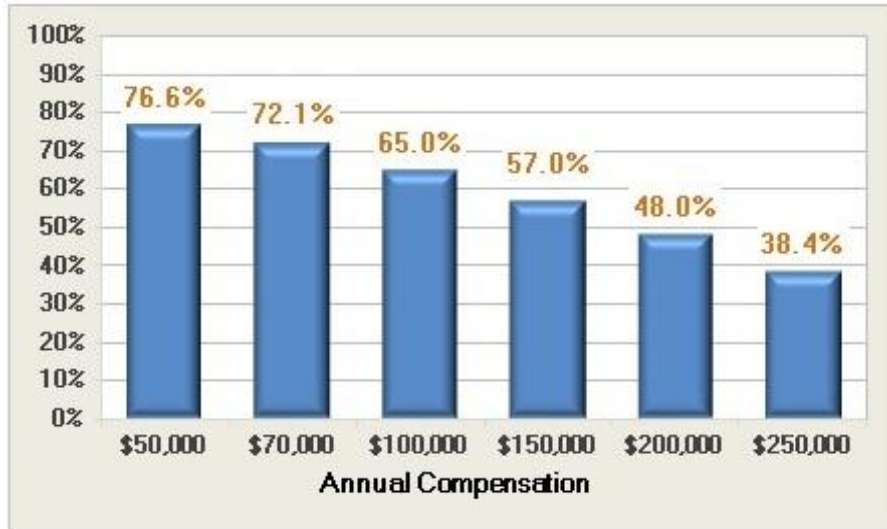
A Life Insurance Retirement Plan is a strategy using cash value life insurance. When the insured dies, the life insurance proceeds are paid to the policy beneficiaries. While the insured is living, the available cash value in the policy may be used to help supplement retirement income.

Life Insurance is subject to underwriting and approval of the application. If approved, a policy's face amount, premium limits, and policy performance, including the deduction of monthly policy charges, will impact its distribution potential. It is possible that the policy may not provide sufficient distribution potential to cover a retirement income shortfall.

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For many people, Social Security benefits and 401(k) assets may not provide sufficient retirement income. In fact, the higher your annual salary today, the harder it may be to maintain your current lifestyle in retirement.

### Percentage of Annual Compensation from Social Security\* & 401(k) Plans\*\* for Retirement Income



\* Benefits from Social Security are based on the 2016 Quick Benefit Calculator at [www.ssa.gov](http://www.ssa.gov). Calculations assume 1) an individual age 45 in 2016 will receive full Social Security benefits at age 67; 2) a worker's past earnings are based on the national average wage indexing series with a relative growth factor of 2%; 3) current earnings stay the same until age 67 and are limited to the 2016 taxable maximum of \$118,500.

\*\* Benefits from the 401(k) plan assume 1) an individual age 45; 2) contributions made for 22 years; 3) annual contribution increase at a rate of 2%; 4) contributions are 10% of compensation, assuming the 2016 maximum contribution of \$18,000; 5) 401(k) assets accumulate at 8% and payout is based on a single life annuity purchased at age 67. The chart does not reflect any additional catch-up contribution provision available to participants age 50 and older.

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## Retirement Shortfall Planning Considerations

At what age do you plan to retire? Will you need to tap your retirement assets right away? If sufficient and properly managed, cash value life insurance can be used to help supplement retirement needs. Moreover, there is no minimum distribution requirement with life insurance as there is with IRAs, 401(k) plans, or other tax-qualified plans.

Here's an example: You could retire at age 65 and use a combination of Social Security, pension, other savings, and IRA distributions for retirement income. Ten years later at age 75, things may have changed. One or more of your income sources might have diminished due to market fluctuations. Inflation may have lessened the spending power of your income. Health issues have perhaps required you to move to more costly housing that offers medical care. In any of these scenarios, you could begin accessing any available cash value in your life insurance policy via tax-free withdrawals and loans.\*

Do you really need life insurance after retirement? The answer may be "Yes" or "No" depending on your personal situation. However, you may still have a mortgage on your house that you want paid off when you die. You may still be responsible to support your children or grandchildren. Many of your assets become taxable at death, such as traditional IRAs and deferred annuities. Life insurance might help offset the cost of those taxes to your heirs.

\*For federal income tax purposes, 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 Secs. 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.

### Reasons Why You May Experience a Retirement Shortfall

- Inability to save enough for retirement to meet your retirement income goals due to restrictions on a qualified plan and/or IRA contributions
- Late start on saving for retirement
- Higher than expected health care costs during retirement
- Impact of income taxes on retirement income
- Impact of inflation during retirement
- Living longer than expected
- Financial setback on retirement assets due to adverse financial market conditions

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## Your Retirement Plan

Let's look at your current strategy for the retirement plan based on the assumptions stated here.

### Assumptions

Age: 45	Retirement Age: 65
Current Annual Income: \$250,000	Desired Annual Income in Retirement: \$250,000
20 Years of Annual Qualified Plan Contributions	50 Years of Distributions in Retirement
Hypothetical Annual Average Growth Rate - Pre-Retirement: 6.00%	
Hypothetical Annual Average Growth Rate - Post-Retirement: 6.00%	

This hypothetical illustration does not factor in income taxes, inflation, or salary growth. There are limits to annual contributions. Check with your independent tax advisor or attorney for more details.

### Qualified Plan Account

Current Balance	\$125,000
Initial Annual Contribution:	\$14,000
<b>Assumed Balance at Retirement:</b>	<b>\$912,736</b>

### Individual Retirement Account (IRA)

Current Balance	\$125,000
Initial Annual Contribution:	\$0
<b>Assumed Balance at Retirement:</b>	<b>\$399,511</b>

### Other Savings

Current Balance	\$50,000
Initial Annual Contribution:	\$0
<b>Assumed Balance at Retirement:</b>	<b>\$159,804</b>

### Social Security Income

<b>Assumed Monthly Income:</b>	<b>\$2,713*</b>
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### Pension Income

<b>Assumed Monthly Income:</b>	<b>\$0</b>
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\* The monthly income from Social Security is either an amount provided by you to your life insurance producer or an estimate based on your stated current gross annual income and is shown in today's dollars. If your current gross annual income is above the Social Security Wage Base, for purposes of estimating your Social Security income, it is assumed that you earned the maximum taxable income amount for Social Security benefits in each year you work. If your current gross annual income is below the Social Security Wage Base, your Social Security benefits will be pro-rated based on your current gross annual income and the maximum taxable income amount. Age is not taken into consideration for purposes of this estimate. Please visit [www.ssa.gov](http://www.ssa.gov) for more details on your actual benefits.

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## You Desire \$250,000 in Annual Gross Retirement Income

Annual Retirement Income*	Your Current Plan
Gross Income from Qualified Plan	\$58,108
Gross Income from IRA	\$25,434
Gross Income from Other Savings	\$10,174
Gross Income from Social Security**	\$32,556
Gross Income from Pension***	\$0
<b>Total Annual Retirement Income:</b>	<b>\$126,272</b>

Your projected annual retirement shortfall from your current plan is: **\$123,728**

*Imagine if you could potentially make-up this shortfall and help supplement your income in retirement with cash value life insurance!*

Annual Retirement Income*	Your Proposed Plan with Life Insurance
Gross Income from Qualified Plan	\$58,108
Gross Income from IRA	\$25,434
Gross Income from Other Savings	\$10,174
Gross Income from Social Security**	\$32,556
Gross Income from Pension***	\$0
Income from Life Insurance Policy ****	\$123,728
<b>Total Annual Retirement Income:</b>	<b>\$250,000</b>
<b>Projected Shortfall after Proposed Plan:</b>	<b>\$0</b>

\* The annual retirement income from your qualified plan, IRA, and/or other savings is based on the projected balance at your specified retirement age fully liquidated over the stated years of distribution in retirement, and grown by the annual hypothetical growth rates you provided.

\*\* The annual income from Social Security is calculated by multiplying your monthly Social Security income by twelve.

\*\*\* The annual income from pension amount is calculated by multiplying your stated monthly pension benefit by twelve.

\*\*\*\* The annual income from the life insurance policy is based on illustrated assumptions and is not guaranteed.

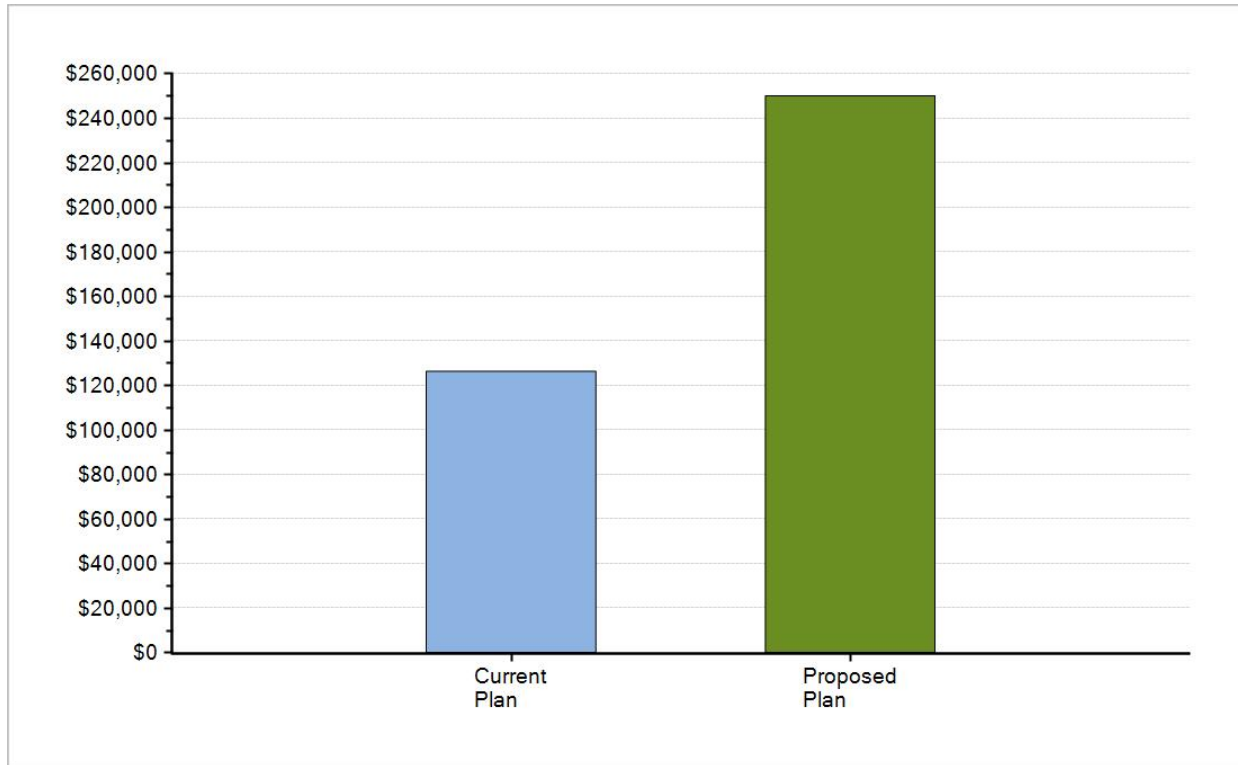
Distributions can be taken as policy loans and withdrawals when there is adequate Net Cash Surrender Value available. The illustrated distributions may not be available if the policy does not perform as illustrated. Distributions will reduce policy values and may reduce benefits.

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## Annual Retirement Income

This chart shows your projected annual retirement income from your current plan and the proposed plan, which includes income from a life insurance policy.



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## Hypothetical Life Insurance Policy Performance Snapshot

<b>Initial Life Insurance Death Benefit</b>			<b>=</b>	<b>\$2,802,231</b>
<b>Premiums</b>				
Initial Annual Premium:	Scheduled Years to Pay:*		<b>=</b>	Total Premium Paid:
\$54,664	20			\$1,093,280
<b>Distributions</b>				
Initial Annual Distribution:	Scheduled Years of Distributions:		<b>=</b>	Total Distributions:
\$123,728	56			\$6,890,088
			<b>+</b>	Death Benefit Received if death occurs at age 120: \$142,334
			<b>=</b>	Total Distributions & Death Benefit Received if death occurs at age 120: <b>\$7,032,421</b>

\* If actual policy accumulated values are lower than assumed in the illustration (because the amount or timing of the premium payments are other than illustrated, and/or the interest rate declines and/or mortality or expense charges increase), additional or higher premium payments may be required for additional years, and/or premium payments may have to be resumed at a later date.

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## Summary of Results

The purpose of this supplemental illustration is to show the hypothetical performance of the Qualified Plan, IRA, and Other Savings and their distributions in retirement. It also shows how the illustrated interest rate and assumptions in the Life Insurance policy affect the policy's Cash Surrender Value and Death Benefit. This information is hypothetical and may not be used to predict investment results.

The life insurance illustration assumes non-guaranteed policy charges and a non-guaranteed interest rate of 6.48%. For additional information, including assumed interest rates and guaranteed assumptions, please refer to the Basic Illustration included with this presentation.

Qualified Plan, IRA, and Other Savings values assume a 6.00% hypothetical annual average growth rate pre-retirement and a 6.00% hypothetical annual average growth rate post-retirement, as provided by you, the client.

The distributions illustrated below are in addition to the projected annual gross income of \$32,556 from Social Security and \$0 from your pension.

Year	Age	Qualified Plan			IRA			Other Savings			Life Insurance						
		Annual Contribution	Growth	Distributions	End of Year Value	Annual Contribution	Growth	Distributions	End of Year Value	Annual Contribution	Growth	Distributions	End of Year Value	Premium Outlay*	Distributions	Net Cash Surrender Value	Net Death Benefit
1	45	14,000	7,500	0	146,500	0	7,500	0	132,500	0	3,000	0	53,000	54,664.00	0	0	2,802,231
2	46	14,000	8,790	0	169,290	0	7,950	0	140,450	0	3,180	0	56,180	54,664.00	0	41,247	2,802,231
3	47	14,000	10,157	0	193,447	0	8,427	0	148,877	0	3,371	0	59,551	54,664.00	0	79,952	2,802,231
4	48	14,000	11,607	0	219,054	0	8,933	0	157,810	0	3,573	0	63,124	54,664.00	0	123,581	2,802,231
5	49	14,000	13,143	0	246,197	0	9,469	0	167,278	0	3,787	0	66,911	54,664.00	0	172,619	2,802,231
6	50	14,000	14,772	0	274,969	0	10,037	0	177,315	0	4,015	0	70,926	54,664.00	0	226,213	2,802,231
7	51	14,000	16,498	0	305,468	0	10,639	0	187,954	0	4,256	0	75,182	54,664.00	0	284,728	2,802,231
8	52	14,000	18,328	0	337,796	0	11,277	0	199,231	0	4,511	0	79,692	54,664.00	0	348,554	2,802,231
9	53	14,000	20,268	0	372,063	0	11,954	0	211,185	0	4,782	0	84,474	54,664.00	0	419,746	2,802,231
10	54	14,000	22,324	0	408,387	0	12,671	0	223,856	0	5,068	0	89,542	54,664.00	0	495,720	2,802,231
Total		140,000		0		0		0		0		0		546,640.00	0		

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## Summary of Results

Year	Age	Qualified Plan			IRA			Other Savings			Life Insurance			Net Cash Surrender Value	Net Death Benefit		
		Annual Contribution	Growth	Distributions	End of Year Value	Annual Contribution	Growth	Distributions	End of Year Value	Annual Contribution	Growth	Distributions	End of Year Value			Premium Outlay*	Distributions
11	55	14,000	24,503	0	446,890	0	13,431	0	237,287	0	5,373	0	94,915	54,664.00	0	585,066	2,802,231
12	56	14,000	26,813	0	487,704	0	14,237	0	251,525	0	5,695	0	100,610	54,664.00	0	680,582	2,802,231
13	57	14,000	29,262	0	530,966	0	15,091	0	266,616	0	6,037	0	106,646	54,664.00	0	782,715	2,802,231
14	58	14,000	31,858	0	576,824	0	15,997	0	282,613	0	6,399	0	113,045	54,664.00	0	892,001	2,802,231
15	59	14,000	34,609	0	625,433	0	16,957	0	299,570	0	6,783	0	119,828	54,664.00	0	1,008,926	2,802,231
16	60	14,000	37,526	0	676,959	0	17,974	0	317,544	0	7,190	0	127,018	54,664.00	0	1,133,932	2,802,231
17	61	14,000	40,618	0	731,577	0	19,053	0	336,597	0	7,621	0	134,639	54,664.00	0	1,267,934	2,802,231
18	62	14,000	43,895	0	789,472	0	20,196	0	356,792	0	8,078	0	142,717	54,664.00	0	1,411,687	2,802,231
19	63	14,000	47,368	0	850,840	0	21,408	0	378,200	0	8,563	0	151,280	54,664.00	0	1,566,044	2,802,231
20	64	14,000	51,050	0	915,890	0	22,692	0	400,892	0	9,077	0	160,357	54,664.00	0	1,731,981	2,802,231
Total		280,000		0		0		0		0		0		1,093,280.00	0		
21	65	0	54,953	58,108	912,736	0	24,054	25,434	399,511	0	9,621	10,174	159,804	0.00	123,728	1,729,648	2,100,625
22	66	0	54,764	58,108	909,392	0	23,971	25,434	398,048	0	9,588	10,174	159,219	0.00	123,728	1,727,234	2,103,534
23	67	0	54,564	58,108	905,847	0	23,883	25,434	396,496	0	9,553	10,174	158,598	0.00	123,728	1,724,752	2,104,368
24	68	0	54,351	58,108	902,090	0	23,790	25,434	394,852	0	9,516	10,174	157,941	0.00	123,728	1,722,221	2,103,077
25	69	0	54,125	58,108	898,108	0	23,691	25,434	393,108	0	9,476	10,174	157,243	0.00	123,728	1,719,667	2,099,614
26	70	0	53,886	58,108	893,886	0	23,586	25,434	391,261	0	9,435	10,174	156,504	0.00	123,728	1,704,430	2,079,340
27	71	0	53,633	58,108	889,411	0	23,476	25,434	389,302	0	9,390	10,174	155,721	0.00	123,728	1,688,608	2,030,079
28	72	0	53,365	58,108	884,668	0	23,358	25,434	387,226	0	9,343	10,174	154,890	0.00	123,728	1,672,270	1,975,508
29	73	0	53,080	58,108	879,640	0	23,234	25,434	385,025	0	9,293	10,174	154,010	0.00	123,728	1,655,519	1,915,582
30	74	0	52,778	58,108	874,310	0	23,101	25,434	382,692	0	9,241	10,174	153,077	0.00	123,728	1,638,493	1,850,283
Total		280,000		581,080		0		254,343		0		101,737		1,093,280.00	1,237,280		

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## Summary of Results

Year	Age	Qualified Plan			IRA			Other Savings			Life Insurance						
		Annual Contribution	Growth	Distributions	End of Year Value	Annual Contribution	Growth	Distributions	End of Year Value	Annual Contribution	Growth	Distributions	End of Year Value	Premium Outlay*	Distributions	Net Cash Surrender Value	Net Death Benefit
31	75	0	52,459	58,108	868,661	0	22,962	25,434	380,219	0	9,185	10,174	152,088	0.00	123,728	1,621,381	1,779,626
32	76	0	52,120	58,108	862,672	0	22,813	25,434	377,598	0	9,125	10,174	151,039	0.00	123,728	1,603,469	1,768,816
33	77	0	51,760	58,108	856,325	0	22,656	25,434	374,820	0	9,062	10,174	149,928	0.00	123,728	1,584,717	1,757,305
34	78	0	51,379	58,108	849,596	0	22,489	25,434	371,875	0	8,996	10,174	148,750	0.00	123,728	1,565,073	1,745,042
35	79	0	50,976	58,108	842,464	0	22,312	25,434	368,753	0	8,925	10,174	147,501	0.00	123,728	1,544,442	1,731,929
36	80	0	50,548	58,108	834,904	0	22,125	25,434	365,444	0	8,850	10,174	146,177	0.00	123,728	1,522,779	1,717,925
37	81	0	50,094	58,108	826,890	0	21,927	25,434	361,936	0	8,771	10,174	144,774	0.00	123,728	1,500,015	1,702,963
38	82	0	49,613	58,108	818,396	0	21,716	25,434	358,218	0	8,686	10,174	143,287	0.00	123,728	1,476,062	1,686,953
39	83	0	49,104	58,108	809,391	0	21,493	25,434	354,277	0	8,597	10,174	141,711	0.00	123,728	1,450,822	1,669,797
40	84	0	48,563	58,108	799,847	0	21,257	25,434	350,099	0	8,503	10,174	140,040	0.00	123,728	1,424,183	1,651,383
<b>Total</b>		<b>280,000</b>		<b>1,162,160</b>		<b>0</b>		<b>508,686</b>		<b>0</b>		<b>203,474</b>		<b>1,093,280.00</b>		<b>2,474,560</b>	
41	85	0	47,991	58,108	789,730	0	21,006	25,434	345,671	0	8,402	10,174	138,268	0.00	123,728	1,396,029	1,631,593
42	86	0	47,384	58,108	779,005	0	20,740	25,434	340,976	0	8,296	10,174	136,391	0.00	123,728	1,366,196	1,610,260
43	87	0	46,740	58,108	767,638	0	20,459	25,434	336,001	0	8,183	10,174	134,400	0.00	123,728	1,334,506	1,587,201
44	88	0	46,058	58,108	755,588	0	20,160	25,434	330,726	0	8,064	10,174	132,291	0.00	123,728	1,300,738	1,562,191
45	89	0	45,335	58,108	742,815	0	19,844	25,434	325,136	0	7,937	10,174	130,054	0.00	123,728	1,264,615	1,534,943
46	90	0	44,569	58,108	729,276	0	19,508	25,434	319,210	0	7,803	10,174	127,684	0.00	123,728	1,225,796	1,505,105
47	91	0	43,757	58,108	714,925	0	19,153	25,434	312,928	0	7,661	10,174	125,171	0.00	123,728	1,187,809	1,418,670
48	92	0	42,895	58,108	699,712	0	18,776	25,434	306,269	0	7,510	10,174	122,508	0.00	123,728	1,151,711	1,330,625
49	93	0	41,983	58,108	683,587	0	18,376	25,434	299,211	0	7,350	10,174	119,684	0.00	123,728	1,118,847	1,242,136
50	94	0	41,015	58,108	666,494	0	17,953	25,434	291,729	0	7,181	10,174	116,692	0.00	123,728	1,090,820	1,154,572
<b>Total</b>		<b>280,000</b>		<b>1,743,240</b>		<b>0</b>		<b>763,029</b>		<b>0</b>		<b>305,212</b>		<b>1,093,280.00</b>		<b>3,711,839</b>	

This report is not complete and cannot be presented without the Basic Illustration. Please refer to the Basic Illustration for guaranteed elements and other important information. Non-Guaranteed elements are not guaranteed.

## Summary of Results

Year	Age	Qualified Plan			IRA			Other Savings			Life Insurance						
		Annual Contribution	Growth	Distributions	End of Year Value	Annual Contribution	Growth	Distributions	End of Year Value	Annual Contribution	Growth	Distributions	End of Year Value	Premium Outlay*	Distributions	Net Cash Surrender Value	Net Death Benefit
51	95	0	39,990	58,108	648,376	0	17,504	25,434	283,799	0	7,002	10,174	113,520	0.00	123,728	1,062,422	1,128,331
52	96	0	38,903	58,108	629,170	0	17,028	25,434	275,393	0	6,811	10,174	110,157	0.00	123,728	1,033,860	1,101,980
53	97	0	37,750	58,108	608,813	0	16,524	25,434	266,482	0	6,609	10,174	106,593	0.00	123,728	1,004,870	1,075,253
54	98	0	36,529	58,108	587,233	0	15,989	25,434	257,036	0	6,396	10,174	102,815	0.00	123,728	975,803	1,048,504
55	99	0	35,234	58,108	564,359	0	15,422	25,434	247,024	0	6,169	10,174	98,810	0.00	123,728	946,838	1,021,919
56	100	0	33,862	58,108	540,113	0	14,821	25,434	236,411	0	5,929	10,174	94,565	0.00	123,728	917,867	995,387
57	101	0	32,407	58,108	514,412	0	14,185	25,434	225,162	0	5,674	10,174	90,065	0.00	123,728	889,566	969,592
58	102	0	30,865	58,108	487,168	0	13,510	25,434	213,237	0	5,404	10,174	85,295	0.00	123,728	862,328	944,934
59	103	0	29,230	58,108	458,291	0	12,794	25,434	200,597	0	5,118	10,174	80,239	0.00	123,728	836,469	921,735
60	104	0	27,497	58,108	427,680	0	12,036	25,434	187,199	0	4,814	10,174	74,879	0.00	123,728	812,397	900,405
<b>Total</b>		<b>280,000</b>		<b>2,324,320</b>		<b>0</b>		<b>1,017,372</b>		<b>0</b>		<b>406,949</b>		<b>1,093,280.00</b>		<b>4,949,119</b>	
61	105	0	25,661	58,108	395,233	0	11,232	25,434	172,996	0	4,493	10,174	69,199	0.00	123,728	790,101	880,935
62	106	0	23,714	58,108	360,839	0	10,380	25,434	157,942	0	4,152	10,174	63,177	0.00	123,728	769,433	863,178
63	107	0	21,650	58,108	324,381	0	9,477	25,434	141,984	0	3,791	10,174	56,794	0.00	123,728	750,122	846,863
64	108	0	19,463	58,108	285,736	0	8,519	25,434	125,069	0	3,408	10,174	50,027	0.00	123,728	731,744	831,561
65	109	0	17,144	58,108	244,772	0	7,504	25,434	107,139	0	3,002	10,174	42,855	0.00	123,728	713,505	816,474
66	110	0	14,686	58,108	201,350	0	6,428	25,434	88,133	0	2,571	10,174	35,253	0.00	123,728	694,042	800,225
67	111	0	12,081	58,108	155,323	0	5,288	25,434	67,986	0	2,115	10,174	27,194	0.00	123,728	672,549	782,002
68	112	0	9,319	58,108	106,535	0	4,079	25,434	46,631	0	1,632	10,174	18,652	0.00	123,728	648,083	760,856
69	113	0	6,392	58,108	54,819	0	2,798	25,434	23,995	0	1,119	10,174	9,598	0.00	123,728	616,208	732,306
70	114	0	3,289	58,108	0	0	1,440	25,434	0	0	576	10,174	0	0.00	123,728	575,120	694,533
<b>Total</b>		<b>280,000</b>		<b>2,905,400</b>		<b>0</b>		<b>1,271,715</b>		<b>0</b>		<b>508,686</b>		<b>1,093,280.00</b>		<b>6,186,399</b>	
71	115	0	0	0	0	0	0	0	0	0	0	0	0	0.00	123,728	522,585	645,281
72	116	0	0	0	0	0	0	0	0	0	0	0	0	0.00	123,728	455,831	581,756
73	117	0	0	0	0	0	0	0	0	0	0	0	0	0.00	123,728	371,430	500,494
74	118	0	0	0	0	0	0	0	0	0	0	0	0	0.00	123,728	265,123	397,196
75	119	0	0	0	0	0	0	0	0	0	0	0	0	0.00	123,728	131,619	266,522
76	120	0	0	0	0	0	0	0	0	0	0	0	0	0.00	85,049	4,829	142,334
<b>Total</b>		<b>280,000</b>		<b>2,905,400</b>		<b>0</b>		<b>1,271,715</b>		<b>0</b>		<b>508,686</b>		<b>1,093,280.00</b>		<b>6,890,088</b>	

This report is not complete and cannot be presented without the Basic Illustration. Please refer to the Basic Illustration for guaranteed elements and other important information. Non-Guaranteed elements are not guaranteed.

## Summary of Results

\*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.

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## Important Terms

### Year

The number of years from when the policy was issued.

### Age

Your age on the birthday nearest the beginning of the policy year shown.

### Annual Contribution

The yearly amount assumed as a plan contribution into your existing qualified retirement plan or IRA, including any company match, if applicable. For other savings, it is the yearly amount you set aside for retirement outside of a qualified plan or IRA, if applicable.

### Growth

The annual growth from your qualified plan, IRA or other savings balance.

### Distributions

Annual withdrawals from your qualified plan, IRA, or other savings during retirement.

### End of Year Value

The value of your qualified plan, IRA or other savings at the end of a specific year. It includes annual contributions and hypothetical growth, less any distributions, if applicable.

### Premium Outlay

The sum of the premium payments you plan to make each year.

### Distributions

The annual amount taken from the available Cash Surrender Value in the form of a withdrawal or a policy loan.

### Net Cash Surrender Value

Premiums paid less premium load, cost of insurance and other charges, surrender charge, withdrawals, and policy debt, accumulated at interest.

### Net Death Benefit

The amount payable upon your death. The Death Benefit is always reduced by any policy debt and increased by any applicable rider benefits.

This report is not complete and cannot be presented without the Basic Illustration. Please refer to the Basic Illustration for guaranteed elements and other important information. Non-Guaranteed elements are not guaranteed.

## Why Pacific Life?\*

### Policyowner Satisfaction. Financial Strength.

Since 1868, Pacific Life has helped to protect individuals and families from financial risk through a variety of life insurance, annuities, mutual funds, and investment products and services.

Pacific Life's organization is relatively unique as we are part of a mutual holding company structure. This allows us to make decisions that benefit our policyowners and the long-term financial strength of the company - rather than a publicly-traded stock price.

As a result, we enjoy an industry reputation for putting policyowners first and acting in their best interests. Our long-term commitment, combined with Pacific Life's disciplined investment philosophy, enables us to deliver products and services that help protect the financial future of our customers.

For additional company information, including current financial strength ratings, please visit [PacificLife.com](http://PacificLife.com).

*The power to help you succeed.*



\*Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company.

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## Important Information

**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 affiliates, their distributors and 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 or attorney.**

Values may contain guaranteed and non-guaranteed elements, including but not limited to current illustrated rates and current cost of insurance rates. This is not an estimate of future performance. Non-guaranteed/current elements are not guaranteed by definition. As such, Pacific Life Insurance Company reserves the right to change or modify any of these elements. This right to change these elements is not limited to a specific time or reason.

Some of the policy elements in this supplemental illustration are non-guaranteed. 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 performance 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.

Indexed Universal Life Insurance generally requires additional premium payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that coverage will expire.

Riders will likely incur additional charges and are subject to availability, restrictions and limitations. When considering a rider, request a policy illustration from your life insurance producer to see the rider's impact on your policy's values.

Neither this policy nor the indexed account(s) directly participate in any stock or equity investments.

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

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**Proposed Insured:** Valued Client  
 Male, Age 45  
 Preferred Nonsmoker

Death Benefit Option = A - (Level)  
 Initial Total Face Amount = \$2,802,231  
 Premium Frequency = Annual

**Life Insurance Producer:**  
 Kenneth Sapon CLU, CLTC, LUTCF, RPh.  
 Champion Agency, Inc.  
 2155 Louisiana Blvd NE  
 Suite 3100  
 Albuquerque, NM 87110

## Non-Guaranteed Policy Values: Ledger

Non-Guaranteed Values (EOY) @ 6.48% <sup>1</sup>								
Yr	Age	Premium Outlay* (1)	Policy Loan (2)	Net Outlay (3)	Net Accumulated Value (4)	Net Cash Surrender Value (5)	Death Benefit <sup>2</sup> (6)	
1	45	54,664	0	54,664	26,301	0	2,802,231	
2	46	54,664	0	54,664	57,719	41,247	2,802,231	
3	47	54,664	0	54,664	94,778	79,952	2,802,231	
4	48	54,664	0	54,664	136,758	123,581	2,802,231	
5	49	54,664	0	54,664	184,150	172,619	2,802,231	
6	50	54,664	0	54,664	236,095	226,213	2,802,231	
7	51	54,664	0	54,664	292,963	284,728	2,802,231	
8	52	54,664	0	54,664	355,144	348,554	2,802,231	
9	53	54,664	0	54,664	423,041	419,746	2,802,231	
10	54	54,664	0	54,664	495,720	495,720	2,802,231	
<b>Total</b>		<b>546,640</b>	<b>0</b>	<b>546,640</b>				
11	55	54,664	0	54,664	585,066	585,066	2,802,231	
12	56	54,664	0	54,664	680,582	680,582	2,802,231	
13	57	54,664	0	54,664	782,715	782,715	2,802,231	
14	58	54,664	0	54,664	892,001	892,001	2,802,231	
15	59	54,664	0	54,664	1,008,926	1,008,926	2,802,231	
16	60	54,664	0	54,664	1,133,932	1,133,932	2,802,231	
17	61	54,664	0	54,664	1,267,934	1,267,934	2,802,231	
18	62	54,664	0	54,664	1,411,687	1,411,687	2,802,231	
19	63	54,664	0	54,664	1,566,044	1,566,044	2,802,231	
20	64	54,664	0	54,664	1,731,981	1,731,981	2,802,231	
<b>Total</b>		<b>1,093,280</b>	<b>0</b>	<b>1,093,280</b>				

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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.

## Non-Guaranteed Policy Values: Ledger

Non-Guaranteed Values (EOY) @ 6.48% <sup>1</sup>								
Yr	Age	Premium Outlay* (1)	Policy Loan (2)	Net Outlay (3)	Net Accumulated Value (4)	Net Cash Surrender Value (5)	Death Benefit <sup>2</sup> (6)	
21	65	0	123,728	-123,728	1,729,648	1,729,648	2,100,625	
22	66	0	123,728	-123,728	1,727,234	1,727,234	2,103,534	
23	67	0	123,728	-123,728	1,724,752	1,724,752	2,104,368	
24	68	0	123,728	-123,728	1,722,221	1,722,221	2,103,077	
25	69	0	123,728	-123,728	1,719,667	1,719,667	2,099,614	
26	70	0	123,728	-123,728	1,704,430	1,704,430	2,079,340	
27	71	0	123,728	-123,728	1,688,608	1,688,608	2,030,079	
28	72	0	123,728	-123,728	1,672,270	1,672,270	1,975,508	
29	73	0	123,728	-123,728	1,655,519	1,655,519	1,915,582	
30	74	0	123,728	-123,728	1,638,493	1,638,493	1,850,283	
<b>Total</b>		<b>1,093,280</b>	<b>1,237,280</b>	<b>-144,000</b>				
31	75	0	123,728	-123,728	1,621,381	1,621,381	1,779,626	
32	76	0	123,728	-123,728	1,603,469	1,603,469	1,768,816	
33	77	0	123,728	-123,728	1,584,717	1,584,717	1,757,305	
34	78	0	123,728	-123,728	1,565,073	1,565,073	1,745,042	
35	79	0	123,728	-123,728	1,544,442	1,544,442	1,731,929	
36	80	0	123,728	-123,728	1,522,779	1,522,779	1,717,925	
37	81	0	123,728	-123,728	1,500,015	1,500,015	1,702,963	
38	82	0	123,728	-123,728	1,476,062	1,476,062	1,686,953	
39	83	0	123,728	-123,728	1,450,822	1,450,822	1,669,797	
40	84	0	123,728	-123,728	1,424,183	1,424,183	1,651,383	
<b>Total</b>		<b>1,093,280</b>	<b>2,474,560</b>	<b>-1,381,280</b>				
41	85	0	123,728	-123,728	1,396,029	1,396,029	1,631,593	
42	86	0	123,728	-123,728	1,366,196	1,366,196	1,610,260	
43	87	0	123,728	-123,728	1,334,506	1,334,506	1,587,201	
44	88	0	123,728	-123,728	1,300,738	1,300,738	1,562,191	
45	89	0	123,728	-123,728	1,264,615	1,264,615	1,534,943	
46	90	0	123,728	-123,728	1,225,796	1,225,796	1,505,105	
47	91	0	123,728	-123,728	1,187,809	1,187,809	1,418,670	
48	92	0	123,728	-123,728	1,151,711	1,151,711	1,330,625	
49	93	0	123,728	-123,728	1,118,847	1,118,847	1,242,136	
50	94	0	123,728	-123,728	1,090,820	1,090,820	1,154,572	
<b>Total</b>		<b>1,093,280</b>	<b>3,711,839</b>	<b>-2,618,559</b>				

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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.

## Non-Guaranteed Policy Values: Ledger

								Non-Guaranteed Values (EOY) @ 6.48% <sup>1</sup>	
Yr	Age	Premium Outlay* (1)	Policy Loan (2)	Net Outlay (3)	Net Accumulated Value (4)	Net Cash Surrender Value (5)	Death Benefit <sup>2</sup> (6)		
51	95	0	123,728	-123,728	1,062,422	1,062,422	1,128,331		
52	96	0	123,728	-123,728	1,033,860	1,033,860	1,101,980		
53	97	0	123,728	-123,728	1,004,870	1,004,870	1,075,253		
54	98	0	123,728	-123,728	975,803	975,803	1,048,504		
55	99	0	123,728	-123,728	946,838	946,838	1,021,919		
56	100	0	123,728	-123,728	917,867	917,867	995,387		
57	101	0	123,728	-123,728	889,566	889,566	969,592		
58	102	0	123,728	-123,728	862,328	862,328	944,934		
59	103	0	123,728	-123,728	836,469	836,469	921,735		
60	104	0	123,728	-123,728	812,397	812,397	900,405		
<b>Total</b>		<b>1,093,280</b>	<b>4,949,119</b>	<b>-3,855,839</b>					
61	105	0	123,728	-123,728	790,101	790,101	880,935		
62	106	0	123,728	-123,728	769,433	769,433	863,178		
63	107	0	123,728	-123,728	750,122	750,122	846,863		
64	108	0	123,728	-123,728	731,744	731,744	831,561		
65	109	0	123,728	-123,728	713,505	713,505	816,474		
66	110	0	123,728	-123,728	694,042	694,042	800,225		
67	111	0	123,728	-123,728	672,549	672,549	782,002		
68	112	0	123,728	-123,728	648,083	648,083	760,856		
69	113	0	123,728	-123,728	616,208	616,208	732,306		
70	114	0	123,728	-123,728	575,120	575,120	694,533		
<b>Total</b>		<b>1,093,280</b>	<b>6,186,399</b>	<b>-5,093,119</b>					
71	115	0	123,728	-123,728	522,585	522,585	645,281		
72	116	0	123,728	-123,728	455,831	455,831	581,756		
73	117	0	123,728	-123,728	371,430	371,430	500,494		
74	118	0	123,728	-123,728	265,123	265,123	397,196		
75	119	0	123,728	-123,728	131,619	131,619	266,522		
76	120	0	85,049	-85,049	4,829	4,829	142,334		
<b>Total</b>		<b>1,093,280</b>	<b>6,890,088</b>	<b>-5,796,808</b>					

The Allocations and Hypothetical Interest Rates below are for policy year 1. For any illustrated changes to the Allocations and Hypothetical Interest Rates see the Narrative Summary.

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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.

## Non-Guaranteed Policy Values: Ledger

	Allocation	Hypothetical Interest Rate
Fixed Account	0.00%	N/A
1-Year Indexed Account	100.00%	6.48%
1-Year International Indexed Account	0.00%	N/A
1-Year High Par Indexed Account	0.00%	N/A
1-Year No Cap Indexed Account	0.00%	N/A
2-Year Indexed Account	0.00%	N/A
High Par 5-Year Indexed Account	0.00%	N/A

<sup>1</sup>The values shown reflect the illustrated interest rate assumptions that you have requested, as shown in the Narrative Summary.

<sup>2</sup>All or a portion of the death benefit will be paid in periodic payments as described in the optional Benefit Distribution Rider Summary Report.

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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.

**Proposed Insured:** Valued Client  
Male, Age 45  
Preferred Nonsmoker

Death Benefit Option = A - (Level)  
Initial Total Face Amount = \$2,802,231  
Premium Frequency = Annual

**Life Insurance Producer:**  
Kenneth Sapon CLU, CLTC, LUTCF,  
RPh.  
Champion Agency, Inc.  
2155 Louisiana Blvd NE  
Suite 3100  
Albuquerque, NM 87110

## The Life Insurance Illustration: Narrative Summary

Thank you for considering Pacific Life Insurance Company. We look forward to helping you meet your goals throughout your lifetime. The Narrative Summary introduces you to the policy options you have chosen to illustrate.

Your life insurance producer can provide you with more information about policy options that have not been illustrated, as well as additional illustrations with different assumptions. Requesting illustrations with different assumptions may help you better understand how the policy charges and non-guaranteed elements, like interest crediting rates, will affect the policy. Please choose your illustrated rate carefully. Once your policy is in force, you should consider a periodic review of your policy with your life insurance producer.

### Important Information

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

### Underwriting Class

The underwriting class used in the illustration has a significant impact on the resulting values. Your actual underwriting class will be determined prior to issue.

### Non-Guaranteed Assumptions

Some policy elements, such as policy charges and interest crediting rate are not guaranteed and may be referred to as "current". These elements may be changed by Pacific Life Insurance Company at any time and for any reason, but cannot be less favorable to you than the policy's guarantees.

This illustration assumes that currently illustrated non-guaranteed elements will continue as shown for all years illustrated.

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.

Non-guaranteed/current elements are not guaranteed by definition. As such, Pacific Life Insurance Company reserves the right to change or modify any of these elements. This right to change these elements is not limited to a specific time or reason.

You may also request illustrations with different assumptions to better understand how the policy charges and non-guaranteed elements, like interest crediting rates and/or policy loans and withdrawals, will affect the policy Accumulated Value and Death Benefit.

### Death Benefit

The Death Benefit Proceeds are paid to the beneficiaries at the insured's death based on the elections for the Benefit Distribution Rider. For detailed information, refer to the optional Benefit Distribution Rider Summary Report. The actual amount paid to beneficiaries will be reduced by any distributions taken from the policy. You have the flexibility to raise or lower your death benefit in the future, but increases may require additional underwriting.

*Initial Death Benefit:*  
\$2,802,231

This is the Basic Illustration

**Coverage Type** Your Death Benefit can include Basic Coverage plus other coverage types. Each coverage type has unique features that should be considered when determining your coverage mix.

- Annual Renewable Term Rider (ARTR, Form Series 1CC11 R11RTP or R11RTP, based on state of policy issue)

Certain product features and riders may not be available through your life insurance producer.

Obtaining Death Benefits through a combination of Basic and ARTR Coverage may be more economical than obtaining the same Death Benefits through Basic Coverage alone, because ARTR Coverage has 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 and ARTR Coverage will have different policy values. When deciding whether or not to add ARTR Coverage to your policy, there are several factors to consider. These factors include, but are not limited to the following:

- ARTR Impacts on Accumulated Value
  - **Non-Guaranteed** - The non-guaranteed cost of ARTR Coverage is generally less than the non-guaranteed cost of Basic Coverage. Generally, under non-guaranteed assumptions, a higher proportion of ARTR Coverage will result in higher Accumulated Values.
  - **Guaranteed** - The guaranteed maximum cost of ARTR Coverage is generally greater than the guaranteed maximum cost of Basic Coverage. Generally, under guaranteed assumptions, a higher proportion of ARTR Coverage will result in lower Accumulated Values.
- Other Impacts
  - Different combinations of Basic and ARTR Coverage will result in different amounts and patterns of life insurance producer compensation.

Your life insurance producer can provide you with additional illustrations showing the effects of different proportions of Basic and ARTR Coverage to help you make your decision.

**Illustrated Coverage** The following face amounts are illustrated:

Basic Coverage		Face Amount	Start Year	End Year
		2,777,642	1	20
		2,078,377	21	76
ARTR Coverage	ICC11 R11RTP or R11RTP	Face Amount	Start Year	End Year
		24,589	1	20
		0	21	76

Decreases in ARTR Coverage amounts must be requested at the time of the decrease.

**Death Benefit Option**

Death Benefit Option	Start Year	End Year
A - (Level)	1	76

**Premium**

Your policy's flexible premiums allow you to choose the amount and frequency of your premium payments, within limits. Flexible Premium Indexed Adjustable Life Insurance generally requires additional payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that the coverage will expire.

*Initial Premium:*  
\$54,664.00

*Initial Frequency:*  
Annual

Illustrated premium payments are made at the beginning of the frequency shown.

This is the Basic Illustration

Premium	Frequency	Annualized Premium	Start Year	End Year
\$54,664.00	Annual	\$54,664.00	1	20
\$0.00	Annual	\$0.00	21	76

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 \$54,664.10.

**Premium Allocation & Transfers**

When you pay a premium, we subtract a premium load and then allocate the net premium to the Fixed Account. You have the option to transfer some or all of the Fixed Account to the Indexed Account, subject to restrictions outlined in the policy.

The amount transferred to the Indexed Account is the lesser of: 1) your selected transfer percentage multiplied by all net 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 allocation and transfer percentages are:

Please note, not all indexed accounts are available in all states. Please have your life insurance producer check indexed account availability for your state.

Accounts	Percentage	Start Year	End Year
1-Year Indexed Account	100.00%	1	76

**Accumulated Value**

Accumulated Value is equal to the premiums paid, less premium load, cost of insurance, other charges and deductions, and withdrawals, accumulated at interest. Net Accumulated Value equals the Accumulated Value minus any outstanding Policy Debt. If the Net Accumulated Value is less than the monthly charges, you will need to pay additional premium to keep the policy in force, unless the policy has a no-lapse guarantee in effect.

**Non-Guaranteed Benefit Distribution Rider Credit**

By selecting the Benefit Distribution Rider, the policy may receive a non-guaranteed monthly Benefit Distribution Rider (BDR) credit. To the extent that the non-guaranteed BDR credit exceeds the Monthly Deduction in any given month, the excess amount will be credited to your policy Accumulated Value and be transferred to the accounts on your policy according to your most recent premium allocation instructions provided. However, for purposes of this Illustration only, any excess non-guaranteed BDR credit that would be allocated to the Indexed Options is instead assumed to be allocated to the Fixed Account. The policy's non-guaranteed BDR credit is reflected in the non-guaranteed values shown in the Basic Illustration and is also shown on the optional Policy Charges pages. Please refer to the optional Benefit Distribution Rider Summary Report for additional information

**Cash Surrender Value**

The Cash Surrender Value equals the Accumulated Value less any surrender charge. The Net Cash Surrender Value equals the Cash Surrender Value minus any outstanding Policy Debt. The Net Cash Surrender Value is the amount you would receive if you surrender the policy and the amount available for distributions.

The surrender charge reaches zero 120 policy months after the issue date of any Basic Coverage amount whether it is included at policy issue or added later through a face amount increase.

**Fixed Account**

The Fixed Account earns interest at the current interest rate, which is declared by us. The current interest rate when the policy is issued is guaranteed for the first policy year. After the first policy year, the current interest rate may change at our discretion, but will never be less than the guaranteed interest rate.

**Current Interest Rate:** 4.20%  
**Guaranteed Interest Rate:** 2.00%  
**Illustrated Interest Rate:**

Rate	Start Year	End Year
4.20%	1	76

This is the Basic Illustration



**Illustrated Interest Bonus:** The non-guaranteed Fixed Account Interest Bonus credits an additional 0.56% to the Fixed Account beginning in policy year 11 and continuing to the later of end of policy year 20 or the policy anniversary coinciding with insurance age 70. This additional interest is reflected in this illustration.

All policy charges, Standard Policy Loans and Withdrawals will be deducted from the Fixed Account. If the Fixed Account is depleted, further deductions will be made from the Indexed Accounts.

**Transfer to the Indexed Account**

In accordance with contract provisions, net premiums paid are initially allocated to the Fixed Account and subsequently transferred to the Indexed Account(s) selected per your instructions. Transfers from the Fixed Account to the Indexed Accounts are processed on specified Transfer Dates, currently the 15<sup>th</sup> of every month. To make a transfer, adequate Accumulated Value must be available in the Fixed Account, and transfer instructions must be filed with us no later than two business days prior to the 15<sup>th</sup>.

Segment Lifecycle

- Each transfer creates a new Segment in the Indexed Account.
- When a new Segment is created, the current segment components are locked-in as a minimum guarantee for that Segment's term.
- Once the Segment matures it will be credited interest, if applicable. If your policy terminates before Segment Maturity, no indexed interest will be credited above the Segment Guaranteed Interest Rate, which is credited daily prior to termination.
- At Segment Maturity, it may be reallocated to any account. If you don't specify a new account, it will create a new Segment in the same Indexed Account.

Lockout Period

If a deduction from an Indexed Account(s) occurs as a result of a Policy Loan or Withdrawal that is not part of the Automated Income Option (AIO), then no allocations from the Fixed Account into the Indexed Account(s) will be allowed for 12 months following the date of the deduction. This 12 month period is called the lockout period.

Transactions that may be impacted include:

- Transfers from the Fixed Account into the Indexed Accounts
- Premium or loan repayments with allocations to the Indexed Accounts

Based on the assumptions used in this illustration, a lockout has not occurred.

**Indexed Interest**

Each Segment earns Indexed Interest based on the percentage change in value of its underlying index, subject to the segment components and will mature on the Segment Maturity Date. In this illustration, Indexed Interest Credits are shown as applied at the end of the policy year preceding the Segment Maturity Date. In fact, any Indexed Interest Credits will be credited on the Segment Maturity Date. To the extent that the actual Indexed Account performance is less favorable than illustrated, the sum of your policy's cost of insurance charges will be greater than those illustrated, all of which will result in an Accumulated Value and Cash Surrender Value less than illustrated.

Each Indexed Account is projected at its own rate and the results are combined with the Fixed Account in this illustration. Actual policy performance will be either more or less favorable than illustrated.

Hypothetical Indexed Interest Rate

The following sections show a hypothetical Indexed Interest Rate based on historical index returns. This is not an indication of future performance and is not guaranteed. The maximum illustrated rates are based on the lower of your chosen Indexed Account's hypothetical Indexed Interest Rate or the 1-Year Indexed Account's hypothetical Indexed Interest Rate. All Indexed Accounts were calculated by averaging the compound rates for the 25-year period starting on 12/31/1950, 12/31/1987 for the 1-Year International Indexed Account, and for each 25-year period starting on each subsequent trading day thereafter, ending with the 25-year period that ends on 12/31/2015.

**1-Year Indexed Account**

**Segment Components:**

Segment Term	Underlying Index (excluding dividends)	Participation Rate	Growth Cap	Segment Guaranteed Interest Rate
12 Months	S&P 500®	100% Guaranteed	11% Current (3% guaranteed minimum)	0%

This is the Basic Illustration

**Historical Index Return:** The average annual return of the S&P 500® index, excluding dividends, over the last 65-year historical period was 7.24%.

Using the historical returns along with the current Growth Cap, Participation Rate and Segment Guaranteed Interest Rate, a hypothetical average annual Indexed Account Interest Rate would be 6.48%.

**Hypothetical Interest Example:** Here is an example of hypothetical Indexed Interest Rates based on hypothetical S&P 500® returns (excluding dividends) and current segment components.

	Year 1	Year 2	Year 3	Year 4	Year 5
Hypothetical S&P 500® index Returns*	17.64%	12.58%	6.98%	-1.75%	35.60%
Hypothetical Indexed Interest Rate	11.00%	11.00%	6.98%	0.00%	11.00%

\*The Hypothetical S&P 500® index Returns listed above are based on the S&P 500® index returns (excluding dividends) from 1991 through 1995.

**Illustrated Indexed Interest Rate:**

Rate	Start Year	End Year
6.48%	1	76

1-Year  
International  
Indexed Account

**Segment Component:**

Segment Term	Underlying Indexes (excluding dividends)	Participation Rate	Growth Cap	Segment Guaranteed Interest Rate
12 Months	Hang Seng, EURO STOXX 50® & MSCI Emerging Markets	100% Guaranteed	11% Current (3% guaranteed minimum)	0%

This account is called the 1 Year Indexed Account 2 in the contract.

**Historical Index Returns:** The Hang Seng, EURO STOXX 50®, and MSCI Emerging Markets Indexes' average annual returns, excluding dividends, over the last 28-year historical period are shown in the following table:

Hang Seng Index Annual Return	EURO STOXX 50® Index Annual Return	MSCI Emerging Markets Index Annual Return
8.89%	5.09%	7.35%

The annual results of these three indices, excluding dividends, are averaged to create the combined international index. The average annual return of the combined international index over the last 28-year historical period was 7.90%.

The current Growth Cap, Participation Rate and Segment Guaranteed Interest Rate are applied to the annual returns for each index. The results are then averaged to determine the final Indexed Account Interest Rate. The hypothetical average annual Indexed Account Interest Rate would be 6.50%.

**Hypothetical Interest Example:** Here is an example of Hypothetical Indexed Interest Rates based on different hypothetical returns for each index and current segment components.

This is the Basic Illustration

	Hang Seng Index Growth Rate*	Hang Seng Indexed Interest Rate	EURO STOXX 50 Index Growth Rate*	EURO STOXX 50 Indexed Interest Rate	MSCI Emerging Markets Index Growth Rate*	MSCI Emerging Markets Indexed Interest Rate	Average Segment Indexed Interest Rate
Year 1	33.46%	11.00%	7.54%	7.54%	38.96%	11.00%	9.85%
Year 2	26.27%	11.00%	0.89%	0.89%	14.91%	11.00%	7.63%
Year 3	90.23%	11.00%	38.93%	11.00%	60.42%	11.00%	11.00%
Year 4	-20.19%	0.00%	-5.22%	0.00%	5.05%	5.05%	1.68%
Year 5	23.95%	11.00%	15.56%	11.00%	-13.21%	0.00%	7.33%

\*The Hypothetical Index Growth Rates listed above are based on the index returns from 1991 through 1995.

**1-Year High Par Indexed Account**
**Segment Components:**

Segment Term	Underlying Index (excluding dividends)	Participation Rate	Growth Cap	Segment Guaranteed Interest Rate
12 Months	S&P 500®	150% Current 140% Guaranteed	9.00% Current (2% guaranteed minimum)	0%

This account is called the 1 Year Indexed Account 3 in the contract.

**Historical Index Return:** The average annual return of the S&P 500® index, excluding dividends, over the last 65-year historical period was 7.24%.

Using the historical returns along with the current Growth Cap, Participation Rate and Segment Guaranteed Interest Rate, a hypothetical average annual Indexed Account Interest Rate would be 5.87%.

**Hypothetical Interest Example:** Here is an example of a hypothetical Indexed Interest Rates based on different hypothetical S&P 500® index returns (excluding dividends) and using the current segment components.

	Year 1	Year 2	Year 3	Year 4	Year 5
Hypothetical S&P 500® index Returns*	17.64%	12.58%	6.98%	-1.75%	35.60%
Hypothetical Indexed Interest Rate	9.00%	9.00%	9.00%	0.00%	9.00%

\*The Hypothetical S&P 500® index Returns listed above are based on the S&P 500® index returns (excluding dividends) from 1991 through 1995.

**1-Year No Cap Indexed Account**
**Segment Components:**

Segment Term	Underlying Index (excluding dividends)	Participation Rate	Threshold Rate	Growth Cap	Segment Guaranteed Interest Rate
12 Months	S&P 500®	100% Guaranteed	5.00% Current (20% guaranteed maximum)	N/A	0%

This account is called the 1 Year Indexed Account 4 in the contract. The Threshold Rate is the percentage subtracted from the Indexed Growth Rate. An Indexed Growth Rate equal to or less than the current Threshold Rate will result in a 0.00% Indexed Interest Rate.

**Historical Index Return:** The average annual return of the S&P 500® index, excluding dividends, over the last 65-year historical period was 7.24%.

Using the historical returns along with the current Participation Rate, Threshold Rate and Segment Guaranteed Interest Rate, a hypothetical average annual Indexed Account Interest Rate would be 7.91%.

This is the Basic Illustration

**Hypothetical Interest Example:** Here is an example of hypothetical Indexed Interest Rates based on hypothetical S&P 500® returns (excluding dividends) and current segment components.

	Year 1	Year 2	Year 3	Year 4	Year 5
Hypothetical S&P 500® index Returns*	17.64%	12.58%	6.98%	-1.75%	35.60%
Hypothetical Indexed Interest Rate	12.64%	7.58%	1.98%	0.00%	30.60%

\*The Hypothetical S&P 500® index Returns listed above are based on the S&P 500® index returns (excluding dividends) from 1991 through 1995.

**2-Year Indexed Account**

**Segment Components:**

Segment Term	Underlying Index (excluding dividends)	Participation Rate	Growth Cap	Segment Guaranteed Interest Rate
24 Months	S&P 500®	100% Guaranteed	30% over 2 years (6% over 2 years guaranteed minimum)	0%

**Historical Index Return:** The average annualized two-year return of the S&P 500® index, excluding dividends, over the last 65-year historical period was 7.19%

Using the historical returns along with the current Growth Cap, Participation Rate and Segment Guaranteed Interest Rate, a hypothetical average annualized two-year Indexed Account Interest Rate would be 7.34%.

**Hypothetical Interest Example:** Here is an example of hypothetical Indexed Interest Rates based on different hypothetical S&P 500® index returns (excluding dividends) and using the current segment components.

	Year 1	Year 2	Year 3	Year 4	Year 5
Hypothetical S&P 500® index Returns*	n/a	32.44%	n/a	5.11%	n/a
Hypothetical Indexed Interest Rate	0.00%	30.00%	0.00%	5.11%	0.00%

\*The Hypothetical S&P 500® index Returns listed above are based on the S&P 500® index returns (excluding dividends) from 1991 through 1995.

**High Par 5-Year Indexed Account**

**Segment Components:**

Segment Term	Underlying Index (excluding dividends)	Participation Rate	Growth Cap	Segment Guaranteed Interest Rate
60 Months	S&P 500®	110% Current (105% Guaranteed)	No Current Growth Cap (15% over 5 years guaranteed minimum)	0%

This account is called the 5 Year Indexed Account 2 in the contract.

**Historical Index Return:** The average annualized five-year return of the S&P 500® index, excluding dividends, over the last 65-year historical period was 6.58%.

Using the historical returns along with the current Growth Cap, Participation Rate and Segment Guaranteed Interest Rate, a hypothetical average annualized five-year Indexed Account Interest Rate would be 7.57%.

**Hypothetical Interest Example:** Here is an example of hypothetical Indexed Interest Rates based on different hypothetical S&P 500® index returns (excluding dividends) and using the current segment components.

This is the Basic Illustration

	Year 1	Year 2	Year 3	Year 4	Year 5
Hypothetical S&P 500® index Returns*	n/a	n/a	n/a	n/a	65.93%
Hypothetical Indexed Interest Rate	0.00%	0.00%	0.00%	0.00%	72.53%

\*The Hypothetical S&P 500® index Returns listed above are based on the S&P 500® index returns (excluding dividends) from 1991 through 1995.

**Illustrated Interest Bonus**

The non-guaranteed Indexed Account Interest Bonus increases the illustrated Indexed Interest Rate(s) at Segment Maturity by 11.81% of the rate excluding the bonus. The bonus begins with segments created in policy year 11 and continuing to the later of end of policy year 20 or the policy anniversary coinciding with insurance age 70. This additional interest is reflected in this illustration but is not guaranteed.

**Illustrated Riders**

Riders add benefits that can provide flexibility or additional coverage for you or a family member. Some riders are optional and others are automatically included. The next section includes a brief description of the riders, including costs, that are included in this illustration. There may be other riders available to you. Your life insurance producer can provide more information.

**Benefit Distribution Rider**

The rider allows the policyowner to designate a percentage (50% to 100%) of the Death Benefit Proceeds to be paid in annual or monthly Periodic Payments to the policy's beneficiaries over an elected period of time (any duration from 5 to 30 years) at the insured's death. Periodic Payments to the policy's beneficiaries will reflect a guaranteed, level 2% annual interest rate. Additionally, if the rider is elected, Pacific Life Insurance Company may reduce the policy charges on a non-guaranteed basis while the policy is in force, which is reflected as a non-guaranteed Benefit Distribution Rider (BDR) credit.

Periodic Payments are calculated based on the Death Benefit Proceeds and the Benefit Distribution Elections. A level amount is paid for all Periodic Payments due under this rider. The included interest portion of each Periodic Payment is tax reportable as income to the beneficiary(ies) in the year it is received. For detailed information about the elections you have made under this rider, your life insurance producer can provide you with the optional Benefit Distribution Rider Summary Report.

If the rider is not elected, the beneficiary can elect to receive periodic payments under an Income Benefit plan we make available to them at the insured's death that may credit a higher or lower interest rate to any periodic payments than the rider's 2% guaranteed rate. However, the election of an Income Benefit plan at the insured's death will not result in any non-guaranteed reduction of policy charges while the policy is in force.

The following Benefit Distribution Rider Elections have been selected for this illustration:

Death Benefit Periodic Payment Percentage	100%
Duration of Periodic Payments (Years)	30
Frequency of Periodic Payments	Monthly

This optional rider can only be elected at policy issue. This rider is provided at no additional cost. (Form Series R15BDR).

**Premier Living Benefits Rider**

Provides an accelerated payment of the Death Benefit if you have a chronic illness. Each time you receive a benefit payment, the Net Death Benefit and the Net Cash Surrender Value will be reduced based on the amount of the benefit payment. If a policy loan is outstanding at the time of a benefit payment, a portion of the benefit payment will go towards repaying the loan, in effect reducing the amount you owe and receive. Accelerating the entire death benefit will terminate the policy. The benefit payment is subject to a maximum, which will vary each time you receive a benefit payment. You can choose to receive an amount less than the maximum benefit payment. For each benefit requested we must receive written certification that you have a chronic illness. Chronic illness means that the insured is certified in writing by a Licensed Health Care Practitioner as unable to perform at least two Activities of Daily Living without substantial assistance from another individual due to a loss of functional capacity and the condition is expected to be permanent; or requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment and the condition is expected to be permanent.

This is the Basic Illustration

The chronic illness rider may be attached to only one policy per insured. If you have existing Pacific Life Insurance Company policies with a chronic illness rider, you may choose to either:

1. terminate the chronic illness rider on your existing policy, and obtain a new chronic illness rider with a newly-issued policy, if you qualify; or
2. maintain the chronic illness rider on your existing policy, and accept any applied for life insurance, if issued, without the chronic illness rider.

You should not terminate any existing Pacific Life Insurance Company chronic illness rider until the new application with a chronic illness rider has been approved by Pacific Life Insurance Company. If an insured's chronic illness has generated benefits under any existing Pacific Life Insurance Company policy, that insured does not qualify for a new chronic illness rider. Please understand that chronic illness benefits may be higher or lower based upon the policy to which it is attached. Request sample illustrations from your life insurance producer to help determine the policy configuration that is appropriate for you.

Benefits paid by accelerating the policy's death benefit may or may not qualify for favorable tax treatment under Section 101(g) of the Internal Revenue Code of 1986. Tax treatment of an accelerated death benefit may depend on factors such as the amount of benefits in relation to certain IRS limitations (referred to as "per diem" limitations), the amount of qualified expenses incurred or if similar benefits are being received under other contracts. Receipt of accelerated death benefits may affect eligibility for public assistance programs such as Medicaid. When benefits are received from multiple policies providing long-term care or chronic illness benefits for a given insured, including policies with different owners, all of those benefits must be aggregated to determine their taxability. Tax laws relating to accelerated death benefits are complex. Pacific Life Insurance Company cannot determine whether the benefits are taxable. Clients are advised to consult with qualified and independent legal and tax advisors for more information.

The table below shows the non-guaranteed net maximum annual benefit payment on the following eligible insured(s), if they qualify. Benefit payments are subject to a maximum, which will vary each time you receive a benefit. Benefits are not guaranteed and actual benefit payments may be less than illustrated.

Valued Client	
Age	Net Maximum Annual Payment
75	\$85,452
80	\$66,087

The 2016 IRS per diem limitation is \$340.00 and may change annually.

There is no up-front cost or monthly rider charge. The cost of exercising the rider is that the death benefit is reduced by an amount greater than the rider benefit payment itself to reflect the early payment of the death benefit. Rider benefit payments will reduce the death benefit, cash surrender value, and any policy debt. Additionally, rider benefit payments may adversely affect the benefits under other riders.

(Form Series ICC12 R12CII or R12CII, based on state of policy issue)

**Terminal Illness Rider**

Gives you access to a portion of the policy's Basic or ARTR Coverage face amount(s) if the insured has been diagnosed by a licensed physician as terminally ill, resulting in a life expectancy of 12 months or less. We will pay the terminal illness benefit proceeds only once per policy.

Benefits paid by accelerating the policy's death benefit may or may not qualify for favorable tax treatment under Section 101(g) of the Internal Revenue Code of 1986. Tax treatment of an accelerated death benefit due to terminal illness depends on the life expectancy of the insured at the time benefits are accelerated. Receipt of accelerated death benefits may affect eligibility for public assistance programs such as Medicaid. Tax laws relating to accelerated death benefits are complex. Pacific Life Insurance Company cannot determine whether the benefits are taxable. Clients are advised to consult with qualified and independent legal and tax advisors for more information.

There is no up-front cost or monthly rider charge. The cost of exercising the rider is that the death benefit is reduced by an amount greater than the rider benefit payment itself to reflect the early payment of the death benefit. Rider benefit payments will reduce the death benefit, cash surrender

This is the Basic Illustration

value, and any policy debt. Additionally, rider benefit payments may adversely affect the benefits under other riders. The rider will be added to your policy, unless you specifically decline it in the application. (Form Series ICC12 R12TII or R12TII, based on state of policy issue)

**Short-Term No-Lapse Guarantee Rider**

While the Short-Term No-Lapse Guarantee Rider (STNLG) is in effect, your death benefit is guaranteed, regardless of future changes to interest rates or policy charges. In order for the rider to be in effect, a minimum premium must be paid.

**Maximum STNLG Duration:** 20 years

STNLG Minimum Premium			
Annual	Semi-Annual	Quarterly	Monthly
30,360.21	15,328.95	7,702.05	2,575.75

**Important Information**

The actual STNLG Minimum Premium depends on the actual amount of premium payments and distributions. Any changes in benefit amounts will also affect the STNLG Duration. Paying only the Short-Term No-Lapse Guarantee Premiums will guarantee the death benefit from 4 to 20 years, based on the insured's age at issue, but will not guarantee cash value accumulation. If you discontinue paying the Short-Term No-Lapse Premiums or take a loan or withdrawal from the policy, the no-lapse feature will terminate before the guaranteed duration. Additional premiums will be required to continue the policy beyond the guaranteed duration.

This rider is provided at no additional cost. (Form Series R02NL5)

**Conversion Rider**

Anytime during the 8th policy year, while your policy is in force, you may convert this policy to any cash value life insurance policy that is available for conversions. The Total Face Amount of the new policy will equal the current Basic Coverage of your current policy. All applicable surrender charges on the surrendered policy will be waived, and no evidence of insurability will be required for the conversion. This conversion right is subject to state availability. This rider is provided at no additional cost. (Form Series R06CON)

**Other Riders**

The following riders have not been illustrated. See individual rider descriptions for more information.

**Overloan Protection 3 Rider**

If exercised and as long as the rider remains in-force, the policy will not lapse even if the Policy Debt exceeds the Accumulated Value. The rider can be exercised only if all of the conditions of the rider are met. You may not be able to exercise this rider as illustrated if your actual use of the policy's options, actual interest rate, or policy charges, differs from those assumed. Upon exercising this rider, a one-time rider exercise charge will be assessed. This amount will vary depending on the actual Accumulated Value at the time of exercising this rider. Certain transactions and policy changes after exercising the rider will terminate the rider. If this rider terminates other than by the death of the insured, any amount by which the Policy Debt exceeds the Accumulated Value is due and payable. This rider is provided at no additional cost until the rider is exercised.

The potential tax consequences of the Overloan Protection 3 Rider have not specifically been ruled on by the IRS or the courts. Consult your tax adviser. (Form Series R15OLP, R15OLP SP or ICC R15OLP, ICC R15OLP SP, based on state of policy issue.)

**Distributions**

Distributions can be taken as Policy Loans and Withdrawals when there is adequate Net Cash Surrender Value available, as explained in the policy. The illustrated distributions may not be available if the policy does not perform as illustrated. This illustration shows distributions that are requested and distributed in 12 equal monthly payments. Distributions will reduce policy values and may reduce Death Benefits.

Interest credited to the Accumulated Value of a life insurance policy is generally tax-deferred but may be taxable at the time of withdrawal, surrender or lapse. See the **Tax Information** section information about when distributions or other policy events could result in taxable income.

Currently, the charge for each Withdrawal is \$0. However, we reserve the right to charge up to \$25 for each withdrawal.

This is the Basic Illustration

**Automated Income Option**

Automated Income Option (AIO) is a program that electronically deposits distributions into your checking or savings account on a recurring basis. Enrollment is not automatic; certain requirements must be met, and you must request enrollment when distributions are to begin.

**Policy Loans**

A policy loan, if not repaid earlier, is eventually repaid from policy proceeds at death, surrender, or lapse. The Death Benefit and Net Cash Surrender Value columns reflect values net of policy loans.

**Standard Loans Compared to Alternate Loans**

You may take policy loans as Standard Loans or Alternate Loans or a combination of both types of loans, subject to the policy provisions. **Your choice of a Standard Loan or Alternate Loan can have a significant impact on policy values and the cost of a loan.**

	Maximum Loan Amount Available	Loan Interest Crediting & Loan Interest Charged
Standard Loans	The entire policy's Accumulated Value is available.	Neither the loan interest charged nor the loan interest credited is affected by the performance of the policy.
Alternate Loans	Only the Net Accumulated Value in any of the 1-Year Indexed Accounts is available.	The loan interest charged <u>is not</u> affected by the performance of the policy. However, the loan interest credited <u>is</u> affected by the performance of the policy.  <b>This causes Alternate Loans to be significantly more volatile than Standard Loans</b>

**Standard Loans**

Interest is due at the end of each policy year when a policy loan is outstanding. In this illustration the policy loan interest charged is borrowed and added to the loan balance.

**Loan Charge Rate: 2.25%**

Interest is credited to the portion of Accumulated Value securing the Policy Loan. We reserve the right to decrease the current loan interest crediting rate. However, we will not reduce the rate to less than the guaranteed rate.

**Current Loan Interest Crediting Rate: 2.00% in years 1-5 and 2.25% in years 6+**  
**Guaranteed Loan Interest Crediting Rate: 2.00%**

This illustration also assumes that standard policy loan interest payments are allocated to the Fixed Account and earn Fixed Account Interest Credits at the declared rate.

**Alternate Loans**

Interest is due at the end of each policy year when a policy loan is outstanding. We reserve the right to increase the current loan interest charge rate. However, we will not increase the rate to more than the guaranteed rate.

**Current Loan Interest Charge Rate: 5.05%**  
**Guaranteed Loan Interest Charge Rate: 7.50%**

**Future Action Required**

Certain policy changes will not happen automatically and will require a written request. This illustration reflects possible future changes. Please contact your life insurance producer prior to each change to see if a written request is required.

Policy Year	Calendar Year	Age	Policy Changes	Amount
21	2036	65	Reduce Basic Coverage	699,265
21	2036	65	Reduce ARTR Coverage	24,589
21	2036	65	***Start Distributions	123,728

Calendar years specified above assume the policy is issued in year 2016.

\*\*\*This illustration reflects Policy Loan(s). Each requires a written request. The specific amount and timing of the Policy Loan(s) can be affected by your actual use of the policy's options, actual rates of return, policy charges, premium amount or frequency and may not be available as illustrated.

This is the Basic Illustration



**Tax Information** 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 Insurance Company, its affiliates, their 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 or attorney.

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 life insurance 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 Rates** The following tax rates have been used to estimate your taxes, if any, on distributions.

**Illustrated Tax Rates:**

Rate	Start Year	End Year
31.00%	1	76

**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 qualifies as life insurance under IRC Section 7702 if it meets one of two alternative tests. This illustration uses the Guideline Premium Test which limits the sum of premiums paid by the greater of the guideline single premium or the sum of the guideline level premiums at such time. In addition, the Death Benefit payable under the policy must at all times be at least equal to an applicable percentage of the Accumulated Value. 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)** A Modified Endowment Contract (MEC) is a life insurance policy and like other life insurance policies provides favorable tax treatment of death benefits and the tax deferred growth of cash value. However, a MEC is subject to less favorable taxation on distributions of cash value, including withdrawals, policy loans and certain other "deemed" distributions. Rules defining a MEC and its tax treatment can be found in IRC Section 7702A and 72, respectively. Depending upon whether or not future distributions are taken from a policy, the MEC status may or may not impact the taxation of the policy. **As such, we recommend you consult your tax advisor prior to taking any action on your policy that may cause it to become a MEC.**

As provided in IRC Section 7702A, a life insurance policy becomes a MEC if it fails the Seven-Pay Test. The Seven-Pay Test compares the premiums paid into the policy during the testing period against the Seven-Pay Premium Limit, which grows from year to year over that period. The Seven-Pay Test starts at policy issue and continues for seven years. Also, upon any Seven-Pay Material Change a new Seven-Pay Test with a new limit will start and continue for seven more years. A policy may never have a Seven-Pay Material Change, or it may have more than one, depending upon any policy changes made over the life of the policy.

This is the Basic Illustration

**Modified  
Endowment  
Contract (MEC)  
(continued)**

A Seven-Pay Material Change will generally occur if there are 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 Limit determination. This can occur whether or not the policy is currently in a Seven-Pay Test Period. A Seven-Pay Material Change may also occur as a result of certain other policy changes.

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 the excess premium payments, plus interest (which is taxable), are returned to you prior to 60 days after the end of the 'measuring year' in which the premium payment was made.

A policy may be subject to retroactive 're-testing' if policy benefits are reduced. Premiums previously applied to the policy during the Seven-Pay Test Period will be retested against a new Seven-Pay Premium Limit reflecting the lower policy benefits and can cause the policy to become a MEC. Before you request a withdrawal or otherwise reduce your policy benefits, you should confirm with us whether your policy would become a MEC. **Prior to any Seven-Pay Material Change you should consider whether future reductions or withdrawals may take place. If so, we recommend that you request an in-force illustration and consult your tax advisor.**

**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.**

**Tax-Free  
Income**

For federal income tax purposes, 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 Secs. 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.

**Taxable Income**

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

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.

This is the Basic Illustration

Initial Premium Limits Summary  
**Seven Pay Premium:** 133,277.31  
**Guideline Single Premium:** 628,248.50  
**Guideline Level Premium:** 54,664.10

When the Death Benefit is greater than the Face Amount due to Accumulated Value growth, payment of additional premium will be subject to approval.

**Other Information**

This illustration assumes you are the owner of the policy.

**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.**

**Pacific Life Insurance Company does not provide qualified plan administrative services or impartial investment advice, and does not act in a fiduciary capacity for any plan.**

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

Not a deposit	Not FDIC insured	Not insured by any government agency	Not bank guaranteed	May lose value
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This is the Basic Illustration

## Policy Values: Numeric Summary

Yr	Age	Cumulative		End of Year Guaranteed Values <sup>1</sup> 0.00%		End of Year Non-Guaranteed Values <sup>1</sup>			
		Premium Outlay* (1)	Policy Loan (2)	Net Cash Surrender Value (3)	Death Benefit (4)	Intermediate		Illustrated 6.48%	
						Net Cash Surrender Value (5)	Death Benefit (6)	Net Cash Surrender Value (7)	Death Benefit (8)
5	49	273,320	0	70,154	2,802,231	118,376	2,802,231	172,619	2,802,231
10	54	546,640	0	145,490	2,802,231	300,575	2,802,231	495,720	2,802,231
20	64	1,093,280	0	131,617	2,802,231	729,797	2,802,231	1,731,981	2,802,231
26	70	1,093,280	742,368	##	##	##	##	1,704,430	2,079,340
30	74	1,093,280	1,237,280					1,638,493	1,850,283

The Allocations and Hypothetical Interest Rates below are for policy year 1. For any illustrated changes to the Allocations and Hypothetical Interest Rates see the Narrative Summary.

	Allocation	Initial Guaranteed Interest Rate	Non-Guaranteed Intermediate Hypothetical Interest Rate	Non-Guaranteed Hypothetical Interest Rate
Fixed Account	0.00%	N/A	N/A	N/A
1-Year Indexed Account	100.00%	0.00%	3.24%	6.48%
1-Year International Indexed Account	0.00%	N/A	N/A	N/A
1-Year High Par Indexed Account	0.00%	N/A	N/A	N/A
1-Year No Cap Indexed Account	0.00%	N/A	N/A	N/A
2-Year Indexed Account	0.00%	N/A	N/A	N/A
High Par 5-Year Indexed Account	0.00%	N/A	N/A	N/A

<sup>1</sup>Guaranteed columns reflect maximum policy charges and guaranteed interest. 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. Illustrated columns reflect assumptions about non-guaranteed elements, including the interest rate assumptions that you have requested, as shown in the Narrative Summary.

\*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.

Where either guaranteed or intermediate scale Cash Surrender Value is insufficient, any distributions illustrated are: (1) based on non-guaranteed assumptions; (2) reflected in the non-guaranteed columns; and (3) not reflected in the guaranteed or intermediate scale columns.

## Indicates that insurance coverage will cease in year 21 based on guaranteed assumptions. ## Indicates that insurance coverage will cease in year 26 based on intermediate assumptions. ## Indicates that insurance coverage would remain in force at least through year 76 (insured's age 120) based on illustrated assumptions.

Historical performance of the underlying Index 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 underlying Index, Growth Cap, Participation Rate and Threshold Rate if applicable.

**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. I understand this is an illustration and not a contract. For full policy details, I will refer to the contract.**

This is the Basic Illustration

## Policy Values: Numeric Summary

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**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

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**LIFE INSURANCE PRODUCER'S SIGNATURE****DATE****PL LIFE INSURANCE PRODUCER #**

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## Policy Values: Tabular Detail

				Guaranteed Values EOY @ 0.00% <sup>1</sup>			Non-Guaranteed Alternate Scale Values EOY @ 4.20% <sup>2</sup>			Non-Guaranteed Values EOY @ 6.48% <sup>3</sup>		
Yr	Age	Premium Outlay*	Policy Loan	Accumulated Value	Net Cash Surrender Value	Death Benefit	Accumulated Value	Net Cash Surrender Value	Death Benefit	Accumulated Value	Net Cash Surrender Value	Death Benefit
1	45	54,664	0	17,512	0	2,802,231	25,468	0	2,802,231	26,301	0	2,802,231
2	46	54,664	0	34,380	17,909	2,802,231	55,376	38,904	2,802,231	57,719	41,247	2,802,231
3	47	54,664	0	50,557	35,732	2,802,231	90,101	75,275	2,802,231	94,778	79,952	2,802,231
4	48	54,664	0	66,352	53,175	2,802,231	128,770	115,593	2,802,231	136,758	123,581	2,802,231
5	49	54,664	0	81,685	70,154	2,802,231	171,718	160,187	2,802,231	184,150	172,619	2,802,231
6	50	54,664	0	96,423	86,541	2,802,231	217,928	208,046	2,802,231	236,095	226,213	2,802,231
7	51	54,664	0	110,413	102,177	2,802,231	267,611	259,375	2,802,231	292,963	284,728	2,802,231
8	52	54,664	0	123,365	116,775	2,802,231	320,982	314,392	2,802,231	355,144	348,554	2,802,231
9	53	54,664	0	135,153	131,858	2,802,231	378,257	374,962	2,802,231	423,041	419,746	2,802,231
10	54	54,664	0	145,490	145,490	2,802,231	438,313	438,313	2,802,231	495,720	495,720	2,802,231
<b>Total</b>		<b>546,640</b>										
11	55	54,664	0	154,115	154,115	2,802,231	510,978	510,978	2,802,231	585,066	585,066	2,802,231
12	56	54,664	0	160,924	160,924	2,802,231	586,720	586,720	2,802,231	680,582	680,582	2,802,231
13	57	54,664	0	165,777	165,777	2,802,231	665,665	665,665	2,802,231	782,715	782,715	2,802,231
14	58	54,664	0	169,010	169,010	2,802,231	748,000	748,000	2,802,231	892,001	892,001	2,802,231
15	59	54,664	0	170,374	170,374	2,802,231	833,815	833,815	2,802,231	1,008,926	1,008,926	2,802,231
16	60	54,664	0	169,461	169,461	2,802,231	923,093	923,093	2,802,231	1,133,932	1,133,932	2,802,231
17	61	54,664	0	165,687	165,687	2,802,231	1,016,301	1,016,301	2,802,231	1,267,934	1,267,934	2,802,231
18	62	54,664	0	158,403	158,403	2,802,231	1,113,660	1,113,660	2,802,231	1,411,687	1,411,687	2,802,231
19	63	54,664	0	147,141	147,141	2,802,231	1,215,423	1,215,423	2,802,231	1,566,044	1,566,044	2,802,231
20	64	54,664	0	131,617	131,617	2,802,231	1,321,908	1,321,908	2,802,231	1,731,981	1,731,981	2,802,231
<b>Total</b>		<b>1,093,280</b>										

<sup>1</sup>Guaranteed columns reflect maximum policy charges and guaranteed interest.

<sup>2</sup>The Non-Guaranteed Alternate Scale Values columns reflect assumptions about non-guaranteed elements and assumes the allocated indexed accounts will receive the current Fixed Account crediting rate.

<sup>3</sup>Non-Guaranteed columns reflect assumptions about non-guaranteed elements and include the interest rate assumptions that you have requested. Refer to the Narrative Summary for more 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.

This is the Basic Illustration

## Policy Values: Tabular Detail

Yr	Age	Premium Outlay*	Policy Loan	Guaranteed Values EOY @ 0.00% <sup>1</sup>			Non-Guaranteed Alternate Scale Values EOY @ 4.20% <sup>2</sup>			Non-Guaranteed Values EOY @ 6.48% <sup>3</sup>		
				Accumulated Value	Net Cash Surrender Value	Death Benefit	Accumulated Value	Net Cash Surrender Value	Death Benefit	Accumulated Value	Net Cash Surrender Value	Death Benefit
21	65	0	123,728	0	0	0	1,255,440	1,255,440	1,953,141	1,854,884	1,729,648	2,100,625
22	66	0	123,728	0	0	0	1,185,823	1,185,823	1,825,087	1,980,524	1,727,234	2,103,534
23	67	0	123,728	0	0	0	1,112,926	1,112,926	1,694,152	2,108,977	1,724,752	2,104,368
24	68	0	123,728	0	0	0	1,036,619	1,036,619	1,560,271	2,240,327	1,722,221	2,103,077
25	69	0	123,728	0	0	0	956,769	956,769	1,423,378	2,374,666	1,719,667	2,099,614
26	70	0	123,728	0	0	0	868,875	868,875	1,283,405	2,499,402	1,704,430	2,079,340
27	71	0	123,728	0	0	0	777,378	777,378	1,140,282	2,626,703	1,688,608	2,030,079
28	72	0	123,728	0	0	0	682,145	682,145	993,939	2,756,708	1,672,270	1,975,508
29	73	0	123,728	0	0	0	583,040	583,040	844,303	2,889,593	1,655,519	1,915,582
30	74	0	123,728	0	0	0	479,913	479,913	691,301	3,025,569	1,638,493	1,850,283
<b>Total</b>		<b>1,093,280</b>										
31	75	0	123,728	0	0	0	372,610	372,610	534,856	3,164,902	1,621,381	1,779,626
32	76	0	123,728	0	0	0	260,964	260,964	374,890	3,306,955	1,603,469	1,768,816
33	77	0	123,728	0	0	0	144,690	144,690	245,277	3,451,768	1,584,717	1,757,305
34	78	0	123,728	0	0	0	22,827	22,827	125,683	3,599,369	1,565,073	1,745,042
35	79	0	123,728	0	0	0	0	0	0	3,749,745	1,544,442	1,731,929
36	80	0	123,728	0	0	0	0	0	0	3,902,937	1,522,779	1,717,925
37	81	0	123,728	0	0	0	0	0	0	4,058,963	1,500,015	1,702,963
38	82	0	123,728	0	0	0	0	0	0	4,217,822	1,476,062	1,686,953
39	83	0	123,728	0	0	0	0	0	0	4,379,508	1,450,822	1,669,797
40	84	0	123,728	0	0	0	0	0	0	4,543,999	1,424,183	1,651,383
<b>Total</b>		<b>1,093,280</b>										

<sup>1</sup>Guaranteed columns reflect maximum policy charges and guaranteed interest.

<sup>2</sup>The Non-Guaranteed Alternate Scale Values columns reflect assumptions about non-guaranteed elements and assumes the allocated indexed accounts will receive the current Fixed Account crediting rate.

<sup>3</sup>Non-Guaranteed columns reflect assumptions about non-guaranteed elements and include the interest rate assumptions that you have requested. Refer to the Narrative Summary for more 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.

This is the Basic Illustration

## Policy Values: Tabular Detail

				Guaranteed Values EOY @ 0.00% <sup>1</sup>			Non-Guaranteed Alternate Scale Values EOY @ 4.20% <sup>2</sup>			Non-Guaranteed Values EOY @ 6.48% <sup>3</sup>		
Yr	Age	Premium Outlay*	Policy Loan	Accumulated Value	Net Cash Surrender Value	Death Benefit	Accumulated Value	Net Cash Surrender Value	Death Benefit	Accumulated Value	Net Cash Surrender Value	Death Benefit
41	85	0	123,728	0	0	0	0	0	0	4,711,277	1,396,029	1,631,593
42	86	0	123,728	0	0	0	0	0	0	4,881,274	1,366,196	1,610,260
43	87	0	123,728	0	0	0	0	0	0	5,053,909	1,334,506	1,587,201
44	88	0	123,728	0	0	0	0	0	0	5,229,064	1,300,738	1,562,191
45	89	0	123,728	0	0	0	0	0	0	5,406,564	1,264,615	1,534,943
46	90	0	123,728	0	0	0	0	0	0	5,586,174	1,225,796	1,505,105
47	91	0	123,728	0	0	0	0	0	0	5,771,532	1,187,809	1,418,670
48	92	0	123,728	0	0	0	0	0	0	5,963,803	1,151,711	1,330,625
49	93	0	123,728	0	0	0	0	0	0	6,164,447	1,118,847	1,242,136
50	94	0	123,728	0	0	0	0	0	0	6,375,182	1,090,820	1,154,572
Total		1,093,280										
51	95	0	123,728	0	0	0	0	0	0	6,590,918	1,062,422	1,128,331
52	96	0	123,728	0	0	0	0	0	0	6,811,983	1,033,860	1,101,980
53	97	0	123,728	0	0	0	0	0	0	7,038,237	1,004,870	1,075,253
54	98	0	123,728	0	0	0	0	0	0	7,270,157	975,803	1,048,504
55	99	0	123,728	0	0	0	0	0	0	7,508,051	946,838	1,021,919
56	100	0	123,728	0	0	0	0	0	0	7,751,943	917,867	995,387
57	101	0	123,728	0	0	0	0	0	0	8,002,644	889,566	969,592
58	102	0	123,728	0	0	0	0	0	0	8,260,686	862,328	944,934
59	103	0	123,728	0	0	0	0	0	0	8,526,527	836,469	921,735
60	104	0	123,728	0	0	0	0	0	0	8,800,717	812,397	900,405
Total		1,093,280										

<sup>1</sup>Guaranteed columns reflect maximum policy charges and guaranteed interest.

<sup>2</sup>The Non-Guaranteed Alternate Scale Values columns reflect assumptions about non-guaranteed elements and assumes the allocated indexed accounts will receive the current Fixed Account crediting rate.

<sup>3</sup>Non-Guaranteed columns reflect assumptions about non-guaranteed elements and include the interest rate assumptions that you have requested. Refer to the Narrative Summary for more 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.

This is the Basic Illustration



## Policy Values: Tabular Detail

		Guaranteed Values EOY @ 0.00% <sup>1</sup>					Non-Guaranteed Alternate Scale Values EOY @ 4.20% <sup>2</sup>			Non-Guaranteed Values EOY @ 6.48% <sup>3</sup>		
Yr	Age	Premium Outlay*	Policy Loan	Accumulated Value	Net Cash Surrender Value	Death Benefit	Accumulated Value	Net Cash Surrender Value	Death Benefit	Accumulated Value	Net Cash Surrender Value	Death Benefit
61	105	0	123,728	0	0	0	0	0	0	9,083,394	790,101	880,935
62	106	0	123,728	0	0	0	0	0	0	9,374,560	769,433	863,178
63	107	0	123,728	0	0	0	0	0	0	9,674,101	750,122	846,863
64	108	0	123,728	0	0	0	0	0	0	9,981,749	731,744	831,561
65	109	0	123,728	0	0	0	0	0	0	10,296,871	713,505	816,474
66	110	0	123,728	0	0	0	0	0	0	10,618,270	694,042	800,225
67	111	0	123,728	0	0	0	0	0	0	10,945,307	672,549	782,002
68	112	0	123,728	0	0	0	0	0	0	11,277,215	648,083	760,856
69	113	0	123,728	0	0	0	0	0	0	11,609,731	616,208	732,306
70	114	0	123,728	0	0	0	0	0	0	11,941,233	575,120	694,533
Total		1,093,280										
71	115	0	123,728	0	0	0	0	0	0	12,269,671	522,585	645,281
72	116	0	123,728	0	0	0	0	0	0	12,592,463	455,831	581,756
73	117	0	123,728	0	0	0	0	0	0	12,906,372	371,430	500,494
74	118	0	123,728	0	0	0	0	0	0	13,207,337	265,123	397,196
75	119	0	123,728	0	0	0	0	0	0	13,490,269	131,619	266,522
76	120	0	85,049	0	0	0	0	0	0	13,750,431	4,829	142,334
Total		1,093,280										

The Allocations and Hypothetical Interest Rates below are for policy year 1. For any illustrated changes to the Allocations and Hypothetical Interest Rates see the Narrative Summary.

<sup>1</sup>Guaranteed columns reflect maximum policy charges and guaranteed interest.

<sup>2</sup>The Non-Guaranteed Alternate Scale Values columns reflect assumptions about non-guaranteed elements and assumes the allocated indexed accounts will receive the current Fixed Account crediting rate.

<sup>3</sup>Non-Guaranteed columns reflect assumptions about non-guaranteed elements and include the interest rate assumptions that you have requested. Refer to the Narrative Summary for more 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.

This is the Basic Illustration

## Policy Values: Tabular Detail

	Allocation	Initial Guaranteed Interest Rate	Non-Guaranteed Alternate Scale Hypothetical Interest Rate	Non-Guaranteed Hypothetical Interest Rate
Fixed Account	0.00%	N/A	N/A	N/A
1-Year Indexed Account	100.00%	0.00%	4.20%	6.48%
1-Year International Indexed Account	0.00%	N/A	N/A	N/A
1-Year High Par Indexed Account	0.00%	N/A	N/A	N/A
1-Year No Cap Indexed Account	0.00%	N/A	N/A	N/A
2-Year Indexed Account	0.00%	N/A	N/A	N/A
High Par 5-Year Indexed Account	0.00%	N/A	N/A	N/A

Distributions can be taken on a policy only when there is adequate Cash Surrender Value available to support the illustrated distribution. Any distributions shown in a policy year with no Cash Surrender Value would not be available.

## Indicates that insurance coverage will cease in year 21 based on guaranteed assumptions. Insurance coverage would remain in force at least through year 76 based on illustrated assumptions.

<sup>1</sup>Guaranteed columns reflect maximum policy charges and guaranteed interest.

<sup>2</sup>The Non-Guaranteed Alternate Scale Values columns reflect assumptions about non-guaranteed elements and assumes the allocated indexed accounts will receive the current Fixed Account crediting rate.

<sup>3</sup>Non-Guaranteed columns reflect assumptions about non-guaranteed elements and include the interest rate assumptions that you have requested. Refer to the Narrative Summary for more 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.

This is the Basic Illustration

## Column Definitions

These column definitions apply to all the reports generated in this illustration.

Column Name	Description
Accumulated Value	Premiums paid, less premium load, cost of insurance and other charges, and withdrawals, accumulated at interest.
Age	The insured's age on the birthday nearest the beginning of the policy year shown.
Death Benefit	The amount payable upon your death. The Death Benefit is always reduced by any Policy Debt and increased by any applicable rider benefits.
Net Accumulated Value	Accumulated Value minus policy debt.
Net Cash Surrender Value	Cash Surrender Value minus policy debt.
Net Outlay	The premium paid minus any Policy Loans or Withdrawals plus any illustrated estimated tax and loan interest paid in cash.
Policy Loan	The loan amount taken in cash from a policy. A negative amount indicates a loan repayment. This column does not include loans taken to pay loan interest.
Premium Outlay	The sum of the premium payments you plan to make each year.
Year	The number of years from when the policy was issued.

This is the Basic Illustration

## Index Disclosures

### Overview

Neither the policy nor the Indexed Account directly participates in the stock market or the S&P 500®, Hang Seng, EURO STOXX 50®, MSCI Emerging Markets Index. Historical performances of any 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 Index. The descriptions below are in the format required by the index providers.

### S&P 500® index

The S&P 500® index is composed of 500 common stocks representing major U.S. industry sectors. Segment Indexed Interest Credits are added to each Segment at Segment Maturity using a calculation that is based, in part, on the performance of the S&P 500® index, excluding dividends.

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## Benefit Distribution Rider Summary Report

The purpose of this report is to demonstrate the rider's benefits to the beneficiaries and the policyowner. **The information is hypothetical and may not be used to predict actual results.** The policy values in this report use the Basic Illustration values. Exercising other available riders may adversely affect the benefits shown.

### About the Benefit Distribution Rider (BDR):

This optional rider can only be elected at policy issue at no additional charge. If elected at policy issue, the rider allows the policyowner to designate a percentage (50% to 100%) of the Death Benefit Proceeds to be paid in annual or monthly Periodic Payments to the policy's beneficiaries over an elected period of time (any duration from 5 to 30 years). Periodic Payments will reflect a guaranteed, level 2% annual interest rate.\*

As a result of spreading payment of the death benefit, Pacific Life Insurance Company may reduce the policy charges on a non-guaranteed basis, which may increase the policy's cash value accumulation. Greater cash value potential means greater flexibility to skip, suspend, or lower premium payments and/or take policy loans and withdrawals. As long as there is sufficient cash value to pay ongoing policy charges, the policy will stay in force. The longer the Duration of Periodic Payments chosen and the greater the Death Benefit Periodic Payment Percentage, the greater the potential reduction in policy charges and increase in potential cash value accumulation.\*\*

### Rider's Benefit Distribution Elections

Death Benefit Periodic Payment Percentage	100%
Duration of Periodic Payments (Years)	30
Frequency of Periodic Payments	Monthly

### Summary of Policy Values with the Benefit Distribution Rider

Policy Year at Death	Insured's Age at Death	Death Benefit	Lump Sum Portion (0%)	Benefit Distribution Amount (100%)	Periodic Payment*	Interest Included per Periodic Payment*	Number of Periodic Payments	Total Periodic Payments*	Total Interest on Periodic Payments*	Total Benefit Payments*	Non-Guaranteed Cumulative BDR Credit**
1	45	2,802,231	0	2,802,231	10,332	2,548	360	3,719,610	917,379	3,719,610	542
5	49	2,802,231	0	2,802,231	10,332	2,548	360	3,719,610	917,379	3,719,610	4,049
10	54	2,802,231	0	2,802,231	10,332	2,548	360	3,719,610	917,379	3,719,610	7,884
15	59	2,802,231	0	2,802,231	10,332	2,548	360	3,719,610	917,379	3,719,610	13,273
20	64	2,802,231	0	2,802,231	10,332	2,548	360	3,719,610	917,379	3,719,610	26,381
25	69	2,099,614	0	2,099,614	7,742	1,909	360	2,786,972	687,358	2,786,972	45,036
30	74	1,850,283	0	1,850,283	6,822	1,683	360	2,456,017	605,734	2,456,017	75,392
35	79	1,731,929	0	1,731,929	6,386	1,575	360	2,298,917	566,988	2,298,917	119,296
40	84	1,651,383	0	1,651,383	6,089	1,502	360	2,192,004	540,621	2,192,004	187,278
45	89	1,534,943	0	1,534,943	5,660	1,396	360	2,037,445	502,502	2,037,445	293,149
50	94	1,154,572	0	1,154,572	4,257	1,050	360	1,532,549	377,977	1,532,549	445,257
55	99	1,021,919	0	1,021,919	3,768	929	360	1,356,469	334,551	1,356,469	648,370
60	104	900,405	0	900,405	3,320	819	360	1,195,175	294,770	1,195,175	952,092
65	109	816,474	0	816,474	3,010	742	360	1,083,769	267,295	1,083,769	1,423,472
70	114	694,533	0	694,533	2,561	632	360	921,906	227,373	921,906	1,997,270
75	119	266,522	0	266,522	983	242	360	353,776	87,254	353,776	2,402,349

\*The Periodic Payment amount is calculated based on the Death Benefit Proceeds and the Benefit Distribution Elections. A level amount is paid for all Periodic Payments due under this rider. The amounts shown in this column indicate the amount that would apply for death in each respective year. The included interest portion of each Periodic Payment is tax reportable as income to the beneficiary(ies) in the year it is received.

\*\*If the rider is elected, Pacific Life Insurance Company may reduce the policy charges on a non-guaranteed basis while the policy is in force, which is reflected as a non-guaranteed Benefit Distribution Rider (BDR) credit. To the extent that the non-guaranteed BDR credit exceeds the Monthly Deduction in any given month, the excess amount will be credited to your policy Accumulated Value and be transferred to the accounts on your policy according to your most recent premium allocation instructions provided. However, for purposes of this Illustration only, any excess non-guaranteed BDR credit that would be allocated to the Indexed Options is instead assumed to be allocated to the Fixed Account. Periodic Payments to the policy's beneficiaries will reflect a guaranteed, level 2% annual interest rate. If the rider is not elected, the beneficiary can elect to receive periodic payments under an Income Benefit plan we make available to them at the



insured's death that may credit a higher or lower interest rate to any periodic payments than the rider's 2% guaranteed rate. However, the election of an Income Benefit plan at the insured's death will not result in any non-guaranteed reduction of policy charges while the policy is in force.

## Benefit Distribution Rider Summary Report Column Descriptions

Column Name	Description
Policy Year at Death	The policy year at the time of death.
Insured's Age at Death	The insured's insurance age at the time of death.
Death Benefit	The amount payable upon the insured's death. The Death Benefit includes any applicable rider benefits and is always reduced by any Policy Debt.
Lump Sum Portion (0%)	The portion of the death benefit proceeds that is not elected to be paid as a series of Periodic Payments may be paid as a lump sum to the beneficiary(ies) or paid under one of the other options available to the beneficiary at that time.
Benefit Distribution Amount (100%)	The amount of the death benefit proceeds that will be paid periodically under the terms of this rider.
Periodic Payment	The level amount of each payment paid under this rider (includes interest).
Interest Included per Periodic Payment	The amount of each Periodic Payment that is interest. The total amount of interest paid in each year will be tax reported as interest income to the beneficiary(ies) in the year it is received.
Number of Periodic Payments	The number of Periodic Payments that will be paid to the beneficiary(ies). For annual benefit duration, the number of payments will equal the number of years selected. For monthly benefit duration, the number of payments will equal the number of years selected multiplied by 12.
Total Periodic Payments	The total amount of all Periodic Payments (includes interest).
Total Interest on Periodic Payments	The total amount of interest included in all Periodic Payments. The total amount of interest paid in each year will be tax reported as interest income to the beneficiary(ies) in the year it is received.
Total Benefit Payments	The total amount of benefits paid under the policy as a result of the insured's death. This includes both the Lump Sum Portion that is paid upon the insured's death and the Total of Periodic Payments paid under the terms of this rider (including interest).
Non-Guaranteed Cumulative Benefit Distribution Rider (BDR) Credit	The total amount of non-guaranteed Benefit Distribution Rider (BDR) credits illustrated while the policy is in force.



## Segment Growth Rates and Hypothetical Average Returns

The purpose of this report is to help you understand the risk and returns that are possible under each of the accounts.

### Example of Segment Growth Rate Calculations

1-Year Indexed Account			1-Year International Indexed Account					1-Year High Par Indexed Account			1-Year No Cap Indexed Account		
1 Year Period Ending	Annualized Index Growth Rate	Hypothetical Indexed Interest Rate	1 Year Period Ending	Annualized Hang Seng Index Growth Rate	Annualized EURO STOXX 50® Index Growth Rate	Annualized MSCI Emerging Markets Index Growth Rate	Hypothetical Indexed Interest Rate	1 Year Period Ending	Annualized Index Growth Rate	Hypothetical Indexed Interest Rate	1 Year Period Ending	Annualized Index Growth Rate	Hypothetical Indexed Interest Rate
12/15/96	16.87%	11.00%	12/15/96	30.51%	19.26%	3.12%	8.37%	12/15/96	16.87%	9.00%	12/15/96	16.87%	11.87%
12/15/97	33.62%	11.00%	12/15/97	-19.34%	36.17%	-15.05%	3.67%	12/15/97	33.62%	9.00%	12/15/97	33.62%	28.62%
12/15/98	18.46%	11.00%	12/15/98	-5.85%	24.84%	-26.69%	3.67%	12/15/98	18.46%	9.00%	12/15/98	18.46%	13.46%
12/15/99	22.96%	11.00%	12/15/99	65.72%	48.14%	57.93%	11.00%	12/15/99	22.96%	9.00%	12/15/99	22.96%	17.96%
12/15/00	-4.44%	0.00%	12/15/00	-4.83%	6.65%	-23.88%	2.22%	12/15/00	-4.44%	0.00%	12/15/00	-4.44%	0.00%
12/15/01	-16.25%	0.00%	12/15/01	-26.01%	-25.82%	-10.92%	0.00%	12/15/01	-16.25%	0.00%	12/15/01	-16.25%	0.00%
12/15/02	-18.94%	0.00%	12/15/02	-15.78%	-29.33%	-3.76%	0.00%	12/15/02	-18.94%	0.00%	12/15/02	-18.94%	0.00%
12/15/03	17.32%	11.00%	12/15/03	29.66%	7.01%	44.46%	9.67%	12/15/03	17.32%	9.00%	12/15/03	17.32%	12.32%
12/15/04	12.67%	11.00%	12/15/04	12.17%	8.72%	19.32%	10.24%	12/15/04	12.67%	9.00%	12/15/04	12.67%	7.67%
12/15/05	5.76%	5.76%	12/15/05	6.64%	19.94%	35.02%	9.55%	12/15/05	5.76%	8.65%	12/15/05	5.76%	0.76%
12/15/06	12.00%	11.00%	12/15/06	26.33%	17.04%	28.12%	11.00%	12/15/06	12.00%	9.00%	12/15/06	12.00%	7.00%
12/15/07	2.98%	2.98%	12/15/07	45.69%	6.45%	38.11%	9.48%	12/15/07	2.98%	4.47%	12/15/07	2.98%	0.00%
12/15/08	-40.83%	0.00%	12/15/08	-45.41%	-45.09%	-54.05%	0.00%	12/15/08	-40.83%	0.00%	12/15/08	-40.83%	0.00%
12/15/09	28.27%	11.00%	12/15/09	46.78%	19.84%	74.03%	11.00%	12/15/09	28.27%	9.00%	12/15/09	28.27%	23.27%
12/15/10	11.44%	11.00%	12/15/10	6.09%	-0.81%	15.29%	5.70%	12/15/10	11.44%	9.00%	12/15/10	11.44%	6.44%
12/15/11	-2.40%	0.00%	12/15/11	-21.67%	-22.92%	-19.93%	0.00%	12/15/11	-2.40%	0.00%	12/15/11	-2.40%	0.00%
12/15/12	16.65%	11.00%	12/15/12	23.16%	19.25%	15.36%	11.00%	12/15/12	16.65%	9.00%	12/15/12	16.65%	11.65%
12/15/13	26.38%	11.00%	12/15/13	2.25%	13.24%	-5.03%	4.42%	12/15/13	26.38%	9.00%	12/15/13	26.38%	21.38%
12/15/14	11.37%	11.00%	12/15/14	-0.38%	0.14%	-6.70%	0.05%	12/15/14	11.37%	9.00%	12/15/14	11.37%	6.37%
12/15/15	1.62%	1.62%	12/15/15	-7.46%	5.24%	-16.54%	1.75%	12/15/15	1.62%	2.44%	12/15/15	1.62%	0.00%

## Segment Growth Rates and Hypothetical Average Returns

The purpose of this report is to help you understand the risk and returns that are possible under each of the accounts.

### Example of Segment Growth Rate Calculations

2-Year Indexed Account				High Par 5-Year Indexed Account			
2 Year Period Ending	Annualized Index Growth Rate	Hypothetical Indexed Interest Rate		5 Year Period Ending	Annualized Index Growth Rate	Hypothetical High Par 5-Year Indexed Account Annual Indexed Interest Rate	
12/15/96	25.88%	14.02%		12/15/96	11.66%	12.59%	
12/15/97	24.96%	14.02%		12/15/97	15.05%	16.19%	
12/15/98	25.81%	14.02%		12/15/98	18.39%	19.71%	
12/15/99	20.69%	14.02%		12/15/99	23.79%	25.37%	
12/15/00	8.40%	8.40%		12/15/00	18.19%	19.50%	
12/15/01	-10.54%	0.00%		12/15/01	10.48%	11.33%	
12/15/02	-17.60%	0.00%		12/15/02	0.75%	0.82%	
12/15/03	-2.48%	0.00%		12/15/03	-3.24%	0.00%	
12/15/04	14.97%	14.02%		12/15/04	-4.25%	0.00%	
12/15/05	9.16%	9.16%		12/15/05	-2.05%	0.00%	
12/15/06	8.84%	8.84%		12/15/06	3.07%	3.35%	
12/15/07	7.40%	7.40%		12/15/07	10.15%	10.98%	
12/15/08	-21.94%	0.00%		12/15/08	2.65%	2.90%	
12/15/09	-12.88%	0.00%		12/15/09	-4.75%	0.00%	
12/15/10	19.56%	14.02%		12/15/10	-2.10%	0.00%	
12/15/11	4.29%	4.29%		12/15/11	-2.28%	0.00%	
12/15/12	6.70%	6.70%		12/15/12	-1.29%	0.00%	
12/15/13	21.42%	14.02%		12/15/13	13.62%	14.67%	
12/15/14	18.64%	14.02%		12/15/14	11.46%	12.38%	
12/15/15	6.38%	6.38%		12/15/15	10.65%	11.52%	

## Average Indexed Interest Rates

To help you understand the potential interest rates and risks over a longer term, encompassing multiple segments, we have calculated the Average Indexed Rates, Minimum Indexed Rates, Maximum Indexed Rates and Standard Deviation. The following is neither guaranteed, nor intended to predict your actual risk or return over any period.

	1-Year Indexed Account	1-Year International Indexed Account	1-Year High Par Indexed Account	1-Year No Cap Indexed Account	2-Year Indexed Account	High Par 5-Year Indexed Account
<b>Average Indexed Rate</b>	6.48%	6.50%	5.87%	7.91%	7.34%	7.57%
<b>Minimum Indexed Rate</b>	4.24%	5.74%	4.25%	4.09%	3.94%	3.00%
<b>Maximum Indexed Rate</b>	8.41%	7.29%	7.52%	11.98%	10.66%	13.30%
<b>Standard Deviation</b>	0.79%	0.33%	0.65%	1.50%	1.43%	2.19%

The Minimum Indexed Rate reflects the lowest interest rate achieved over the historical period measured. The Maximum Indexed Rate reflects the highest interest rate achieved over the historical period measured. The Standard Deviation is one measure of the volatility with each Indexed Account. It is calculated using the average annual interest rate of each Indexed Account over the historical period\*.

\*The table assumes an allocation of Accumulated Value into the Indexed Accounts, accumulated over a 28-year period for the 1-Year International Indexed Account and a 65-year period for all other Indexed Accounts, with no deductions for policy charges, withdrawals or loans. For a more detailed description of each Indexed Account, see the Narrative Summary.