

PL PROMISE CHRONIC ILLNESS CARE RIDER

Accelerated Death Benefit Rider for Chronic Illness¹



PACIFIC LIFE

Pacific Life Insurance Company

Available With PL Promise GUL²

Many clients need simple, effective death benefit protection at competitive premiums. To help meet this need, Pacific Life Insurance Company is pleased to offer PL Promise GUL, a guaranteed universal life insurance product. Among the many value-added features available, eligible clients³ may choose to add chronic illness protection to their life insurance policies by electing the optional PL Promise Chronic Illness Care Rider at policy issue for a monthly rider charge.

About PL Promise Chronic Illness Care Rider

No one plans on falling ill. But if your client develops a chronic illness, the rider allows them to access a portion of the policy's death benefit while still living.

Accelerate up to \$3 million as monthly or annual benefit payments⁴

- No receipts required. The rider's benefit payments may be used for any reason—medical or otherwise.
- Clients may use the benefits to help pay a family member to provide care or meet any other expense.
- Monthly rider charge is deducted as part of the policy's monthly charges.
- Couples Discount applies for lower rider charges for insureds in a state-sanctioned marriage, civil union, or domestic partnership.

Did you know...?

Chronic illness is defined as the inability to perform at least 2 of the 6 activities of daily living (bathing, continence, dressing, eating, toileting, and transferring for a period of at least 90 days) or requiring substantial supervision due to severe cognitive impairment. This condition must be certified by a licensed health care practitioner once every 12 months.

While both chronic illness and long-term care riders generally use the same definition for chronic illness, long-term care riders are designed to help cover the costs of long-term care.

On the other hand, a chronic illness rider is a life insurance component that enhances the flexibility of a life insurance policy by allowing an early acceleration of a portion of the death benefit in the form of benefit payments. In other words, these benefit payments are independent of the actual level of incurred chronic illness expenses. Chronic illness riders do not qualify and do not intend to qualify as long-term care insurance and are not intended to replace the need for long-term care insurance. Also, there is no long-term care licensing requirements to sell chronic illness riders.

¹ Pacific Life Insurance Company's PL Promise Chronic Illness Care Rider is an accelerated death benefit rider for chronic illness. Policy Form #R18LYCHR or ICC18 R18LYCHR, based on state of policy issue. Rider will incur additional charges and is subject to availability, restrictions, and limitations. Clients should be shown policy quotes with and without riders to help show the rider's impact on the policy's value.

² Pacific Life Insurance Company's PL Promise GUL No-Lapse Guarantee Universal Life Insurance. Policy Form #P18PRUL and S18PRUL or ICC18 P18PRUL and ICC18 S18PRUL, based on state of policy issue.

³ Eligible insureds are age 18 through 75, subject to additional underwriting requirements beyond the life insurance policy's requirements and a one chronic illness rider per insured issue limit.

⁴ Benefit payments reduce the policy's death benefit and other values under the policy. If the entire death benefit is accelerated, the policy will terminate. Regardless of the monthly election chosen, benefit payments may not exceed 100% of the IRS per diem. Benefits paid by accelerating the policy's death benefit are intended to qualify as death benefits under section 101(g) of the Internal Revenue Code and may be excludable from your income and may not be subject to federal taxation. However, federal, state, and/or local tax rules relating to the payment of accelerated death benefits are complex, will depend on your specific facts and circumstances, and benefits may or may not be taxable. In addition, these payments may affect eligibility for other benefits provided by federal, state, or local government including 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. Consequently, advice and guidance should be obtained from a personal tax advisor for more information. Pacific Life cannot determine whether the benefits are taxable.

Here's How the Rider Works

1. ELECT RIDER BENEFIT MAXIMUMS

- At policy issue, the policyowner elects a 2% or 4% monthly benefit payment percentage and the lifetime maximum benefit amount (below). The maximum monthly benefit would then be 2% or 4% of the maximum lifetime benefit amount elected.
- To help keep the benefits tax-free for clients, we limit the maximum benefit amount to the equivalent of 100% of the IRS Per Diem Limit.⁴ The IRS per diem is \$420/day in 2025 and may change periodically.

BENEFIT PAYMENT %	ISSUE AGES	LIFETIME MAXIMUM BENEFIT AMOUNTS (LESSER OF FACE VALUE AT POLICY ISSUE OR...)
2%	18–75	\$3 million
4%	18–64	\$1.5 million
	65–75	\$750,000

For example, on a policy with a \$100,000 death benefit, electing the 2% option would result in a maximum monthly benefit of \$2,000; electing the 4% option would result in a maximum monthly benefit of \$4,000.

2. PAY MONTHLY POLICY CHARGES

- The monthly rider charge is automatically deducted from the policy's policy value. It is based on a rider net amount at risk and includes any applicable couples discount.
- All policy charges, including the rider's monthly charges, will be waived while the rider is paying benefits.
- At any time, the policyowner may request to terminate the rider and its rider charges would cease. Once terminated, the rider cannot be reinstated if prior benefit payments have been made.



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

To learn more about this and other strategies for the PL Promise, please contact us at (888) 900-9777 or LynInternalSales@PacificLife.com

3. MEET RIDER BENEFIT PAYMENT QUALIFICATION CONDITIONS

To request benefit payments, the insured must meet the following eligibility requirements:

- Licensed health care practitioner must annually certify the insured is unable to perform at least 2 of the 6 activities of daily living (bathing, continence, dressing, eating, toileting, and transferring) for at least 90 days or has a severe cognitive impairment.
- 90 consecutive day elimination period must be satisfied.⁵

4. CHOOSE MONTHLY OR ANNUAL BENEFIT PAYMENTS



- For each annual benefit year the insured meets the eligibility requirements, the policyowner may request annual or monthly benefit payments.
- No receipts are required. The benefit payments may be used for any reason, medical or otherwise.
- The total amount of rider benefits will differ depending on annual or monthly rider benefit payment frequency. Annual payments are discounted to reflect their lump-sum payment and will be less than the annual sum of monthly payments.
- Regardless of payment election, benefit payments may not exceed 100% of the IRS per diem limit. The IRS per diem is \$420/day in 2025 and may change periodically.
- The benefit amount paid is reduced if the policy is in a grace period or has an outstanding loan balance.

5. IMPACT ON POLICY BENEFITS AND FEATURES

- The policy's face amount, policy value, and values under the policy's Lifetime No-Lapse Guarantee Rider⁶, are proportionately reduced by benefit payments. The cash surrender value of the policy after a benefit payment is calculated under the usual terms of the policy.
- If the entire death benefit is accelerated as benefit payments, the policy will terminate. The rider will terminate upon acceleration of the entire lifetime benefit amount.
- No new policy changes are permitted while the rider is paying benefits and any Enhanced Surrender Value Rider⁷, if present, will terminate on an initial claim (no policy face amount changes, new loans, withdrawals, or any new rider elections).

⁵ For benefit payments to continue uninterrupted from one benefit year to the next, recertification of continuing chronic illness must be provided at least 60 days prior to the start of each benefit year. If recertification is delayed more than 90 days after the end of a current benefit year, a new 90-day elimination period must be satisfied in order for benefit payments to continue.

⁶ The Lifetime No-Lapse Guarantee Rider (form series #R17LYFNL, varies based on state of policy issue) is included in the policy at no additional charge. The No-Lapse guarantee, depending on how your client structures their policy, has a maximum duration of the insured's lifetime, subject to certain limits. If your client's net no-lapse guarantee value is zero, the no-lapse feature terminates. If the no-lapse feature terminates, additional premiums would be required to resume the no-lapse guarantee. If policy performance is such that your client's policy is being maintained solely by the no-lapse guarantee, your client's policy will not build cash value.

⁷ Policy form #R17LYESV or ICC17 R17LYESV, based on state of policy issue.

The Power of Pacific

Pacific Life provides a variety of products and services designed to help individuals and businesses in the retail, institutional, workforce benefits, and reinsurance markets achieve financial security. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative life insurance and annuity solutions, as well as mutual funds, that provide value and financial security for current and future generations. Supporting our policyholders for nearly 160 years, Pacific Life is a Fortune 500 company headquartered in Newport Beach, California. For additional company information, including current financial strength ratings, visit PacificLife.com.

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.

Pacific Life is a product provider. It is not a fiduciary and therefore does not give advice or make recommendation regarding insurance or investment products.



Pacific Life Insurance Company is licensed to issue insurance products in all states except New York. Product/material 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.

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

Life insurance is subject to underwriting and approval of the application and may incur monthly policy charges.

The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.

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