



PACIFIC LIFE

Sales Material Primer

INTRODUCTION TO THIS GUIDE

This Primer should be referenced prior to the preparation of sales materials of Pacific Life's individual life insurance products. We define sales materials to be any material designed to create public interest in life insurance, annuities, an insurer, or a life insurance producer; or to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace, or retain a policy.

The guidelines and disclosures included in this Primer were generally created to assist you in complying with applicable state insurance laws and regulations regarding sales material as well as to mitigate potential litigation and liability risk. This document is not, however, all inclusive of sales material requirements pertaining to Financial Industry Regulatory Authority (FINRA) rules, business/estate/financial planning and tax matters, Illustration requirements, etc. In addition, depending on the content, other departments may need to be contacted regarding their specific rules and regulations.

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STATE INSURANCE LAW

State insurance laws require every insurer to establish and at all times maintain a system of control over the content, form, and method of dissemination of all sales material. Most states have regulations based on the National Association of Insurance Commissioners (NAIC)'s *Advertisements of Life Insurance and Annuities Model Regulation*. These regulations set forth minimum standards and guidelines to ensure full and truthful disclosure of all material and relevant information in the advertising of life insurance and annuities. If it is your practice to develop sales materials more often than occasionally, you will want the complete Model Law as a reference. Upon request, we will forward a copy of the Model Law to you.

All Materials

Generally, the following standards apply to all Sales Material.

General Requirements of Sales Material

Sales Material must be truthful and not misleading in fact or by implication. The form and content of sales material shall be sufficiently complete and clear so as to avoid deception. It shall not have the capacity or tendency to mislead or deceive a person of average education or intelligence within the segment of the public to which it is directed.

Information required to be disclosed shall not be minimized, rendered obscure, or presented in an ambiguous fashion or intermingled with the text of the advertisement so as to be confusing or misleading.

Categories of Advertisements

The following categories of advertisements are produced by the Life Division and are referenced herein.

1. **Pacific Life Insurance Company (PLIC) Advertisements:** Any advertisement that is intended for use with PLIC, exclusively.
2. **Pacific Life & Annuity Company (PL&A) Advertisements:** Any advertisement that is intended for use with PL&A, exclusively.
3. **One Logoed Advertisements:** Any advertisement that is marketed under the name Pacific Life, or the Pacific Life logo, both of which generally refer to the Enterprise (Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company).

Advertisement Usage

1. **Pacific Life Insurance Company Advertisements:** This category of advertisement may only be used outside of New York.
2. **Pacific Life & Annuity Company Advertisements:** This category of advertisement may, depending on the audience, be used (1) both inside and outside New York, or (2) only inside of New York.
 - a. Life Insurance Producer material may be used both inside and outside New York.
 - b. Client material may be used in New York, but may not be used outside of New York. Such material must include the following disclosure (or similar language) in bold:
This material may be used in New York only.
3. **One Logoed Advertisements:** This category of advertisement may be used both inside and outside of New York or only outside of New York. If material is not intended to be used in New York, it must include the following disclosure (or similar language) in **bold**:

This material may not be used in New York.

Company Identification

The full name of the company should appear on the first page (cover) of any material. The full names of the companies are Pacific Life Insurance Company and Pacific Life & Annuity Company. Note: The ampersand (&) must be used instead of the word "and" in Pacific Life & Annuity Company. The name Pacific Life will satisfy this requirement on One Logoed material only.

Additional Requirements of One Logoed Advertisements: When referencing the Enterprise (Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company) within an advertisement, use "Pacific Life"; when referencing only PLIC, use Pacific Life Insurance Company. A statement must be true of both PLIC and PL&A in order to use "Pacific Life."

Company Location

The City and State of the company's Home Office should be clearly identified on all material.

For state insurance law purposes, either Newport Beach or Aliso Viejo will suffice as the city of PLIC's and PL&A's Home Offices. If a location other than Aliso Viejo or Newport Beach is used, it should be prefaced with some appropriate tag line (e.g. Mailing Address, Life Insurance Marketing Center).

Company Licensing

A statement with respect to company licensing as well as product and feature availability should be included on all material.

1. Pacific Life Insurance Company

If your Sales Material is a PLIC advertisement:

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.

2. Pacific Life & Annuity Company

If your Sales Material is a PL&A advertisement:

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product/material availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues.

3. One Logoed Advertisements

If your Sales Material is a One Logoed advertisement:

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product/material availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues.

In addition to the disclosure above, if your One Logoed advertisement references PL&A, the following must be prominently* included:

Insurance products are issued by Pacific Life Insurance Company in all states except New York, and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state.

*The prominence requirement of this disclosure is, at a minimum, the disclosure appears no later than the second page of the material. In general, prominence of this disclosure has taken the form of appearing in a box on the second page of a piece.

Emphasis on Life Insurance

The words "Life Insurance" must be prominently included on the front page/cover of all materials except for those that make no reference whatsoever to life insurance. Additionally, the word "Insurance" must appear in a type size no smaller than the largest indicated telephone number (if any) or 12-point type, whichever is larger.

Cost of Funeral Good/Services

An advertisement of a life insurance policy that will not fund a preneed funeral contract and that includes a listing, summary, description, or comparison of actual or estimated costs of funeral goods or services shall contain the following disclosure:

This life insurance does not specifically cover funeral goods or services and may not cover the entire cost of your funeral at the time of your death. The beneficiary of this life insurance may use the proceeds of this life insurance for any purpose, unless otherwise directed.

Intended Audience

The term "Financial Professional" may be used in marketing materials in place of Life Insurance Producer or Broker Dealer.

For Example:

For marketing materials not intended for use with the client:

For Financial Professional Use Only. Not For Use With The Public.

For marketing materials intended for use with the client that include the use of the term "Financial Professional", and included upon the first mention of the term:

In order to sell [this product/life insurance], a financial professional must be a properly licensed and appointed life insurance producer.

The term "**Financial Advisor**" may be used in marketing materials in conjunction with any broker dealer' name with the following (or similar language) included upon the first mentioned of the term:

In order to sell [this product/life insurance], a financial advisor must be a properly licensed and appointed life insurance producer.

Prohibitions

No advertisement shall use the following terms or other similar terms when referring to a policy or its elements:

- Investment
- Insured investment plan
- Founder's plan
- Interest plan
- Certificate of Deposit or CD
- Retirement plan
- Safe
- Contribution
- Profit/profits
- Passbook
- Mutual fund with term wrapper
- Liquidity account
- Investment plan
- Investment premiums
- Charter plan
- Savings/savings plan
- Private pension plan
- Deposit
- Secure
- Expansion plan
- Profit sharing
- Mutual fund
- Emergency fund

An advertisement should not emphasize the investment or tax features of a life insurance policy to such a degree that the advertisement would mislead the purchaser to believe the policy is anything other than life insurance. Examples of terms that should be used with caution when referring to a life insurance policy or its elements include:

- An account
- A program
- Extra income plan
- Risk free
- A tax advantaged plan
- Investment grade
- Net Equity
- Earnings

Statement with regard to the Risk Based Capital (RBC) of any insurer, or of any component derived in the calculation, would be misleading and is therefore prohibited. Analogies between a life insurance policy or annuity contract's cash values and savings accounts or other investments and between premium payments and contributions to savings accounts or other investments shall be complete and accurate.

Describe cash value accumulation as "tax-deferred" and not "tax-free" or "tax exempt."

Do not imply or indicate that the dividend or interest crediting rate is a "return on investment".

An advertisement shall not use the term "vanish" or "vanishing premium," or a similar term that implies the policy becomes paid up, to describe a plan using nonguaranteed elements to pay a portion of future premiums.

Do not refer to the existence of state guaranty associations.

The words "free," "no cost," "without cost," "no additional cost," "at no extra cost," or words of similar import shall not be used with respect to any benefit or service being made available with a policy unless true. If the benefit is described as "free" for one party because there is another party absorbing the cost to make this true, then the party paying for the benefit must be prominently disclosed.

Terminology must be understandable to "persons not knowledgeable in insurance matters" rather than "average education or intelligence within the segment of the public to which it is directed." The use of technical insurance terminology should be held to a minimum and be appropriate within the context of the advertisement. When technical insurance terminology is used, it should be consistent with the terminology that appears in the policy contract.

Do not use an acronym prior to spelling out what it stands for and defining it as such.

If an advertisement uses terms "nonmedical", "no medical examination required", or similar terms where issue is not guaranteed, these terms shall be accompanied by a further disclosure of equal prominence and juxtaposition to the effect that issuance of the policy may depend upon answers to the health questions contained in the application.

For example: The issuance of the policy may depend up on answers to the health questions contained in the application.

Additional Requirements for Material Used in New York

Statements made should not confuse or misdirect the consideration of the purchaser.

The use of statistics, illustrations and statements which may be factually correct will not be acceptable if their impact misleads or deceives.

An Advertisement shall not...

state or imply in any way which exaggerates any benefit beyond the terms of the policy, that ownership of the policy will solve financial problems create the impression that the insurer, its financial condition or status, the payment of its claims, or the merits, desirability or appropriateness of its policy forms or kinds of plans of insurance, are superior to what can be found elsewhere in the industry, unless such can be proven.

The use of the terms: just, necessary, only, minimum, merely, or words of similar import may, in the context used to describe any limitation or exclusion, be deemed to be misleading and capable of being deceptive.

The words: free, without cost, no cost, no additional cost, at no extra cost, without additional cost, or words of similar import, may not be used with respect to any benefit or service being made available with the policy. An advertisement may state that a charge is included in the premium, or use other appropriate language.

Any insurer using the phrase low cost, or similar term, to characterize its operation, policy portfolio, or a particular policy form shall, upon request of the superintendent, submit to the superintendent such evidence as it may have to substantiate such use.

State Codes

The purpose of a state code is to create an identifier that sufficiently distinguishes the advertisement from any other advertisement produced by PLIC or PL&A (i.e. the state code is unique). To obtain a state code or ensure that a state code is unique, please contact Marketing Communications.

State codes must be printed/appear on the front and back left hand corner of the material. For a one page, two sided piece, the state code(s) need only appear on one side (on the bottom left hand corner). For website pages, the state code(s) should appear on the lower left side of each page and should appear in the same location on each page within one website.

Sales material that is only for use with one company should only have one state code assigned. Sales material that can be used with more than one company may have either: (1) one state code assigned per company; or (2) one code assigned for both companies.

All state codes must end in a number. For example, a piece of material cannot be assigned the state code VLBD. Rather the state code must end in a number, such as VLBD-1. This is crucial as it pertains to "upping" the state code.

Tax-Free Benefits

Statements regarding tax benefits in client Sales Material must not state a policy's benefits are tax-free unless an explanation of the rules applicable to the taxation of these types of policy benefits are clearly shown with equal prominence and in close conjunction with the statement. Each tax-free statement must have the IRS code referenced or footnoted. (Even if the words "tax-free" are not used, if the gist of the statement is "tax-free", there must be an IRS reference).

Death Benefit Proceeds

The following wording must be added to all material on the same or facing page that discusses receiving tax-free death benefits from the life insurance policy:

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).

For material that discusses the **Pacific Income Term** product, use the following wording:

“For federal income tax purposes, life insurance death benefit proceeds paid in a lump sum 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). When otherwise income tax-free death benefit proceeds are paid in a series of payments after death, a level percentage of each payment is taxable as interest income.”

Additional Requirements for Material Used in New York

Any limitations in the policy which would reduce or eliminate the payment of the face or stated amount should be clearly stated, together with the amount of, or formula for, determining any reduced payment. The return of premium, with or without interest, in lieu of the face amount, shall be designated as a limited benefit and be clearly described.

If death benefit coverage varies with duration of the policy (e.g. death benefit option, Varying Annual Renewable Term), such facts shall be prominently disclosed (and illustrated, if the piece is an illustration).

Distributions (Loans, Surrenders, and Withdrawals)

Withdrawals do not come from "premiums paid." Do not indicate that "premiums paid" into the policy can be "withdrawn."

No statements or implications may be made that a policy can be surrendered without charges, if surrender penalties apply.

The following footnote should be added if the material discusses the potential tax-free nature of life insurance policy loans, surrenders, and/or withdrawals:

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;(any outstanding policy debt at time of lapse or surrender that exceeds the tax basis will be subject to tax); (3) withdrawals taken during the first 15 policy years do not cause, 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 §§ 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.

Ratings/Surveys

An advertisement shall not contain a recommendation by any commercial rating system unless it clearly defines the scope and extent of the recommendation including, but not limited to, the placement of the insurer's rating in the hierarchy of the rating system cited. Third party ratings must be the most recent available. For current ratings information refer to www.pacificlife.com or www.pacificlifeandannuity.com

Ratings Example:

*As of [insert current month/year], [insert company name] ratings for financial strength are:
[A ++ (Superior)] A.M. Best's [2nd] highest of [XX] rankings
[AA (Very Strong)] Fitch's [3rd] highest of [XX] rankings
[AA (Very Strong)] Standard & Poor's [3rd] highest of [XX] rankings
[Aa3 (Excellent)] Moody's [4th] highest of [XX] rankings*

LIMRA, or equivalent, surveys shall identify the number of companies participating in the survey, the basis for the survey and the timeframe the survey spanned.

Statistics or Citations

The source of statistics or citations used in Sales Material must be identified. Such source must include the publication name and date. A website alone is not an acceptable source. Use the most recent statistics or citations available. A source shall not be more than five years old.

For example:

National Underwriter, Revisiting The Executive Bonus Plan, April 9, 2007

When discussing similarities between the internal rate of return (IRR) of a life insurance policy's death benefit at life expectancy and long-term bonds, the following footnote must be included:

The average annual rate of return of the Barclays US Long Govt/Credit Index over the ten year period ending December 31, 2008 was 6.62%. This index includes U.S. Treasury and agency obligations, as well as investment-grade (rated Baa3 or above by Moody's) corporate bonds and international dollar-denominated bonds, all having maturities of 10 years or more.

Footnotes and Disclosures

Unless otherwise noted herein, footnotes and other disclosures shall be set out conspicuously, in the same size type as that used in the body of the advertisement, and in close conjunction with the statements to which such information relates.

Testimonials, Appraisals, Analysis, or Endorsements

Do not include testimonials, appraisals, analysis or endorsements (collectively referred to as testimonial) unless they are genuine, represent the current opinion of the author and are applicable to the policy advertised, if any. If the individual making the testimonial has a financial interest in the insurer or related entity (e.g. as a stockholder, director, officer, employee), or receives any benefit directly or indirectly, such fact must be prominently disclosed.

Dollar Amounts

Any time dollar amounts are used, the company must be careful to describe exactly what those amounts represent.

For example:

If they are projected rather than actual values, or guaranteed or non-guaranteed elements, it must be clearly stated.

If using dollar amounts to show the financial strength of the company, it must be clear whether the amount is for the actual insurance company or for the family of companies to which it belongs.

Statement Of Purpose

Often times, a statement of purpose should be included. The purpose of a piece of Sales Material should be clear.

Example:

"The purpose of the following presentation is to provide an overview of estate tax liabilities and to compare possible alternative methods of paying your estate taxes. One of the alternatives presented involves the purchase of a second to die life insurance policy in conjunction with an irrevocable life insurance trust."

Event or Group Meeting Advertisements

Public use material that advertises an event or group meeting where information will be disseminated regarding insurance products, insurance products will be offered for sale, or individuals will be enrolled, educated or assisted with the selection of insurance products, may use the terms "seminar," "class," "informational meeting," "retirement," "estate planning," "financial planning," "living trust," or substantially equivalent terms to characterize the purpose of the public gathering or event only if it adds the words "and insurance sales presentation" immediately following those terms in the same type size and font as those terms.

Generic public use material that advertises seminars, lunch and dinner meetings and similar functions, must identify every insurance company with which the life insurance producer is appointed.

Product specific public use material that advertises seminars, lunch and dinner meetings and similar functions, must identify the insurance company that issues the product and with which the life insurance producer is appointed.

Emails

To meet advertising regulations, add a disclosure to all emails:

For Example:

This email may be considered advertising under applicable law.

The disclosure must be bold, in different font than the rest of disclosures and slightly larger than the rest of the disclosures

Product Materials

Generally, the following standards apply to any sales material that references a product. These standards should be taken into consideration in addition to the standards listed under All Materials.

Product Identification

When a specific policy, policy feature or rider is advertised in the Sales Material include a description of the type of policy and indicate the policy's or rider's form number.

For Example:

Versa Flex VI, a flexible premium universal life insurance policy (Form No. P04VF5).

In any advertisement, various state laws provide the following guidance with respect to policy/rider form numbers; they must

1. be shown
2. be clearly identified
3. not be minimized
4. not be rendered obscure
5. not be presented in an ambiguous fashion
6. not be intermingled with the text of the advertisement so as to be confusing or misleading

Spec Pages Form Number(s) must be disclosed following the non-Spec Pages Form Number(s), if one is available.

Example (Product):

(Form Series [base product form number], [product spec for number], varies based on state of policy issue.)

Example (Rider with multiple form number):

(Form Series [base rider form number], [rider spec for number], varies based on state of policy issue.)

Example (Rider with single form number):

(Form Number [base rider form number], based on state of policy issue.)

Sales Material may not make reference to a hypothetical product made available by an actual or hypothetical insurer. For example, a hypothetical product cannot be used to educate a client about the use of a life insurance policy as a source of supplemental retirement income.

An advertisement shall not use as the name or title of a life insurance policy any phrase that does not include the words "life insurance" unless accompanied by other language clearly indicating it is life insurance.

Additional Requirements of One Logoed Advertisements

If a PLIC product and a PL&A product are referenced in the same advertisement:

1. The respective issuers must be identified as issuer of their particular products, and
2. Material differences among such products must be adequately disclosed.

Assumptions

When including policy values and not attaching a Basic Illustration, disclose all assumptions that are required to recreate an illustration (e.g., premiums, current interest rates, cost of insurance, etc.).

Rider Charges

12/2022

Pacific Life

Any Sales Material that includes a reference to a rider must include a reference to that rider's charges. The creator of the advertisement is responsible for determining which of the following methods is appropriate:

Sales Material that lists available riders by name and form number only or includes a minimal description of a rider must include one of the following:

Client Use Pieces

Riders will likely incur additional charges and are subject to state 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.

Life Insurance Producer Use Pieces

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.

Sales Material that includes a detailed description of a rider must include disclosure indicating that there is an additional charge for the rider, if such is the case, and an explanation/description of what the charge is or what it is based on.

Sales Material that provides specific premiums and advertises a rider or other optional benefit that may be added to the policy advertised at an additional cost must separately disclose the additional premium required for each such rider or other optional benefit *unless the material satisfies the NAIC Illustration Model*. If the material satisfies the NAIC Illustration Model, a disclosure indicating there is an additional charge for the rider, if such is the case, and an explanation/description of what the charge is or what it is based on must be included.

Withdrawal Charges

Basic Illustrations must clearly and conspicuously disclose any charges on withdrawals made during early contract years.

Non-Guaranteed Elements

Non-guaranteed elements may be defined as follows: "Premiums, credited interest rates (including any bonus), benefits, values, non-interest based credits, charges or elements of formulas used to determine any of these, which are subject to company discretion and are not guaranteed at issue. An element is considered non-guaranteed if any of the underlying non-guaranteed elements are used in its calculation." Policy elements that are not determined as guaranteed elements at policy issue may fall under this definition.

An advertisement shall not utilize or describe nonguaranteed elements in a manner that is misleading or has the capacity or tendency to mislead. An advertisement shall not state or imply that the payment or amount of nonguaranteed elements is guaranteed. As such, label guaranteed elements as guaranteed and nonguaranteed as nonguaranteed or current, as appropriate.

If an advertisement refers to any nonguaranteed policy element, it shall indicate that the insurer reserves the right to change any such element at any time and for any reason. Add the following disclosure to all Sales Material that includes any non-guaranteed policy element:

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

If an illustration includes nonguaranteed elements, it must either:

1. (a) be based on the insurer's current scale and (b) contain the following statement:

- Nonguaranteed values are not to be construed as estimates of amounts to be paid in the future.*
or
2. satisfy the NAIC Illustration Model.

In a presentation of benefits, do not display guaranteed and non-guaranteed benefits as a single sum unless they are shown separately and in close proximity.

Accelerated Living Benefit/Terminal Illness Benefit Footnote

Advertisements that refer to an acceleration of death benefits shall clearly and concisely disclose the following:

1. The illness, condition, care or confinement necessary to trigger eligibility for any acceleration-of-life-insurance benefit;
2. The effect that an acceleration-of-life-insurance benefit provision will have on the death benefit and other values available under the life insurance contract

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.

**Disclosure placement:

Where references are made to "no up-front cost", "no monthly rider charge", "no additional charge" or similar language, the disclosure must be placed in close proximity.

NOTE: Material may not refer to the rider as "no cost", "no charge", or even "no rider charge".

Where no reference is made to charges, the footnote must be clearly and concisely disclosed.

Advertisements that refer to an acceleration of death benefits shall clearly and concisely disclose the following:

CIR and TIR:

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 life expectancy at the time benefits are accelerated, the amount of benefits, 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 cannot determine whether the benefits are taxable. Clients are advised to consult with qualified and independent legal and tax advisors for more information.

CIR only:

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 cannot determine whether the benefits are taxable. Clients are advised to consult with qualified and independent legal and tax advisors for more information.

TIR only:

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 cannot determine whether the benefits are taxable. Clients are advised to consult with qualified and independent legal and tax advisors for more information.

Advertisements may not mention, illustrate or refer to the contract as an alternate or substitute for catastrophic major medical health insurance.

All printed client product material for used in CA that include content/section on a Pacific Life CIR rider shall include the following in a bold type:

This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy or certificate does not provide long-term care insurance subject to California long-term care insurance law. This policy or certificate is not a California Partnership for Long-Term Care program policy. This policy or certificate is not a Medicare supplement(policy or certificate).

All printed client product material for used in CA that include content/section on a Pacific Life CIR rider shall include the following:

1. A description of the accelerated death benefits provided by the policy, including a description of the acceleration of the death benefit to pay an unrestricted cash benefit when the insured has become chronically ill or otherwise eligible for benefits from a qualified event.
2. A comparison between the benefits provided by life insurance policies, riders or endorsements that contain accelerated death benefits and the benefits provided by long term care insurance.

How Does this Rider Differ from Long-Term Care Insurance?

While both options generally use the same definition for chronic illness and pay benefits for insureds who meet that definition, a long-term care policy is specifically designed to help cover the costs of long-term care. This rider is a life insurance component that enhances the flexibility of your life insurance policy to provide benefits if the insured develops a permanent chronic illness. **This rider is not and does not intend to qualify as long-term care insurance and is not intended to replace the need for long-term care insurance.** This rider's benefits are not tied to the actual cost of services received, if any, and so may or may not be sufficient to cover them.

Equity-Indexed Requirements

Materials that include a reference to equity indexed products must not:

- Use investment terms such as investment performance, investment returns, maximizing returns, Wall Street or the stock market except with extreme care and with appropriate caveats.
- Describe the equity indexing feature or formula as a means of participation in the stock market, the equity markets or the S&P 500 or other index, although indexing may be appropriately described as providing the potential for higher excess interest rates over the long term
- Provide a partial or complete list of the stocks or companies that constitute the index.
- Stress similarities to variable products, mutual funds or other investment vehicles.

Language in the marketing materials must be balanced and must disclose the following:

- That the policy does not directly participate in any stock or equity investments;
- Variables that affect participation in the equity index.
Note: Massachusetts state law specifically requires that language in advertising materials disclose that failure to maintain the policy to maturity may result in no participation in the equity index. If your material references a product that matures and if your material will be distributed in MA, you must satisfy this requirement.
- The participation rate and its relation to the equity index, including an invitation to contract, the excess interest formula, any caps or floors on excess interest, surrender and other charges and the guaranteed

minimum rate of interest payable;

- The death benefit provided by the policy and how the death of the policyholder affects cash value and excess interest accumulation in the policy.

No-Lapse Guarantees

Materials that include a reference to no-lapse guarantees must disclose the following based on the product being discussed:

Client sales material that references Short-Term No-Lapse Guarantee:

Paying only the Short-Term No-Lapse Premiums will guarantee the death benefit from [*], but will not guarantee cash value accumulation. If you discontinue paying the Short-Term No-Lapse Premiums, the no-lapse feature will terminate before the guaranteed duration. If this occurs, additional premiums in an amount equal to the short-fall can be paid to bring the no-lapse feature back in-force. If policy loans or withdrawals are taken, additional premiums may be required to keep the no-lapse feature in force. Additional premiums may be required to continue the policy beyond the guaranteed duration.

Producer sales material that references Short-Term No-Lapse Guarantee:

Paying only the Short-Term No-Lapse Premiums will guarantee the death benefit from [*], but will not guarantee cash value accumulation. If your client discontinues paying the Short-Term No-Lapse Premiums, the no-lapse feature will terminate before the guaranteed duration. If this occurs, additional premiums in an amount equal to the short-fall can be paid to bring the no-lapse feature back in-force. If policy loans or withdrawals are taken, additional premiums may be required to keep the no-lapse feature in force. Additional premiums may be required to continue the policy beyond the guaranteed duration.

*:
(SE V, MVP VIII, MVP IX, and PS VUL, MVP VUL LTP, MVP VUL, PS VUL-A) – 5 to 20 years, based on insured's age at issue
(all other Single Life products) – 4 to 20 years, based on insured's age at issue
(SEP VI, VP SL II, PS SVUL, PSE SVUL and MVP VULS 3) – 5 to 25 years, based on the older insured's age at issue
(IPEP and MVP IUL-S) – 3 to 10 years, based on the younger insured's age at issue

Client sales material that references Medium Duration No-Lapse Guarantee:

"The Medium Duration No-Lapse guarantee, depending on how you structure your policy, has a maximum duration to the [younger]** insured's age 90. If your 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 policy is being maintained solely by the no-lapse guarantee, your policy will not build cash value."

Producer sales material that references Medium Duration No-Lapse Guarantee:

"The Medium Duration No-Lapse guarantee, depending on how your client structures their policy, has a maximum duration to the [younger]** insured's age 90. 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."

**"younger" appears only for IPEP and MVP IUL-S

Client sales material that references Medium Duration No-Lapse Guarantee:

"The Medium Term No-Lapse guarantee, depending on how your policy is structured, has a guarantee duration from 1 to 40 years. If your 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 policy is being maintained solely by the no-lapse guarantee, your policy will not build cash value."

Producer sales material that references Medium Duration No-Lapse Guarantee:

"The Medium Term No-Lapse guarantee, depending on how your client's policy is structured, has a guarantee duration from 1 to 40 years. 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."

Client sales material that references Flexible Duration No-Lapse Guarantee or Lifetime No-Lapse Guarantees:

"The [Flexible Duration/Lifetime] No-Lapse guarantee, depending on how you structure your policy, has a maximum duration of the [younger] insured's lifetime, subject to certain limits. If your 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 policy is being maintained solely by the no-lapse guarantee, your policy will not build cash value."

Producer sales material that references Flexible Duration No-Lapse Guarantee or Lifetime No-Lapse Guarantees:

"The [Flexible Duration/Lifetime] No-Lapse guarantee, depending on how your client structures their policy, has a maximum duration of the [younger] 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."

Universal Life Premiums

Any advertisement that mentions or refers to universal life insurance premiums shall indicate that it is possible that coverage will expire when either no premiums are paid following the initial premium, or subsequent premiums are insufficient to continue coverage, if true.

For Example:

[Variable/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.

LITIGATION & LIABILITY

The guidelines and disclosures included in this section are generally intended to limit litigation and liability risks. This section should be taken into consideration in addition to the State Insurance Law section.

Tax Related Disclosure

All material (including both concept related pieces and product related pieces) that included a reference to tax should have the Tax Related Disclosure set apart from other disclosures/text.

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.

Account Mix

The disclosure language should be included when a discussion of the Account Mix Option in detail.

The following language/terms should not be used in conjunction with the Account Mix Option:

rebalancing, models, indexed account allocation mix, any potentially misleading or security related language

Client Facing Sales Material:

Pacific Life makes no claims, representations, warranties, or recommendations, whether express or implied, regarding the mix of accounts, or percentage of value allocated among the account mixes, in its products. The account mixes are intended for your convenience only. Pacific Life has not validated, verified, or tested whether the mixes will achieve any particular objective. Note that there may be charges associated with certain accounts included in the mixes. It is important to consult with your independent tax, legal, and life insurance professionals before you make any policy election to help ensure it meets your life insurance needs and financial objectives.

Producer Facing Sales Material:

Pacific Life makes no claims, representations, warranties, or recommendations, whether express or implied, regarding the mix of accounts, or percentage of value allocated among the account mixes, in its products. The account mixes are intended for your convenience only. Pacific Life has not validated, verified, or tested whether the mixes will achieve any particular objective. Note that there may be charges associated with certain accounts included in the mixes. Clients should also consult with their independent tax and legal professionals before making any election to help ensure it meets their life insurance needs and financial objectives.

Co-branded Sales Material:

Co-branded sales material that consists of content that is third-party created. Per an agreement with the third-party content owner, PL will utilize the content for PL logoed sales material, but PL does not own the content and there is very limited opportunity to obtain revisions to the content. PL maintains and manages the distribution of the co-branded sales material. Add the following disclosure language to the sales material:

The original publication content was written and prepared by [third-party name]. [Pacific Life] has permission to disseminate the content as shown. [third party name] is not an affiliated company of [Pacific Life].

Foreign Language Translated Material:

All **client** sales material that has been translated into a foreign language must include the following disclosure:

Please note, [Pacific Life*] products, materials and services are only available in English. Materials include, but are not limited to, the application for life insurance and the life insurance policy. In addition, if you call [Pacific Life*] at the numbers listed, your call will be answered in English. Due in part to limitations inherent in translations, this brochure may be different from the English version. In the event of a dispute or complaint regarding this brochure, the English language version is the official version and shall control the resolution of the dispute or complaint, while the foreign language version is for informational purposes only and may not be construed to modify or change the [Pacific Life*] product or policy.

* content changes based on material availability:

Examples:

Pacific Life Insurance Company

Pacific Life

Pacific Life & Annuities Company

Non-Fiduciary Disclosure

The Non-fiduciary Disclosure must be bold and *italicized*:

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

Terminology

Avoid terms that may mislead the client into believing that Pacific Life Insurance Company, Pacific Life & Annuity Company or any subsidiaries are part of a legal partnership with any third party unless such is the fact. Some examples of these terms are “partner,” “partners,” “partnership,” “partnering,” etc.

Do not describe a concept/product/rider as “THE solution” to any angle or need being marketed. Using the term solution in a generic sense may be acceptable when the statement is hedged appropriately. A concept/product/rider could be described as “a solution” for a particular, specific need.

For example:

Inappropriate use of “solution”: “An ILIT is a solution.”

Appropriate use of “solution”: “An ILIT could be a solution for your estate planning concerns.”

Inappropriate use of “solution”: “Why is this fund important? It’s a one stop solution.”

Appropriate use of “solution”: “Why is this fund important? It could be a one-stop solution for asset allocation.”

Policy loans should not be described as “preferred”, “wash”, “zero spread” or any other similar name in order to describe the relationship between the loan account crediting rate and loan interest rate charged.

When using the term “overfunded” or “overfund” in reference to life insurance, include the following explanation:

Overfunded life insurance policies are policies where the premiums exceed the minimum premiums necessary based on current assumptions to sustain the intended death benefits, but are no more than the premium limitations relative to the death benefits, such that the policies still meet the definition of life insurance, and avoid modified endowment contract status.

Generally, the use of “overfunded” or “overfund” is only appropriate in Life Insurance Producer/Broker-Dealer pieces. The terms should generally not be used in pieces directed to the Public.

The term “permanent” may not be used to describe life insurance products, benefits or features.

The term “blend” or “blending” should not be used to characterize a policy that provides both base and term coverage. Appropriate terminology may include: “base-term mix,” “based-to-term ratio,” and “% base / % term.”

Any reference to using the policy cash value as a strategy for college funding/planning should be removed in its entirety.

Life Insurance should not be referenced as an Asset Class to avoid any implication that life insurance can be viewed as an investment.

Material may not reference a public figure, celebrity or any element of a television show or movie including characters.

Exaggerations should be avoided when describing insurance products and their benefits. It would be generally inappropriate to describe a life insurance benefit as:

- Innovative
- Unique
- Specially designed
- Unparalleled
- Superior

Factfinder/Vital Information Page

Any factfinder or Vital Information page that asks for client information in a sales piece should have the following disclosure positioned prominently at the top of the Factfinder or Vital Information page:

This factfinder is provided to help you and your life insurance producer better understand your goals and objectives. Please return the information to your life insurance producer and not to [insert name of company] as we cannot and do not provide financial, legal or tax advice.

Page Numbers

Non-bound pages (e.g. PowerPoint presentations, illustrations, PlanLab output) should be numbered to show total number of pages (Page 1 of 37, Page 2 of 37, etc).

The first page of a one page, two sided piece should be marked to indicate the existence of a second page (e.g. over, continued on back, Page 1 of 2).

Company Logo Use

Individual life insurance producers may not use the Company logo.

Marketing Organization (MO) Wording

All materials created for Pacific Life Marketing Organizations that use any Pacific Life logo must also contain the following statement:

"[insert name of marketing organization] is an independent marketing organization representing various insurers including [Pacific Life/Pacific Life Insurance Company/Pacific Life & Annuity Company]."

The Pacific Life/Pacific Life Insurance Company/Pacific Life & Annuity Company logo(s) and name(s) must appear smaller than the logo and name of the Marketing Organization.

Limitation of Policy Features

When sales material discusses policy/product, features and benefits, include language to indicate there may be features and benefits that are not available through some Broker Dealers.

Example:

This material reflects the [Pacific Life Insurance Company*] policy features and benefits. All policy features and benefits may not be available through some Broker Dealers.

* content changes based on material availability:

Examples:

Pacific Life Insurance Company

Pacific Life

Pacific Life & Annuities Company

Provider Wording

Sales Material containing a reference to a third party provider (e.g. Senex, CMS, etc.) must contain the following statement:

[Insert name of provider] is [insert what the provider is, as appropriate and] is not an affiliated company of [insert PLIC/PL&A/PL and [Pacific Select Distributors, LLC]as appropriate]]

For example, a piece referring to Capital Maximization Strategies, Inc. should include the following disclosure:

Capital Maximization Strategies, Inc. (CMS) is an independent distributor of insurance carrier products and is not an affiliated company of Pacific Life Insurance Company or Pacific Life & Annuity Company.

Premium Tax Reduction

Any statement that refers to the reduction of premium taxes (or that implies that such savings will be passed on to policyowners) via the redomestication of Pacific Life Insurance Company to Nebraska should be limited (i.e. some benefits may be passed on to policyowners, but not all.) Please direct any questions to the Law department.

Policy Charges

Core materials* and product illustrations should contain specific reference to each policy charge. Non-core materials may be required to contain such reference based upon the context.

Any variable life insurance material that references any policy charge should include the following statement in close proximity to where policy charge(s) are referenced:

Policy charges will reduce the effective rate of return on your accumulated value in the variable investment options. Policy charges may also exceed the interest credited to your accumulated value in the fixed [and indexed] accounts.

*Core material includes: (1) Rates & Values Booklets/Technical Guides, (2) Sales Guides, (3) Product Description & Detail Pages, (4) Fact Sheets, (5) Client Guides and (6) material that contains significant product detail as determined by the material's Responsible Department.

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Pacific Life

For Financial Professional use only. Not for use with the public.

Private Placement Life Insurance Product

Any broker dealer materials that reference a private placement life insurance product no longer for sale, should use the following:

[Product Name(s)] is/are private placement variable universal life insurance products.

Asset/Creditor Protection

Any material that references potential asset/creditor protection benefits of an individual through the life insurance policy should do so with appropriate hedging language (e.g. may provide asset/creditor protection, potential for asset/creditor protection, etc.) and should include the following disclosure:

State law may provide life insurance and annuities with certain asset protection benefits. As a general rule, a debtor may not transfer property with the intent to avoid debt due to his creditors. The laws governing asset protection, however, are complex and the consequences of poor planning may be both civil and criminal penalties. Anyone contemplating an asset protection plan should not undertake such without the advice of legal counsel.

Replacement

Any Sales Material that references life insurance or annuity policy replacement should contain the following:

Client Use Pieces

There are circumstances in which replacing your existing life insurance or annuity can benefit you. As a general rule, however, replacement is not in your best interest. Your life insurance producer can provide you with detailed information as to how a replacement may affect your plan of insurance. You should make a careful comparison of the costs and benefits, including any applicable surrender charges, of your existing policy and the proposed policy to determine whether replacement is in your best interest.

Life Insurance Producer Use Pieces

There are circumstances in which replacing your client's existing life insurance or annuity can benefit your client. As a general rule, however, replacement is not in your client's best interest. You should make a careful comparison of the costs and benefits, including any applicable surrender charges, of your client's existing policy and the proposed policy to analyze how a replacement may affect your client's plan of insurance. You should provide this detailed information to your client and discuss whether replacement is in your client's best interest.

Product Comparisons

General Requirements of All Comparisons

Scope. A comparison in sales material involves comparing a PLIC or PL&A product to another insurer's product, or to another PLIC or PL&A product. This may include comparisons of product performance, product features, etc.

Prohibitions. Do not disparage other insurers, life insurance producers, policies, services or methods of marketing.

Requirements. Any use or comparison of policy values, benefits, performance, rates or features should be fairly presented, accurate, and thoroughly explained. This is especially true when comparing term to cash value life insurance, participating to non-participating products, single life to joint life products, etc.

Data May Not Be "Cherry Picked". Comparisons may not "cherry pick" products or companies to make Pacific Life look artificially superior. Cherry picking is the act of pointing at data that seems to confirm a particular position, while ignoring a significant portion of relevant data that may contradict that position. Relevant data includes products of direct competitors in the subject market.

Comparison of Different Product Features. Careful consideration should be given to how we describe or compare PLIC/PL&A products to competitor products that offer different features (e.g. a PLIC product that offers base and term coverage and a competitor's product that does not, or a PL&A product that offers different risk classes than a competitor's product). Documentation should be retained in the comparison file to explain what we assumed to make the most appropriate comparison possible given the different features of the products compared. Assumptions regarding the different product features must be disclosed in the comparison.

Purpose Statement. The comparison should include a statement of purpose that explains what the comparison is intended to show, why the comparison is provided, and, if necessary, what the comparison is not intended for.

For example:

To assist you in evaluating variable universal life insurance products in the marketplace in order to assist you in recommending products that meet your clients' insurance needs and financial objectives, the following is a comparison of SE III with competitor products based on a potential post-retirement income stream given a certain set of assumptions. This comparison is not intended for, and cannot be used with, the public. Only complete and personalized policy illustrations for each company presented or discussed should be used with the public.

Policy Form Number & Issuer

The policy or rider form number as well as issuing company must be disclosed for all competitors' products.

Needs and Objectives Disclosure. Include the following disclosure on any comparison for use with life insurance producers.

Many life insurance products have some flexibility in how they are structured. For example, death benefit coverage under certain products may be provided through a combination of the base policy and any available term or other riders. Each policy selected, illustrated, and sold should be structured based upon your client's particular insurance needs and financial objectives. It is your responsibility to know that the particular policy selected, illustrated, and sold will best meet your client's needs and objectives both now and in the future.

Include the following disclosure on any comparison for use with the public.

Many life insurance products have some flexibility in how they are structured. For example, death benefit coverage under certain products may be provided through a combination of the base policy and any available term or other riders. The policy you purchase should be structured based upon your particular insurance needs and financial objectives. You must work with your life insurance producer to determine if the recommended policy will best meet your needs and objectives both now and in the future.

Source of Data. Reference the source of the competitor's policy values as well as the date the values were generated.

[Values/Income stream/Death benefits/etc.] shown are based on data from all companies as of _____ . Competitor information presented based on [publicly available data/illustrations/data received directly from the company/etc.]. While we believe it is accurate, we cannot assure you that this is the most current information. Please contact the company for a current illustration and prospectus of its product

General Requirements of Life Insurance Product Performance Comparisons

Product Variance. Include the following disclosure on any product performance comparison for use with life insurance producers or the public.

Various aspects of products, including but not limited to features, benefits, expenses, loads and charges, will vary from company to company and will impact the values shown. Products are not identical, and the products' specific features and [life insurance producer use pieces use: the client's; client use pieces use: your] use of those features will impact long term policy performance.

Values Compared. For each product compared, the following values should generally be shown:

- 1) premium
- 2) cash surrender value
- 3) death benefit

If the comparison involves any of the following values, observe the guidelines outlined here.

- 1) Income Stream: The basis on which the income was derived should be stated. E.g., policy withdrawals until basis is recovered, policy loans thereafter.
- 2) Target Premium: Target premium should *not* be referred to as "commission" or "compensation" as the actual payout to a life insurance producer or registered representative may vary depending on their life insurance producer agreements and compensation schedules.
- 3) No Lapse Premium: No lapse premium should be described. The description should highlight differences in products' no lapse guarantees.

If values are displayed in columns, column headings should be defined unless self-explanatory.

Base-Term Mix. If a comparison is made with a PLIC/PL&A policy that is run with a base-term mix and a competitor policy that is all base, either:

- 1) The PLIC/PL&A policy values must also be shown at all base; or
- 2) The following disclosure must be added:

[Pacific Life Insurance Company's/Pacific Life and Annuity Company's] [name of product] illustration(s) assume a combination of base coverage and term rider coverage so as to provide for a premium amount that is comparable or similar to the competitor's target and no-lapse premiums being shown above. The competitor's products are illustrated assuming all base coverage. Other combinations of base and term may be available with the products illustrated, including [Pacific Life Insurance Company's/Pacific Life and Annuity Company's] [name of product], and could result in higher or lower premiums than shown above.

Non-guaranteed Elements. Include the following caveat if any policy values based on non-guaranteed elements are included in the comparison:

Values for all policies may contain guaranteed and non-guaranteed elements, including but not limited to current interest rate and current cost of insurance rates. This is not an estimate of future performance. Companies use different methods in determining current non-guaranteed elements and there will be variations in their values and meanings.

Miscellaneous Disclosures. Depending on the purpose of the comparison, one or more of the following disclosures may be appropriate.

Products are ranked from highest to lowest based on _____.

Underwriting class is based on _____. Underwriting criteria will differ from company to company; we attempted to use comparable risk classes across all companies.

Requirements of Variable Life Insurance Product Performance Comparisons

Variable life Insurance product performance comparisons are not appropriate for use with the public and may only be used with life insurance producers.

Variable product performance comparisons should display policy values based on: (1) a reasonable earnings rate; and (2) a 0% rate.

If a 0% growth assumption would lapse all of the policies compared, it need not be illustrated. If not illustrated, add the following:

A 0% growth assumption is not illustrated, because all policies compared with this rate of return would not build sufficient cash value to keep it in force and, therefore, all policies would lapse.

Requirements of Non-Variable Life Insurance Product Performance Comparisons

Non-variable life insurance product performance comparisons may be used with life insurance producers or the public.

Public-use product performance comparisons must comply with the Illustrations Model, if applicable.

Concept Considerations

Concepts that may misrepresent the value provided by death benefit

Avoid terms/concepts that promote the creation of wealth from life insurance death benefit. Death benefit should only be described as insuring a loss created based on a premature death. It should not be marketed as a way to increase inheritance or create a legacy. Terms such as preserve, protect or similar terms should be used to hedge the message about the impact of death benefit being provided.

These terms/concepts may be seen in materials that advertise Max concepts, Charitable Giving concepts, Estate Equalization concepts or Income Maximization concepts.

College funding/planning strategy

Any reference to using the policy cash value as a strategy for college funding/planning should be removed in its entirety.

Discussion of Life Insurance Death Benefit

When a product or concept is used in the promotion of life insurance, clearly include a statement or discussion of the primary purpose of life insurance being death benefit protection.

Note: Depending on the type of product, the primary purpose may be protection against pre-mature death (single life product) or death (survivor product).

Example:

The primary purpose of life insurance is to provide death benefit protection in the event of the insured's death.

Underwriting and policy charges:

Include the following language when life insurance is referenced:

Life insurance is subject to underwriting and approval of the application and will incur monthly policy charges. [In general, additional premium is required to continue coverage of the policy. Policy may lapse if premium is insufficient to continue coverage]*

* Include for Life Insurance For Risk Protection (LIRP) materials.

For Term Products use:

Life insurance is subject to underwriting and approval of the application.