



PACIFIC LIFE

Pacific Life Insurance Company

PACIFIC DISCOVERY XELERATOR IUL 2

*Flexible Premium Indexed Universal
Life Insurance*

2

CLIENT GUIDE

Pacific Life Insurance Company, policy form #P15IUL and S18PDX2 or ICC15 P15IUL and ICC18 S18PDX2, based on state of policy issue. Indexed Universal Life Insurance does not directly participate in any stock or equity investments.

➤ ARE YOU PREPARED FOR TWO MAJOR RISKS?

There are two major financial risks you may face as you work and save for retirement. How can you help safeguard your and your family's financial well-being...

IF YOU DIE TOO EARLY

Your family will lose a lifetime of your earnings potential and may no longer be able to sustain their current lifestyle.



IF YOU LIVE TOO LONG

You may outlive your retirement savings and face a retirement income shortfall.



What if you could provide financial protection for your loved ones while you save for retirement **and** add a tax-efficient asset to your financial portfolio?

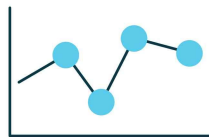
Consider Pacific Discovery Xelerator IUL 2 (PDX IUL 2) for death benefit protection now and tax-free¹ supplemental income potential later.

BENEFITS OF INDEXED UNIVERSAL LIFE (IUL) INSURANCE



Death Benefit Protection

Protect your family and assets with tax-free² death benefit.



Index-Based Performance

Indexed accounts credit interest based in part on the performance of major stock market indexes, excluding dividends.



Guaranteed Floors

Your policy's cash value is protected from index-based losses and is reduced only by policy charges³ and any policy loans, withdrawals, and other distributions you take.

¹ 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 Sec. 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans, and loan interest will reduce policy values and may reduce benefits.

² 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).

³ Monthly policy charges include an Administrative Charge, Coverage Charge, Cost of Insurance Charge, and any applicable rider charges. Additionally, a premium load is deducted from each premium payment. Surrender charges will apply upon policy surrender within 10 years of policy issue or Basic Coverage layer issue date. To understand how the policy charges will affect your policy's cash value, request a personalized illustration that includes the "Policy Charges" report.

PROTECTION

PDX IUL 2 provides guarantees to help you mitigate interest crediting risk.



GUARANTEED PROTECTION

To help keep your policy in force, regardless of its interest crediting rate, the policy comes with four to 20 years of no-lapse protection at no additional charge.^{4,5} If you would like longer no-lapse guarantee coverage, elect the optional No-Lapse Guarantee Rider for an additional charge and choose a flexible no-lapse duration up to lifetime.^{4,6}

2% TERMINATION GUARANTEE

Your policy's 2% Interest Guarantee on Termination Rider⁹ provides an alternate accumulated value (AAV) that, if higher than the policy's actual accumulated value, is used to determine the amount available at the insured's death, policy surrender, or to help prevent policy lapse. The AAV increases with premiums paid and 2% annual interest based on the policy's current allocations among the fixed account, one-year indexed accounts, and loan account. It is reduced by policy distributions and some policy charges and excludes any indexed interest credits and additional interest credits. This rider is included in the policy at no additional charge.

FIXED ACCOUNT CERTAINTY

In addition to a range of indexed accounts, your policy offers the certainty of a fixed account. The fixed account credits a currently declared interest rate, guaranteed to be no less than 2% annually. Each premium you pay⁷ (less a premium load) is applied first to your policy's fixed account. For potentially greater interest crediting potential, you may choose to transfer money from the fixed account to any combination of indexed accounts on the 15th of each month.⁸ Each transfer into an indexed account creates a unit of value called a segment. Interest is credited to each segment using formulas based on the performance of underlying indexes, as described in the policy illustration.

If you choose to leave your net premiums in the fixed account, your policy will function like a typical universal life insurance policy, crediting a current interest rate guaranteed to be no less than 2% annually.

⁴ 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.

⁵ The Short-Term No-Lapse Guarantee Rider (Form #R02NL5) is issued with all policies with insureds issue ages 75 and younger electing Death Benefit Option A or B at policy issue. Paying only the Short-Term No-Lapse Premiums will guarantee the death benefit from four to 20 years, 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.

⁶ The No-Lapse Guarantee Rider (Form #R17FNL or ICC17 R17FNL, based on state of policy issue), depending on how you structure the policy, has a maximum duration of the insured's lifetime, subject to certain limits. If your policy's net no-lapse guarantee value is zero, the no-lapse feature terminates. If policy performance is such that your policy is being maintained solely by the no-lapse guarantee, your policy will not build cash value. If the no-lapse feature terminates, additional premiums would be required to resume the no-lapse guarantee.

⁷ 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.

⁸ Funds must be available in the fixed account and the request must be received at least two business days prior to the 15th of each month in order to make a transfer to the indexed accounts. Once per quarter, guaranteed minimum frequency.

⁹ The 2% Interest Guarantee on Termination Rider (Form #R15IGT or ICC15 R15IGT, based on state of policy issue) is issued with the policy at no additional cost.

POTENTIAL

PDX IUL 2 offers options for greater interest crediting potential.

Persistency Credit

Pacific Life Insurance Company may credit an additional amount to the fixed account through a nonguaranteed¹⁰ persistency credit beginning in policy year 11. Any additional amounts will be allocated per the policyowner's current allocation instructions on the next transfer date.

Enhanced Performance Factor Rider

To increase the interest crediting potential of the indexed accounts, you may elect the Enhanced Performance Factor Rider at policy issue.¹¹ The rider offers three levels of guaranteed monthly rider charges and Performance Factors as shown below. While the charges will never be higher than shown, the Performance Factors may be higher than shown on a current basis.

SAMPLE VALUES: GUARANTEED MINIMUMS IN YEARS 2–20

RIDER DESIGN	Classic (A)	Performance (B)	Performance Plus (C)
PERFORMANCE FACTOR	1.00	1.49	1.72
RIDER CHARGE	0% Monthly (0% Annually)	0.415% Monthly (4.98% Annually)	0.625% Monthly (7.50% Annually)

For brevity, the above chart reflects guaranteed rider charges and guaranteed minimum performance factors in policy years 2–20, although they apply in all years 2+. Each Performance Factor is the sum of the 1.0 Guaranteed Performance Factor and the rider's current Performance Factor. The guaranteed rider charge is assessed monthly as a percentage of each Segment's Monthly Balance. The Performance Factor applies at Segment maturity based on the Average Segment Monthly Balance over the Segment Term.

What Do Performance Factors Do?

Segment performance factors greater than 1.0 may increase the interest credited to the indexed accounts as shown below. Each segment's performance factor may be higher than shown on a nonguaranteed basis and may also include a nonguaranteed Persistency Credit Factor (applied in years 11+ at the company's discretion).

$$\text{Segment's Indexed Interest Credit} \times \text{Segment's Performance Factor} = \text{Segment's Total Indexed Interest Credit}$$

What Are Some Things I Should Know?

The rider gives you choices. You may switch between rider designs as frequently as every year on the policy anniversary. For example, switching to the Classic rider design will return any newly created segments back to their base interest crediting potential—no additional rider charges and no additional Rider Performance Factor will apply. At any later policy anniversary, you may switch to another rider design for greater rider charges and greater Performance Factors. Rider design changes occur on the policy anniversary and will impact only the indexed segments created on or after the policy anniversary after a requested rider design change.

Another consideration is the rider will increase an indexed segment's value only when the additional interest credited due to the Rider Performance Factor exceeds the deductions for the rider's monthly charges.

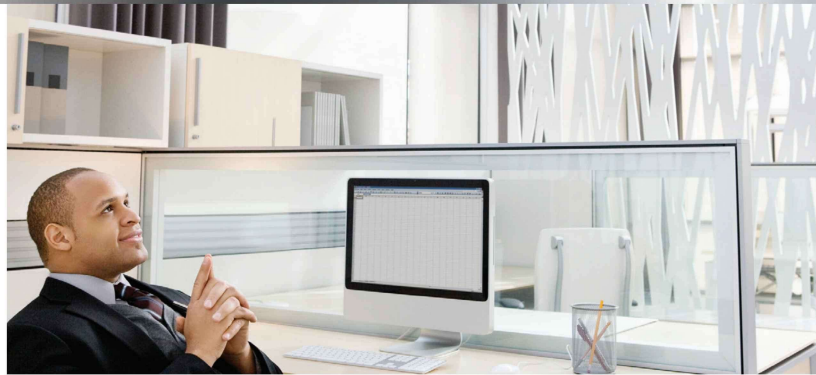
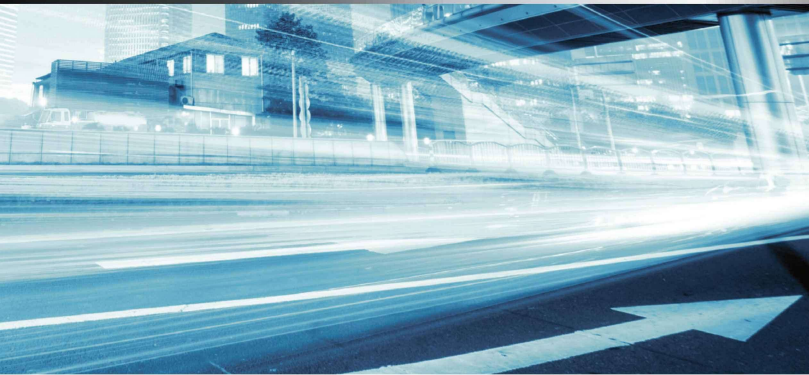
*To learn more about indexed interest crediting,
request a personalized illustration from your life insurance producer.*

¹⁰ Pacific Life 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.

¹¹ Enhanced Performance Factor Rider (Form #R18EPF or ICC18 R18EPF, based on state of policy issue). 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.

➤ HOW WILL YOU USE YOUR POLICY?

Your policy's potential uses are as dynamic as its design.



SUPPLEMENT YOUR INCOME

If you are a high-income earner, you may find it difficult to save enough for retirement, particularly once you maximize your qualified retirement plan contributions. You can add a tax-diversified asset to your retirement portfolio with PDX IUL 2. The policy's death benefit will provide financial protection for your policy's beneficiaries, while its interest crediting potential can help you build a potential source of supplemental retirement income.

Tax benefits include tax-deferred accumulation of the policy's cash value and tax-free¹² policy distributions (policy loans and withdrawals) from the available cash value. Because the policy guarantees minimum interest crediting rates, the policy is also protected from index-based losses making it an attractive addition to a retirement income portfolio.

INCENTIVIZE KEY EXECUTIVES

Companies looking to incentivize executives may offer executive bonus arrangements. In many cases, contribution limits on qualified plans result in retirement income shortfalls for highly compensated executives. By offering bonuses to your executives in the form of premium payments, you can provide executives the potentially lifelong benefit of cash value life insurance in addition to the financial protection provided by the policy's death benefit.

Meanwhile, the bonused premiums are generally tax deductible as business expenses.¹³

Your employee benefits legal counsel can tell you whether this is an employee benefit plan under the Employee Retirement Income Act of 1974 and, if so, whether any additional requirements are necessary.

➤ ***Talk to your life insurance producer about the many ways life insurance may help in your personal and business planning needs.***

Life insurance is subject to underwriting and approval of the application and will incur monthly policy charges. While life insurance can provide supplemental retirement income, it is possible that the policy may not provide sufficient distribution potential to cover a retirement income shortfall. Ask your life insurance producer for a personalized illustration for details.

¹² 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 Sec. 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans, and loan interest will reduce policy values and may reduce benefits.

¹³ The deductibility of the bonus is subject to the reasonable compensation limits established by IRC Sec. 162(a).

The Power of Pacific

For more than 150 years, Pacific Life has helped millions of individuals and families with their financial needs through a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative products and services that provide value and financial security for current and future generations. Pacific Life counts more than half of the 100 largest U.S. companies as its clients and has been named one of the 2020 World's Most Ethical Companies® by the Ethisphere Institute. For additional company information, including current financial strength ratings, visit www.PacificLife.com.

*Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company.
Client count as of June 2020 is compiled by Pacific Life using the 2020 FORTUNE 500® list.*

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 recommendations regarding insurance or investment products.



PACIFIC LIFE

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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 life insurance producer can help you determine which optional riders are available and appropriate for you.

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