



**PACIFIC LIFE**  
CELEBRATING 150 YEARS

Pacific Life Insurance Company

# PACIFIC DISCOVERY XELERATOR IUL

*Flexible Premium Indexed Universal  
Life Insurance<sup>1</sup>*

CLIENT GUIDE

# ➤ ARE YOU PREPARED FOR WHAT MAY COME?

There are two major questions 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.



## CASH VALUE LIFE INSURANCE CAN HELP.

It pays a tax-free<sup>2</sup> death benefit to your beneficiaries at your death to help replace your lost earnings potential.

It also provides benefits for you to enjoy during your lifetime—tax-deferred growth potential of the policy's cash value and tax-free<sup>3</sup> supplemental income potential via distributions from the policy's available cash value.

<sup>2</sup> For federal income tax purposes, life insurance death benefits generally pay income tax-free to beneficiaries pursuant to IRC Section 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 Section 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 Section 101(j).

<sup>3</sup> For federal income tax purposes, tax-free income assumes, among other things: (1) withdrawals do not exceed tax basis (generally, premiums paid less prior withdrawals); (2) policy remains in force until death; (3) withdrawals taken during the first 15 policy years do not occur at the time of, or during the two years prior to, any reduction in benefits; and (4) the policy does not become a modified endowment contract. See IRC Sections 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans, and loan interest will reduce policy values and may reduce benefits.

# Why Cash Value Life Insurance?

## Benefits for Your Beneficiaries



### Protect What Matters Most with Tax-Free<sup>2</sup> Death Benefit

Protect Business, Family, or Lifetime Earnings Potential

## Benefits for You



### Tax-Deferred Accumulation

Cash Value Growth Potential



### Supplement Income Tax-Free<sup>3</sup>

Policy Loans and Withdrawals from Available Cash Value



## Cash Value Life Insurance

### Another Financial Tool in Your Retirement Strategy

Many high income earners will easily meet their maximum qualified plan contributions each year. You may add another tax-advantaged accumulation asset to your portfolio with cash value life insurance:

- Tax-free<sup>2</sup> death benefit helps protect your family while you are focused on accumulating assets.
- Policy's premium limits may be well above qualified plan contribution limits.
- No waiting until a certain age before available cash values may be accessed.
- Distributions from the policy are tax-free<sup>3</sup> via policy loans and withdrawals from the policy's available cash value.

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. Pacific Discovery Xelerator IUL indexed universal life insurance offers attractive cash value growth potential in and after policy year 15. The product is designed for use with moderate to high premiums. If you pay lower premiums than illustrated or your policy performance is less favorable than illustrated, there is a higher risk of policy lapse, particularly in the policy's early years. Ask your life insurance producer for a personalized illustration for details.



## ➤ **DISCOVER YOUR MISSING ASSET**

What if you could protect your loved ones while you save for retirement, plus add a diversified tax-advantaged asset to your financial portfolio? Consider a Pacific Discovery Xelerator IUL indexed universal life insurance policy from Pacific Life Insurance Company for:

### **PROTECTION FOR YOUR LOVED ONES**

Income tax-free<sup>5</sup> death benefit paid to policy beneficiaries at death of insured.

### **TAX-DEFERRED GROWTH POTENTIAL**

Premiums, net of premium load, are applied to the policy's cash value where they may accumulate with any interest credited, less monthly policy charges.

### **TAX-FREE SUPPLEMENTAL INCOME POTENTIAL**

You may access the policy's available cash value income tax-free<sup>6</sup> via policy loans and withdrawals.

### **ASSET DIVERSIFICATION**

The policy's cash value is an asset that, along with any other assets you have, may provide a balance of risk/return for your overall financial portfolio.

### **MARKET-LOSS PREVENTION**

Your policy allows you to allocate among indexed accounts, which credit an interest rate based in part on the performance of major stock market indexes, excluding dividends. The interest rate is capped on the upside to the account's current<sup>7</sup> indexed account growth cap rate. It is also capped on the downside, by a guaranteed minimum interest crediting rate, which helps insulate your policy's cash value from index-based losses.

## ➤ ***Pacific Discovery Xelerator IUL— Cash Value Life Insurance that Fits Your Busy Lifestyle***

*Up to \$3 million in life insurance coverage with no medical exams.<sup>4</sup>*

<sup>4</sup> If you are age 25-60 with no major health impairments and plan on using your policy for a life insurance with supplemental income potential design, you may qualify for up to \$3 million in life insurance coverage with no medical exams, no needles, and no bodily fluids. Eligibility is based on health, age, gender, occupational risk, and other factors. Pacific Life Insurance Company reserves the right to discontinue this program at any time and issue of the policy may depend on answers to health questions in the application and may require an Attending Physician Statement for certain applicants.



## Pacific Discovery Xelerator IUL

### Flexible Premium Indexed Universal Life Insurance

Pacific Discovery Xelerator IUL provides life insurance protection with the ability to accumulate cash value at index-based interest crediting rates. With flexible premiums, you can properly fund your policy for lifelong protection and/or the ability to supplement your retirement income via tax-free<sup>6</sup> policy loans and withdrawals from the policy's available cash value. 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 coverage will expire.

### Indexed Universal Life Insurance Benefits



#### Death Benefit Protection

Protect your family and assets with tax-free<sup>5</sup> 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 market-based losses and is reduced only by policy charges and any policy loans, withdrawals, and other distributions you take.

*Note: Indexed universal life insurance products do not directly participate in any stock or equity investment.*

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<sup>6</sup> For federal income tax purposes, tax-free income assumes, among other things: (1) withdrawals do not exceed tax basis (generally, premiums paid less prior withdrawals); (2) policy remains in force until death; (3) withdrawals taken during the first 15 policy years do not occur at the time of, or during the two years prior to, any reduction in benefits; and (4) the policy does not become a modified endowment contract. See IRC Sections 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans, and loan interest will reduce policy values and may reduce benefits.

<sup>7</sup> 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.

## ➤ YOUR POLICY CHARGES

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The cost of the life insurance and benefits provided through the policy is deducted monthly from the policy's cash value in the form of policy charges, which include an Administrative Charge, Coverage Charge, Cost of Insurance Charge, and any applicable rider or benefit charges. A premium load is deducted from each premium payment.

If you surrender your policy within the first 10 policy years, a surrender charge will apply. A surrender charge will reduce your policy's cash value payable at policy surrender.

To understand how the policy charges will affect your policy's cash value, request a personalized illustration that includes the "Policy Charges" report.

## ➤ POTENTIAL POLICY BOOST

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Beginning in policy year three, the accumulated values in the policy's fixed account and indexed accounts may benefit from an additional credit on a nonguaranteed basis. This credit is called the fixed account additional credit in the fixed account and the indexed interest performance factor in the indexed accounts. The credits will vary based on account, face amount, accumulated value, insured's issue age, and other factors.

➤ ***Request a personalized illustration showing what Pacific Discovery Xelerator IUL can do for you.***

## Pacific Life—The Power To Help You Succeed

Offering insurance since 1868, Pacific Life provides 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. Pacific Life counts more than half of the 100 largest U.S. companies as its clients. For additional company information, including current financial strength ratings, visit [www.PacificLife.com](http://www.PacificLife.com).

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Client count as of June 2016 is compiled by Pacific Life using the 2016 FORTUNE 500® list.



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

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