

Basic Illustration

Prepared For:
Valued Client

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Pacific Life Insurance Company
45 Enterprise
Aliso Viejo, CA 92656

Pacific PremierCare Choice MAX*

Individual Whole Life Insurance with Long-Term Care Benefits

Prepared For:
Valued Client

Prepared By:
Jack Lenenberg
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312 Maxwell Rd. Suite 400
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NJ License #3524868

Date Prepared:
May 22, 2020

For Presentation in:
New Jersey

* Pacific PremierCare Choice MAX, Form Series ICC17 P17PCH or P17PCH, is an individual whole life insurance policy with long-term care insurance payable through a choice of indemnity or reimbursement payments. Long-term care benefits are provided by the Accelerated Benefit Rider for Long-Term Care (Form # ICC17 R17ABRI or R17ABRI) and the Extended Benefit Rider for Long-Term Care (Form # ICC17 R17EBRI or R17EBRI). Form numbers are based on state of policy issue. This is an insurance solicitation.

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.

ICC17 PPC-1

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Compare Rainy Day Funds

You probably haven't planned for long-term care costs and that's OK. More than **90%** of Americans plan to self-insure against the financial risk of long-term care.¹ Part of living well is planning ahead. It may benefit you to consider your options. **If you need long-term care, will the rainy day fund you've set aside be sufficient to meet the rising costs of long-term care services?** What if you could mimic the features you like most about self-insuring but use a financial vehicle better suited for meeting long-term care costs?

BENEFITS IF YOU...	PLANNED: Existing Rainy Day Fund	CONSIDER: Pacific PremierCare Choice MAX Whole Life Insurance with Long-Term Care Benefits
LIVE Help pay for your long-term care expenses.	\$100,000	\$337,905 on Day One ² \$638,265 at Age 80 ² Total Long-Term Care Benefits
QUIT Access to asset if long-term care is never needed.	\$100,000	\$70,000 on Day One \$100,000 Fully Vested in Year 15 Vested Return of Premium Benefit
DIE Leave assets to heirs if long-term care is never needed.	\$100,000	\$100,120 Death Proceeds to Beneficiaries
	WHAT'S THE RISK? Will this rainy day fund be enough to cover your long-term care expenses?	WHAT'S THE RISK? If you change your mind, you may only get the value of your vested premium dollars back.

¹ Less than 8% of Americans have insurance for long-term care. Source: Robert Wood Johnson Foundation, Health Policy Snapshot "Long-Term Care: What Are the Issues?" February 2014.

² Total long term-care benefit amounts on day one and age 80 are based on the Reimbursement Payment Option only. Please see the quote for details on benefit payment options.

Embrace the Power of Leverage

By repositioning a portion of your rainy day fund with Pacific PremierCare Choice MAX, the dollars you had previously saved may be leveraged for long-term care (LTC).

Reposition a Portion of Your Current Assets Hypothetical Retirement Assets



Reposition \$100,000 as a Single Premium

LTC Benefits below based on:

- Female insured, issue age 60, nonsmoker
- 6 year LTC Benefits and 5% Simple Interest Inflation Benefit Option elected at policy issue
- Couples Discount (for insureds in state-sanctioned marriages, civil unions, and domestic partnerships)
- Vested Return of Premium Benefit

3.38 x Premium for LTC on Day 1	6.38 x Premium for LTC at Age 80	1 x Premium for Refund or Death Proceeds
<u>\$337,905</u> Total LTC Benefits ¹ (\$4,172 Monthly Maximum Benefit) ¹	<u>\$638,265</u> Total LTC Benefits ¹ (\$8,343 Monthly Maximum Benefit) ¹	Vested Return of Premium Benefit \$70,000 on Day 1 \$100,000 Fully Vested in Year 15 OR Death Proceeds to Beneficiaries: \$100,120

Never Lose Control of Your Money with Vested Return of Premium Benefit or Death Proceeds

¹ Total LTC and Monthly Maximum Benefit amounts shown are based on the Reimbursement Payment Option only. Please see the quote for details on benefit payment options.

Proposed Insured: Valued Client
 Female, Age 60
 Nonsmoker with Couples Discount

Life Insurance Producer:
 Jack Lenenberg
 LTC Partner
 312 Maxwell Rd. Suite 400
 Alpharetta, GA 30009

ALL VALUES AND BENEFITS ARE GUARANTEED¹

Single Premium	\$100,000.00	The initial scheduled premium amount shown assumes premiums are received on the policy effective date.
Guaranteed Return of Premiums	Vested	The Return of Premium Benefit is based on cumulative premium paid to date and is subject to a vesting schedule, adjustments for any paid policy benefits and any policy debt.
Initial Total Long-Term Care (LTC) Benefits Age 80 Total Long-Term Care Benefits	\$337,905 \$638,265	These are the Total Long-Term Care Benefit amounts available on day 1 and at age 80 for the Reimbursement Payment Option, subject to rider terms and conditions. See the Benefit Payment Options and Total Long-Term Care Benefits sections for benefit amounts and information based on the Indemnity Payment Option.
Initial Monthly Maximum Benefit² Age 80 Monthly Maximum Benefit²	\$4,171 \$8,343	These are the Monthly Maximum Benefit amounts available on day 1 and at age 80 for the Reimbursement Payment Option, subject to rider terms and conditions ² . See the Benefit Payment Options and Monthly Maximum Benefit sections for benefit amounts and information based on the Indemnity Payment Option.
LTC Benefit Duration	6 years	This is the elected benefit duration.
Inflation Benefit Option	5% Simple	The inflation option will automatically increase the Monthly Maximum Benefit amount by the selected percentage on each policy anniversary.
Initial Death Proceeds	\$100,120.00	The Initial Death Proceeds is the value that is payable to your beneficiaries. The value shown is before the Minimum Death Benefit.
Indemnity Benefit Factor	80.00%	The Indemnity Benefit Factor is used only when the Indemnity Payment Option is elected. The reductions to Death Proceeds and Total Return of Premium Benefit are calculated the same way for the Indemnity Payment Option as for the Reimbursement Payment Option, with an additional adjustment made by applying the Indemnity Benefit Factor. The long-term care benefit amounts available under the Indemnity Payment Option shown in this quote equal the long-term care benefit amounts available under the Reimbursement Payment Option multiplied by the Indemnity Benefit Factor.

¹ Policy benefits and values are guaranteed as long as all scheduled premiums are paid when due and no loans are taken. Long-term care benefits are reduced by any policy distributions (loans or terminal illness benefit). Death Proceeds and Return of Premium Benefit will also be reduced by policy distributions and when long-term care benefits are taken. Age 80 benefits assume long-term care benefits begin at age 80.

² Where monthly benefit payments are made as reimbursements, the monthly maximum benefit may be limited to the cost of covered long-term care expenses actually incurred, which may be less than the Monthly Maximum Benefit. The Monthly Maximum Benefit may be pro-rated based on the actual number of days that the insured is chronically ill or confined to a facility. Pro-rating does not apply if the Indemnity Payment Option is in effect.

Pacific PremierCare Choice MAX provides financial protection through proceeds paid to policy beneficiaries at the insured's death. Long-term care benefits are payable through the policy including:

Reimbursement Benefit Payments		Indemnity Benefit Payments
0-Day Elimination Period	90-Day Elimination Period	90-Day Elimination Period
<ul style="list-style-type: none"> • Home health care • Care coordination • Caregiver training¹ • Home modification¹ • Durable medical equipment¹ • Adult day care center 	<ul style="list-style-type: none"> • Nursing home facility • Assisted living facility • Facility hospice care 	<ul style="list-style-type: none"> • Home health care • Care coordination • Caregiver training² • Home modification² • Durable medical equipment² • Adult day care center • Nursing home facility • Assisted living facility • Facility hospice care • International Benefit

¹ If the Reimbursement Payment Option is elected, benefits paid for these services are not limited to the Monthly Maximum Benefit but have separate lifetime maximums.

² If the Indemnity Payment Option is elected, benefits paid for these services are limited to the Monthly Maximum Benefit and have separate lifetime maximums.

Proposed Insured: Valued Client
 Female, Age 60
 Nonsmoker with Couples Discount

Inflation Benefit Option: 5% Simple
 Benefit Duration: 6 Years

Life Insurance Producer:
 Jack Lenenberg
 LTC Partner
 312 Maxwell Rd. Suite 400
 Alpharetta, GA 30009

Statement of Policy Cost and Benefit Information

Policy Values and Long-Term Care Benefits - Reimbursement Payment Option

ALL VALUES AND BENEFITS ARE GUARANTEED ¹							
Year	Age	Single Premium	End of Year Net Surrender Proceeds	Beginning of Year Death Proceeds	Total Long-Term Care Benefits	Total Long-Term Care Benefits IRR ²	Monthly Maximum Benefit
1	60	100,000	70,000	103,326	337,905	63.86%	4,171
2	61	0	70,000	103,299	352,923	41.13%	4,380
3	62	0	70,000	103,273	367,941	31.52%	4,588
4	63	0	70,000	103,242	382,959	25.99%	4,797
5	64	0	70,000	103,213	397,977	22.34%	5,006
6	65	0	70,000	103,184	412,995	19.72%	5,214
7	66	0	70,000	103,156	428,013	17.75%	5,423
8	67	0	70,000	103,128	443,031	16.20%	5,631
9	68	0	70,000	103,100	458,049	14.94%	5,840
10	69	0	70,000	103,066	473,067	13.90%	6,048
Total		100,000					
11	70	0	76,000	103,028	488,085	13.02%	6,257
12	71	0	82,000	102,984	503,103	12.27%	6,466
13	72	0	88,000	102,934	518,121	11.62%	6,674
14	73	0	94,000	102,877	533,139	11.05%	6,883
15	74	0	100,000	102,815	548,157	10.54%	7,091
16	75	0	100,000	102,748	563,175	10.09%	7,300
17	76	0	100,000	102,677	578,193	9.69%	7,509
18	77	0	100,000	102,600	593,211	9.32%	7,717
19	78	0	100,000	102,513	608,229	8.98%	7,926
20	79	0	100,000	102,411	623,247	8.68%	8,134
Total		100,000					

¹ Policy benefits and values are guaranteed as long as all scheduled premiums are paid when due and no loans are taken. Long-term care benefits are reduced by any policy distributions (loans or terminal illness benefit). Death Proceeds and Return of Premium Benefit will also be reduced by policy distributions and when long-term care benefits are taken. Values shown assume no prior distributions of any kind, with the exception of values shown in the Total Long-Term Care Benefits IRR column.

² The Internal Rate of Return (IRR) is the interest rate at which the net present value of all premiums paid equals the present value of all long-term care benefits received. The IRR's on this page assume that long-term care benefits are received at the monthly maximum amount until they have been fully paid out, and that premiums are not paid whenever long-term care benefits are received.

Statement of Policy Cost and Benefit Information

Policy Values and Long-Term Care Benefits - Reimbursement Payment Option

ALL VALUES AND BENEFITS ARE GUARANTEED ¹							
Year	Age	Single Premium	End of Year Net Surrender Proceeds	Beginning of Year Death Proceeds	Total Long-Term Care Benefits	Total Long-Term Care Benefits IRR ²	Monthly Maximum Benefit
21	80	0	100,000	102,298	638,265	8.40%	8,343
22	81	0	100,000	102,196	653,283	8.14%	8,551
23	82	0	100,000	102,107	668,301	7.90%	8,760
24	83	0	100,000	102,012	683,319	7.67%	8,969
25	84	0	100,000	101,864	698,337	7.46%	9,177
26	85	0	100,000	101,703	713,355	7.27%	9,386
27	86	0	100,000	101,572	728,373	7.09%	9,594
28	87	0	100,000	101,426	743,391	6.92%	9,803
29	88	0	100,000	101,263	758,409	6.75%	10,012
30	89	0	100,000	101,090	773,427	6.60%	10,220
Total		100,000					
31	90	0	100,000	100,906	788,445	6.46%	10,429
36	95	0	100,000	100,120	863,535	5.84%	11,472
41	100	0	100,000	100,120	938,625	5.34%	12,515
46	105	0	100,000	100,120	1,013,715	4.94%	13,557
51	110	0	100,000	100,120	1,088,805	4.61%	14,600
56	115	0	100,000	100,120	1,163,895	4.32%	15,643
61	120	0	100,120	101,121	1,238,985	4.03%	16,686
Total		0					

¹ Policy benefits and values are guaranteed as long as all scheduled premiums are paid when due and no loans are taken. Long-term care benefits are reduced by any policy distributions (loans or terminal illness benefit). Death Proceeds and Return of Premium Benefit will also be reduced by policy distributions and when long-term care benefits are taken. Values shown assume no prior distributions of any kind, with the exception of values shown in the Total Long-Term Care Benefits IRR column.

² The Internal Rate of Return (IRR) is the interest rate at which the net present value of all premiums paid equals the present value of all long-term care benefits received. The IRR's on this page assume that long-term care benefits are received at the monthly maximum amount until they have been fully paid out, and that premiums are not paid whenever long-term care benefits are received.

Proposed Insured: Valued Client
 Female, Age 60
 Nonsmoker with Couples Discount

Single Premium: \$100,000

Life Insurance Producer:
 Jack Lenenberg
 LTC Partner
 312 Maxwell Rd. Suite 400
 Alpharetta, GA 30009

Pacific PremierCare Choice MAX's EZView

This report shows certain Durations and Inflation Benefit Options. Your life insurance producer can provide you with additional information on these options. Values on this page assume the Reimbursement Payment Option is in effect.

Benefit Duration	Inflation Benefit Option	Day 1 Death Proceeds (Before Minimum Death Benefit) ¹	Day 1 Monthly Maximum Benefit	Day 1 Total Long-Term Care Benefits	Age 80's Monthly Maximum Benefit	Age 80's Total Long-Term Care Benefits
5 Years	None	164,723	6,863	411,807	6,863	411,807
5 Years	3% Simple	127,706	5,321	338,420	8,513	529,979
5 Years	5% Simple	106,118	4,421	291,824	8,843	557,119
5 Years	5% Compound	100,000	2,901	192,383	7,698	510,449
6 Years	None	157,570	6,565	472,710	6,565	472,710
6 Years	3% Simple	121,624	5,067	392,237	8,108	611,160
6 Years	5% Simple	100,120	4,171	337,905	8,343	638,265
6 Years	5% Compound	100,000	2,729	222,800	7,242	591,154
7 Years	None	149,500	6,229	523,250	6,229	523,250
7 Years	3% Simple	107,507	4,479	410,139	7,167	635,903
7 Years	5% Simple	100,000	3,651	352,726	7,302	659,445
7 Years	5% Compound	100,000	2,439	238,336	6,472	632,378
8 Years	None	142,218	5,925	568,872	5,925	568,872
8 Years	3% Simple	100,000	4,059	430,671	6,495	664,520
8 Years	5% Simple	100,000	3,246	366,205	6,493	677,869
8 Years	5% Compound	100,000	2,204	252,659	5,850	670,381

¹ The Death Proceeds (Before Minimum Death Benefit) amount shown does not reflect the Minimum Death Benefit, which may provide higher Death Proceeds. See the Death Proceeds column on the Policy Values and Long-Term Care Benefits page for Death Proceeds that include the Minimum Death Benefit.

ALL VALUES AND BENEFITS ARE GUARANTEED¹**Single Premium**

This quote assumes all planned premiums are paid. The amount and schedule of premiums is guaranteed at issue. Only one premium is necessary to fund Pacific PremierCare Choice MAX.

A Couples Discount has been applied to your policy.

\$100,000.00

As long as the premium(s) is paid when due, the long-term care coverage as issued will continue as long as the insured lives; or until the policy is surrendered at the owner's request; or until the maximum long-term care benefits have been paid, or until policy lapse. Prior to lapse, the policy provides a Grace Period of 61 days to pay an amount sufficient to keep the policy in force as issued.

Benefit Payment Options - Reimbursement or Indemnity

Upon the initial long-term care claim, the policyowner must elect either reimbursement or indemnity benefit payments. The election of the benefit payment option is one-time and cannot be changed. Once elected at the time of the first benefit payment, this election will apply to all future benefit payments.

Each option affects the amount of your benefit payments and claim administration differently. The Indemnity Payment Option provides lower Total Long-Term Care and Monthly Maximum Benefits compared to the Reimbursement Payment Option. The Monthly Maximum and Total Long-Term Care Benefit amounts available under the Indemnity Payment Option equal the Monthly Maximum and Total Long-Term Care Benefit amounts available under the Reimbursement Payment Option multiplied by the Indemnity Benefit Factor.

Reimbursement Payment Option - the policyowner will receive benefit payments based on receipts submitted for covered expenses, up to the Monthly Maximum Benefit for the Reimbursement Option.

Indemnity Payment Option - the policyowner elects a benefit payment amount that will be paid each month during the claim occurrence. The benefit payment must meet the minimum allowed and cannot be greater than the Monthly Maximum Benefit for the Indemnity Payment Option. The monthly benefit is paid without regard to the number of days of services received or the actual expenses incurred.

See below for payment information based on the values in this quote.

¹ Policy benefits and values are guaranteed as long as all scheduled premiums are paid when due and no loans are taken. Long-term care benefits are reduced by any policy distributions (loans or terminal illness benefit). Death Proceeds and Return of Premium Benefit will also be reduced by policy distributions and when long-term care benefits are taken. Values shown assume no prior distributions of any kind. Age 80 benefits assume long-term care benefits begin at age 80.

Indemnity Benefit Factor: 80.00%

Choose from either option at the time of the initial claim. Your choice will apply to all future benefit payments and cannot be changed.

Long-Term Care Benefits Payments	Initial Reimbursement Payments	Age 80 Reimbursement Payments	Initial Indemnity Payments	Age 80 Indemnity Payments
Total Long-Term Care Benefits	\$337,905	\$638,265	\$270,324	\$510,612
Monthly Maximum Benefit	\$4,171	\$8,343	\$3,337	\$6,674

Total Long-Term Care Benefits

The Total Long-Term Care Benefits is the amount available over your lifetime for long-term care benefit payments.¹ The Inflation Benefit Option increases the Total Long-Term Care Benefits annually.

Reimbursement Option

Initial: \$337,905
 Age 80: \$638,265

To be eligible for benefit payments, qualified long-term care services must be provided pursuant to a written Plan of Care. A Plan of Care is a written individualized plan of services, which we verify as appropriate and consistent with generally accepted standards, prescribed by a licensed health care practitioner. Development of a Plan of Care is included as a covered expense under the care coordination benefit of the policy. Benefits are payable up to the Monthly Maximum Benefit for this service unless provided by Pacific Life Insurance Company. Care coordination provided by Pacific Life does not require a claim for benefits and does not count towards the Monthly Maximum Benefit.

Indemnity Option

Initial: \$270,324
 Age 80: \$510,612

Reimbursement Payment Option - If an Elimination Period applies, benefit payments will begin for covered expenses incurred after 90 calendar days. A 0 calendar-day elimination applies to qualified long-term care services received in your home, subject to certain conditions.

Indemnity Payment Option - The Elimination Period is 90 days for any qualified long-term care service if electing the Indemnity Payment Option at the time of the initial claim for benefits.

Benefit payments for qualified long-term care services may be subject to a one-time Elimination Period and are provided by the Accelerated Benefit Rider (ABR) for Long-Term Care (Form #ICC17 R17ABRI or R17ABRI) and the Extended Benefit Rider (EBR) for Long-Term Care (Form #ICC17 R17EBRI or R17EBRI). Rider form numbers vary based on state of policy issue. The amount and duration of the policy's maximum long-term care benefits and premium will be based on policy elections. The actual amount and duration of long-term care benefit payments may vary based on policy use. Covered long-term care benefit payments may occur until the total long-term care benefits are exhausted. Talk to your life insurance producer about all available benefit duration options that may fit your needs. Coverage durations elected for longer than two years are provided through a combination of the ABR and EBR. Charges for the ABR, EBR, and any Inflation Benefit Option are included in the scheduled premium payment(s).

¹ Long-term care benefits are reduced by any policy distributions (loans or terminal illness benefit). Death Proceeds and Return of Premium Benefit will also be reduced by policy distributions and when long-term care benefits are taken. Values shown assume no prior distributions of any kind. Age 80 benefits assume long-term care benefits begin at age 80.

Monthly Maximum Benefit

Benefits are payable for qualified long-term care services up to the Monthly Maximum Benefit amount.

Reimbursement Option

Initial: \$4,171
Age 80: \$8,343

Reimbursement Payment Option - Where monthly benefit payments are made as reimbursements, the monthly maximum benefit may be limited to the cost of covered long-term care expenses actually incurred, which may be less than the Monthly Maximum Benefit. If covered expenses are incurred in an amount less than the Monthly Maximum Benefit, only the amount of the actual covered expenses will be reimbursed. The Monthly Maximum Benefit may be pro-rated based on the actual number of days that the insured is chronically ill or confined to a facility. Expenses incurred in any one month that exceed the Monthly Maximum Benefit are not reimbursable in the next month.

Indemnity Option

Initial: \$3,337
Age 80: \$6,674

Reimbursement Payment Option - Expenses incurred for Durable Medical Equipment, Home Modification and Caregiver Training Services do not count toward the Monthly Maximum Benefit, but are subject to other policy limits.

Indemnity Payment Option - Benefit payments cannot exceed the Monthly Maximum Benefit for the Indemnity Payment Option. Expenses for Durable Medical Equipment, Home Modification and Caregiver Training Services count toward the Monthly Maximum Benefit and are subject to other policy limits.

Indemnity benefit payments are generally not taxable provided they do not exceed the IRS "Per Diem" limitations. You are advised to contact your qualified and independent legal and tax advisors when choosing the Indemnity Payment Option. See the Tax Information section for more details.

Benefit Duration
Elected: 6 Years

You have elected a Benefit Duration of 6 years.

Reimbursement Payment Option - Your actual Benefit Duration may be shorter or longer. It may be shorter if your covered expenses include Home Modification, Durable Medical Equipment or Caregiver Training. It may be longer if the monthly cost of your covered expenses is less than the Monthly Maximum Benefit. The benefit period will affect your Monthly Maximum Benefit.

Indemnity Payment Option - Your actual Benefit Duration will be at least equal to your elected duration. It may be longer if you select a monthly benefit that is less than the Monthly Maximum Benefit. The monthly benefit must meet the minimum benefit payment requirement.

Inflation Benefit Option
5% Simple

The Inflation Benefit Option elected increases your Monthly Maximum Benefit automatically on each policy anniversary, thus increasing your Total Long-Term Care Benefits available each year. There are three Inflation Benefit Options: 5% Compound, 5% Simple, or 3% Simple. If you do not elect an Inflation Benefit Option, your monthly maximum benefit will remain level.

You have selected 5% simple.

International Benefit

The International Benefit is only available if the Indemnity Benefit Option is elected at the time of initial claim. The International Benefit pays an amount up to the Monthly Maximum Benefit for up to the first 24 months of long-term care claims when the insured receives Nursing Home Care outside of the United States. The maximum Benefit Duration will be reduced to reflect any Long-Term Care Benefits that you have already used.

Death ProceedsInitial: \$100,120.00
(Before Minimum
Death Benefit)¹

This is the value that is payable to the policy beneficiaries upon the insured's death. Death Proceeds include the Limited Return of Premium on Death and/or the Minimum Death Benefit, if applicable, and thus may vary from year to year. The Death Proceeds are guaranteed to never be less than the sum of planned premiums paid, less any prior policy distributions (loans, due and unpaid premiums, terminal illness benefit, or long-term care benefits). If the Indemnity Payment Option is in effect, the Limited Refund of Premium on Death will be reduced by the long-term care benefit payments divided by the Indemnity Benefit Factor. Even if you exhaust your Total Long-Term Care Benefits, your policy beneficiaries are guaranteed to receive Death Proceeds of at least \$5,000, provided you do not take policy loans or the terminal illness benefit.

**Total Return of
Premium Benefit**

If you surrender your policy, premiums paid are guaranteed to be refunded, subject to a vesting schedule (less any prior policy loans, long-term care benefits, or terminal illness benefit). If the Indemnity Payment Option is in effect, the reduction to the Return of Premium Benefit for long-term care benefits is the benefit amount paid divided by the Indemnity Benefit Factor. The Return of Premium grades up to 100% based on your policy's vesting schedule. See the End of Year Net Surrender Proceeds column on the Policy Values and Long-Term Care Benefits page for more details.

**Net Surrender
Proceeds**

The Net Surrender Proceeds is the amount that you would receive upon surrender of the policy.

Tax Information

This material is not intended to be used, nor can it be used by any taxpayer, for the purpose of avoiding U.S. federal, state or local tax penalties. This material is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by this material. Pacific Life, 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.

Although the information contained in this illustration is based on our understanding of the Internal Revenue Code (IRC) and on certain tax and legal assumptions, it is not intended to be tax or legal advice. Such advice should be obtained from your own counsel or other tax advisor.

This product is intended to provide federally tax-qualified long-term care insurance as defined in IRC Section 7702B(b). Tax treatment of long-term care benefits 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. When benefits are received from multiple policies providing long-term care or chronic illness benefits for a given insured, including policies with different owners, those benefits must be aggregated to determine their taxability. 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.

Death Proceeds

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). Additionally, a portion of your Death Proceeds may be income taxable if the policy was issued as part of an IRC Section 1035 income tax-free exchange and/or in certain situations where long-term care benefits were paid

¹ The Death Proceeds (Before Minimum Death Benefit) amount shown does not reflect the Minimum Death Benefit, which may provide higher Death Proceeds. See the Death Proceeds column on the Policy Values and Long-Term Care Benefits page for Death Proceeds that include the Minimum Death Benefit.

out prior to death. Consult with your own qualified, independent legal and tax advisors for further details.

Cash Value Accumulation Test

A life insurance policy will qualify as life insurance under IRC Section 7702 if it meets one of two alternative tests. This quote uses the Cash Value Accumulation Test which requires that we increase the Death Benefit, if necessary, so that the cash value of the policy does not at any time exceed the net single premium which would be necessary to fund future life insurance benefits under the policy. Failure to qualify as life insurance will result in adverse tax consequences.

Modified Endowment Contract (MEC) Status

As defined in IRC Section 7702A, a life insurance policy becomes a Modified Endowment Contract (MEC) if the cumulative premium payments exceed certain limits. Based on our understanding of the Internal Revenue Code a policy issued consistent with the assumptions in this quote would be a MEC at issue.

The federal income tax consequences of a MEC can be significant. Distributions from a MEC, including Surrenders, Policy Loans, and certain assignments or transfers of ownership, are taxed to the extent of gain in the policy and may be subject to additional penalties. Generally, gain in the policy is the excess, if any, of the cash value, not reduced by Policy Debt, over the policy cost basis. Consult with your own qualified, independent legal and tax advisors for further details.

Limitations and Exclusions

Pre-Existing Conditions Limitation - A pre-existing condition means a condition for which medical advice or treatment was recommended by, or received from, a provider of health care services, within six months of the Policy Date. We will not reduce or deny any claim under this Rider because of a pre-existing condition or disease that is disclosed on the Application. Any loss occurring within six months of the Policy Date with respect to a pre-existing condition or disease not disclosed on the application will not be covered.

Non-eligible Facilities and Providers - Any facility or provider for a given benefit that does not fall within the "Definitions" section of the policy would be a non-eligible facility or provider for that benefit.

Non-eligible Levels of Care - Coverage does not include any services that do not constitute Qualified Long-Term Care Services. Care from family members is covered only where specifically indicated below in Exclusions/Exceptions and Limitations.

Exclusions/Exceptions and Limitations - Pacific Life will not pay benefits for care or services: 1) provided by the Insured's Immediate Family unless he or she is a regular employee of an organization which is providing the treatment, service or care; and the organization receives the payment for the treatment, service or care; 2) for which no charge is normally made in the absence of insurance; 3) provided outside the United States of America; 4) that result from an attempt at suicide (while sane or insane) or an intentionally self-inflicted injury; 5) that result from alcoholism or drug addiction; 6) that result from committing or attempting to commit or participating in a felony, riot or insurrection; 7) provided in a government facility (unless otherwise required by law); 8) for which benefits are available under Medicare (including amounts that would be reimbursable but for the application of a deductible or coinsurance amount) or other governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law. No benefits will be paid for services received while the Accelerated Benefit Rider (ABR) for Long Term Care and the Extended Benefit Rider (EBR) for Long-Term Care are not in effect.

The following additional Exclusions, Exceptions and Limitations apply where the Indemnity Payment Option is elected:

Pacific Life will not pay benefits for care or services: 1) provided by the Insured's Immediate Family unless the Indemnity Benefit Option is in effect and benefits are being paid for Home and Community Care and 2) provided outside the United States of America, except as described in the International Benefit.

Duration - The ABR provides two years of long-term care benefits. The EBR provides between one and six years of additional long-term term care benefits, depending on the duration elected. These durations may increase or decrease depending on how the Policy and Rider benefits are used. If the Indemnity Payment Option is in effect, your actual Benefit Duration will be at least equal to your elected duration.

About This Quote

This is a quote for Pacific PremierCare Choice MAX (Form Series P17PCH, S17PCHMAXS or ICC17 P17PCH, ICC17 S17PCHMAXS), an individual whole life insurance policy with long-term care benefits. It is issued by Pacific Life Insurance Company. 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. The product's form numbers, benefits, and features may vary based on the state of policy issue.

This product is subject to underwriting and approval of the application and may include obtaining records from your physician. No medical exam is required, but a Medical Information Bureau (MIB) and prescription report will be ordered and a Personal History Interview and Cognitive Assessment will be performed via telephone as part of the underwriting process.

This policy has certain exclusions and limitations. For costs and complete details of the coverage, contact your life insurance producer.

Values shown for Net Surrender Proceeds, Death Proceeds, Long-Term Care Benefits and Maximum Monthly Benefit are all as of policy year-end, unless specified otherwise.

The terminal illness benefit is available when the insured is diagnosed with a terminal disease and given a life expectancy of 12 months or less. The cost of exercising the terminal illness benefit is that the death benefit is reduced by an amount greater than the benefit payment itself to reflect the early payment of the death benefit. Benefit payments will reduce the death benefit, Return of Premium Benefit, net cash surrender value, and any policy debt. Additionally, benefit payments may adversely affect the benefits under other riders. Tax laws relating to accelerated death benefits are complex. Receipt of accelerated death benefits may affect eligibility for public assistance programs such as Medicaid. Consult with qualified and independent legal and tax advisors for more information.

Not a Deposit | **Not FDIC Insured** | **Not Insured by any Federal Government Agency** | **No Bank Guarantee** | **May Lose Value**

Statement of Policy Cost and Benefit Information

Summary of Coverage

Pacific PremierCare Choice MAX is an individual whole life insurance policy with long-term care insurance payable through a choice of indemnity or reimbursement payments. Long-term care benefits are reduced by any policy distributions (loans or terminal illness benefit). Death Proceeds and Return of Premium Benefit will also be reduced by policy distributions and when long-term care benefits are taken. It is possible that, due to policy loans the policy may lapse before any Death Benefit is payable. Loan interest is charged on policy loans at an effective annual rate of 5.50% in all years, due in arrears. The tax status of this contract should be reviewed each year. For further information, contact the insurance company or your life insurance producer.

Summary of Coverage

The projected values in this Statement of Policy Cost and Benefit Information include the costs and benefits of the basic coverage and any additional riders or benefits. This coverage may not cover all the expenses associated with your long-term care needs.

Coverage Type	Single Premium
Individual Whole Life Insurance (Life)	\$41,941.27
Accelerated Benefit Rider for Long Term Care (ABR)	\$30,016.12
Extended Benefit Rider for Long Term Care (EBR)	\$28,042.61
Total	\$100,000.00

Life Insurance Cost Information

Cost Index	Surrender @ 5%		Net Payment @ 5%	
	10 Year	20 Year	10 Year	20 Year
	81.65	55.05	119.50	74.16

These indices include benefits provided by the individual whole life insurance and Long-Term Care Benefit riders. These indices are illustrated uniformly across life insurance company illustrations and are only useful when comparing two or more similar products across insurance carriers. A more detailed explanation of the intended use of these indices is provided in the life insurance buyer's guide.

Name: Valued Client F/60

Company/ Product: Pacific Life/ Pacific PremierCare

Product Warning(s)

- Policy becomes a MEC in year 1.

Client Input Summary

Company: Pacific Life

May 22, 2020

Product: Pacific PremierCare

Insured

State of Issue	New Jersey
Insured Name	Valued Client
Sex	Female
Age	60
Cigarette Smoker?	N
Married or Civil Union or Domestic Partnership?	Y

Solve For

Solve For/Plan Design	Monthly LTC Benefit
Return of Premium	Vested ROP
Premium Payment	100,000
Years to Pay Premium	1
Benefit Duration	6 Years
Inflation Benefit Option	5% Simple

Policy Options

1035 Exchange Amount	0
1035 Policy is a MEC	N
Pre-Sale Presentation	Y

Agent Info

Agent Name	Jack Lenenberg
Agent Company	LTC Partner
Agent Address1	312 Maxwell Rd.
Agent Address2	Suite 400
Agent City	Alpharetta
Agent State	Georgia
Agent Zip Code	30009
Agent Phone	800-891-5824
Agent Fax	770-753-3939
Agent License #	3524868

Concept

Concept	None
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