



PACIFIC ELITE TERM

THREE WAYS YOUR CLIENTS CAN PLAN FOR ILLNESS EXPENSES

CRITICAL, CHRONIC, OR TERMINAL

No one plans on falling ill. But failing to plan for the possibility of critical, chronic, or terminal illness expenses could leave your clients financially vulnerable. Research shows that 60% of American adults are living with at least one chronic condition and 40% with two or more.¹ Plus, having a serious or chronic health condition is associated with higher out-of-pocket costs.²

Pacific Elite Term^{3,*} from Pacific Life Insurance Company is designed to provide valuable death benefit protection while also helping to cover cost in the event of a critical, chronic, or terminal illness.

	Critical Illness Rider ^{4,*}	Chronic Illness Rider ^{5,*}	Terminal Illness Rider ^{5,*}
Description	Allows policyowner to accelerate all or a portion of the death benefit via a lump-sum payment	Allows policyowner to accelerate all or a portion of the death benefit via monthly or annual benefit payments	Allows policyowner to accelerate all or a portion of the death benefit via a lump-sum payment
Cost	- No upfront cost or monthly rider charge - Death benefit is reduced by an amount greater than the actual rider benefit payments - Administrative fee if exercised (Current \$500, \$1,000 guaranteed)	- No upfront cost or monthly rider charge - Death benefit is reduced by an amount greater than the actual rider benefit payments - No administrative fee to exercise	- No upfront cost or monthly rider charge - Death benefit is reduced by an amount greater than the actual rider benefit payments - No administrative fee to exercise
Eligibility	Issue Age 18–65 Non Tobacco 18–50 Tobacco Subject to underwriting approval	Issue Age 18–65 Non Tobacco 18–50 Tobacco Subject to underwriting approval	Available for all issue ages, risk classes, and substandard ratings

Footnotes on back.

	Critical Illness Rider ^{4,*}	Chronic Illness Rider ^{5,*}	Terminal Illness Rider ^{5,*}
Qualifying Event	Certified with one of the following health conditions as defined in the contract: Invasive cancer, end-stage renal failure, heart attack, major organ transplant, paralysis, and stroke	Certified with a permanent chronic illness (unable to perform at least two of the six activities of daily living—eating, bathing, dressing, toileting, continence, and transferring—or requiring substantial supervision due to a permanent, severe cognitive impairment	Certified with a terminal illness with a life expectancy of 12 months or less
Lifetime Maximum Benefit	Up to \$1.0M limited by the policy's Face Amount	Up to \$1.5M, limited by policy's Face Amount	Lesser of 75% of policy's Face Amount, or \$250,000
Benefit Payment Mode	Single payment	Monthly or annual payment	Single payment
Plan of Care	No plan of care required		
Care by Family Member	Covered (benefit payment may be used for any reason)		
License Requirement	Life license only		
Elimination Period	No elimination period		
Lapse Protection while on Claim	No		
Relevant Tax Code for Benefit Exclusion	See footnote 4	101(g)	101(g)
Maximum Benefit Amount	N/A—instead there is a Maximum Accelerated Death Benefit Amount (see below)	Chronic illness benefit will not exceed the applicable Per Diem Limitation. Per Diem Limitation = Maximum Per Diem Limit x Current Per Diem Limit as declared by the IRS x 365 (annual) or 30 (monthly)	N/A—instead there is a Maximum Accelerated Death Benefit Amount (see below)
Maximum Accelerated Death Benefit Amount	Lesser of: - Policy's Face Amount - Maximum Lifetime Critical Illness Accelerated Amount less total Critical Illness Accelerated Amount	Eligible Accelerated annual (or monthly) chronic illness benefit = Lesser of: 24% (annual) or 2% (monthly) of the Maximum Lifetime Chronic Illness Accelerated Amount - Maximum Lifetime Chronic Illness Accelerated Amount less total Chronic Illness Accelerated Amount - Death benefit	Lesser of 75% of Face Amount or \$250,000

Footnotes on back.

	Critical Illness Rider ^{4,*}	Chronic Illness Rider ^{5,*}	Terminal Illness Rider ^{5,*}
Maximum Lifetime Accelerated Amount	Lesser of \$1,000,000 or the death benefit on the initial benefit payment date before the accelerated death benefit is processed	Lesser of \$1,500,000 or the death benefit on the initial benefit payment date before the accelerated death benefit is processed	N/A
International Claims⁶	Covered	Covered	Covered

¹Chronic Diseases in America," CDC's National Center for Chronic Disease Prevention and Health Promotion, October 4, 2024. <https://www.cdc.gov/chronic-disease/index.html>

²How Do Health Expenditures Vary Across the Population?" Peterson Center on Healthcare and KFF, January 2024.

³Form series P12TRF and P12TRF 10,20,30, varies based on level premium period chosen and state of policy issue.

⁴Critical Illness Rider (Form series R25TCI, S25TCI), varies based on state of policy issue. 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.

Accelerated death benefits may adversely affect eligibility for Medicaid benefits or other benefits provided by federal, state or local government. Although Critical Illness benefit proceeds accelerate the death benefit payment on the policy, they may not be considered an acceleration of the policy's death benefit for federal tax purposes. Receipt of such payment may be taxable depending on specific facts and circumstances. Consequently, clients are advised to consult with qualified and independent legal and tax advisors prior to the receipt of any Critical Illness benefit proceeds. A decision to exercise these riders is irrevocable once Pacific Life has issued any benefit payment.

⁵Chronic Illness Rider (Form series R25TCH, S25TCH) and Terminal Illness Rider (Form series R25TTI, S25TTI) vary based on state of policy issue. 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. Additionally, rider benefit payments may adversely affect the benefits under other riders.

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.

⁶Benefits are payable under this rider outside the United States only if the certification of illness is completed by an appropriately licensed individual residing in the United States. The insured is not required to return to the United States to complete the certification.

*Pacific Elite Term and Conversion Extension Rider, Terminal Illness Rider, Chronic Illness Rider, and Critical Illness Rider are not approved or available in CA.

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

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

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