

3 WAYS TO PLAN FOR CHRONIC ILLNESS USING LIFE INSURANCE



Pacific Life Insurance Company

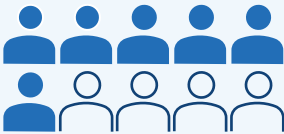
What Are Your Clients' Odds?

No one plans on falling ill. But failing to plan for the possibility of chronic illness can leave clients' assets in danger of being depleted when they can least afford it—15 to 20 years into retirement, when many have spent down their savings. Help your clients plan ahead.



70% of 65-year-olds will need some type of long-term care (LTC) services in their future¹

DID YOU KNOW?



6 in 10 adults live with at least one chronic disease (e.g. heart disease, Alzheimer's, diabetes)²



Most LTC claims begin at age 80 and over, typically 15 years or more into retirement³

¹ "Most Americans Are Unprepared For Long-Term Care Costs, New Research Shows," Forbes, Aug. 2, 2022.
² "Chronic Diseases In America," CDC's National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP), Dec. 13, 2022.
³ "Age When Long-Term Care Insurance Claims Begin Reported By AALTCI," Insurance Newsnet, Nov. 28, 2022.

Explore Your Options

For your clients seeking death benefit protection with the addition of long-term care or chronic illness benefits, Pacific Life offers three accelerated death benefit riders. Each provides benefits if the insured develops a chronic illness—unable to perform 2 of the 6 activities of daily living (eating, bathing, continence, dressing, toileting, and transferring) for a period of at least 90 days or needs substantial supervision due to a severe cognitive impairment.

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	Premier LTC Rider	Premier Chronic Illness Rider	Premier Living Benefits Rider 2
Feature	Balance a Life Insurance Policy With LTC Protection	Balance a Life Insurance Policy With Chronic Illness Protection	Balance a Life Insurance Policy With Chronic Illness Protection
Lifetime Maximum Available for Acceleration: 100% of policy's death benefit up to specific limit	Up to \$3M of accelerated death benefit, limited by the policy's face amount and maximum benefit percentage	Up to \$3M of accelerated death benefit, limited by the policy's face amount and maximum benefit percentage	Up to \$1.5M of accelerated death benefit, limited to the policy's death benefit
Benefit Payment Mode/Type	Monthly Indemnity Benefits	Monthly or annual Indemnity Benefits	Monthly or annual Indemnity Benefits
Plan of Care	Formal Plan of Care required – No receipt is required, but must provide proof that the insured is receiving care.	NO Plan of Care required – No receipts	NO Plan of Care required – No receipts
Chronic Illness Requirement	No permanence	No permanence	Permanent
Family Member Care	Care by a family member is covered as long as it is stated in the Plan of Care	Care by a family member covered	Care by a family member covered
Cost	Monthly rider charge applies	Monthly rider charge applies	No monthly rider charge. Death benefit is reduced by an amount greater than the rider benefit payment
License Requirements	Requires Life & Health License to sell	Requires Life License only	Requires Life License only
Maximum Benefit Amounts	Lesser of 2%/4% Max Monthly Benefit or 125% of IRS Per Diem	Lesser of 2%/4% Max Monthly Benefit or 125% of IRS Per Diem	Lesser of benefit calculated at time of request or 125% of IRS Per Diem
Relevant Tax Code for Benefit Exclusion	7702B	101(g)	101(g)
Lapse Protection While On Claim	Yes	Yes	No
International Benefits	Covered ⁴	Covered ⁴	Covered ⁴

Please see reverse for important disclosures.

IMPORTANT DISCLOSURES

Premier LTC Rider (PLTC), Form series R15LTC, R15LTC SP, varies based on state of policy issue. This rider is subject to eligibility and underwriting approval. The amount and duration of the maximum LTC Benefits and the rider charge will vary based on the benefit options elected at time of application and the use of policy benefits and features. The rider charge is included as part of the monthly deduction for the policy. Rates for long-term care coverage under this rider may increase over time, but not above those stated in the policy. This rider is intended to provide federally tax-qualified long-term care insurance as defined in IRC Section 7702B(b). 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. Pacific Life cannot determine whether the benefits are taxable. If there are any questions concerning the tax implications of this rider, qualified and independent legal and tax advisors should be consulted. Tax treatment may depend on factors such as the amount of benefits, the amount of qualified expenses incurred, or if similar benefits are being received under other contracts. Tax laws relating to accelerated death benefits are complex. Receipt of accelerated death benefits may affect eligibility for public assistance programs such as Medicaid. Clients are advised to consult with qualified and independent legal and tax advisors for more information. The Premier LTC Rider benefits accelerate the policy's Death Benefit and will reduce any proceeds payable upon the insured's death or at time of surrender. Rider benefit payments will reduce policy values, including death benefit, cash surrender value, and policy debt, and may adversely affect the benefits under other riders. The amount and duration of the maximum LTC Benefits and the rider charge will vary based on the benefit options elected at time of application and the use of policy benefits and features. The rider charge is included as part of the monthly deduction for the policy. When considering a rider, request a policy illustration to see the rider's impact on policy values. Policy charges for this rider and other riders are deducted from the policy's accumulated value on a monthly basis. Policy lapse will only occur where the policy's cash value less policy debt is not sufficient to cover monthly policy charges, unless a no-lapse guarantee is in effect. Prior to lapse, the policy provides 61 days to pay premium sufficient to keep the policy in force.

Premier Chronic Illness Rider (CHR), Form series R22CHR, S23CHR, varies based on state of policy issue.

Premier Living Benefits Rider 2 (PLBR 2), Form series R18ADB, S18ADB, varies based on state of policy issue. There is no up-front cost or monthly rider charge. 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. 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.

The LTC Coverage Amount is elected at policy at policy issue. It may not be greater than the policy's initial face amount or \$3 million (2% monthly election, issue ages 18-75), \$1.5 million (4% monthly election, issue age 18-64), or \$750,000 (4% monthly election, issue ages 65-75) per lifetime per insured. The LTC Coverage Amount is reduced by any policy distributions or face amount decreases. If the policy's entire death benefit is accelerated, the policy will terminate.

Clients may choose to include either PLTC, PLBR 2, or the CHR at policy issue. These riders allow the policy owner to accelerate a portion of the death benefit as rider benefit payments while the insured is certified as being chronically ill by a licensed healthcare practitioner. For PLBR 2, this means being unable to perform without substantial assistance at least 2 activities of daily living, or requiring substantial supervision due to severe cognitive impairment, and such conditions are expected to be permanent (no elimination period). For PLTC and CHR, this means being unable to perform without substantial assistance at least 2 activities of daily living for a period of at least 90 days, or requiring substantial supervision due to severe cognitive impairment. Lifetime and monthly maximum rider benefits vary by rider selection.

For both PLBR 2 and CHR: Rider benefit payments will reduce policy values, including death benefit, cash surrender value, and policy debt, and may adversely affect the benefits under other riders. Benefits paid by accelerating the policy's death benefit are intended to qualify as death benefits under section 101(g) of the Internal Revenue Code and may be excludable from your income and may not be subject to federal taxation. Tax treatment may depend on factors such as the amount of benefits, the amount of qualified expenses incurred, or if similar benefits are being received under other contracts. These amounts may also be in relation to certain IRS limitation (referred to as "per diem" limits). Tax laws relating to accelerated death benefits are complex. Receipt of accelerated death benefits may affect eligibility for public assistance such as Medicaid. When benefits are received from multiple policies providing chronic illness benefits for a given insured, including policies with different owners, all of those benefits must be aggregated to determine their taxability. Pacific Life cannot determine whether the benefits are taxable. If there are any questions concerning the tax implications of these riders, a qualified and independent legal and tax advisors should be consulted.

There is no up-front cost to the insured for the PLBR 2 rider. The cost of exercising the PLBR 2 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. There is an upfront cost for the CHR and PLTC riders. (see the policy illustration for details). Benefit payments for the CHR rider reduce the death benefit dollar-for-dollar, if the entire death benefit is accelerated the policy will terminate.

Premier LTC Rider: Exclusions, Exceptions, and Limitations: We will not pay benefits for any room and board, care, treatment, services, equipment, or other items 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) that result from an attempt at suicide (while sane or insane) or an intentionally self-inflicted injury; 4) that result from alcoholism or drug addiction; 5) that result from participation in or attempting a felony, riot, or insurrection; 6) provided outside the United States of America unless the initial and any annual renewal certification are completed by a Licensed Health Care Practitioner; 7) that result from active duty in foreign or U.S. armed forces; 8) that result from an act of war; 9) provided in a government facility (unless otherwise required by law); 10) 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; 11) for preexisting conditions that are not disclosed in the application, if services begin with the first six months of policy issue; or 12) received while the rider is not in force. For costs and complete details of the coverage, you may be contacted as a result of your inquiry. This is a life insurance with long-term care benefits sales solicitation.

The Premier Chronic Illness Rider: Exclusions, Exceptions, and Limitations: No benefits are payable under this Rider and the Rider may not be exercised due to a chronic illness that is a result of an attempted suicide, while sane or insane or from an intentionally self-inflicted injury.



PACIFIC LIFE

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

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.

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.

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.

Life insurance is subject to the underwriting and approval of the application and may include monthly policy charges.

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