

# PACIFIC SELECT VUL 2

Flexible Premium Variable Universal Life Insurance



Pacific Life Insurance Company

*The Freedom to Choose*



CLIENT GUIDE

# Guaranteed death benefit protection with the freedom to choose financial opportunities

We know that life can change in an instant. That's why Pacific Select VUL 2 is designed with options that allow your policy to evolve with you. With a guaranteed death benefit and the flexibility to choose between a wide range of investment options, you can rest easy knowing you can protect your loved ones and enjoy cash value growth potential—all in one powerful policy.

## A GUARANTEE YOU CAN DEPEND ON

With our Short-Term No-Lapse Guarantee Rider, your death benefit is guaranteed for up to 20 years—no matter how the market performs. Your policy beneficiaries will receive a guaranteed death benefit that transfers income tax and possibly estate tax-free.<sup>1</sup> This assumes you meet rider eligibility requirements.<sup>2</sup>

## FREEDOM TO CHOOSE GROWTH POTENTIAL

Choose from a diverse list of variable investment options, three indexed options, and two fixed options—you have the flexibility to make investment choices for a lifetime of financial needs and objectives in one policy. With the freedom to choose market-driven growth potential, Pacific Select VUL 2 can serve as a supplemental financial resource for you.

## BENEFITS OF VARIABLE UNIVERSAL LIFE (VUL) INSURANCE



### Death Benefit Protection

Protect your family, estate, or business with tax-free<sup>1</sup> proceeds paid at the insured's death.



### Market-Driven Investment Options

Allocate your cash value among a wide range of variable investment options.



### Guaranteed Investment Options

Guaranteed minimum interest crediting rates with 3 indexed and 2 fixed options.

The cost of the life insurance and benefits provided through the policy is deducted monthly in the form of policy charges, which include an Administrative Charge, Asset Charge, Coverage Charge, Cost of Insurance Charge, and any applicable rider charges. Additionally, a premium load is deducted from each premium payment. To understand how the policy charges will affect your policy's cash value, request a personalized illustration that includes the "Policy Charges" report.

<sup>1</sup> 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).

<sup>2</sup> Short-Term No-Lapse Guarantee Rider (Form series R12SNL, varies by state of policy issue) is issued with all policies electing Death Benefit Option A or B with insureds issue ages 79 and under. Paying only the Short-Term No-Lapse Premiums will guarantee the death benefit from five to 20 years, but will not guarantee cash value accumulation. If your client discontinues 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. Additional premiums may be required to continue the policy beyond the guaranteed duration. No additional charge for the rider.

# Pacific Select VUL 2 Gives You Options for a Lifetime of Needs

**THE FREEDOM TO CHOOSE** | *investment options for the growth strategy that works for you*

You've got choices. With Pacific Select VUL 2, you can choose from a diverse selection of variable investment options. Simply choose what works best for you and rest easy knowing you have the flexibility to make changes throughout your life.

Our investment lineup allows you to choose among 3 indexed and 2 fixed account options and a wide range of variable investment options managed by some of the top investment managers in the industry.



*Choose from a variety of investment options for the upside potential of market exposure for your policy's cash value.*

# GUARANTEED DEATH BENEFIT PROTECTION

Pacific Select VUL 2 gives you options for a wide range of policy approaches that can be adjusted for ongoing needs throughout your lifetime. Your policy

comes with no-lapse guarantee protection for up to 20 years.<sup>3</sup> The younger the issue age, the longer the guarantee period as shown in the table below.

## Your No-Lapse Guarantee Duration

Issue Age of Insured	Guarantee Period
0-49	20 years
50-59	Until Insured's age 70
60-69	10 years
70-79	5 years
80+	Rider is not available

Whether you need to change your death benefit guarantee or coverage, shift your cash value allocations or access your policy's available cash value, you can customize your policy to help you meet your objectives or future needs.

### Flexibility is yours.



Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.

The indexed options and fixed options are part of Pacific Life Insurance Company's general account and are backed by the company's financial strength and claims-paying ability. The indexed options and fixed options do not directly participate in any stock or equity investments. A monthly asset-based charge is assessed across all investment options, which may reduce the effective yield earned in the Indexed and Fixed Options.

Every variable investment option has some degree of risk depending on what it invests in and what strategies it uses. While all variable investment options are subject to market risk, some investment options may be subject to greater volatility than others. The variable investment options are not FDIC insured or guaranteed.

Before investing you should talk to your financial professional and carefully read the applicable product and fund prospectuses for the risks, charges, and expenses associated with the investment options any variable universal life insurance product.

**For investment option details, including transfer limits and other restrictions, talk to your life insurance producer and review the prospectus.**

<sup>3</sup> To keep the death benefit in force regardless of interest crediting rate or market performance, policyholders get five to 20 years (duration based on insured's issue age) of Short-Term No-Lapse Guarantee Rider coverage at no additional cost. If the policyholder 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. Additional premiums may be required to continue the policy beyond the guaranteed duration.



## THE FREEDOM TO CHOOSE | *investment options for the growth strategy that works for you*

Variable Universal life insurance (VUL) from Pacific Life protects your family's financial future and can be used as a potential supplemental financial resource for you or your business.

### SUPPLEMENT YOUR INCOME

For high income earners, saving for retirement can be a challenge due to limitations on contributions to qualified retirement plans. You can add a tax-diversified asset to your portfolio with Pacific Select VUL 2. The policy's death benefit will provide financial protection for your policy's beneficiaries, while its cash value can help you build a potential source of supplemental income.

### BUSINESS BENEFITS

If you are a business owner, how can you help your business stand out in attracting top talent? One way may be through an executive bonus arrangement, in which your business pays taxable bonuses to an executive in the form of premium payments for a life insurance policy. The executive will receive 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 a business expense for the company.<sup>6</sup>

### THREE POTENTIAL TAX ADVANTAGES

Pacific Select VUL 2 provides three potential tax advantages which can benefit you and your family or business today and tomorrow.

- 1 Tax-free<sup>4</sup> income death benefit
- 2 Tax-deferred cash value growth potential
- 3 Tax-free<sup>5</sup> supplemental income potential

***Talk with your life insurance producer about the many ways life insurance may help your financial well-being and business planning needs.***

<sup>4</sup> 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).

<sup>5</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 (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.

<sup>6</sup> The deductibility of the bonus is subject to reasonable compensation limits established by the IRC Sec. 162(a).



# The Power of Pacific

Pacific Life provides a variety of products and services designed to help individuals and businesses in the retail, institutional, workplace benefits, and reinsurance markets achieve financial security. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative life insurance and annuity solutions, as well as mutual funds, that provide value and financial security for current and future generations. Supporting our policyholders for more than 150 years, Pacific Life is a Fortune 500 company headquartered in Newport Beach, California. For additional company information, including current financial strength ratings, visit [PacificLife.com](http://PacificLife.com).

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.

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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, but they do not protect the value of the variable investment options. 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.

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

Variable 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.

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.

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.

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***This material must be preceded or accompanied by the variable life insurance product prospectus. Contact your life insurance producer or visit [Pacificlife.com](http://Pacificlife.com) for more information, including product and underlying fund prospectuses that contain more complete information about Pacific Life Insurance Company and a variable life insurance policy's risks, charges, limitations, and expenses, as well as the risks, charges, expenses and investment goals/objectives of the underlying investment options. Read them carefully before investing or sending money.***

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

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