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*This brochure contains:*  
*Prospectus dated May 1, 2019 for*  
**Pacific Select VUL - Accumulation**  
**flexible premium variable**  
**universal life insurance policy**  
*and the*  
**Privacy Notice**  
*(Inside back cover)*

Pacific Life Insurance Company





# PACIFIC LIFE

## **Receive Future Regulatory Materials Electronically via eDelivery**

As part of its eDelivery program, Pacific Life is pleased to offer policy owners the option to receive their Variable Life Insurance Product and underlying Fund Prospectuses, Annual and Semi-Annual Reports via electronic delivery (email) instead of in print (sent by US mail). Some of the advantages of eDelivery include:

**Simple enrollment**

**Convenient access to all your documents**

**Reducing filing and clutter**

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To enroll in Pacific Life's eDelivery program, please access our policy owner website, My Life Account, at <https://Life.MyAccount.PacificLife.com>.

**Please note:** In addition to accessing your prospectuses and other regulatory materials electronically, upon enrollment, eDelivery will also provide other policy-related materials such as (but not limited to) policy statements, transaction confirms, and our annual proxy, all in the same manner.

**This notice is not part of the Prospectus**



## PACIFIC SELECT VUL-ACCUMULATION PROSPECTUS MAY 1, 2019

Pacific Select VUL-Accumulation is a *flexible premium variable life insurance policy* issued by Pacific Life Insurance Company (“Pacific Life”) through Pacific Select Exec Separate Account of Pacific Life.

- *Flexible premium* means you can vary the amount and frequency of your premium payments. You must, however, pay enough premiums to cover the ongoing costs of Policy benefits.
- *Variable* means the Policy’s value depends on the performance of the Investment Options you choose.
- *Life insurance* means the Policy provides a Death Benefit to the Beneficiary you choose.

This prospectus provides information that you should know before buying a Policy. Please read the prospectus carefully and keep it for future reference.

**Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the shareholder reports for portfolio companies available under your Policy, will no longer be sent by mail, unless you specifically request copies of the reports from Pacific Life. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.**

**If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from Pacific Life electronically by accessing the Policy Owner website, My Life Account at <https://Life.MyAccount.PacificLife.com>.**

**You may elect to receive all future reports in paper free of charge. You can inform Pacific Life that you wish to continue receiving paper copies of your shareholder reports by calling us at (800) 347-7787. Your election to receive reports in paper will apply to all portfolio companies available under your Contract.**

This Policy has a selection of Investment Options for you to choose from. The Variable Investment Options available under this Policy invest in portfolios of the following Funds:

*AIM Variable Insurance Funds*

*(Invesco Variable Insurance Funds)*

*American Century Variable Portfolios, Inc.*

*American Funds Insurance Series<sup>®</sup>*

*BlackRock<sup>®</sup> Variable Series Funds, Inc.*

*Dreyfus Variable Investment Fund*

*(On or about June 3, 2019, the fund will change its name to the BNY Mellon Variable Investment Fund. All references to the Dreyfus Variable Investment Fund in this Prospectus are replaced with BNY Mellon Variable Investment Fund after the name change.)*

*Fidelity<sup>®</sup> Variable Insurance Products Funds*

*Franklin Templeton Variable Insurance Products Trust*

*Janus Aspen Series*

*Lazard Retirement Series, Inc.*

*Legg Mason Partners Variable Equity Trust*

*Legg Mason Partners Variable Income Trust*

*Lord Abbett Series Fund, Inc.*

*MFS<sup>®</sup> Variable Insurance Trust*

*M Fund*

*Neuberger Berman Advisers Management Trust*

*Oppenheimer Variable Account Funds*

*Pacific Select Fund*

*PIMCO Variable Insurance Trust*

*Royce Capital Fund*

*State Street Variable Insurance Series Funds, Inc.*

*T. Rowe Price Equity Series, Inc.*

*VanEck VIP Trust*

You will find a complete list of each Variable Investment Option in the **YOUR INVESTMENT OPTIONS** section. This Policy also offers the following Fixed Options and Indexed Fixed Options:

### **FIXED OPTIONS**

Fixed Account

Fixed LT Account

### **INDEXED FIXED OPTIONS**

1 - Year Indexed Account

1 - Year High Par Indexed Account

**You should be aware that the Securities and Exchange Commission (SEC) has not approved or disapproved of the securities or passed upon the accuracy or adequacy of the disclosure in this prospectus. Any representation to the contrary is a criminal offense.**

This Policy is not available in all states. This prospectus is not an offer in any state or jurisdiction where we are not legally permitted to offer the Policy. The Policy is described in detail in this prospectus and its Statement of Additional Information (SAI). Each Fund is described in its prospectus and in its SAI. No one has the right to describe the Policy or any Fund any differently than they have been described in these documents.

A life insurance Policy may be appropriate if you are looking to provide a Death Benefit for family members or others or to help meet other long-term financial objectives. Discuss with your life insurance producer whether a variable life insurance Policy, optional benefits and underlying Investment Options are appropriate for you, taking into consideration your age, income, net worth, tax status, insurance needs, financial objectives, investment goals, liquidity needs, time horizon, risk tolerance and relevant information. Together you can decide if a variable life insurance Policy is right for you.

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. Pacific Life, its distributors and their 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.

## YOUR GUIDE TO THIS PROSPECTUS

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Where To Go For More Information

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## BENEFITS AND RISKS OF YOUR POLICY

This overview tells you some key things you should know about your Policy. It is designed as a summary only – please read the entire prospectus and your Policy for more detailed information, or contact us or your life insurance producer for additional information about your Policy. This prospectus provides a description of the material rights and obligations under your Policy. Your Policy (including any Riders and/or endorsements) represents the contractual agreement between you and us.

The Policy is offered for sale in all jurisdictions where we are authorized to do business and where the Policy is approved by the appropriate insurance department or regulatory authorities. Individual Policy features may not be available in all states or may vary by state. The state in which your Policy is issued governs whether or not certain features, Riders, charges and fees are allowed in your Policy. Any significant variations from the information appearing in this prospectus which are required due to individual state requirements are contained in your Policy, or provided by separate endorsement and outlined in **Appendix B**. You should refer to your Policy for these state specific features.

Pacific Life is a variable life insurance policy provider. It is not a fiduciary and therefore does not give advice or make recommendations regarding insurance or investment products.

### Benefits of your policy

#### Flexibility

The Policy is designed to be flexible to meet your specific life insurance needs. Within certain limits, you can:

- choose the timing, amount and frequency of premium payments
- change the Death Benefit Option
- increase or decrease the Policy's Total Face Amount
- change the Beneficiary
- change your investment selections.

#### Death Benefit

The Death Benefit will always be the greater of the Death Benefit under the Option you choose or the Minimum Death Benefit. The Minimum Death Benefit is no lower than the death benefit that we must pay to ensure that your Policy qualifies as life insurance.

You may choose one of three Death Benefit Options:

- **Option A** – your Death Benefit will be the Total Face Amount of your Policy.
- **Option B** – your Death Benefit will be the Total Face Amount of your Policy plus its Accumulated Value.
- **Option C** – your Death Benefit will be the Total Face Amount of your Policy plus the total premiums you have paid minus any withdrawals or distributions that reduce your Accumulated Value. However, the Death Benefit will never exceed the Option C Death Benefit Limit shown in the Policy Specifications.

You may choose between two Death Benefit Qualification Tests which are used to determine the Minimum Death Benefit:

- **Cash Value Accumulation Test** – generally does not limit the amount of premiums you can pay into your Policy.
- **Guideline Premium Test** – limits the amount of premiums you can pay on your Policy, and the Minimum Death Benefit will generally be smaller than under the Cash Value Accumulation Test.

The test you choose will generally depend on the amount of premiums you want to pay relative to your desired Death Benefit. We may limit premium payments to prevent your policy from being classified as a Modified Endowment Contract.

#### Accumulated Value

Accumulated Value is the value of your Policy on any Business Day. It is not guaranteed – it depends on the performance of the Investment Options you have chosen, the timing and amount of premium payments you have made, Policy charges, and how much you have borrowed or withdrawn from the Policy.



You can access your Accumulated Value in several ways:

- **Withdrawals** – you can withdraw part of your Policy’s Net Cash Surrender Value.
- **Loans** – you can take out a loan from us using your Policy’s Accumulated Value as security.
- **Income benefits** – you can use withdrawal or surrender benefits to elect an income benefit that provides a monthly income. In addition, your Policy’s Beneficiary can use Death Benefit proceeds to elect an income benefit.
- **Surrender** – you can surrender or *cash in* your Policy for its Net Cash Surrender Value while an Insured is alive.

## Investment Options

You can choose to allocate your Net Premiums and Accumulated Value among a selection of Variable Investment Options, each of which invests in a corresponding portfolio of various underlying Funds. The Policy also offers two Fixed Options, both of which provide a guaranteed minimum rate of interest. You may also invest in the Indexed Fixed Options.

You can transfer among the Fixed and Variable Investment Options during the life of your Policy without paying any current income tax. There is currently no charge for transfers. If you allocate your Net Premiums or Accumulated Value to the Indexed Fixed Options, you will not be able to transfer that Indexed Accumulated Value until the end of a Segment Term. At Segment Maturity you may only reallocate Segment Value to a new Segment or to the Fixed Options.

## Tax Benefits

Your Beneficiary generally will not have to pay federal income tax on the portion of any Death Benefit Proceeds that are payable as a lump sum at death. You will also generally not be taxed on any or all of your Policy’s Accumulated Value unless you receive a cash distribution. Some Riders and settlement options may affect how the Death Benefit Proceeds are paid. See **POLICY BENEFITS-Optional Riders and Benefits** for more information.

## Risks of your policy

### Long-term Financial Planning

This Policy is designed to provide a Death Benefit for family members or others or to help meet other long-term financial objectives. It is not suitable as a short-term savings vehicle. It may not be the right kind of policy if you plan to withdraw money or surrender your Policy for short-term needs. Taking a withdrawal or surrendering your Policy may incur charges. See the **FEE TABLES** and your Policy for charges assessed when withdrawing from or surrendering your Policy.

Please discuss your insurance needs and financial objectives with your life insurance producer.

### Premium Payments

Federal tax law puts limits on the premium payments you can make in relation to your Policy’s Death Benefit. We may refuse all or part of a premium payment you make, or remove all or part of a premium from your Policy and return it to you under certain circumstances, for example, if the amount of premium you paid would result in your Policy no longer qualifying as life insurance or becoming a Modified Endowment Contract under the Tax Code.

### Lapse

Your Policy remains In Force as long as you have sufficient Net Accumulated Value to cover your Policy’s monthly deductions of Policy charges. Insufficient premium payments, poor investment performance, withdrawals, and unpaid loans or loan interest may cause your Policy to lapse – which means you will no longer have any insurance Coverage. There are costs associated with reinstating a lapsed Policy.

There is no guarantee that your Policy will not lapse even if you pay your planned periodic premium. You should consider a periodic review of your coverage with your life insurance producer.

### Investment Performance

Each Variable Investment Option invests in a corresponding portfolio of an underlying Fund, as detailed in **YOUR INVESTMENT OPTIONS**. The value of each portfolio fluctuates with the value of the investments it holds. Returns are not guaranteed. You bear the investment risk of any Variable Investment Option you choose.

See each Fund’s prospectus for more information on the underlying portfolios and their individual risks.

The value of the Segments in each of the Indexed Fixed Options is based on the two ways we credit interest to a Segment. We add interest using Segment Indexed Interest and Segment Guaranteed Interest. Segment Indexed Interest in part is based on any positive change in an external index. There is no guarantee that Segment Indexed Interest will be greater than zero. However, Segment Guaranteed Interest is credited daily to a Segment and is guaranteed.

In addition, we assess an asset charge on each of the Indexed Fixed Options based upon the Indexed Accumulated Value of those accounts. This charge is added to the Monthly Deductions under your Policy.

## **Withdrawals and Loans**

Making a withdrawal or taking out a loan may:

- change your Policy's tax status
- reduce your Policy's Total Face Amount
- reduce your Policy's Death Benefit
- reduce the Death Benefit Proceeds paid to your Beneficiary
- make your Policy more susceptible to lapsing
- limit your access to the Policy's Accumulated Value

Be sure to plan carefully before using these Policy benefits.

Your Policy's withdrawal feature is not available until your first Policy Anniversary.

Policy Loans are not available until after the Free Look Period has expired, except as part of a 1035 exchange.

## **General Account**

Unlike the assets in our Separate Account, the assets in our General Account are subject to liabilities arising from any of our other business. Our ability to pay General Account guarantees, including the Death Benefit, is backed by our financial strength and claims paying ability. We may be unable to meet our obligations with regard to the General Account interest guarantee.

## **Tax Consequences of Withdrawals, Surrenders and Loans**

You may be subject to income tax if you take any withdrawals or surrender the Policy, or if your Policy lapses and you have not repaid any outstanding Policy Debt.

If your Policy becomes a Modified Endowment Contract (MEC), distributions you receive beginning on the date the Policy becomes a MEC may be subject to tax and a 10% penalty.

There are other tax issues to consider when you own a life insurance policy. These are described in more detail in **VARIABLE LIFE INSURANCE AND YOUR TAXES**.

## **Indexed Interest Crediting Risk**

We credit interest daily to Accumulated Value in the Indexed Fixed Options at a guaranteed rate of 1.00% annually for both the 1-Year Indexed Account and the 1-Year High Par Indexed Account (the Segment Guaranteed Interest). We also credit interest at Segment Maturity to Accumulated Value in the Indexed Fixed Options that is based in part on any positive change in the Index (the Segment Indexed Interest). If the underlying Index remains level or declines over a prolonged period of time and we have not credited Segment Indexed Interest, you may need to increase your premium payments to prevent the Policy from lapsing.

We assess a monthly Indexed Account Charge of 0.025% of the Indexed Accumulated Value. This charge is deducted from your policy's Accumulated Value as part of the monthly deduction. The 1% Segment Guaranteed Interest Rate does not reflect reductions as a result of Monthly Deductions or the Indexed Account Charge.

## **Risks that We May Eliminate or Substitute the Index**

There is no guarantee that the Index described in this prospectus will be available during the entire time you own your Policy. If the Index is discontinued or we are unable to utilize it, we may substitute a successor index of our choosing. If we do so, the performance of the new index would differ from the Index. This, in turn, may affect the Segment Indexed Interest you earn.

## **Risk that We May No Longer Offer the Indexed Fixed Options**

There is no guarantee that we will offer the Indexed Fixed Options during the entire time you own your Policy. We may discontinue offering the Indexed Fixed Options at any time. If we discontinue the Indexed Fixed Options, you may transfer Indexed Accumulated Value to any other Investment Options consistent with your Policy's investment and transfer restrictions at Segment Maturity. If you do not do so, your Indexed Accumulated Value will be reallocated to the Fixed Account.

## **No Ownership Rights**

An allocation to the Indexed Fixed Options is not equivalent to investing in the underlying stocks comprising the Index. You will have no ownership rights in the underlying stocks comprising the Index, such as voting rights, dividend payments, or other distributions. Also, we are not affiliated with the Index or the underlying stocks comprising the Index. Consequently, the Index and the issuers of the underlying stocks comprising the Index have no involvement with the Policy.

## **No Additional Segment Allocations to an Existing Segment**

You may not make any additional allocations from the Fixed Account into an existing Segment once it has been created.

## Segment Maturity

At the end of a Segment Term, the Segment Value is either transferred to a new Indexed Account Segment, or to the Fixed Options.

## Change in Growth Cap

We determine the Growth Cap under the Indexed Fixed Options. We may increase or decrease the Growth Cap for the 1-Year Indexed Account, but it will never be less than the minimum of 3%. We may increase or decrease the Growth Cap for the 1-Year High Par Indexed Account, but it will never be less than 2%. Once a Segment is created, the Growth Cap for that segment cannot be changed. You may contact us or ask your life insurance producer for information on the current Growth Caps for the 1-Year Indexed Account and the 1-Year High Par Indexed Account.

## Costs of Managing Segment Indexed Interest

We manage our obligation to credit Segment Indexed Interest in part by purchasing call options on the Index and by prospectively adjusting the Growth Cap on Segment Start Dates to reflect changes in the costs of purchasing such call options (the price of call options vary with market conditions). In certain cases, we may reduce the Growth Cap for a future Segment. If we do so, the amount of the Segment Indexed Interest which you may otherwise have received would be reduced. However, we will never reduce the Growth Cap below 3% for the 1-Year Indexed Account and 2% for the 1-Year High Par Indexed Account.

## Risk that We May Defer Payment of Proceeds

We may defer surrenders, withdrawals, loans, and transfers from the Fixed or Indexed Fixed Options for up to six months.

## Restrictions on Transfers to other Investment Options

Amounts allocated to Segments of the Indexed Fixed Options may not be transferred to any other Investment Option until the end of the Segment Term.

## Effect of Deductions on Indexed Interest

Amounts deducted from the Indexed Fixed Options as a result of Account Deductions will receive a proportionate Segment Indexed Interest credit at the end of the Segment Term, based upon the average Segment monthly balances during the Segment Term.

## The Change in Participation Rate

We determine the Participation Rate under each of the Indexed Fixed Options. We cannot set the Participation Rate to be lower than the guaranteed minimum Participation Rate or change the Participation Rate for any Segment after it has been created.

	Current Participation Rate	Guaranteed Minimum Participation Rate
1 - Year Indexed Account	100%	100%
1 - Year High-Par Indexed Account	150%	140%

The Participation Rate is used in the calculation of the Segment Indexed Interest Rate. For more information, see **YOUR INVESTMENT OPTIONS-Indexed Fixed Options** for more details.

## Surrendering Your Policy

**If you surrender your Policy no Indexed Interest will be credited to any Segments that have not yet reached their Segment Maturity.**

## FEE TABLES

The following tables describe the fees and expenses that you will pay when buying, owning, and surrendering the Policy. Please read the entire prospectus, your Policy and the SAI for more detailed information regarding these fees and expenses.

**Table 1 describes the fees and expenses that you will pay at the time you buy the Policy, surrender the Policy, or transfer Accumulated Value between Investment Options.**

<b>TABLE 1 – Transaction Fees</b>		
<b>CHARGE</b>	<b>WHEN CHARGE IS DEDUCTED</b>	<b>AMOUNT DEDUCTED</b>
<b>Premium Load</b> Maximum guaranteed charge Current charge	Upon receipt of premium	6.25% of premium 2.15%–5.25% of premium
<b>Minimum and Maximum “Maximum Surrender Charge”</b> <i>Charge for a representative Insured</i>	Upon full surrender of Policy if any Coverage Layer has been in effect for less than 15 Policy Years	\$0.12–\$59.80 per \$1,000 of Basic Life Coverage Layer <sup>1</sup> <i>Charge is \$16.59 per \$1,000 of Basic Life Coverage Layer at end of Policy Year 1 for a male standard nonsmoker who is Age 45 at Policy issue, and the Policy is issued with Guideline Premium Test and Death Benefit Option A</i>
<b>ADMINISTRATIVE AND UNDERWRITING SERVICE FEES</b>		
<b>Withdrawal charge<sup>2</sup></b>	Upon partial withdrawal of Accumulated Value	\$25 per withdrawal
<b>Transfer fees<sup>2</sup></b>	Upon transfer of Accumulated Value between Investment Options	\$25 per transfer in excess of 12 per Policy Year
<b>Audits of premium/loan<sup>2</sup></b>	Upon request of audit of 2 years or more	\$25
<b>Duplicate Policy<sup>2,3</sup></b>	Upon request of duplicate Policy	\$50
<b>Illustration request<sup>2</sup></b>	Upon request of Policy illustration in excess of 1 per year	\$25
<b>Annual Renewable Term Rider Unscheduled Face Amount increase<sup>2</sup></b>	Upon effective date of requested Face Amount increase	\$100
<b>Increasing an optional Rider<sup>2</sup></b>	Upon approval of specific request	\$100

<sup>1</sup> The Maximum Surrender Charge is based on the Age and Risk Class of the Insured, as well as the Death Benefit Option you choose. The Maximum Surrender Charge reduces to \$0 after 15 years from the effective date of each Coverage Layer. The Maximum Surrender Charge shown in the table may not be typical of the Maximum Surrender Charge you will pay. Ask your life insurance producer for information on this charge for your Policy. The Maximum Surrender Charge for your Policy will be stated in the Policy Specifications.

<sup>2</sup> We currently do not impose this charge.

<sup>3</sup> Certificate of Coverage is available without charge.

**Table 2 describes the fees and expenses that you will pay periodically during the time you own the Policy, not including portfolio fees and expenses. The charges include those for individuals in a nonstandard risk category, if applicable.**

<b>TABLE 2 – Periodic Charges Other Than Fund Operating Expenses</b>		
<b>CHARGE</b>	<b>WHEN CHARGE IS DEDUCTED</b>	<b>AMOUNT DEDUCTED</b>
<b>Cost of Insurance<sup>1,2</sup></b> Minimum and Maximum guaranteed charge Minimum and Maximum current charge <i>Charge for a representative Insured</i>	Monthly Payment Date	\$0.02–\$83.34 per \$1,000 of Net Amount At Risk  \$0.01–\$83.34 per \$1,000 of Net Amount At Risk  <i>Maximum guaranteed charge during Policy Year 1 is \$0.23 per \$1,000 of Net Amount At Risk for a male standard nonsmoker who is Age 45 at Policy issue, with Death Benefit Options A<sup>3</sup>.</i>  <i>Current charge during Policy Year 1 is \$0.04 per \$1,000 of Net Amount At Risk for a male standard nonsmoker who is Age 45 at Policy issue, with Death Benefit Options A<sup>3</sup>.</i>
<b>Administrative charge<sup>1</sup></b> Maximum charge	Monthly Payment Date	\$15
<b>Coverage charge<sup>1,4</sup></b> Minimum and Maximum guaranteed charge Minimum and Maximum current charges <i>Charge for a representative Insured</i>	Monthly Payment Date, beginning on effective date of each Basic Life Coverage Layer	\$2.62 – \$85.39 per Policy <sup>11</sup> plus \$0.07 - \$23.11 per \$1,000 of Basic Life Coverage Layer  \$2.62 – \$85.39 per Policy <sup>11</sup> plus \$0.01 - \$11.46 per \$1,000 of Basic Life Coverage Layer  <i>Maximum guaranteed charge during Policy Year 1 is \$29.03 per Policy<sup>11</sup> plus \$0.38 per \$1,000 of Basic Life Coverage Layer for a male standard nonsmoker who is Age 45 at Policy issue, with Death Benefit Option A<sup>3</sup>.</i>
<b>Loan interest charge</b> Maximum guaranteed and current charge	Policy Anniversary	2.25% of Policy’s Loan Account balance annually <sup>5</sup>
<b>Monthly Indexed Account charge</b> Maximum guaranteed and current charge	Monthly Payment Date	0.30% annually (0.025% monthly) <sup>10</sup> of Indexed Accumulated Value
<b>OPTIONAL RIDERS AND BENEFITS<sup>6</sup></b>		
<b>RIDERS PROVIDING FACE AMOUNT COVERAGE ON THE INSURED:</b>		
<b>Annual Renewable Term Rider</b> Cost of Insurance <sup>1,2</sup> Minimum and Maximum guaranteed charge Minimum and Maximum current charges <i>Charge for a representative Insured</i>  Coverage charge <sup>1,4</sup> Minimum and Maximum guaranteed charge Minimum and Maximum current charges <i>Charge for a representative Insured</i>	Monthly Payment Date       Monthly Payment Date	\$0.02–\$83.34 per \$1,000 of Net Amount At Risk  \$0.01–\$83.34 per \$1,000 of Net Amount At Risk  <i>Maximum guaranteed charge during Policy Year 1 is \$0.23 per \$1,000 of Net Amount At Risk for a male standard nonsmoker who is Age 45 at Policy issue, with Death Benefit Options A<sup>3</sup>.</i>  <i>Current charge during Policy Year 1 is \$0.04 per \$1,000 of Net Amount At Risk for a male standard nonsmoker who is Age 45 at Policy issue, with Death Benefit Options A<sup>3</sup>.</i>  \$0.09–\$20.99 per \$1,000 of Rider Coverage Layer  \$0.01 - \$1.15 per \$1,000 of Rider Coverage Layer  <i>Maximum guaranteed charge during Policy Year 1 is \$0.46 per \$1,000 of Rider Coverage Layer for a male standard nonsmoker who is Age 45 at Policy issue with Death Benefit Option A<sup>3</sup></i>

**TABLE 2 – Periodic Charges Other Than Fund Operating Expenses**

CHARGE	WHEN CHARGE IS DEDUCTED	AMOUNT DEDUCTED
<p><b>Scheduled Annual Renewable Term Rider</b></p> <p>Cost of Insurance<sup>1,2</sup></p> <p>Minimum and Maximum guaranteed charge</p> <p>Minimum and Maximum current charge</p> <p><i>Charge for a representative Insured</i></p> <p>Coverage charge<sup>1,4</sup></p> <p>Minimum and Maximum guaranteed charge</p> <p>Minimum and Maximum current charges</p> <p><i>Charge for a representative Insured</i></p>	<p>Monthly Payment Date</p>	<p>\$0.02–\$83.34 per \$1,000 of Net Amount At Risk</p> <p>\$0.01–\$62.40 per \$1,000 of Net Amount At Risk</p> <p><i>Current charge during Policy Year 1 is \$0.04 per \$1,000 of Rider Face Amount for a male standard nonsmoker who is Age 45 at Policy issue<sup>3</sup></i></p> <p>\$0.09–\$20.99 per \$1,000 of Rider Coverage Layer</p> <p>The current Coverage charge for this Rider is \$0.</p> <p><i>Maximum guaranteed charge during Policy Year 1 is \$0.46 per \$1,000 of Rider Coverage Layer for a male standard nonsmoker who is Age 45 at Policy issue with Death Benefit Option A<sup>3</sup></i></p>
<b>RIDERS THAT PROVIDE ADDITIONAL CASH VALUE PROTECTION:</b>		
<p><b>Overloan Protection 3 Rider</b></p> <p>Minimum and Maximum guaranteed charge</p> <p><i>Charge for a representative Insured</i></p>	<p>At exercise of benefit</p>	<p>1.12%–4.52% of Accumulated Value on date of exercise<sup>9</sup></p> <p><i>Maximum guaranteed charge for a male standard nonsmoker who exercises the Rider at Age 85 is 2.97% of Accumulated Value on date of exercise<sup>3</sup></i></p>
<p><b>Short-Term No-Lapse Guarantee Rider</b></p> <p>Minimum and Maximum guaranteed charge</p>	<p>Not applicable</p>	<p>\$0</p>
<b>RIDERS THAT PROVIDE ADDITIONAL BENEFITS:</b>		
<p><b>Accidental Death Benefit Rider</b></p> <p>Minimum and Maximum guaranteed charge</p> <p><i>Charge for a representative Insured</i></p>	<p>Monthly Payment Date</p>	<p>\$0.05–\$0.18 per \$1,000 of Rider Face Amount</p> <p><i>Maximum guaranteed charge during Policy Year 1 is \$0.10 per \$1,000 of Rider Face Amount for a male standard nonsmoker who is Age 45 at Policy issue<sup>3</sup></i></p>
<p><b>Annual Renewable Term Rider– Additional Insured</b></p> <p>Minimum and Maximum guaranteed charge</p> <p>Minimum and Maximum current charge</p> <p><i>Charge for a representative Insured</i></p>	<p>Monthly Payment Date</p>	<p>\$0.02–\$83.34 per \$1,000 of Rider Face Amount</p> <p>\$0.01–\$83.34 per \$1,000 of Rider Face Amount</p> <p><i>Maximum guaranteed charge during Policy Year 1 is \$0.16 per \$1,000 of Rider Face Amount for a female standard nonsmoker who is Age 45 at Policy issue<sup>3</sup></i></p> <p><i>Current charge during Policy Year 1 is \$0.07 per \$1,000 of Rider Face Amount for a female standard nonsmoker who is Age 45 at Policy issue<sup>3</sup></i></p>
<p><b>Benefit Distribution Rider</b></p> <p>There is no current or guaranteed charge on this Rider.</p>	<p>Not applicable</p>	<p>Not applicable</p>

**TABLE 2 – Periodic Charges Other Than Fund Operating Expenses**

<b>CHARGE</b>	<b>WHEN CHARGE IS DEDUCTED</b>	<b>AMOUNT DEDUCTED</b>
<p><b>Children’s Term Rider</b></p> <p>Minimum and Maximum guaranteed charge</p> <p><i>Charge for a representative Insured</i></p>	Monthly Payment Date	<p>\$0.75-\$1.05 per \$1,000 of insurance Coverage on each child</p> <p><i>Maximum guaranteed charge for a male standard nonsmoker during Policy Year 1 is \$0.75 per \$1,000 of Rider Face Amount who is Age 45 at Policy issue<sup>3</sup></i></p>
<p><b>Conversion Rider</b></p> <p>Minimum and Maximum guaranteed charge</p>	At exercise of benefit	\$0
<p><b>Disability Benefit Rider</b></p> <p>Minimum and Maximum guaranteed charge</p> <p><i>Charge for a representative Insured</i></p>	Monthly Payment Date	<p>\$0.40–\$1.00 per \$10 of monthly benefit</p> <p><i>Maximum guaranteed charge during Policy Year 1 is \$0.45 per \$10 of monthly benefit for a male standard nonsmoker who is Age 45 at Policy issue<sup>3</sup></i></p>
<p><b>Guaranteed Insurability Rider</b></p> <p>Minimum and Maximum guaranteed charge</p> <p><i>Charge for a representative Insured</i></p>	Monthly Payment Date	<p>\$0.10–\$0.29 per \$1,000 of Coverage Layer</p> <p><i>Maximum guaranteed charge during Policy Year 1 is \$0.28 per \$1,000 of Coverage Layer for a male standard nonsmoker who is Age 35 at Policy issue<sup>3,7</sup></i></p>
<p><b>Premier LTC Rider</b></p> <p><i>For only new Policies issued on or after September 12, 2016</i></p> <p>Minimum and Maximum guaranteed charge</p> <p><i>Charge for a representative Insured</i></p>	Monthly Payment Date	<p>\$0.02 - \$1.87 per \$1,000 of LTC Net Amount at Risk</p> <p><i>Maximum guaranteed charge is \$0.34 per \$1,000 of LTC NAR for a male, who is Age 55 at Policy Issue</i></p>
<p><b>Premier Living Benefits Rider</b></p> <p>Minimum and Maximum guaranteed charge</p>	At Rider exercise	There is no additional charge for this Rider. However, upon receiving a benefit payment there will be a reduction in Death Benefit and Policy values. See <b>POLICY BENEFITS–Optional Riders and Benefits–Premier Living Benefits Rider</b>
<p><b>Terminal Illness Rider</b></p> <p>Minimum and Maximum guaranteed charge</p>	At Rider exercise	There is no additional charge for this Rider. However, upon receiving a benefit payment there will be a reduction in Death Benefit and Policy values. See <b>POLICY BENEFITS–Optional Riders and Benefits–Terminal Illness Rider</b>
<p><b>Waiver of Charges Rider</b></p> <p>Minimum and Maximum guaranteed charge</p> <p><i>Charge for a representative Insured</i></p>	Monthly Payment Date	<p>\$0.04–\$0.55 per \$1,000 of Net Amount At Risk<sup>8</sup></p> <p><i>Charge during Policy Year 1 is \$0.07 per \$1,000 of Net Amount At Risk<sup>8</sup> for a male standard nonsmoker who is Age 45 at Policy issue<sup>3</sup></i></p>

<sup>1</sup> This charge is reduced to zero on and after your Policy’s Monthly Deduction End Date.

<sup>2</sup> Cost of insurance rates apply uniformly to all members of the same Class. The cost of insurance charges shown in the table may not be typical of the charges you will pay. Your Policy Specifications will indicate the guaranteed cost of insurance charge applicable to your Policy, and more detailed information concerning your cost of insurance charges is available on request from your life insurance producer or us. Also, before you purchase the Policy, you may request personalized illustrations of your future benefits under the Policy based upon the Insured’s Risk Class, the Death Benefit Option, Face Amount, planned periodic premiums, and any Riders requested. Cost of insurance rates for your Policy will be stated in the Policy Specifications and calculated using the Net Amount At Risk.

<sup>3</sup> Charges shown for this sample Policy may not be typical of the charges you will pay.

<sup>4</sup> The Coverage charge rate is based on the Age, Gender, and Risk Class of the Insured on the Policy Date or date Rider is effective. It also varies with the Death Benefit Option you choose. Each Coverage Layer will have a corresponding Coverage charge related to the amount of the increase, based on the Age and Risk Class of the Insured at the time of the increase. Ask your life insurance producer for information regarding this charge for your Policy. The Coverage charge for your Policy will be stated in the Policy Specifications.

- <sup>5</sup> In addition to the loan interest charge, the Loan Account Value that is used to secure Policy Debt will be credited interest at a minimum of 2.00%. Interest on the Loan Account and Policy Debt accrues daily. On each Policy Anniversary, we transfer the excess of the Policy Debt over Loan Account Value from the Investment Options to the Loan Account. If the Loan Account Value is greater than Policy Debt, then such excess is transferred from the Loan Account to the Investment Options.
- <sup>6</sup> Riders are briefly described under **THE DEATH BENEFIT – Optional Riders and Benefits**. Except for the Childrens Term Rider, Rider charges are based on the Age and Risk Class of the person insured under the Rider on the effective date of the Rider. Ask your life insurance producer for information on optional Rider charges for your Policy. The charges for any optional benefit Riders you add to your Policy will be stated in the Policy Specifications.
- <sup>7</sup> Guaranteed Insurability Rider is only available to Insureds age 37 and under at Policy issue.
- <sup>8</sup> Plus any Annual Renewable Term Rider – Additional Insured Face Amount. The minimum and maximum guaranteed charge for the Waiver of Charges Rider in California is \$0.04 - \$1.14 of Net Amount At Risk.
- <sup>9</sup> The charge to exercise the Overloan Protection 3 Rider is shown as a table in your Policy Specifications. The charge varies by the Insured's gender, Risk Class and Age at the time the Rider is exercised. For more information on this Rider, see **WITHDRAWALS, SURRENDERS AND LOANS – Overloan Protection 3 Rider**.
- <sup>10</sup> The monthly Indexed Account charge may reduce each indexed account's effective yield.
- <sup>11</sup> This charge applies to the initial Basic Coverage Layer only.



## Total annual Fund operating expenses

This table shows the minimum and maximum total annual operating expenses paid by the portfolios that you pay indirectly during the time you own the Policy. This table shows the range (minimum and maximum) of fees and expenses (including management fees, shareholder servicing or distribution (12b-1) fees, and other expenses) charged by any of the portfolios, expressed as an annual percentage of average daily net assets. The amounts are based on expenses paid in the year ended December 31, 2018, adjusted to reflect anticipated changes in fees and expenses, or, for new portfolios, are based on estimates for the current fiscal year.

Each Variable Account of the Separate Account purchases shares of the corresponding Fund portfolio at net asset value. The net asset value reflects the investment advisory fees and other expenses that are deducted from the assets of the portfolio. The advisory fees and other expenses are not fixed or specified under the terms of the Policy, and they may vary from year to year. These fees and expenses are described in each Fund's prospectus.

	Minimum	Maximum
Range of total annual portfolio operating expenses <b>before</b> any waivers or expense reimbursements	0.28%	2.49%
Range of total annual portfolio operating expenses <b>after</b> waivers or expense reimbursements	0.28%	2.13%

To help limit Fund expenses, Fund advisers have contractually agreed to reduce investment advisory fees or otherwise reimburse certain portfolios of their respective Funds which may reduce the portfolio's expenses. The range of expenses in the first row above does not include the effect of any waiver and/or expense reimbursement arrangement. The range of expenses in the second row includes the effect of waiver and/or expense reimbursement arrangements that will remain in effect. There can be no assurance that Fund expense waivers or reimbursements will be extended beyond their current terms as outlined in each Fund prospectus, and they may not cover certain expenses such as extraordinary expenses. **See each Fund's prospectus for complete information regarding operating expenses of that Fund and any waivers in effect for each particular Fund.**

Some Investment Options available to you are "fund of funds". A fund of funds portfolio is a fund that invests in other funds in addition to other investments that the portfolio may make. Some funds of funds may have fees higher than other available Investment Options. The fees for the funds of funds Investment Options available under your Policy are in the range of total portfolio operating expenses disclosed above. For more information on these portfolios, please see the prospectuses for the Funds.

## TERMS USED IN THIS PROSPECTUS

In this prospectus, *you* or *your* mean the policyholder or Owner. *Pacific Life*, *we*, *us* or *our* refer to Pacific Life Insurance Company. *Fund*, or, collectively, *the Funds*, refer to one of the funds providing underlying portfolios for the Variable Investment Options offered under the Policy. *Policy* means a Pacific Select VUL-Accumulation variable life insurance policy, unless we state otherwise.

We have tried to make this prospectus easy to read and understand, but you may find some words and terms that are new to you. We have identified some of these below.

If you have any questions, please ask your life insurance producer or call us at (800) 347-7787.

**1 – Year High Par Indexed Account** – referred to as the “1 Year Indexed Account 3” in your Policy, is an account that is part of our General Account. We credit interest on the indexed account, in part, based on any positive change in an Index.

**1 – Year Indexed Account** – an account that is part of our General Account. We credit interest on the indexed account, in part, based on any positive change in an Index.

**Accounts** – consist of the Fixed Options, the Variable Accounts, the Indexed Fixed Options and the Loan Account, each of which may be referred to as an Account.

**Account Deduction** – is treated as a proportionate reduction to Fixed and Variable Investment Options. Any deduction in excess of the Fixed and Variable Investment Options will be deducted from the Indexed Fixed Options as a segment deduction.

**Accumulated Value** – the total amount of your Policy’s Variable Accumulated Value, Fixed Accumulated Value, Indexed Accumulated Value and the Loan Account Value, on any Business Day.

**Age** – the Insured’s age on his/her birthday nearest the Policy Date. We add one year to this Age on each Policy Anniversary.

**Basic Face Amount** – is the sum of the Face Amounts of all Basic Life Coverage Layers on the Insured. The Face Amount of the initial Basic Life Coverage is shown in the Policy Specifications.

**Basic Life Coverage** – is insurance Coverage on the Insured provided by this Policy as shown in the Policy Specifications and any related Supplemental Schedule of Coverage. Certain Riders may provide life insurance Coverage, but such amounts are not included in the Basic Life Coverage.

**Beneficiary** – the person, people, entity or entities you name to receive the Death Benefit Proceeds.

**Business Day** – any day that the New York Stock Exchange and our Life Insurance Division are open. It usually ends at 4:00 p.m. Eastern time. A Business Day is called a *valuation day* in your Policy.

**Cash Surrender Value** – the Policy’s Accumulated Value less any surrender charge.

**Cash Value Accumulation Test** – one of two Death Benefit Qualification Tests available under the Policy, and defined in Section 7702(b) of the Tax Code.

**Class** – is considered in determining Policy charges, interest credited, and certain limitations on Policy features and benefit, and depends on a number of factors, including but not limited to the Death Benefit, Basic and Total Face Amount, Coverage Layer, Policy Date, Policy duration, premiums paid, Policy Accumulated Value, Policy ownership structure, the Insured’s Age and Risk Class, requested or scheduled increases in Coverage Layers, and the presence and attributes of Policy features and benefits and optional Riders.

**Closing Value** – the value of the Index as of the close of the New York Stock Exchange, which is usually 4:00 p.m. Eastern time. If no closing value is published for a given day, we will use the closing value for the next day for which closing value is published.

**Code or Tax Code** – is the U.S. Internal Revenue Code of 1986, as amended.

**Coverage** – insurance coverage on the Insured as provided by the Policy or other attached Riders.

**Coverage Layer** – is a Basic Life Coverage Layer or a layer of insurance Coverage on the Insured under an optional Rider.

**Coverage Layer Date** – is the effective date of a particular Coverage Layer and is the date used to determine Coverage Layer months, years and anniversaries. The Coverage Layer Date for the initial Coverage Layer is the Policy Date as shown in the Policy Specifications.

**Cumulative Segment Guaranteed Interest Rate** – the Segment Guaranteed Interest Rate compounded annually for the number of years in the Segment Term.

**Cutoff Date** – 4:00 p.m. Eastern time, two Business Days before the Segment Start Date.

**Death Benefit** – the amount which is payable on the date of the Insured's death.

**Death Benefit Proceeds** – the amount which is payable to the Beneficiary on the date of the Insured's death, adjusted as provided in the Policy.

**Death Benefit Qualification Test** – either the Cash Value Accumulation Test or the Guideline Premium Test. This test determines what the lowest Minimum Death Benefit should be in relation to a Policy's Accumulated Value. Each test available under the Policy is defined in Section 7702 of the Tax Code.

**Designated Amount** – the amount you instruct us to allocate to an Indexed Fixed Option. We will only transfer the Designated Amount (or such lesser amount if Policy charges have been deducted, or if you have taken a withdrawal or loan) to an Indexed Fixed Option on a Segment Start Date. Any interest earned on the Designated Amount while it is allocated to the Fixed Account will not be transferred to an Indexed Fixed Option on a Segment Start Date.

**Face Amount** – the amount of insurance Coverage on the Insured provided by the Policy Coverage or Rider Coverage, as shown in the Policy Specifications and any related Supplemental Schedule of Coverage. The Face Amount is subject to increase or decrease as provided elsewhere in the Policy.

**Fixed Account** – an account that is part of our General Account to which all or a portion of Net Premium payments may be allocated for accumulation at a fixed rate of interest declared by us.

**Fixed Accumulated Value** – the total amount of your Policy's value allocated to the Fixed Accounts.

**Fixed LT Account** – an account that is part of our General Account to which all or a portion of Net Premium payments may be allocated for accumulation at a fixed rate of interest declared by us.

**Fixed Options** – Investment Options that are part of our General Account and that consist of one or more Fixed Accounts available under this Policy. The Fixed Accounts available as of the Policy Date are the Fixed Account and the Fixed LT Account. Net Premiums and Accumulated Value under the Policy may be allocated to one or more Fixed Accounts.

**Free Look Right** – your right to cancel (or refuse) your Policy and return it for a refund.

**Free Look Transfer Date** – for Policies issued in states that require return of premium if the Free Look Right is exercised, the day we transfer Accumulated Value from the Fidelity® VIP Government Money Market Variable Account to the Investment Options you chose.

**Fund** – AIM Variable Insurance Funds (Invesco Variable Insurance Funds), American Century Variable Portfolios, Inc., American Funds Insurance Series, BlackRock Variable Series Funds, Inc., Dreyfus Variable Investment Fund, Fidelity® Variable Insurance Products Funds, Franklin Templeton Variable Insurance Products Trust, Janus Aspen Series, Lazard Retirement Series, Inc., Legg Mason Partners Variable Equity Trust, Legg Mason Partners Variable Income Trust, Lord Abbett Series Fund, Inc., MFS Variable Insurance Trust, M Fund, Neuberger Berman Advisers Management Trust, Oppenheimer Variable Account Funds, Pacific Select Fund, PIMCO Variable Insurance Trust, Royce Capital Fund, State Street Variable Insurance Series Funds, Inc., T. Rowe Price Equity Series, Inc., VanEck VIP Trust.

**General Account** – includes all of our assets, except for those held in the Separate Account, or any of our other separate accounts.

**Grace Period** – a 61-day period, beginning on the date we send you, and anyone to whom you have assigned your Policy, notice that your Policy's Accumulated Value less Policy Debt is insufficient to pay the total monthly charge. The Grace Period gives you 61 days in which to pay sufficient premium to keep your Policy In Force and prevent your Policy from lapsing.

**Growth Cap** – the maximum total interest rate for a Segment over the Segment Term, as described in the Indexed Fixed Options, including both Cumulative Segment Guaranteed Interest Rate and the Segment Indexed Interest Rate.

**Guideline Premium Limit** – the maximum amount of premium or premiums that can be paid for any given Face Amount in order to qualify the Policy as life insurance for tax purposes as specified in the Guideline Premium Test.

**Guideline Premium Test** – one of two Death Benefit Qualification Tests available under the Policy, and defined in Section 7702(a)(2) of the Tax Code.

**Illustration** – a display of Policy benefits based upon the assumed Age and Risk Class of an Insured, Face Amount of the Policy, Death Benefit, premium payments, and historical or hypothetical gross rate(s) of return.

**Index** – The Standard & Poor's 500® Composite Stock Price Index, excluding dividends ("S&P 500®").

**Index Growth Rate** –  $(b \div a) - 1$ , where:

a = the Closing Value of the Index as of the day before the beginning of the Segment Term; and

b = the Closing Value of the Index as of the day before the end of the Segment Term.

**Indexed Accumulated Value** – the total amount of your Policy's Accumulated Value allocated to the Indexed Fixed Options. The Indexed Accumulated Value will not include Segment Indexed Interest for any Segments that have not reached Segment Maturity.

**Indexed Fixed Option Value** – the sum of the Segment Values for all Segments in the Indexed Fixed Options.

**Indexed Fixed Options** – Investment Options that are part of our General Account and that consist of one or more indexed accounts available under this Policy. The indexed accounts available as of the Policy Date are the 1-Year Indexed Account and the 1-Year High Par Indexed Account.

**In Force** – the Policy is in effect and provides a death benefit on the Insured.

**In Proper Form** – is when we will process your requests once we receive all letters, forms or other necessary documents, completed to our satisfaction. In Proper Form may require, among other things, a notarized signature or some other proof of authenticity. We do not generally require such proof, but we may ask for proof if it appears that your signature has changed, if the signature does not appear to be yours, if we have not received a properly completed application or confirmation of an application, or for other reasons to protect you and us. Call us or contact your life insurance producer if you have questions about the proper form required for a request.

**Insured** – the person on whose life the Policy is issued.

**Investment Option** – a Variable Investment Option, Fixed Option or Indexed Fixed Option.

**Loan Account** – an account which holds amounts transferred from the Investment Options as collateral for Policy loans.

**Loan Account Value** – the total amount of your Policy's Accumulated Value allocated to the Loan Account.

**Lockout Period** – a 12-month period of time during which you may not make any transfers into the Indexed Fixed Options. A Lockout Period begins any time a deduction is taken from the Indexed Fixed Options as a result of a loan or withdrawal that is not part of a Systematic Distribution Program.

**Minimum Death Benefit** – is based on the Death Benefit Qualification Test for the Policy and at any time will be no less than the minimum amount we determine to be required for this Policy to qualify as life insurance under the Code.

**Modified Endowment Contract** – a type of life insurance policy as described in Section 7702A of the Tax Code, which receives less favorable tax treatment on distributions of cash value than conventional life insurance policies. Classification of a Policy as a Modified Endowment Contract is generally dependent on the amount of premium paid during the first seven Policy Years, or after a material change has been made to the Policy.

**Monthly Deduction** – an amount that is deducted monthly from your Policy's Accumulated Value on the Monthly Payment Date until the Monthly Deduction End Date. The Monthly Deduction is the sum of the cost of insurance charge, the administrative charge, the Coverage charge, the monthly Indexed Account charge and any charge for optional Riders and benefits.

**Monthly Deduction End Date** – is the date when Monthly Deductions end as shown in the Policy Specifications.

**Monthly Payment Date** – the day we deduct monthly charges from your Policy's Accumulated Value. The first Monthly Payment Date is your Policy Date, and it is the same day each month thereafter.

**Net Accumulated Value** – the Accumulated Value less any Policy Debt.

**Net Amount At Risk** – the difference between the Death Benefit payable if the Insured died and the Accumulated Value of your Policy. We use a Net Amount At Risk to calculate the Cost of Insurance Charge. For Cost of Insurance Charge purposes, the Net Amount At Risk is equal to the Death Benefit as of the most recent Monthly Payment Date divided by 1.0016516, reduced by the Accumulated Value of your Policy.

**Net Cash Surrender Value** – the Cash Surrender Value less any Policy Debt.

**Net Premium** – premium paid less any premium load deducted.

**Net Single Premium** – the amount of premium needed to fund future benefits under the Policy as specified in the Cash Value Accumulation Test.

**Owner** – the person named on the application who makes the decisions about the Policy and its benefits while it is In Force. Two or more Owners are called *Joint Owners*.

**Participation Rate** – the percentage of the Index Growth Rate used to calculate the Segment Indexed Interest Rate.

**Policy Anniversary** – the same day as your Policy Date every year after we issue your Policy.

**Policy Date** – the date used to determine the Monthly Payment Date, Policy months, Policy Years, and Policy monthly, quarterly, semi-annual and annual anniversaries.

**Policy Debt** – the amount in the Loan Account, plus any interest you owe.

**Policy Specifications** – summarize information specific to your Policy at the time the Policy is issued. We will send you updated Policy Specification pages or supplemental schedules if you change your Policy's Face Amount or any of the Policy's other benefits.

**Policy Year** – starts on your Policy Date and each Policy Anniversary, and ends on the day before the next Policy Anniversary.

**Riders** – provide extra benefits, some at additional cost. Any optional Rider which offers additional life insurance Coverage on the Insured will have an initial Face Amount and any increase is also referred to as a “Coverage Layer”.

**Risk Class** – is determined during the underwriting process and is used to determine certain Policy charges.

**Segment** – a portion of your Accumulated Value in an Indexed Fixed Option. We create a Segment when Accumulated Value is transferred from the Fixed Account to an Indexed Fixed Option.

**Segment Guaranteed Interest** – the interest we credit daily to each Segment in the 1-Year Indexed Account and 1-Year High Par Indexed Account from the Segment Start Date to the Segment Maturity at an annual rate equal to 1% for the Indexed Fixed Options.

**Segment Indexed Interest** – additional interest may be credited to the Segment at the end of the Segment Term based on the performance of the Index.

**Segment Indexed Interest Rate** – The Segment Indexed Interest Rate reflects any growth in the Index, multiplied by the Participation Rate, subject to the Growth Cap, that exceeds the Cumulative Segment Guaranteed Interest Rate. It is equal to [the lesser of (a × b) and c] - d, but not less than zero where:

a = Index Growth Rate

b = Participation Rate

c = Growth Cap

d = Cumulative Segment Guaranteed Interest Rate

**Segment Maturity** – the end of the Segment Term and the date we calculate any Segment Indexed Interest and credit it to the Segment.

**Segment Maturity Value** – the value of the Segment at Segment Maturity, including any Segment Indexed Interest.

**Segment Start Dates** – the dates on which transfers into the Indexed Fixed Options may occur, generally the 15<sup>th</sup> of each month as shown in your Policy Specifications. We use a Segment Start Date to determine Segment months and Segment years.

**Segment Term** – a one-year period beginning on the Segment Start Date and ending on the Segment Maturity date.

**Segment Value** – the amount transferred to an Indexed Fixed Option from the Fixed Account on the Segment Start Date. After the Segment Start Date, the Segment Value equals a + b - c + d where:

a = the Segment Value as of the previous day;

b = the Segment Guaranteed Interest since the previous day;

c = any Segment Deductions since the previous day; and

d = any Segment Indexed Interest credited only at Segment Maturity.

**Separate Account** – the Pacific Select Exec Separate Account, a separate account of ours registered as a unit investment trust under the Investment Company Act of 1940.

**Supplemental Schedule of Coverage** – is the written notice we will provide you reflecting certain changes made to your Policy after the Policy Date.

**Systematic Distribution Program** – a program of periodic distribution that we designate, which includes periodic distribution of the Policy’s Accumulated Value through Policy loans and withdrawals.

**Total Face Amount** – the sum of Face Amount of Basic Life Coverage and the Face Amounts of any Riders providing insurance coverage on the Insured, unless specifically excluded.

**Total Interest Credited** – the sum of Segment Indexed Interest plus Segment Guaranteed Interest that we credit to a Segment within the Indexed Fixed Options.

**Variable Account** – a subaccount of the Separate Account which invests in shares of a corresponding portfolio of an underlying Fund.

**Variable Accumulated Value** – the total amount of your Policy’s Accumulated Value allocated to the Variable Accounts.

**Variable Investment Option** – a Variable Account or Variable Option.

**Written Request** – your signed request in writing, which may be required on a form we provide, and received by us at our Administrative Office In Proper Form, containing information we need to act on the request. Written Request includes an electronic request provided in a form acceptable to us.

## **POLICY BASICS**

Pacific Select VUL-Accumulation is a flexible premium variable life insurance policy that insures the life of one person and pays Death Benefit Proceeds after that person has died.

When you buy a Pacific Select VUL-Accumulation life insurance Policy, you are entering into a contract with Pacific Life Insurance Company. Your contract with us is made up of your application, your Policy, applications to change or reinstate the Policy, any amendments, Riders or endorsements to your Policy, and Policy Specifications.

### **Issuing the Policy**

Your life insurance producer will assist you in completing your application for the Policy. Your life insurance producer's broker-dealer firm has up to 7 business days to review the application before it is sent to us. When we approve your application, we will issue your Policy. If your application does not meet our underwriting and administrative requirements, we can reject it or ask you for more information. Your Policy will be sent to your life insurance producer for delivery to you. You will be asked to sign a *policy delivery receipt*. For Policy delivery status, check with your life insurance producer.

Our obligations to you under the Policy begin when it is In Force. We consider your Policy In Force when the following requirements are met:

- all necessary contractual and administrative requirements are met, and
- we receive and apply the initial premium to the Policy.

If there are any outstanding contractual or administrative requirements that prevent your Policy from being placed In Force, your life insurance producer will review them with you no later than when the Policy is delivered. See **HOW PREMIUMS WORK – Your Initial Premium** for more information.

Your Policy will be In Force until one of the following happens:

- the Insured dies
- the Grace Period expires and your Policy lapses, or
- you surrender your Policy.

If your Policy is not In Force when the Insured dies, we are not obligated to pay the Death Benefit Proceeds to your Beneficiary.

### **Owners, the Insured, and Beneficiaries**

#### ***Owners***

You can own a Policy by yourself or with someone else. You need the signatures of all Owners for all Policy transactions.

If one of the Joint Owners dies, the surviving Owner will hold all rights under the Policy. If the Owner or the last Joint Owner dies, his or her estate will own the Policy unless you have given us other instructions.

You can change the Owner of your Policy by completing a Change of Owner Form. Please contact us or your life insurance producer for a Change of Owner Form. Once we receive and record your request, the change will be effective as of the day you signed the Change of Owner Form. You should consult your life insurance producer or legal counsel about designating ownership interests.

#### ***The Insured***

This Policy insures the life of one person who is Age 90 or younger at the time you apply for your Policy, and who has given us satisfactory evidence of insurability. The Policy pays Death Benefit Proceeds after the Insured has died.

The Insured is assigned an underwriting or insurance Risk Class which we use to calculate cost of insurance and other charges. Most insurance companies use similar risk classification criteria. We normally use the medical or paramedical underwriting method to assign underwriting or insurance Risk Classes, which may require a medical examination. We may, however, use other forms of underwriting if we think it is appropriate.

When we use a person's Age in Policy calculations, we generally use his or her Age as of the nearest Policy Date, and we add one year to this Age on each Policy Anniversary. For example, when we talk about someone "reaching Age 100", we are referring to the Policy Anniversary closest to that person's 100<sup>th</sup> birthday, not to the day when he or she actually turns 100.

## ***Beneficiaries***

Here are some things you need to know about naming Beneficiaries:

- You can name one or more *primary* Beneficiaries who each receive an equal share of the Death Benefit Proceeds unless you tell us otherwise. If one Beneficiary dies, his or her share will pass to the surviving primary Beneficiaries in proportion to the share of the Death Benefit Proceeds they're entitled to receive, unless you tell us otherwise.
- You can also name a *contingent* Beneficiary for each primary Beneficiary you name. The contingent Beneficiary will receive the Death Benefit Proceeds if the primary Beneficiary dies.
- You can choose to make your Beneficiary *permanent* (sometimes called *irrevocable*). You cannot change a permanent Beneficiary's rights under the Policy without his or her permission.

If no Beneficiary is living when the Death Benefit Proceeds are payable, you, as the Policy Owner, will receive the Death Benefit Proceeds. If you are no longer living, the Death Benefit Proceeds will go to your estate.

You can change your Beneficiary at any time while the Insured is alive, and while the Policy is In Force. If you would like to change your Policy's Beneficiary, please contact us or your life insurance producer for a Change of Beneficiary Form. Once we receive and record your request, the change will be effective as of the day you signed the Change of Beneficiary Form.

## **Policy Date**

### ***Your Policy Date***

This is usually the later of the day we approve your Policy application or when we receive all administrative requirements needed to issue the Policy. It is also the beginning of your first Policy Year. Your Policy's monthly, quarterly, semi-annual and annual anniversary dates are based on your Policy Date.

The Policy Date is set so that it never falls on the 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup> of any month.

You or your life insurance producer may request that multiple applications have the same Policy Date and be placed In Force on a common date. For multilife or employer sponsored cases, please contact your life insurance producer for additional details.

### ***Backdating your Policy***

You can have your Policy backdated up to 6 months, as long as we approve it.

Backdating in some cases may lower your cost of insurance rates since these rates are based on the Age of the Insured. Your first premium payment must cover the premium load and monthly charges for the period between the backdated Policy Date and the day your Policy is issued.

### ***Re-dating your Policy***

Once your Policy is issued, you may request us to re-date your Policy. This means your Policy will have a new Policy Date. Re-dating will only be allowed back to the date money is received on your Policy, and can be the earlier of:

- the date your Policy is delivered to you and you paid initial premium, or
- the date we received the initial premium, if earlier than the delivery date.

If your delivery date is the 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup> of any month, the Policy will be dated the 28<sup>th</sup> of that month.

If the Policy is re-dated, no Policy charges will be deducted for any period during which Coverage was not provided under the terms of the Policy and all Policy charges will be calculated from the new Policy Date. There will be no Coverage before the new Policy Date.

It may be disadvantageous to request that the Policy be re-dated. A new Policy Date may cause an Insured's Age for insurance purposes to change and the cost of insurance rates to increase. It will also affect events based on time elapsed since Policy Date, such as suicide and contestable clauses and surrender charge periods.

We will not re-date Policies that are issued with a temporary insurance premium. Policies with the Policy Date pre-determined under an employer or corporate sponsored plan may not be eligible to re-date.

## **Your Free Look Right**

Your Policy provides a *free look period* once the Policy is delivered to you and you sign the Policy delivery receipt. During the free look period, you have the Free Look Right to cancel (or refuse) your Policy and return it with instructions to us or your life insurance producer for a refund. The amount refunded may be more or less than the premium payments you have made and the length of the free look period may vary, depending on the state where you signed your application and the type of policy you purchased.

You will find a complete description of the free look period that applies to your Policy on the Policy's cover sheet or on a notice that accompanies it. Generally, the free look period ends 10 days after you receive your Policy, but in some states, the free look is different. See **APPENDIX B: State Law Variations** for a list of state variations to the free look period. Some states may also have a

different free look period if you are replacing another life insurance policy. Please call us or your life insurance producer if you have questions about your Free Look Right.

We will allocate any premium payments we receive during the free look period in accordance with the requirements of the state in which your Policy was issued. In states that require us to return all premiums paid, your initial Net Premium will be allocated to the Fidelity VIP Government Money Market Variable Account and will remain there during the entire free look period. At the end of the free look period, your premiums will be allocated to the Variable Investment Options you selected. In states that do not require us to return all premiums paid, your initial Net Premium will be applied to the Variable Investment Options you selected.

If your Policy was issued in a state that requires us to refund your premium, the amount of the refund is the greater of premium payments received during the Free-Look Period or the Policy's Accumulated Value, plus any Policy charges and fees deducted, less Policy debt. If your Policy was issued in a state that does not require us to refund your premium, the amount we return to you will include:

- any charges or taxes we have deducted from your premiums;
- the Net Premiums allocated to the Fixed Options;
- the Accumulated Value allocated to the Variable Investment Options; and
- any monthly fees and charges we have deducted from your Policy's Accumulated Value in the Variable Investment Options.

The amount of your refund may be more or less than the premium payments you have made, depending on the state in which your Policy was issued. See **APPENDIX B: State Law Variations** for information on which states do or do not require refund of premiums paid.

For free look rights under the Premier LTC Rider, see **Policy Benefits – Optional Riders and Benefits – Premier LTC Rider – 30-Day Right to Examine** in this Prospectus.

### ***California Policies***

For Policies issued in the state of California, the Policy's free look period is 30 days from date of delivery as of the Policy effective date if:

- an individual Policyowner is Age 60 or older; or
- the Policyowner is either a Guardian, a Custodian or an Individual Trust, and the Insured is age 60 and over.

During the 30-day free look period, we will hold the Net Premiums in the Fidelity® VIP Government Money Market Variable Account. On the day following the end of the 30-day free look period, we will automatically transfer the Accumulated Value in the Fidelity® VIP Government Money Market Variable Account to the Investment Options you chose. This automatic transfer to your Investment Option allocation choices is excluded from the transfer limitations described later in this prospectus. If you exercise your Free Look Right during the 30-day free look period, we will refund the premium payments you have made, less any Policy Debt. You may specifically direct that, during the 30-day free look period, all Net Premiums received by us be immediately allocated to the Investment Options according to your most recent allocation instructions. You may do this:

- on your application
- in writing any time prior to the end of the 30-day free look period.

If you specifically request your Net Premiums be immediately allocated to the Investment Options, and you exercise your Free Look Right during the 30-day free look period, the amount of your refund may be more or less than the premium payments you have made. Your refund will be calculated as of the day we or your life insurance producer receive your request and the Policy. The refund will be:

- any charges or taxes we have deducted from your premiums
- the Net Premiums allocated to the Fixed Options
- the Accumulated Value allocated to the Variable Investment Options and the Indexed Fixed Options
- any monthly charges and fees we have deducted from your Policy's Accumulated Value in the Variable Investment Options.

### **Timing of Payments, Forms and Requests**

#### ***Effective date***

Once your Policy is In Force, the effective date of payments, forms and requests you send us is usually determined by the day and time we receive the item In Proper Form.

You may reach our service representatives on any Business Day at (800) 347-7787 between the hours of 5 a.m. through 5 p.m. Pacific time.

Please send your forms and written requests or questions to:



Pacific Life Insurance Company  
P.O. Box 2030  
Omaha, NE 68103

Unless you receive premium notices via list bill, send premiums (other than initial premium) to:

Pacific Life Insurance Company  
P.O. Box 100957  
Pasadena, California 91189-0957

We accept faxes for variable transaction requests (transfers, allocation changes, rebalancing and loans) at: (866) 398-0467

You may also submit variable transaction requests electronically at: [Transactions@pacificlifec.com](mailto:Transactions@pacificlifec.com)

Sending any application, premium payment, form, request or other correspondence to any other address will not be considered In Proper Form and will result in a processing delay.

Premium payments, loan requests, transfer requests, loan payments or withdrawal or surrender requests that we receive In Proper Form on a Business Day before the time of the close of the New York Stock Exchange, which is usually 4:00 p.m. Eastern time, will be effective as of the end of that day, unless the transaction is scheduled to occur on another Business Day. If we receive your payment or request at or after the time of the close of the New York Stock Exchange on a Business Day, your payment or request will be effective as of the end of the next Business Day. If a scheduled transaction falls on a day that is not a Business Day, we will process it as of the end of the next Business Day.

Other forms, notices and requests are normally effective as of the next Business Day after we receive them In Proper Form, unless the transaction is scheduled to occur on another Business Day. Change of Owner and Beneficiary Forms are effective as of the day you sign the change form, once we receive them In Proper Form.

#### ***Electronic Information Consent***

Subject to availability, you may authorize us to provide prospectuses, prospectus supplements, reports, annual statements, statements and immediate confirmations, tax forms, proxy solicitations, privacy notice and other notices and documentation in electronic format when available instead of receiving paper copies of these documents by U.S. mail. You may enroll in this service by so indicating on the application, via our Internet website, or by sending us instructions in writing in a form acceptable to us to receive such documents electronically. Not all Policy documentation and notifications may be currently available in electronic format. You will continue to receive paper copies of any documents and notifications not available in electronic format by U.S. mail. In addition, you will continue to receive paper copies of annual statements if required by state or federal law. For jointly owned Policies, both Owners are consenting to receive information electronically. Documents will be available on our Internet website. As documents become available, we will notify you of this by sending you an e-mail message that will include instructions on how to retrieve the document. You must have ready access to a computer with Internet access, an active e-mail account to receive this information electronically, and the ability to read and retain it. You may access and print all documents provided through this service.

If you plan on enrolling in this service, or are currently enrolled, please note that:

- There is no charge for electronic delivery, although your Internet provider may charge for Internet access.
- You should provide a current e-mail address and notify us promptly when your e-mail address changes.
- You should update any e-mail filters that may prevent you from receiving e-mail notifications from us.
- You may request a paper copy of the information at any time for no charge, even though you consented to electronic delivery, or if you decide to revoke your consent.
- For jointly owned Policies, all information will be provided to the e-mail address that is provided to us.
- Electronic delivery will be cancelled if e-mails are returned undeliverable.
- This consent will remain in effect until you revoke it.

If you are currently enrolled in this service, please call (800) 347-7787 if you would like to revoke your consent, wish to receive a paper copy of the information above, or need to update your e-mail address. You may opt out of electronic delivery at any time.

#### ***When we make payments and transfers***

We will normally send the proceeds of withdrawals, loans, surrenders, exchanges and Death Benefit payments, and process transfer requests, within seven days after the effective date of the request In Proper Form. We may delay payments and transfers, or the calculation of payments and transfers based on the value in the Variable Investment Options under unusual circumstances, for example, if:

- the New York Stock Exchange closes on a day other than a regular holiday or weekend
- trading on the New York Stock Exchange is restricted

- an emergency exists as determined by the SEC, as a result of which the sale of securities is not practicable, or it is not practicable to determine the value of a Variable Account's assets, or
- the SEC permits a delay for the protection of Policy Owners.

We may delay transfers and payments from the Fixed Options and the Indexed Fixed Options, including the proceeds from withdrawals, surrenders and loans, for up to six months. We will pay interest at an annual rate of at least 2.00% on any withdrawals or surrender proceeds from the Fixed Options or the Indexed Fixed Options that we delay for 10 days or more. If we defer payment of surrenders, withdrawals or loans for more than 10 days after we receive your request, we will pay interest at the rate required by the state in which the Policy is delivered, but not less than an annual rate equal to the guaranteed rate payable on the Fixed Options.

Death Benefit Proceeds paid are subject to the conditions and adjustments defined in other Policy provisions, such as General Provisions, Withdrawals, Policy Loans, and Timing of Payments. We will pay interest on the Death Benefit Proceeds from the date of death at a rate not less than the rate payable for funds left on deposit. If payment of Death Benefit Proceeds is delayed more than 31 calendar days after we receive the above requirements needed to pay the claim, we will pay additional interest at a rate of 10% annually beginning with the 31<sup>st</sup> calendar day. Death Benefit Proceeds are paid as a lump sum unless you choose another payment method, as described in **POLICY BENEFITS-Optional Riders and Benefits-Benefit Distribution Rider** and **GENERAL INFORMATION ABOUT YOUR POLICY – Income Benefit**. Contact us, your life insurance producer, or refer to your Policy or Rider to determine if state specific differences apply.

### **Statements and Reports We Will Send You**

We send the following statements and reports to policy owners:

- a confirmation for certain financial transactions, usually including premium payments and transfers, loans, loan repayments, withdrawals and surrenders. Monthly deductions and scheduled transactions made under the dollar cost averaging, portfolio rebalancing and first year transfer services are reported on your quarterly Policy statement.
- a quarterly Policy statement. The statement will tell you the Accumulated Value of your Policy by Investment Options, Cash Surrender Value, the amount of the Death Benefit, the Policy's Face Amount, and any Policy Debt. It will also include a summary of all transactions that have taken place since the last quarterly statement, as well as any other information required by law.
- supplemental schedules of benefits and planned periodic premiums. We will send these to you if you change your Policy's Face Amount or change any of the Policy's other benefits.
- financial statements, at least annually or as required by law, of the Separate Account and Pacific Select Fund, that include a listing of securities for each portfolio of the Pacific Select Fund. We will also send you financial statements that we receive from the other Funds.

If you identify an error on a confirmation, quarterly or annual statement, you must notify us in writing as soon as possible to ensure proper accounting to your policy. We assume transactions are accurate unless you notify us in writing within 90 days from the date of the transaction confirmation on which the error occurred or if the transaction is first confirmed on the quarterly statement, within 90 days after the quarterly statement date. All transactions are deemed final and may not be changed after the applicable 90 day period. When you write us, include your name, policy number and description of the identified error.

Mail will be sent to you at the mailing address you have provided. If mail is returned to us as undeliverable multiple times, we will discontinue mailing to your last known address. We will, however, regularly attempt to locate your new mailing address, and will resume mailing your policy related materials to you upon confirmation of your new address. You can access documents online by visiting [www.Pacificlife.com](http://www.Pacificlife.com), or receive copies of documents from us upon request.

### ***Prospectus and Fund Report Format Authorization***

Subject to availability, you may request us to deliver prospectuses, statements, and other information ("Documents") electronically. You may also elect to receive prospectus and Fund reports on CD-ROM, via US mail service. If you wish to receive Documents electronically or via CD-ROM, you authorize us to do so by indicating this preference via telephone, or by sending us a Written Request to receive such Documents electronically. We do not charge for this service.

For electronic delivery, you must provide us with a current and active e-mail address and have Internet access to use this service. While we impose no additional charge for this service, there may be potential costs associated with electronic delivery, such as on-line charges. Documents will be available on our Internet website. You may access and print all Documents provided through this service. As Documents become available, we will notify you of this by sending you an e-mail message that will include instructions on how to retrieve the Document. You are responsible for any e-mail filters that may prevent you from receiving e-mail notifications and for notifying us promptly in the event that your e-mail address changes. You may revoke your consent for electronic delivery at any time, provided that we are properly notified, and we will then start providing you with a paper copy of all required Documents. We will provide you with paper copies at any time upon request. Such a request will not constitute revocation of your consent to receive required Documents electronically.

## Telephone and Electronic Transactions

Unless you elect otherwise your signature on the application authorizes us to accept telephone and electronic instructions for the following transactions:

- transfers between Investment Options
- transfers between the Fixed Options and Indexed Fixed Options
- initiate the dollar cost averaging and portfolio rebalancing service
- change future premium allocation instructions
- initiate Policy loans.

If you do not authorize us to accept telephone or electronic instructions on your application, you can later instruct us to accept telephone or electronic instructions as long as you complete and file a Transaction Authorization Form with us.

Certain life insurance producers are able to give us instructions electronically if authorized by you. You may appoint anyone to give us instructions on your behalf by completing and filing a Transaction Authorization Form with us.

Here are some things you need to know about telephone and electronic transactions:

- If your Policy is jointly owned, all Joint Owners must sign the Transaction Authorization Form. We will take instructions from any Owner or anyone you appoint.
- We may use any reasonable method to confirm that your telephone or electronic instructions are genuine. For example, we may ask you to provide personal identification or we may record all or part of the telephone conversation. We may refuse any transaction request made by telephone or electronically.
- A new Transaction Authorization Form will be required when a registered representative changes to a new Broker-Dealer.

We will send you a written confirmation of each telephone and electronic transaction.

Sometimes, you may not be able to make loans or transfers by telephone or electronically, for example, if our telephone lines or our website are busy because of unusual market activity or a significant economic or market change, or our telephone lines or the Internet are out of service during severe storms or other emergencies. In these cases, you can send your request to us in writing, or call us the next Business Day or when service has resumed.

When you authorize us to accept your telephone and electronic instructions, you agree that:

- we can accept and act upon instructions you or anyone you appoint give us over the telephone or electronically
- neither we, any of our affiliates, the Pacific Select Fund, or any director, trustee, officer, employee or agent of ours or theirs will be liable for any loss, damages, cost or expenses that result from transactions processed because of a request by telephone or submitted electronically that we believe to be genuine, as long as we have followed our own procedures
- you bear the risk of any loss that arises from your right to make loans or transfers over the telephone or electronically.

## Understanding Policy Expenses and Cash Flow (including fees and charges of Fund portfolios)

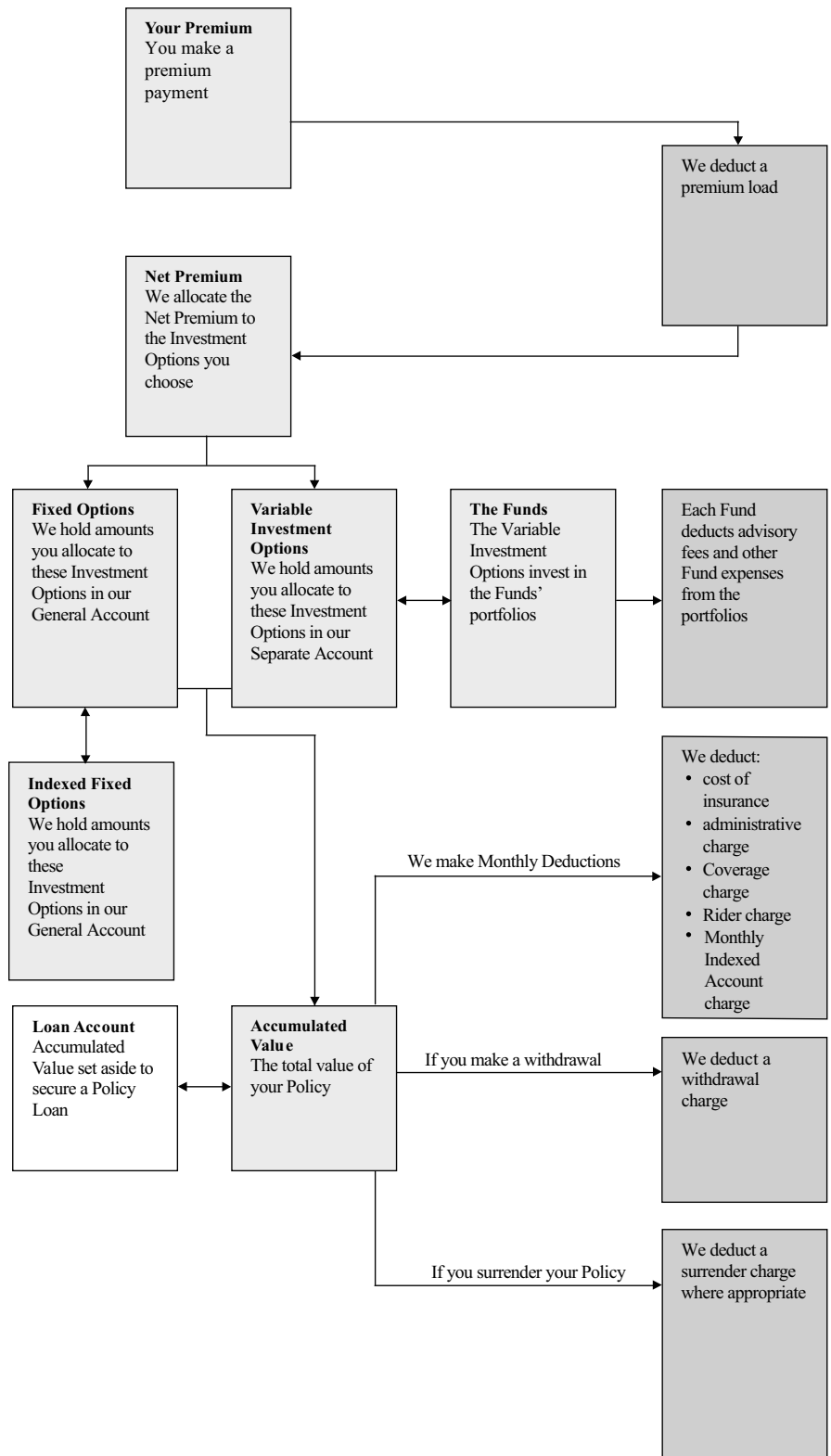
The chart to the right illustrates how cash normally flows through a Policy.

Under a flexible premium life insurance policy, you have the flexibility to choose the amount and frequency of your premium payments. You must, however, pay enough premiums to cover the ongoing cost of Policy benefits.

Investment earnings will increase your Policy's Accumulated Value, while investment losses will decrease it. The premium payments you will be required to make to keep your Policy In Force will be influenced by the investment results of the Investment Options you choose.

The dark shaded boxes show the fees and expenses you pay directly or indirectly under your Policy.

Please turn to **POLICY BASICS – Your Free Look Right** for details.



## **POLICY BENEFITS**

Your Policy provides three types of benefits:

1. Death Benefits, based on the Policy's Total Face Amount
2. Cash Surrender benefits, based on the Policy's Accumulated Value
3. Optional Riders and benefits

### **The Death Benefit**

We will pay Death Benefit Proceeds to your Beneficiary after the Insured dies while the Policy is still In Force. Your Beneficiary generally will not have to pay federal income tax on the portion of any Death Benefit Proceeds that are payable as a lump sum at death. Some Riders and settlement options may affect how the Death Benefit Proceeds are paid, see *Optional Riders and Benefits* for more details.

Your Policy's Death Benefit depends on three choices you must make:

- The Total Face Amount
- The Death Benefit Option
- The Death Benefit Qualification Test

The Policy's Death Benefit is the higher of:

1. The Death Benefit calculated under the Death Benefit Option in effect; or
2. The Minimum Death Benefit according to the Death Benefit Qualification Test that applies to your Policy.

Certain Riders may impact the Policy's Death Benefit, see *Optional Riders and Benefits*.

### **The Total Face Amount**

The Face Amount of your Policy and any Rider providing Coverage on the Insured is used to determine the Death Benefit as well as certain Policy charges, including the cost of insurance, Coverage charge and surrender charges.

Your Policy's Face Amount is made up of one or more of the following types of Coverage:

1. Basic Face Amount – the Face Amount under the Policy
2. Face Amount under the Annual Renewable Term Rider (ART)
3. Face Amount under the Scheduled Annual Renewable Term Rider (S-ART)

Your Policy must have a Basic Face Amount. You may also select S-ART and ART Coverage at Policy issue. These riders are described in *Optional Riders and Benefits*.

Each type of Face Amount you select creates a Coverage Layer. Your Policy's initial amount of insurance Coverage, which you select in your application, is its initial Face Amount. The Policy's Total Face Amount is the sum of the Face Amounts of all Coverage Layers. The Coverage Layers you select in your application are effective on the Policy Date. You will find your Policy's Total Face Amount, which includes any increases or decreases, in the Policy Specifications in your Policy.

If you request an increase in Face Amount, a new Coverage Layer will be created, with its own Coverage Layer Date and Policy charges.

### **Changing the Face Amount**

You can increase or decrease your Policy's Face Amount as long as we approve it. If you change the Face Amount, we will send you a Supplemental Schedule of Coverage for benefits and premiums.

- You can change the Face Amount as long as the Insured is alive.
- You must send us your Written Request while your Policy is In Force.
- Unless you request otherwise, the change will become effective on the first Monthly Payment Date on or after we receive and approve your request.
- The Insured must also agree to the change in Face Amount, if you are not the Insured.
- Changing the Total Face Amount can affect the Net Amount At Risk, which affects the cost of insurance charge. An increase in the Face Amount may increase the cost of insurance charge, while a decrease may decrease the charge.

- If your Policy's Death Benefit is equal to the Minimum Death Benefit, and the Net Amount At Risk is more than three times the Death Benefit on the Policy Date, we may reduce the Death Benefit by requiring you to make a withdrawal from your Policy. If we require you to make a withdrawal, the withdrawal may be taxable. Please turn to **WITHDRAWALS, SURRENDERS AND LOANS** for information about making withdrawals.
- We can refuse your request to make the Face Amount less than \$10,000.00. We may waive this minimum amount in certain situations, such as group or sponsored arrangements.

#### ***Requesting an Increase in Face Amount***

You may request an increase in the Face Amount under the Policy or ART Rider. Each increase will create a new Coverage Layer.

Here are some additional things you should know about requesting an increase in the Face Amount under the Policy:

- The Insured must be Age 90 or younger at the time of the increase.
- You must give us satisfactory evidence of insurability.
- Each increase you make to the Face Amount must be a minimum of \$25,000.
- Each increase in Face Amount may have an associated cost of insurance rate, Coverage charge and may have a surrender charge.
- We reserve the right to limit Face Amount increases to one per Policy Year.

#### ***Term Increases in Face Amount***

There may be scheduled annual renewable term insurance coverage increases in Face Amount, under the S-ART Rider. In this Rider, a scheduled increase is referred to as a Term Increase. All Term Increases will be shown in the Policy Specifications. Future Term Increases will not require future medical underwriting, but may in some instances require financial underwriting.

A Term Increase in S-ART Coverage will increase the Face Amount of the existing Coverage Layer.

There is a cost of insurance charge associated with each such Term Increase that has gone into effect and continues to be in effect. Such cost of insurance charge is part of the Monthly Deduction for the Policy and is calculated the same as that for other Coverage Layers, subject to maximum cost of insurance Rates that are the same as those applicable to the initial Coverage Layer. The monthly Cost of Insurance Rates are shown in the Policy Specifications. There is also a guaranteed Coverage charge associated with each Term Increase. The guaranteed Coverage charge is based on the current S-ART Face Amount.

#### ***Other Increases in Face Amount***

The Policy's Face Amount may increase under the Policy, the S-ART Rider or the ART Rider when you request a change in Death Benefit Option. In this case, we will increase the Face Amount of the most recently issued Coverage Layer. If there are Basic, S-ART and ART Coverage Layers with the same Coverage Layer Date, we will increase the ART first, then the S-ART and finally the Basic Face Amount.

#### ***Requesting a Decrease in Total Face Amount***

You may request a decrease in the Policy's Total Face Amount. A decrease in the Total Face Amount is subject to the following limits:

- We do not allow decreases during the first Policy Year
- You may only request one decrease per Policy Year
- The Policy's Face Amount must be at least \$10,000 following a decrease. We can refuse your request if the change in Face Amount would mean that your Policy no longer qualifies as Life Insurance under the Code
- Unless you have told us otherwise in writing, any request for a decrease will not take effect if the Policy would be classified as a Modified Endowment Contract under the Code.

Decreasing the Total Face Amount may affect your Policy's tax status. To ensure your Policy continues to qualify as life insurance, we might be required:

- to return part of your premium payments to you if you have chosen the Guideline Premium Test, or
- to make distributions from the Accumulated Value, which may be taxable. For more information, please see **VARIABLE LIFE INSURANCE AND YOUR TAXES**.

We can refuse your request if the amount of any distributions would exceed the Net Cash Surrender Value under the Policy.

#### ***Processing of Decreases***

Decreasing the Total Face Amount, whether as a result of your request or as a result of a withdrawal or change in Death Benefit Option, will reduce the Face Amount of the Coverage Layers.

We will apply any decrease in the Face Amount to eligible Coverage Layers to the most recent eligible increases you made to the Face Amount first and then to the Initial Face Amount.

If more than one Coverage Layer has the same Coverage Layer Date, we will first reduce the Face Amount of any S-ART Rider Coverage Layer first, then any ART Rider Coverage Layer, and then the Basic Face Amount of any Policy Coverage Layer.

## Death Benefit Options

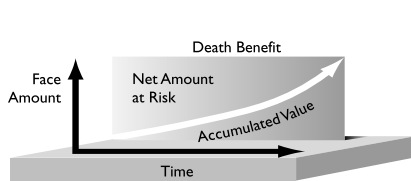
The Policy offers three Death Benefit Options, Options A, B, and C. The Death Benefit Option you choose will generally depend on which is more important to you: a larger Death Benefit or building the Accumulated Value of your Policy.

Here are some things you need to know about the Death Benefit:

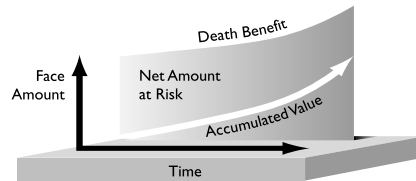
- You choose your Death Benefit Option and Death Benefit Qualification Test on your Policy application.
- If you do not choose a Death Benefit Option, we will assume you have chosen Option A.
- The Death Benefit will never be lower than the Total Face Amount of your Policy if you have chosen Option A or B.
- You may change your Death Benefit Option subject to certain limits.

The Death Benefit Options are:

### Option A – the Total Face Amount of your Policy.

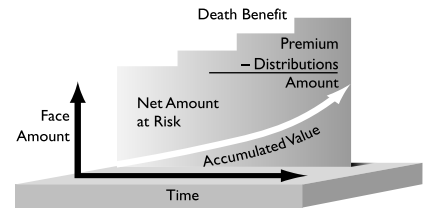


### Option B – the Total Face Amount of your Policy plus its Accumulated Value.



The Death Benefit changes as your Policy's Accumulated Value changes. The better your Investment Options perform, the larger the Death Benefit will be.

### Option C – the Total Face Amount of your Policy plus the total premiums you have paid minus any withdrawals or distributions that reduce your Accumulated Value.



The more premiums you pay and the less you withdraw, the larger the Death Benefit will be.

The graphs are intended to show how the Death Benefit Options work and are not predictive of investment performance in your Policy.

### Limits on Option C

The following limits apply to Option C:

- To elect Option C, the Insured must be Age 80 or younger at the time the Policy is issued.
- The Death Benefit calculated under Option C will be limited to the Option C Death Benefit Limit shown in your Policy Specifications.
- Once the Policy is issued, the Option C Death Benefit Limit will not change, even if you increase or decrease the Face Amount of your Policy or any Rider.
- We will not approve any increase in Face Amount to the Policy or any Rider that would cause the Death Benefit to exceed the Option C Death Benefit Limit.

### Changing Your Death Benefit Option

You can change your Death Benefit Option while your Policy is In Force, subject to the following:

- You can change the Death Benefit Option once in any Policy Year.
- You must send us your Written Request.
- You can change from any Death Benefit Option to Option A or Option B.
- You cannot change from any Death Benefit Option to Option C.
- The change will become effective on the first Monthly Payment Date after we receive your request. If we receive your request on a Monthly Payment Date, we will process it that day.

- We will not let you change the Death Benefit Option if doing so means the Face Amount of your Policy will become less than \$1,000.
- Changing the Death Benefit Option can also affect the monthly cost of insurance charge since this charge varies with the Net Amount At Risk.
- The new Death Benefit Option will be used in all future calculations.

We will not change your Death Benefit Option if it means your Policy will be treated as a Modified Endowment Contract, unless you have told us in writing that this would be acceptable to you. Modified Endowment Contracts are discussed in **VARIABLE LIFE INSURANCE AND YOUR TAXES**.

Changing your Death Benefit Option will increase or decrease your Total Face Amount under the Policy. The Total Face Amount of your Policy will change by the amount needed to make the Death Benefit under the new Death Benefit Option equal the Death Benefit under the old Death Benefit Option just before the change.

If the change is an increase in the Total Face Amount, we will process the increase as described in **POLICY BENEFITS – Changing the Face Amount – Other Increases in Face Amount**. If the change is a decrease in the Total Face Amount, we will process the decrease as described in **POLICY BENEFITS – Changing the Face Amount – Processing of Decreases**.

### Death Benefit Qualification Test

In order for your Policy to be qualified as Life Insurance under the Code, it must qualify under one of two Tests, the Cash Value Accumulation Test (CVAT) or the Guideline Premium Test (GPT).

You choose one of these Death Benefit Qualification Tests on your application. Your Death Benefit Qualification Test determines the following:

- Premium limitations
- amount of Minimum Death Benefit

Each test determines what the Minimum Death Benefit should be in relation to your Policy's Accumulated Value. The Death Benefit determined under either test will be at least equal to the amount required for the Policy to qualify as life insurance under the Tax Code.

### Comparing the Death Benefit Qualification Tests

The table below shows a general comparison of how features of your Policy may be affected by your choice of Death Benefit Qualification Test. When choosing between the tests, you should consider:

	Cash Value Accumulation Test	Guideline Premium Test
<i>Premium payments<sup>1</sup></i>	Allows flexibility to pay more premium	Premium payments are limited under the Tax Code
<i>Death Benefit</i>	Generally higher as Policy duration increases	May be higher in early years of Policy
<i>Monthly cost of insurance charges</i>	May be higher, if the Death Benefit is higher	May be lower, except perhaps in early years of Policy
<i>Face Amount decreases</i>	Will not require return of premium or distribution of Accumulated Value	May require return of premium or distribution of Accumulated Value to continue Policy as life insurance

<sup>1</sup> If you want to pay a premium that increases the Net Amount At Risk, you will need to provide us with satisfactory evidence of insurability before we can increase the Death Benefit. In this event, your cost of insurance charges will also increase. Cost of insurance charges are based, among other things, upon your Policy's Net Amount At Risk. See **YOUR POLICY'S ACCUMULATED VALUE** for more information on how cost of insurance charges are calculated.

### Examples of Death Benefit Calculations

The tables below compare the Death Benefits provided by the Policy's available Death Benefit Options. The examples are intended only to show differences in Death Benefits and Net Amounts at Risk. Accumulated Value assumptions may not be realistic.

These examples show that each Death Benefit Option provides a different level of protection. Keep in mind that cost of insurance charges, which affect your Policy's Accumulated Value, increase over time. The cost of insurance is charged at a rate based on the Net Amount At Risk. As the Net Amount At Risk increases, your cost of insurance increases. Accumulated Value also varies depending on the performance of the Investment Options in your Policy.

The example below assumes the following:

- the Insured is Age 45 at the time the Policy was issued and dies at the beginning of the sixth Policy Year
- Face Amount is \$100,000
- Accumulated Value at the date of death is \$25,000



- the Net Amount at Risk interest rate factor is 1.0016516
- total premium paid into the Policy is \$30,000
- the Minimum Death Benefit under the Guideline Premium Test is \$46,250 (assuming a Guideline Premium Test factor of 185% of the Accumulated Value)
- the Minimum Death Benefit under the Cash Value Accumulation Test is \$71,478 (assuming a Net Single Premium factor of 2.8591 of the Accumulated Value).

		<b>If you select the Guideline Premium Test, the Death Benefit is the larger of these two amounts</b>		
<b>Death Benefit Option</b>	<b>How it's calculated</b>	<b>Death Benefit under the Death Benefit Option</b>	<b>Minimum Death Benefit</b>	<b>Net Amount At Risk used for cost of insurance charge</b>
Option A	Total Face Amount	\$100,000	\$46,250	\$74,835.11
Option B	Total Face Amount plus Accumulated Value	\$125,000	\$46,250	\$99,793.89
Option C	Total Face Amount plus premiums less distributions	\$130,000	\$46,250	\$104,785.65

		<b>If you select the Cash Value Accumulation Test, the Death Benefit is the larger of these two amounts</b>		
<b>Death Benefit Option</b>	<b>How it's calculated</b>	<b>Death Benefit under the Death Benefit Option</b>	<b>Minimum Death Benefit</b>	<b>Net Amount At Risk used for cost of insurance charge</b>
Option A	Total Face Amount	\$100,000	\$71,478	\$74,835.11
Option B	Total Face Amount plus Accumulated Value	\$125,000	\$71,478	\$99,793.89
Option C	Total Face Amount plus premiums less distributions	\$130,000	\$71,478	\$104,785.65

If the Death Benefit equals the Minimum Death Benefit, any increase in Accumulated Value will cause an automatic increase in the Death Benefit.

Here's the same example, but with an Accumulated Value of \$75,000. Because Accumulated Value has increased, the Minimum Death Benefit is now:

- \$138,750 for the Guideline Premium Test
- \$214,433 for the Cash Value Accumulation Test.

		<b>If you select the Guideline Premium Test, the Death Benefit is the larger of these two amounts</b>		
<b>Death Benefit Option</b>	<b>How it's calculated</b>	<b>Death Benefit under the Death Benefit Option</b>	<b>Minimum Death Benefit</b>	<b>Net Amount At Risk used for cost of insurance charge</b>
Option A	Total Face Amount	\$100,000	\$138,750	\$63,521.22
Option B	Total Face Amount plus Accumulated Value	\$175,000	\$138,750	\$99,711.45
Option C	Total Face Amount plus premiums less distributions	\$130,000	\$138,750	\$63,521.22

		<b>If you select the Cash Value Accumulation Test, the Death Benefit is the larger of these two amounts</b>		
<b>Death Benefit Option</b>	<b>How it's calculated</b>	<b>Death Benefit under the Death Benefit Option</b>	<b>Minimum Death Benefit</b>	<b>Net Amount At Risk used for cost of insurance charge</b>
Option A	Total Face Amount	\$100,000	\$214,433	\$139,078.93
Option B	Total Face Amount plus Accumulated Value	\$175,000	\$214,433	\$139,078.93
Option C	Total Face Amount plus premiums less distributions	\$130,000	\$214,433	\$139,078.93

## **When We Pay the Death Benefit**

We calculate the amount of the Death Benefit Proceeds effective the end of the day the Insured dies. If the Insured dies on a day that is not a Valuation Day, any portion of the Death Benefit Proceeds attributed to the Variable Accumulated Value is determined as of the next Valuation Day.

Your Policy's Beneficiary must send us proof that the Insured died while the Policy was In Force, along with payment instructions. Your Beneficiary can choose to receive the Death Benefit Proceeds in a lump sum, periodic payments under the Benefit Distribution Rider or use it to elect an income benefit. See **POLICY BENEFITS-Optional Riders and Benefits-Benefit Distribution Rider** and **GENERAL INFORMATION ABOUT YOUR POLICY – Income Benefit**.

Death Benefit Proceeds equal the total of the Death Benefits provided by your Policy and any Riders you have added, minus any Policy Debt, minus any overdue Policy charges.

We will pay interest on the Proceeds from the date of death at a rate not less than the minimum rate required by state law.

It is important that we have a current address, social security number, telephone number and email address for each designated Beneficiary so that we can pay Death Benefit Proceeds promptly. If we cannot pay the Death Benefit Proceeds to the designated Beneficiary within the dormancy period defined by a state's Unclaimed Property laws or regulations, we will be required to pay the Death Benefit Proceeds to the applicable state.

## **Optional Riders and Benefits**

There are optional Riders that provide extra benefits, some at additional cost. Not all Riders are available in every state, and some Riders may only be added when you apply for your Policy. Ask your life insurance producer for more information about the Riders available with the Policy, or about other kinds of life insurance policies offered.

Some broker/dealers may limit their clients from purchasing some optional benefits based on the client's age or other factors. You should work with your life insurance producer to decide whether an optional benefit is appropriate for you.

Certain restrictions may apply and are described in the Rider or benefit. We will add any Rider charges to the monthly charge we deduct from your Policy's Accumulated Value.

### ***There are three types of riders available under the Policy***

- Riders providing Face Amount Coverage on the Insured
- Riders that provide additional cash value protection
- Riders that provide additional benefits

Riders that provide Face Amount Coverage on the Insured (terms for these Riders are described below):

#### **Annual Renewable Term Rider**

Provides term insurance on the Insured and renews annually until the Policy terminates.

#### **Scheduled Annual Renewable Term Rider**

Provides for scheduled increases in term insurance on the Insured generally without the requirement of future medical underwriting and renews annually until the Policy terminates.

Riders that provide additional cash value protection (terms for these Riders are described below):

#### **Overloan Protection 3 Rider**

After meeting certain conditions, exercising this Rider guarantees the Policy will not lapse.

#### **Short-Term No-Lapse Guarantee**

Protects the Policy from lapsing for a period of time due to poor Policy performance.

Riders that provide additional benefits to you or your family:

#### **Accidental Death Rider**

Provides additional insurance Coverage when we receive proof that the Insured's death results directly and independently of all other causes from bodily injuries accidentally sustained, subject to the Rider's provisions.

#### **Annual Renewable Term Rider – Additional Insured**

Provides annual renewal term insurance on members of the Insured's immediate family.

**Benefit Distribution Rider**

Allows all or a portion of the policy's Death Benefit Proceeds to be paid as a series of periodic payments.

**Children's Term Rider**

Provides term insurance until Age 25 on any child of the Insured, including a natural child, step-child or adopted child.

**Conversion Rider**

Allows you to convert certain Eligible Coverages into a new Policy.

**Disability Benefit Rider**

Provides a monthly addition to the Policy's Accumulated Value when the Insured has a qualifying disability, until he or she reaches age 65.

**Guaranteed Insurability Rider**

Gives the right to buy additional insurance on the life of the Insured on certain specified dates without proof of insurability.

**Premier LTC Rider (For only new Policies issued on or after September 12, 2016)**

Provides the Policy Owner with prepayment of all or a portion of the Death Benefit by paying the Owner a monthly benefit for Covered Services the Insured incurs for Qualified Long-Term Care Services when we receive written proof that the Insured has been certified as a Chronically Ill Individual and has met the terms and conditions described in the Rider.

**Premier Living Benefits Rider**

Provides the Policy Owner with prepayment of a portion of the Death Benefit (the "Chronic Illness Benefit" or "Benefit") when we receive written proof that the Insured has been certified as a Chronically Ill Individual with a condition that is expected to be permanent and has met the terms and conditions described in the Rider.

**Terminal Illness Rider**

Provides the Policy Owner with prepayment of a portion of the Death Benefit (the "Terminal Illness Benefit" or "Benefit") when we receive written proof that the Insured has been certified by a Licensed Physician as having a medical condition that is reasonably expected to result in a life expectancy of 12 months or less.

**Waiver of Charges Rider**

Waives certain charges if the Insured becomes totally disabled before age 60.

More detailed information about the riders appears below.

**• Annual Renewable Term Rider (ART)**

Provides term insurance on the Insured and renews annually until the Policy terminates. The Rider is available for Insureds Age 90 or younger at the time of Rider issue. The Rider modifies the Death Benefit of the Policy to include the Face Amount of the Rider, so that the Death Benefit equals the greater of the Death Benefit as calculated under 1) the Death Benefit Option you choose on the Policy plus the Face Amount of the Rider, or 2) the Minimum Death Benefit under the Death Benefit Qualification Test you have chosen. Annual increases are scheduled at issue. You may also request unscheduled increases or decreases in Face Amount of the Rider, subject to certain limitations.

The guaranteed monthly cost of insurance rate and monthly Coverage charge will be shown in your Policy Specifications. Our current cost of insurance rates for the Rider are lower than the guaranteed rates.

This rider has a Coverage charge that varies by Coverage year. The guaranteed Coverage charges will be shown on the Policy Specifications. Our current Coverage charge for the Rider is lower than the guaranteed charge.

You may request increases or decreases in Face Amount of the Rider. Each increase will be subject to satisfactory evidence of insurability and will have associated cost of insurance and Coverage charges. Unless you request otherwise, the increase will become effective on the first Monthly Payment Date on or following the date we receive and approve your request. We may limit increases of Rider Face Amount to one per Policy year. We may deduct an administrative charge not to exceed \$100 from your Policy's Accumulated Value on the effective date of any unscheduled increase. Decreases will be effective on the first Monthly Payment Date on or following the date the Written Request is received at our Life Insurance Division. A decrease in this Rider's Face Amount will not decrease its Coverage charge. If the Face Amount of this Rider is decreased, then the most recently added Coverage Layer will be

decreased or eliminated first. If there are Coverage Layers with the same effective date, we will decrease or eliminate the Face Amount of any S-ART Rider, then the Face Amount of this Rider, and then the Basic Face Amount of any Policy Coverage Layer.

The Rider will terminate on the earliest of your Written Request, or on lapse or termination of this Policy.

• **Scheduled Annual Renewable Term Rider (S-ART)**

The S-ART Rider provides for scheduled annual renewable term insurance Coverage in Face Amount without future medical underwriting. In this Rider, a scheduled increase is referred to as a Term Increase, and is scheduled for a particular Policy Anniversary, as shown in the Policy Specifications. The Face Amount contributes to the Total Face Amount, and consequently to the Death Benefit, of the Policy.

A Term Increase is a future increase in the Face Amount of this rider. Each Term Increase will increase the Face Amount of the Rider Coverage Layer. Once a Term Increase goes into effect, it becomes part of the Rider Face Amount.

This Rider provides no term insurance at the time of policy issue. If you wish to have term insurance coverage at the time of policy issue, you must purchase another rider such as the Annual Renewable Term Rider (ART).

The guaranteed monthly cost of insurance rates will be shown in your Policy Specifications. Our current cost of insurance rates for the Rider are lower than the guaranteed rates.

This Rider has a Coverage charge that varies by Coverage year and Rider Face Amount. Any increase or decrease in the Rider's Face Amount will impact the Coverage charge. The guaranteed monthly Coverage charges will be shown in the Policy Specifications. We currently do not impose the Coverage charge for this Rider.

This Rider also has a Rider Charge that will be shown in your Policy Specifications.

The Rider is available subject to the following:

- The maximum Term Increase at attained ages 0-79 is 20% of the Total Face Amount before the increase.
- The maximum Term Increase at attained ages 80-94 is 5% of the Total Face Amount before the increase.
- Increases will not be scheduled beyond attained age 94.
- Each increase is an increase to the Coverage Layer at issue, and does not create a new Coverage Layer.
- The cost of insurance charges will increase as a result of the increase in the Policy's Net Amount At Risk.

You may request an increase or decrease in the schedule of future Term Increases by providing a written request. Any increase to the Face Amount of the Term Increases may be subject to evidence of insurability and is subject to our approval. If you reject a Term Increase that has been approved, all future Term Increases may be forfeited. For any change in Term Increases, we will send you a Supplemental Schedule of Coverage to reflect the change.

This Rider is effective on the Policy Date unless otherwise stated. It will terminate on the earlier of:

- Your written request
- The date the Rider or the Policy ceases to be In Force
- The death of the Insured.

If the Policy is reinstated, any Term Increases that would have occurred during the time the Policy was lapsed will be forfeited. Term Increases that are scheduled to occur after the reinstatement of the policy and rider will be handled as if the Policy had never lapsed.

This Rider may be included on a policy with or without the ART Rider.

This Rider differs from the ART rider in a number of ways, including:

- You may schedule Increases in Face Amount with this Rider
- Scheduled increases in Face Amount for this Rider do not require additional medical underwriting after issue however, if there is a requested change in the amount of scheduled increases additional underwriting may be required
- Increases in Face Amount for this Rider may only occur on policy anniversaries
- COI rates and charges for this Rider currently differ from the COI rates and charges for the ART Rider

### • Overloan Protection 3 Rider

The Rider guarantees that your Policy will not lapse if the Policy Debt is greater than the Policy's Accumulated Value, resulting in it being overloaned. On or after the earliest exercise effective date, if all Rider Exercise Requirements have been met you may exercise the Rider by submitting a Written Request.

#### *The Rider After Policy Issue*

The Rider cannot be exercised during the first 15 Policy Years or before the Insured is Age 75. There is no charge for this Rider unless you exercise it. Please see **Rider Termination** below for termination conditions of the Rider before and after exercise. You may not pay premiums or take withdrawals from your Policy after exercise of the Rider. The Rider may not be exercised after the Policy has entered the Grace Period.

#### *Rider Exercise Requirements*

The *exercise effective date* will be the Monthly Payment Date on or next following the date we receive your Written Request to exercise the Rider and all exercise requirements have been met. The *earliest exercise effective date* is shown in the Policy Specifications. To exercise the Rider, each of the following conditions must be true as of the *exercise effective date*:

- The Death Benefit Option is Option A. If your policy does not meet this prerequisite, you must change your Death Benefit Option to Death Benefit Option A, by Written Request, prior to Rider exercise. Changes to your Death Benefit Option take effect on the Monthly Payment Date next following your Written Request. Such changes will modify your Total Face Amount and, as a result, this Rider may impact your ability to meet all the exercise conditions described below.
- There must be sufficient Accumulated Value to cover the *rider exercise charge* as described below.
- The Policy Debt is greater than the Total Face Amount, but less than 99.9% of the Accumulated Value after the charge for this Rider has been deducted from the Accumulated Value.
- There are no projected forced distributions of Accumulated Value for any Policy Year.
- The Guideline Premium Limit for the Policy will remain greater than zero at all times prior to Insured's Age 100.
- The Policy must not be a Modified Endowment Contract, and exercising this Rider must not cause the Policy to become a Modified Endowment Contract.
- Other than this Rider and any term insurance rider on the Insured that contributes to the Total Face Amount of the policy, any Riders in effect with regularly scheduled charges will be terminated. Additionally, any accelerated death benefit rider will terminate upon exercise of this Rider. Any increases in Face Amount that are scheduled to take effect after exercise of the Rider will be cancelled. **The policy must not be in the Grace Period.**

Contact us if you have any questions about your eligibility to exercise this Rider.

On the *exercise effective date*, we:

1. Transfer any Accumulated Value in the Investment Options into the Fixed Account. No transfer charge will be assessed for such transfer, nor will it count against, or be subject to, any transfer limitations then in effect.
2. Upon each Index Account Segment's Maturity, reallocate the Segment Maturity Value into the Fixed Account. No transfer charge will be assessed for such transfer, nor will it count against, or be subject to, any transfer limitations then in effect.
3. Deduct the charge for this Rider from your Policy's Accumulated Value.

There is a one-time charge to exercise this Rider. The charge will not exceed the Accumulated Value multiplied by the *overloan protection rate* shown for the Insured's Age at exercise in the Policy Specifications, as of the *exercise effective date*. The charge ranges from 1.12% to 4.52% of the Policy's Accumulated Value, and is based on the Insured's sex, Risk Class and Age as applicable at the time the Rider is exercised. If you never exercise the Rider, there is no charge for it. After you exercise the Rider, and while it continues in effect, the Policy's lowest Death Benefit will be the Death Benefit percentage multiplied by the greater of the Accumulated Value or the Policy Debt.

#### *A hypothetical example*

*Assume a charge of 2.97% of the Policy's Accumulated Value on the exercise effective date for an insured who is age 85. If the Policy's Accumulated Value is \$25,000, the charge deducted from the Accumulated Value on the exercise effective date is \$742.50. ( $\$25,000 \times 2.97\% = \$742.50$ ).*

### *The Rider After Exercise*

After the exercise effective date and as long as the Rider stays in effect, the Policy will not lapse if the Accumulated Value is insufficient to cover Policy charges, even if the insufficiency is caused by overloan.

After the Rider is exercised, the Policy's Minimum Death Benefit will be the Death Benefit percentage multiplied by the greater of the Accumulated Value or the Policy Debt. Calculation of the Death Benefit, Minimum Death Benefit and Death Benefit Proceeds is described in **THE DEATH BENEFIT**.

### *Rider Termination*

This Rider will terminate on the earliest of the following events:

- The Policy terminates;
- You make a Written Request to terminate the Rider; or
- If, after the *exercise effective date*:
  - any premium is paid
  - any withdrawal is taken
  - any loan repayment is made, other than for loan interest due
  - any Policy benefit is changed or added at your request
  - any transfer among the Investment Options is done at your request.

**If the Rider terminates after the *exercise effective date* and while the Policy is In Force, any amount by which the Policy Debt exceeds the Accumulated Value is due and payable to us.**

You should be aware that the tax consequences of this Rider have not been ruled on by the IRS or the courts and it is possible that the IRS could assert that the outstanding loan balance should be treated as a taxable distribution when this Rider is exercised. You should consult a tax advisor as to the tax risks associated with this Rider.

### • **Short-Term No-Lapse Guarantee Rider**

This Rider guarantees that the Policy will continue in effect until the end of the No-Lapse Guarantee Period shown in the Policy Specifications if you pay a premium by the beginning of each Policy month at least equal to one twelfth of the No-Lapse Guarantee Premium, and if you have taken no Policy loans or withdrawals, and if there have been no changes (scheduled or unscheduled) in Coverage under this Policy. The Policy will also stay in effect under this Rider with other premium payment patterns and with other Coverage amounts so long as the Short-Term No-Lapse Guarantee Condition, as described below, is satisfied. The Rider is available at Policy issue for Insureds Age 79 and younger and if you choose either Death Benefit Option A or Option B when applying for your Policy.

The No-Lapse Guarantee Period is the time during which we guarantee the Death Benefit will remain In Force if the Short-Term No-Lapse Guarantee is in effect. The No-Lapse Guarantee Period is shown in the Policy Specifications. The No-Lapse Guarantee Period begins on the Policy Date and does not re-start if Coverage is added or increased.

The No-Lapse Guarantee Premium is an amount used during the No-Lapse Guarantee Period to determine the No-Lapse Credit (see next section), which in turn is used to determine if the Short-Term No-Lapse Guarantee is in effect. The No-Lapse Guarantee Premium is expressed as an annual amount. The No-Lapse Guarantee Premium in effect as of the Policy Date is shown in the Policy Specifications. The No-Lapse Guarantee Premium may change as described in the Changes in No-Lapse Guarantee Premium section below.

The No-Lapse Credit is used to determine if the Short-Term No-Lapse Guarantee is in effect. It is calculated at the beginning of each Policy month during the No-Lapse Guarantee Period. The No-Lapse Credit as of the Policy Date, which is also the first Monthly Payment Date, is equal to the premium paid less one-twelfth of the No-Lapse Guarantee Premium. On any other Monthly Payment Date, the No-Lapse Credit is equal to:

- The No-Lapse Credit as of the prior Monthly Payment Date multiplied by (i), where:
  - $i = \text{no greater than } 1.00327374$  if the No-Lapse Credit is negative; otherwise,
  - $i = 1.00000$ ;
- Plus premiums received since the prior Monthly Payment Date;
- Less withdrawals taken since the prior Monthly Payment Date; and
- Less one-twelfth of the then current No-Lapse Guarantee Premium.

The Net Accumulated Value is the Policy Accumulated Value less Policy Debt.

Any increase in Face Amount, scheduled or not, or addition or increase in Coverage will cause an increase in the No-Lapse Guarantee Premium. A decrease in Face Amount or in other Coverage will not cause a decrease in the No-Lapse Guarantee Premium. If the No-Lapse Guarantee Premium changes as a result of such change, we will inform you of the amount of the changed No-Lapse Guarantee Premium.

For the Short-Term No-Lapse Guarantee to be in effect, the No-Lapse Credit less Policy Debt must be equal to or greater than zero.

If the Short-Term No-Lapse Guarantee has become ineffective because the above condition has not been satisfied, the Short-Term No-Lapse Guarantee may be brought back into effect by paying the Catch-Up Amount. The Catch-Up Amount is equal to the amount of premium necessary after deduction of the Premium Load so that the No-Lapse Credit less Policy Debt is equal to zero.

If the Short-Term No-Lapse Guarantee is in effect, and if your Policy would lapse in the absence of this Rider due to insufficient Net Accumulated Value (the Accumulated Value less Policy Debt), to cover the Monthly Deductions due, the Policy will not enter the Grace Period and will not lapse. Instead, the Policy will continue under the Short-Term No-Lapse Guarantee and it will stay In Force as long as you continue to meet the Short-Term No-Lapse Guarantee Condition.

If the Policy is continued under the Short-Term No-Lapse Guarantee, then the Policy has no Net Accumulated Value from which Monthly Deductions can be collected. Any such uncollected amounts are accumulated without interest and the result is called the Monthly Deductions Deficit. Any net premium received when the Policy is continued under the Short-Term No-Lapse Guarantee will first be used to reduce the Monthly Deductions Deficit. After the Monthly Deductions Deficit is reduced to zero, any excess will be applied to the Accumulated Value, as described in your Policy. If you want to keep your Policy In Force at the end of the Guarantee Period, you must make a payment sufficient to reduce the Monthly Deductions Deficit to zero. In such case, any excess will then be applied to the Accumulated Value, as described in your Policy.

If the Policy is continued under the Short-Term No-Lapse Guarantee, any attached Riders will continue or end according to their terms.

If the Policy has lapsed and you later wish to reinstate it, you will need to satisfy the reinstatement conditions described in the Policy. Upon Policy reinstatement we will bring forward any Catch-Up Amount and any Monthly Deductions Deficit, without interest. Any Catch-Up Amount existing at the time of lapse will need to be paid upon Policy reinstatement if you wish the Short-Term No Lapse Guarantee Benefit provided under this Rider to be in effect. *See **Lapsing and Reinstatement – Reinstating a lapsed Policy.***

This Rider will end on the earliest of:

- Your Written Request;
- If you add any Rider that has charges;
- The date when the No-Lapse Credit and the Net Accumulated Value are both less than zero; or
- At the end of the Guarantee Period.

#### • **Accidental Death Rider**

Provides additional insurance Coverage when we receive proof that the Insured's death results directly and independently of all other causes from bodily injuries accidentally sustained, subject to the Rider's provisions. Death must occur within 120 days of injuries and while the Rider was in effect. You may purchase the Rider at Policy issue for an Insured between Age 5 through 65, subject to satisfactory evidence of insurability. The monthly charge will be shown in your Policy Specifications.

The Rider terminates on the earliest of your Written Request, on lapse or termination of the Policy, or when the Insured reaches Age 70.

#### • **Annual Renewable Term Rider – Additional Insured**

Provides annual renewable term insurance on any member of the Insured's immediate family who is Age 90 or younger at the time the Rider is issued. We refer to each person insured under the Rider as a *covered person*. You have the flexibility to delete a covered person from the Rider, or, with satisfactory evidence of insurability, you may add a covered person. We may deduct an administrative charge not to exceed \$100 from your Policy's Accumulated Value on the effective date of any such addition of a covered person.

At any time while the Rider is in effect and before any covered person reaches Age 65, you may convert the Rider to a whole life or any higher premium plan we regularly issue at the time of the conversion. The Rider may also be converted during the first two years it is in effect, regardless of the covered person's Age, or upon the death of the Insured under the Policy. If you convert the Rider, a new Policy will be issued on the covered person and Coverage under the Rider will terminate.

The guaranteed monthly cost of insurance rates for each covered person will be shown in your Policy Specifications. Our current cost of insurance rates for the Rider are lower than the guaranteed rates.

The Rider will terminate on the earliest of your Written Request, on lapse or termination of the Policy, or when the last covered person reaches Age 121.

• **Benefit Distribution Rider (BDR)**

This Rider provides that all or a portion of the Policy's Death Benefit Proceeds will be paid as a series of periodic payments. There is no separate charge included in the Monthly Deduction for this Rider. This Rider is not available in Utah and Louisiana. At the time of application, the policyowner must elect the following:

- The Periodic Payment Percentage – an amount between 50 and 100% of the Death Benefit Proceeds that will be paid under the Rider
- The BDR Duration: This is the number of years (between 5 and 30) that the payments will be made
- The BDR Frequency: This is either annual payments or monthly payments.

Certain riders attached to your Policy may restrict your ability to request unscheduled increases in Coverage Layers and therefore restrict any changes to the Benefit Distribution Elections. If you have elected the Premier Living Benefits Rider, the Overloan Protection 3 Rider or the Terminal Illness Rider, you may not be eligible to request unscheduled increases in Coverage Layers and therefore changes to the Benefit Distribution Elections will be restricted.

The amount of the Death Benefit Proceeds payable under the BDR is the Benefit Distribution Amount, and is calculated by multiplying the Death Benefit Proceeds by the Periodic Payment Percentage. Any amount of the Death Benefit Proceeds not paid under the BDR is paid as described by your policy, either as a lump sum or under one of the other available income options. Death Benefit Proceeds are paid based on your BDR elections and the beneficiary of the policy will not be able to change those terms, even upon the death of the Insured.

Each periodic payment is determined by multiplying the Benefit Distribution Amount by the Benefit Distribution Factor. We determine the Benefit Distribution Factor based upon the BDR Duration, the BDR Frequency, and a 2% interest rate as shown in your Policy Specifications.

In accordance with IRS rules and regulations, a portion of each such periodic payment is reportable as interest income that may be taxable. We will annually report this interest income to the beneficiary and the IRS as required.

***Periodic Payment Hypothetical Example***

For a Policy with Death Benefit Option A and a Policy Face Amount of \$100,000:

The insured is Age 45 at the time the policy was issued

Death Benefit Periodic Payment Percentage = 75%

Duration of Periodic Payments (Years) = 10

Frequency of Periodic Payments = Annual

Benefit Distribution Factor = 0.109323914

Death Benefit at time of death = \$100,000

Policy Debt at time of death = \$0

The lump sum Death Benefit payment will be \$25,000.  $((100\% - 75\%) \times 100,000)$ . If the death occurred on a policy monthiversary date and periodic payments began the following month, each periodic payment will be \$8,199.30.  $(75\% \times 100,000 \times 0.109323914)$ . The amount of each periodic payment treated as taxable income is \$699.30.  $(8,199.30 - (100,000 \times 75\% / 10))$ .

This Rider has no charge against the policy's Accumulated Value. On a non-guaranteed basis, you may receive a BDR credit which would reduce the cost of insurance charges under the Policy for policies that have the Benefit Distribution Rider. However, the 2% interest rate used in the calculation of the payment is fixed and will not change, and may be lower than the interest rate that could be used to calculate similar payments under one of our other options available at the time of a death claim. You should contact us or your life insurance producer for more detailed information on other available income options.



**Reduction to Cost of Insurance with BDR**

For a Policy with Death Benefit Option A and a Policy Face Amount of \$100,000:

The insured is Age 45 at the time the policy was issued

Death Benefit Periodic Payment Percentage = 75%

Duration of Periodic Payments (Years) = 10

Frequency of Periodic Payments = Annual

Below is a hypothetical example of the reduction to cost of insurance charges during the first 5 policy years for a Policy with the Benefit Distribution Rider.

Policy Year	Current Reduction to Cost of Insurance			Guaranteed Reduction to Cost of Insurance		
	Current Cost of Insurance Without BDR	Current Cost of Insurance With BDR	Reduction to Cost of Insurance With BDR	Current Cost of Insurance Without BDR	Current Cost of Insurance With BDR	Reduction to Cost of Insurance With BDR
1	\$50.65	\$47.22	\$3.43	\$50.65	\$50.65	\$0
2	\$72.37	\$67.19	\$5.18	\$72.37	\$72.37	\$0
3	\$92.18	\$85.37	\$6.81	\$92.18	\$92.18	\$0
4	\$109.31	\$100.95	\$8.36	\$109.31	\$109.31	\$0
5	\$125.99	\$116.06	\$9.95	\$125.99	\$125.99	\$0

Periodic payments will be determined as of the date of death. They become payable within 31 days following the Insured's date of death and will be paid on the monthly or annual basis for the number of years in the BDR Duration. We will pay penalty interest on any periodic payment not paid when due at a rate not less than required by applicable law.

- **Children's Term Rider**

Provides term insurance until Age 25 on any child of the Insured, including a natural child, step-child or adopted child. To be eligible for Coverage, the Insured must be Age 55 or younger, and the child must be Age 21 or younger at Policy issue and named in the application for this Rider or born or adopted thereafter. Newborn children are covered from 14 days of age. The term insurance under the Rider may be converted for a new policy on each child on the earlier of the child's 25<sup>th</sup> birthday or the date the Insured becomes Age 65, as long as the child is still living. If the Insured dies before the conversion date, the term insurance on each child will become paid-up and a separate policy for the paid-up insurance that will expire at child's Age 25 will be issued with the child as owner. For each child, if you convert the Rider, or if paid-up insurance is issued, Coverage for that child under the Rider will terminate. The monthly charge will be shown in your Policy Specifications.

- **Conversion Rider**

Allows you to convert certain Eligible Coverages into a new Policy, as shown in the Policy Specifications.

*Rider Term:*

**Eligible Coverage-** is Coverage under the Policy that qualifies for conversion, as shown in the Policy Specifications.

*How the Rider Works:*

You may request to have your new policy issued on any other permanent life insurance policy that we make available for conversions at the time of your conversion request. We will issue your new policy at the same Risk Class as this Policy. However, if you have increased your Policy's Face Amount, resulting in your Policy having one or more Coverage Layers with Risk Classes that differ from the Risk Class for the Policy's original Face Amount, the new policy will be issued at the Risk Class of the Policy's most recent Coverage Layer.

If you exercise the Rider, we will not impose a surrender charge on this Policy and we will not require any evidence of insurability for the conversion. If you exercise the Rider, we will issue the new policy you selected and Coverage under this Policy will terminate.

The Rider will terminate on the earliest of your Written Request, the death of the Insured, or the date the Policy is no longer In Force.

- **Disability Benefit Rider**

Provides a monthly addition to the Policy's Accumulated Value when the Insured has a qualifying disability as stated in the Rider provisions, until he or she reaches Age 65. You may purchase the Rider only at Policy issue. The monthly charge for the Rider appears in your Policy Specifications.

This Rider is not available if you select a Waiver of Charges Rider.

The Rider will terminate on the earliest of your Written Request, on termination of this Policy, or when the Insured becomes Age 60.

• **Guaranteed Insurability Rider**

Gives the right to buy additional insurance on the life of the Insured on specified dates without proof of insurability. The Rider is available for an Insured who is not in a substandard Risk Class and is Age 37 or younger when the Policy is issued. You may have flexibility to change the option dates following the Insured's marriage or the birth or legal adoption of any child of the Insured.

Charges and option dates for this Rider appear in your Policy Specifications. To add the additional insurance, we must receive your Written Request within 31 days of the option date for that additional Coverage. The increase in Face Amount will take effect on the option date if the Insured is then living. Any option not exercised on its option date will expire.

The Rider will terminate on the earliest of your Written Request, on lapse or termination of the Policy, or 31 days after the last option date.

• **Premier LTC Rider (For only new Policies issued on or after September 12, 2016)**

(This Rider is called “Accelerated Death Benefit Rider for Long-Term Care” in your Policy)

The Premier LTC Rider (LTC Rider) is a long-term care insurance rider that provides benefits for Covered Services incurred for Adult Day Care, Assisted Living Care, Home Health Care, Hospice Care, and Nursing Home Care. The Rider accelerates all or a portion of the Policy’s Death Benefit if you become Chronically Ill. You can only elect the LTC Rider at Policy issue. The Rider allows the Policy Owner to accelerate the Policy’s death benefit proceeds as a monthly benefit for Covered Services while the Insured is Chronically Ill and receiving Qualified Long-Term Care Services at an approved location as prescribed under a Plan of Care, subject to the limitations, exclusions and eligibility conditions defined in the Rider. We assess a monthly charge for the Rider. For more information, please see **APPENDIX B: State Law Variations**.

**This Rider cannot be added to any policy that has the Premier Living Benefit Rider attached. You may elect both the Terminal Illness Rider and the LTC Rider at policy issue, as long as the Insured meets the eligibility requirements for each rider.**

*30-Day Right to Examine*

The Owner has 30 days from the day this Rider is received to examine and return it to us if the Owner decides not to keep this Rider. The Owner does not have to tell us the reason for returning this Rider. The Rider can be returned to us at our Administrative Office or to the Producer through whom it was bought. If you wish to cancel the Rider without cancelling the Policy, you must return the Policy and this Rider to us so that we can send you back the Policy without this Rider. We will refund, as a credit to the Policy, the full amount of any Rider Charges paid within 30 days of such a Rider return and the Rider will be void from the start.

*Rider Charge*

We assess the LTC Rider Charge on each Monthly Payment Date and deduct it from the Policy’s Accumulated Value. The maximum monthly charge for this Rider is equal to  $(a \times b)$  where:

- (a) is the Maximum Monthly LTC Rider Charge Rate as shown in the Policy Specifications divided by 1000; and
- (b) is the LTC Net Amount at Risk.

During any Claim Period, we will waive any LTC Rider Charges that would occur as part of the Policy Monthly Deduction. Any LTC Rider Charges will also be waived when calculating any waiver of charges coverage on the Policy. The charges will resume when the Claim Period is no longer in effect. Rider charges will apply during any Elimination Period.

**A hypothetical example of a Maximum Monthly LTC Rider Charge Calculation:**

Assume the following:

- Policy Death Benefit is \$1,000,000
- LTC Coverage Amount is \$750,000
- Policy Net Amount at Risk (NAR) is \$948,351
- Maximum Monthly LTC Rider Charge rate per \$1000 of LTC NAR is 0.3426 (For a male, issue Age 55)

LTC NAR = \$711,263.25. The LTC Net Amount of Risk (NAR) is calculated on each Monthly Payment Date as  $[a \times b] \div c$  where:

- (a) is the LTC Coverage Amount;
- (b) is the Policy’s Net Amount at Risk; and
- (c) is the Policy’s Death Benefit.

LTC Rider Charge =  $[\text{Maximum Monthly LTC Rider Charge Rate} \div 1000] \times \text{LTC NAR} = \$243.68$

## *Rider Terms*

**Acceleration Percentage** – an amount used to calculate Policy and Rider values after a benefit payment and after the corresponding reduction to the Policy's Total Face Amount. It is calculated after each benefit payment as the LTC Benefit Amount divided by the Policy Death Benefit prior to the benefit payment.

**Activities of Daily Living** – generally include the following self-care functions:

- Bathing oneself
- Continence
- Dressing oneself
- Feeding oneself
- Getting oneself to and from the toilet
- Transferring oneself into or out of a bed, chair or wheelchair.

The Rider attached to your Policy contains more detailed information about these self-care functions.

**Adjusted LTC Coverage Amount** – the amount used to calculate the Maximum Monthly Benefit Payment Amount. If no benefits have been paid under the Rider, the Adjusted LTC Coverage Amount is equal to the LTC Coverage Amount. Any decrease to LTC Coverage Amount will also decrease the Adjusted LTC Coverage Amount by the same dollar amount, except that the Adjusted LTC Coverage Amount will not be reduced for a benefit payment under this rider. We do not allow increases to the Adjusted LTC Coverage Amount.

**Assessment** –an evaluation done in the United States by a Licensed Health Care Practitioner to determine or verify that the Insured is a Chronically Ill Individual.

**Assisted Living Care** – personal/custodial monitoring and assistance with Activities of Daily Living provided in a residential setting in an Assisted Living Facility.

**Assisted Living Facility** – a facility that is licensed or certified or complies with the state's facility licensing requirements to engage primarily in providing ongoing Assisted Living Care and related services as described in the Rider.

**Chronically Ill Individual** – an Insured who has been certified in writing as:

- Being unable to perform at least two Activities of Daily Living without hands-on or standby assistance from another individual for a period of at least 90 days due to a loss of functional capacity; or
- Requiring substantial supervision by another person for protection from threats to the Insured's health or safety due to a Severe Cognitive Impairment as described in the Rider.

**Claim Forms** – we will provide Claim Forms for the filing of a Proof of Loss when we receive the notice of claim. If the Owner, Insured or Insured's Representative does not receive the necessary Claim Forms within 15 days, a Proof of Loss can be filed without them by sending us a letter which describes the occurrence, the character and the extent of the loss for which the claim is made. That letter must be sent to us at our Administrative Office within the time noted below under Proof of Loss.

**Claim Period**- an uninterrupted period of time during which benefits are being paid under this Rider. The Claim Period for an occurrence begins on the date a benefit payment is made. After the final benefit payment for an occurrence is made, the Claim Period terminates at the end of the day prior to the next Monthly Payment Date.

**Confinement or Confined** – an Insured who is a resident in a Nursing Home Facility, an Assisted Living Facility or a Hospice Care Facility for a period for which a room and board charge is made.

**Covered Services** – the types of Qualified Long-Term Care Services the Insured must receive and must be prescribed under a Plan of Care in order to qualify for a benefit to be payable under this Rider.

**Elimination Period** –the total number of days that the Insured is a Chronically Ill Individual before benefits are payable. The Elimination Period is 90 days for all covered services. The Elimination Period must only be met once; any subsequent claim will not be subject to a new Elimination Period

**Home Health Care** –medical and non-medical services, provided to ill, disabled or infirm persons by a Home Health Care Agency in their residences.

**Home Health Care Agency** –an entity that is licensed or certified to provide Home Health Care for compensation by the state in which it operates and employs staff who are qualified by training or experience to provide such care.

**Hospice Care** –services designed to provide palliative care and alleviate the Insured's physical, emotional and social discomforts if he or she is Terminally Ill and in the last phases of life.

**Hospice Care Facility** – a facility that is appropriately licensed or certified to provide Hospice Care in the state in which it operates.

**Immediate Family Member** – the Insured’s Spouse and the parents, brothers, sisters and children of either the Insured or the Insured’s Spouse by blood, adoption or marriage.

**In Good Order** – the date the applicable Elimination Period has been completed and all of the requirements under the eligibility conditions for the payment of benefits under this Rider have been met and verified by us.

**Licensed Health Care Practitioner** – a physician, a registered professional nurse, licensed social worker or other individual who meets such requirements as may be prescribed by the Secretary of the Treasury of the United States. A Licensed Health Care Practitioner must reside in the United States and cannot be you or an Immediate Family Member.

**LTC Coverage Amount** – the total benefits payable under the Rider, adjusted for certain policy transactions as further described in *LTC Coverage Amount*.

**LTC Net Amount at Risk (NAR)** – the LTC NAR is calculated on each Monthly Payment Date as (a) multiplied by (b) divided by (c) where:

- (a) is the LTC Coverage Amount;
- (b) is the Net Amount at Risk of the Policy; and
- (c) is the Death Benefit of the Policy.

**Maintenance or Personal Care Services** – means any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the Insured is a Chronically Ill Individual. This includes protection from threats to health and safety due to Severe Cognitive Impairment.

**Minimum LTC Coverage Amount** – the minimum amount of long term care coverage available under the Rider; generally \$50,000 but varies by state and is shown in your policy specifications.

**Minimum Premium Requirements** – if your Policy has minimum earnings benefits, any Minimum Premium Requirement is reduced on the date of the claim by an amount equal to the Minimum Premium Requirement prior to the benefit payment multiplied by the Acceleration Percentage. The total premium paid used to meet any Minimum Premium Requirement is reduced on the date of the claim by an amount equal to the total premium paid prior to the benefit payment multiplied by the Acceleration Percentage.

**Monthly Per Diem Limitation** – the Per Diem Limitation declared by the Internal Revenue Service and in effect on the date any LTC Benefit is effective, multiplied by the Maximum Per Diem Limitation Percentage shown in the Policy Specifications then multiplied by 30. The IRS releases updated Per Diem Limitations annually. Current Per Diem Limitations can be found on the IRS’ website at [www.irs.gov](http://www.irs.gov). You may also contact us at our Life Insurance Operations Center to request a quote for the current Limitations.

**Nursing Home Care** – nursing care and related services provided on an in-patient basis by a Nursing Home Facility.

**Nursing Home Facility** – a facility or distinctly separate part of a hospital or other institution that is appropriately licensed or certified or complies with the state’s facility licensing requirements to engage primarily in providing Nursing Home Care to inpatients under a planned program supervised by a Physician.

**Option C Amount** – if Death Benefit Option C is elected, the Option C Amount is the Policy’s Total Face Amount plus premiums paid, less any withdrawals (WD) or other distributions and is subject to Death Benefit Option C Limit as described in the Policy Specifications.

**Physician** – a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the state in which he or she performs such function or action (as defined in Section 1861(r)(1) of the Social Security Act).

**Plan of Care** – a written individualized plan of services which is appropriate and consistent with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). An approved Plan will be consistent with the care needs that were verified during the process of establishing that the Insured is a Chronically Ill Individual. When we have received all information required to verify the Plan of Care, which will include the proposed provider of long term care services, we will generally complete the verification process within ten business days of the date of the claimant’s benefit eligibility approval.

**Proof of Loss** – written Proof of Loss is information satisfactory to us that describes and confirms that the Insured has met the eligibility requirements for the payment of benefits. We will request Proof of Loss; we may require Proof of Loss from the Insured on a monthly or per occurrence basis. An occurrence is an uninterrupted period of time during which the Insured is claiming benefits under this Rider. If the Insured recovers, but later opens a new claim, the subsequent claim will be considered a new occurrence. You must provide written Proof of Loss within 90 days after the occurrence or commencement of any loss covered for which benefits are claimed. However, we will still consider a claim if it was not possible to secure proof within the 90-day time frame and you provided the Proof of Loss as soon as reasonably possible thereafter. Except in the absence of legal capacity, we will not consider an expense to be a Covered Expense if Proof of Loss for that expense is furnished more than one year after the date the proof is otherwise required.

**Qualified Long-Term Care Services** – services that meet the requirements of Section 7702B(c)(1) of the Internal Revenue Code of 1986, as amended, as follows: necessary diagnostic, preventative, therapeutic, curing, treating, mitigating and rehabilitative services, and Maintenance or Personal Care Services which are required by a Chronically Ill Individual and are provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.

**Severe Cognitive Impairment** – means a deficiency in an individual’s short or long-term memory, orientation as to person, place and time, deductive or abstract reasoning, or judgment as it relates to safety awareness.

**Terminally Ill** – means the Insured has a life expectancy of 12 months or less, as certified by a Physician.

*Limitations, Exclusions and Eligibility Conditions for Benefits*

To receive the Rider Benefit, you must satisfy the following conditions:

- A Licensed Health Care Practitioner certifies the Insured as being a Chronically Ill Individual;
- The Insured receives care that is a Covered Service under this Rider and care is provided pursuant to a written Plan of Care;
- Coverage under this Rider is In Force on the date(s) the care is received;
- Any assignee or any irrevocable Beneficiary under the Policy must provide written consent to payment of benefits;
- The applicable Elimination Period has been satisfied.

If the Insured recovers from a Chronic Illness and the LTC Coverage Amount has not been exhausted, a new claim may be initiated, subject to the same eligibility requirements that applied to the initial claim. However, the Elimination Period will already have been satisfied. Benefits for subsequent claims will be calculated in the same manner as they were for the initial claim.

You must elect to accelerate benefits under the Policy by making a claim for benefits under this Rider. If the entire Death Benefit under the Policy is accelerated under the terms of this Rider, the Policy will terminate.

**Certain pre-existing condition limitations apply.** A pre-existing condition is any condition for which the Insured received medical advice or treatment in the six months preceding the LTC Rider Effective Date. If the Insured is Confined for a pre-existing condition that was disclosed in the application, that condition is considered a covered expense and the Elimination Period will begin on the Rider Effective Date. We will not pay benefits for a Confinement due wholly or in part to a pre-existing condition which is not disclosed in the application if the need for services begins during the first six months after the Rider Effective Date.

The Rider will not pay benefits for:

- Care or services 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;
- Care or services for which no charge is made in the absence of insurance;
- Care or services that result from an attempt at suicide (while sane or insane) or an intentionally self- inflicted injury;
- Care or services that result from alcoholism or drug addiction;
- Care or services that result from committing or attempting to commit or participating in a felony, riot or insurrection;
- Care or Services received outside the United States unless the initial and any annual renewal certifications are completed by a Licensed Health Care Practitioner.
- Care or services that result from active duty in the armed forces of any nation or international government or units auxiliary thereto, or the National Guard;
- Care or services that result from war or any act of war, whether declared or undeclared;
- Treatment provided in a government facility (unless current or future law requires that this Rider provide coverage);
- Services for which benefits are available under Medicare 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; or
- Services received while this Rider is not In Force, except as provided in the Extension of Benefits provision.

*LTC Coverage Amount*

The LTC Coverage Amount is the maximum amount of benefits payable under this Rider. The initial LTC Coverage Amount is shown in the Policy Specifications and is adjusted thereafter as described below. The LTC Coverage Amount will never exceed the Policy’s Total Face Amount, or, if Death Benefit Option C is in effect, the lesser of the Total Face Amount or the Option C Amount.

The LTC Coverage Amount will be decreased at the time:

- we receive your Written Request;
- we pay a benefit in accordance with the terms of the Rider;
- a withdrawal from the Policy occurs; or
- the LTC Coverage Amount is greater than the Policy's Total Face Amount; or, if you selected Death Benefit Option C, the LTC Coverage Amount will be decreased to the lesser of the Policy's Total Face Amount or the Option C Amount.

<b>Transaction</b>	<b>Reduction to LTC Coverage Amount</b>	<b>LTC Coverage Amount After Transaction</b>
Benefit Payment	LTC Benefit Amount	A – B where: A is the LTC Coverage Amount before Benefit Payment; and B is the LTC Benefit Amount <i>See Example #1 below</i>
Withdrawal	Withdrawal /Policy Death Benefit x LTC Coverage Amount	$A \times (1 - B/C)$ where: A is the LTC Coverage Amount before the withdrawal; B is the Withdrawal; and C is the Policy Death Benefit before the withdrawal <i>See Example #2 below</i>
Other reduction to the Total Face Amount (Death Benefit Option A or B is in effect)	Maximum of A or (B – C) where: A is 0; B is the LTC Coverage Amount; and C is the Policy Face Amount after the face reduction	Minimum of A or B where: A is the LTC Coverage Amount before the reduction to Total Face Amount; and B is the Total Face Amount after the reduction <i>See Example #3 below</i>
Other reduction to the Total Face Amount (Death Benefit Option C is in effect)	Maximum of A or (B – C) where: A is 0; B is the LTC Coverage Amount; and C is the lesser of Policy Face Amount after the face reduction or the Option C Amount after the face reduction	Minimum of A, B or C where: A is the LTC Coverage Amount before the reduction to Total Face Amount; B is the Total Face Amount after the reduction; C is the Option C Amount after the reduction to Total Face Amount <i>See Example #4 below</i>

If no benefits have been paid under the Rider, the Adjusted LTC Coverage Amount is equal to the LTC Coverage Amount. Any decrease to LTC Coverage Amount will also decrease the Adjusted LTC Coverage Amount by the same dollar amount, except that the Adjusted LTC Coverage Amount will not be reduced for a benefit payment under this rider. We do not allow increases to the Adjusted LTC Coverage Amount.

**Hypothetical Example #1:**

Assume the following:

- LTC Coverage Amount at issue is \$750,000 and Total Face Amount is \$1,000,000
- LTC Benefit Amount = \$10,000

Then:

LTC Coverage Amount = \$740,000 (\$750,000 - \$10,000)

Adjusted LTC Coverage Amount = \$750,000 (benefit payment does not reduce the Adjusted LTC Coverage Amount)

**Hypothetical Example #2:**

Assume the following:

- LTC Coverage Amount is \$740,000;
- Death Benefit Option B
- Adjusted LTC Coverage Amount is \$750,000,
- Total Face Amount is \$1,000,000

- Accumulated Value is \$50,000
- Death Benefit is \$1,050,000
- Withdrawal processed for \$25,000

Then:

LTC Coverage Amount after WD = LTC Coverage Amount before Withdrawal  $\times$  (1 – WD/DB) = \$722,380.95

This is a reduction of \$17,619.05 (740,000 – 722,380.95). The same dollar amount reduces the Adjusted LTC Coverage Amount.

Adjusted LTC Coverage Amount = \$732,380.95

**Hypothetical Example #3:**

Assume the following:

- LTC Coverage Amount is \$722,380.95
- Adjusted LTC Coverage Amount is \$732,380.95
- Total Face Amount is \$1,000,000

If there is a policy transaction that reduces the Total Face Amount to \$800,000 there is no reduction to the LTC Coverage Amount or the Adjusted LTC Coverage Amount. This is because the LTC Coverage Amount of \$722,380.95 is still less than the Total Face Amount after reduction to \$800,000.

If there is a policy transaction that reduces the Total Face Amount to \$600,000, then the LTC Coverage Amount is reduced to \$600,000 so that the LTC Coverage Amount does not exceed the Total Face Amount. This is a reduction of \$122,380.95 and this same dollar amount will reduce the Adjusted LTC Coverage Amount. The Adjusted LTC Coverage Amount after this reduction is \$610,000.

**Hypothetical Example #4: (Option C)**

Assume the following:

- LTC Coverage Amount is \$950,000
- Adjusted LTC Coverage Amount is \$950,000
- Total Face Amount is \$1,000,000
- DB Option C is in effect
- Cumulative Premiums = 100,000
- Cumulative Withdrawals = 150,000

The Option C Amount before the face reduction = 950,000 (1,000,000 + 100,000 – 150,000)

The Face Amount is reduced to 975,000

After this reduction to Total Face Amount, the Option C Amount is 925,000 (975,000 + 100,000 – 150,000)

Although the LTC Coverage Amount does not exceed the Total Face Amount after the reduction to the Total Face Amount, the LTC Coverage Amount does exceed the Option C Amount. Therefore, after the reduction to the Total Face Amount, the LTC Coverage Amount is reduced to \$925,000. (The Adjusted LTC Coverage Amount is also reduced to \$925,000).

*The Rider at Exercise*

The LTC Benefit Amount is the lesser of the dollar amount you requested or the Maximum Monthly Benefit Payment Amount available under this Rider. Any requested LTC Benefit Amount may not be less than the Minimum Monthly Benefit Payment Amount.

The Maximum Monthly Benefit Payment Amount is the lesser of:

- The Maximum Monthly Percentage multiplied by the Adjusted LTC Coverage Amount; or
- The Monthly Per Diem Limitation; or
- The LTC Coverage Amount.

The Maximum Monthly Percentage is the maximum percentage of the Adjusted LTC Coverage Amount that will be paid as a monthly LTC Benefit. You elect the Maximum Monthly Percentage shown in the Policy Specifications at Policy issue and cannot change it thereafter.

Provided the Policy is not in its Grace Period, the amount of the LTC Benefit Proceeds is equal to (a - b) where:

- (a) is the LTC Benefit Amount; and
- (b) is any Policy Debt immediately prior to the benefit payment, multiplied by the Acceleration Percentage.

LTC Benefit Proceeds During Policy Grace Period - If benefit payment is made while the Policy is in its Grace Period, we reduce the payment by any unpaid Monthly Deductions. The LTC Benefit Proceeds are equal to: (a - b - c) where:

- (a) is the LTC Benefit Amount; and
- (b) is any Policy Debt immediately prior to the benefit payment, multiplied by the Acceleration Percentage; and
- (c) is any Monthly Deductions due and unpaid immediately prior to the benefit payment, multiplied by 1 minus the Acceleration Percentage.

If (b + c) is greater than (a), no benefit payment will be made and the Policy will remain In Force.

**A hypothetical example where the Policy is not in the Grace Period:**

Assume the following:

- LTC Coverage Amount is \$750,000
- LTC Benefit Amount is \$10,000
- Policy Debt before the benefit payment is \$5,000
- Policy Death Benefit before the LTC Benefit Amount is \$1,000,000

Acceleration Percentage =  $10,000 \div 1,000,000 = 1\%$

LTC Benefit Proceeds =  $10,000 - (5,000 \times 1\%) = \$9,950.00$

**A hypothetical example where the Policy is in the Grace Period:**

Assume the following:

- LTC Coverage Amount is \$750,000
- LTC Benefit Amount is \$10,000
- Policy Accumulated Value is \$15,000
- Policy Debt before the benefit payment is \$15,200
- Monthly Deductions due and unpaid is \$200
- Policy Death Benefit before the LTC Benefit Amount is \$1,000,000

Acceleration Percentage =  $10,000 \div 1,000,000 = 1\%$

We will reduce Policy Debt, Accumulated Value and Monthly Deductions due and unpaid each by the Acceleration Percentage (1%):

- Accumulated Value after the benefit payment is \$14,850
- Policy Debt after the benefit payment is \$15,048
- Monthly Deductions due and Unpaid after the benefit payment is \$198.00

LTC Benefit Proceeds =  $\$10,000 - \$152 - \$198 = \$9,650.00$

If a benefit payment is made on the Monthly Payment Date, the benefit payment will be processed before the calculation of the Policy Monthly Deductions.

*Your Policy After Exercising the Rider*

When you exercise the Rider and we make a Benefit payment, the following values will be reduced by an amount equal to the value below multiplied by the Acceleration Percentage:

- the Policy's Total Face Amount;
- the Policy's Accumulated Value;



- any Alternate Accumulated Value of the Policy or any rider;
- any Policy debt;
- any alternate loan values;
- any Surrender Charge applicable for each Coverage Layer unless the Policy has a Maximum Surrender Charge. If your Policy has a Maximum Surrender Charge, it will be reduced by the Acceleration Percentage;
- any Monthly Deduction due and unpaid during a Policy Grace Period;
- For Policies with Death Benefit Option C, the sum of the premiums less withdrawals and other distributions as described in the Policy; and
- For Policies with Death Benefit Option C, the Option C Death Benefit Limit.

**For example, if the Acceleration Percentage is 2%, each of the above values is reduced by 2% as shown below:**

<b>Policy Value</b>	<b>Before benefit payment</b>	<b>Reduction (2% x Value)</b>	<b>After benefit payment</b>
Total Face Amount	\$500,000	\$10,000	\$490,000
Accumulated Value	\$50,000	\$1,000	\$49,000
Policy Debt	\$25,000	\$500	\$24,500
Alternate Accumulated Value	\$15,000	\$300	\$14,700
Surrender Charge	\$1,000	\$20	\$980

Other values reduced by the Acceleration Percentage are reduced in a similar manner as shown in the example above.

The Face Amount of each Coverage Layer of the Policy or any term insurance Rider on the Insured will be reduced according to the terms of the Policy and Rider. You may not decrease the Total Face Amount starting on the date a claim is In Good Order and continuing until the end of that Claim Period.

Your Policy's Cost of Insurance charges will be calculated according to the terms of the Policy, but will be based on the reduced Policy values following a Benefit payment.

After reduction to your Policy's Accumulated Value and any Policy Debt, any amount of Monthly Deductions that are due and unpaid at the time of a benefit payment are reduced by an amount equal to the Acceleration Percentage multiplied by the Monthly Deduction due and unpaid prior to the benefit payment.

#### *Transfers of Accumulated Value during any Claim Period*

Transfers from the Fixed Account or the Fixed LT Account to the Variable Investment Options are not permitted. You may transfer Accumulated Value from the Variable Investment Options to the Fixed LT Account, subject to limitations on allocations to the Fixed Options.

#### *Other Effects on the Policy*

Beginning on the date a claim is In Good Order under this Rider:

- We will not allow Death Benefit Option Changes, except for changes into Death Benefit Option A;
- We will not allow any requested increases in benefits under the Policy or any Riders; and
- We will discontinue the Automated Income Option or any other systematic distribution program in effect.

You may not request a Policy Loan or Policy Withdrawal starting on the date a claim is In Good Order and continuing until the end of that Claim Period. When a Claim Period is no longer in effect, Policy Loans and Policy Withdrawals will be available according to the terms of the Policy.

#### *The Riders After Exercising the Premier LTC Rider*

Generally, optional rider benefits under the Policy will remain In Force subject to their terms and conditions, unless otherwise stated. We will calculate charges for optional riders in accordance with the terms of each applicable rider. Charges may be affected by the reduction in benefits and policy values. In addition:

- For any policies with term insurance that provide a termination credit, the termination credit basis is reduced on the date of each benefit payment by an amount equal to the value of the termination credit basis prior to the benefit payment multiplied by the Acceleration Percentage;

- For any no-lapse guarantee rider using no lapse guarantee premiums, the no-lapse premium and the no-lapse credit will be reduced on the date of each benefit payment;
- Overloan protection riders cannot be exercised starting on the date a claim is In Good Order and continuing until the end of that Claim Period;
- For policies with any minimum earnings benefit rider, any Minimum Premium Requirement is reduced by an amount equal to the Minimum Premium Requirement prior to the benefit payment multiplied by the Acceleration Percentage on the date of the claim.

#### *Lapse Protection during Claim Period*

During any Claim Period, the Policy and Riders will not lapse. On each Monthly Payment Date during any Claim Period, we will make a determination of the Policy's Net Accumulated Value. If the Policy's Net Accumulated Value is greater or equal to zero, the Net Accumulated Value will not be reduced to less than zero, except for any amount attributable to any loan or alternate loan that would otherwise reduce the Net Accumulated Value. If the Policy's Net Accumulated Value is less than zero, the Net Accumulated Value will not be reduced further, except for any amount attributable to any loan or alternate loan that would otherwise reduce the Net Accumulated Value. Policy loans and alternate loans will continue to be processed according to the Policy and may result in a negative Net Accumulated Value. **You may have to pay additional Premium to prevent your Policy and any Riders from lapsing when the Claim Period is no longer in effect.** If the Insured dies during the Claim Period, we will pay the Policy's Death Benefit as defined in the contract. If we receive notification of the Insured's death before a benefit payment is made, we will not make the benefit payment. If we receive notification of the Insured's death after a benefit payment is made, the benefit payment will reduce the Death Benefit proceeds payable under the Policy.

#### **A hypothetical example with no Policy Debt:**

Assume the following:

- Accumulated Value prior to Monthly Deductions or benefit payment is \$1,201
- At benefit payment, Acceleration Percentage is 1%
- Accumulated Value after benefit payment, but before Monthly Deductions is \$1,189
- Monthly Deductions due is \$1,500

We will limit monthly deductions to \$1,189 so that after the monthly deductions are assessed, the Accumulated Value is 0. The difference is "offset" and there is no requirement that this offset amount ever be repaid.

#### **A hypothetical example with Policy Debt:**

Assume the following:

- Accumulated Value prior to Monthly Deductions or benefit payment is \$1,201
- Policy Debt prior to benefit payment is \$500
- At benefit payment, Acceleration Percentage is 1%
- Accumulated Value after benefit payment, but before Monthly Deductions is \$1,189
- Policy Debt after the benefit payment is \$495
- Net Accumulated Value is \$694 (\$1,189 - \$495)
- Monthly Deductions due is \$1,500

We will limit monthly deductions to \$694 so that after the monthly deductions are assessed, the Net Accumulated Value is 0. The difference is "offset" and there is no requirement that this offset amount ever be repaid. Note that loan interest charge will be added to the policy debt so that the Net Accumulated Value at the end of the month will be negative.

#### *Rider Termination*

The Rider is effective on the Rider Effective Date unless otherwise stated. It will terminate on the same date any of the following occur:

- The Insured's death;
- The Rider is cancelled pursuant to the Owner's request;
- Exercise of any Policy overloan protection;

- Any terminal illness benefit payment resulting in an Adjusted LTC Coverage Amount that is less than the Minimum LTC Coverage Amount;
- The LTC Coverage Amount is zero; or
- The Policy is terminated.

#### *Lapse and Reinstatement*

The Policy's Lapse and Reinstatement section applies to the Rider, except as follows:

- We will provide Notice of pending lapse or termination for non-payment of premium to you and the Insured, any assignee of record and any additional designee;
- To protect the Policy and Rider against unintentional lapse, you must designate at least one additional person to receive the lapse notice or you must waive the designation in writing;
- We will waive any LTC Rider Charges that would occur as part of the Policy Monthly Deduction during any Claim Period;
- The Policy and Riders will not lapse during any Claim Period and the Policy's Net Accumulated Value will not be reduced to less than zero, except for amounts attributable to Policy loans.

You may have to pay additional Premium to prevent your Policy and any Riders from lapsing when the Claim Period is no longer in effect.

You can reinstate your Rider under the Rider's Reinstatement provision within six months from the end of the Grace Period and subject to our approval of your reinstatement application. A reinstated Rider will only cover loss resulting from an injury or condition that begins after the date of reinstatement. Otherwise, you will have the same rights under the Rider as you had before it terminated. If the Rider terminates while the Insured is Chronically Ill, we may reinstate coverage subject to conditions described in the Rider.

You cannot reinstate the Rider after six months from the end of the Grace Period, even if your Policy is reinstated.

#### *Extension of Benefits*

If this Rider terminates while the Insured is Confined in a Nursing Home Facility, Hospice Care Facility, or an Assisted Living Facility, benefits may be paid for such Confinement if the Confinement began while this Rider was In Force and the Confinement continues without interruption after termination. Extension of benefits stops on the earliest of:

- The date when the Insured no longer meets the eligibility for the payment of benefits requirements;
- The date the Insured is no longer Confined in a Nursing Home Facility, Hospice Care Facility, or an Assisted Living Facility; or
- The date when the LTC Coverage Amount remaining after a monthly benefit payment is zero.

This Extension of Benefits provision is subject to all provision of this rider and all applicable coverage maximums.

If benefits are continued under this Extension of Benefits provision because the Policy has lapsed, no Death Benefit will be payable to the beneficiary under the Policy.

**Payment of an Accelerated Death Benefit under this rider will reduce the Policy's Death Benefit and other values under the Policy. In most circumstances, the cost of insurance charges will also be reduced. In addition, premium limitations and Death Benefits required in order for the Policy to qualify as a life insurance policy or avoid being classified as a Modified Endowment Contract under the Tax Code will also be affected.**

#### *Claims Provisions*

We prefer that either you or the Insured notify us as soon as the Insured first becomes eligible and may soon need care covered by this Rider. Notify us even if you or the Insured is unsure, and we can help determine whether the Insured is eligible for benefits. To file a claim, you or the Insured may call us, notify us in writing or submit a completed Claim Form we provide.

When we receive the notice of claim, we will expect the Insured to submit a completed Claim Form. The information needed to establish the Insured's eligibility for benefits will include:

- Certification by a Licensed Health Care Practitioner that the Insured is a Chronically Ill Individual;
- Confirmation through sufficient Proof of Loss that the Insured has incurred an expense for a Qualified Long-Term Care Service to initiate the Elimination Period; and
- A Plan of Care.

In order to ensure that the Insured continues to meet the eligibility conditions for Rider Benefits throughout the Claim Period, we reserve the right to have the Insured evaluated by our nurse, to contact the Insured's Physician(s) or other care provider and to review the Insured's medical records at any time during the Claim Period.

We will provide Claim Forms for the filing of a Proof of Loss when we receive the notice of claim. If you, the Insured or the Insured's Representative does not receive the necessary Claim Forms within 15 days, you can file a Proof of Loss without them by sending us a letter describing the occurrence, the character and the extent of the loss for which the claim is made. That letter must be sent to us at our Administrative Office within 90 days following the loss for which benefits are claimed. We will not pay benefits until we verify eligibility for benefits.

Once a claim is In Good Order, benefit payments will start within 30 business days. Benefit payments will be made as long as the insured continues to meet the eligibility for the payment of benefits and our liability continues. Any periodic benefit payments will be made on a monthly basis as long as the loss and our liability continue. We pay the Benefits to you (or your designee) unless the Policy has been otherwise assigned.

If you or the Insured disagree with our decision regarding a claim, you may submit a Written Request for reconsideration of your claim within 60 days of that decision. Any internal review of claim decisions will be consistent with applicable laws and regulations. You or the Insured should submit any additional information that you or the Insured feel is necessary for our review.

#### *Care Coordination*

The Rider provides access to Care Coordination under a national long-term care services referral network via a toll-free telephone number. Care Coordination helps identify a person's functional, cognitive, personal and social needs for care and services and can help link the person to a full range of appropriate services. Services include free consultation, Assessments and tailored information to assist in planning and implementing a Plan of Care. There is no additional charge for this service and it has no effect on the LTC Coverage Amount. This service is subject to availability and may be modified, suspended, or discontinued at any time upon thirty days written notice.

#### • **Premier Living Benefits Rider**

The Premier Living Benefits Rider is a chronic illness Rider that provides protection from the financial impacts of becoming chronically ill by providing acceleration of a portion of the Death Benefit in the event that you become chronically ill. For more information, please see **APPENDIX B: State Law Variations**.

**There is no additional cost for the rider. However, if you choose to exercise the Rider, at the time we pay the Rider Benefit, we will reduce your Policy's Death Benefit by an amount greater than the Benefit payment itself, as described in the Rider. Other Policy values, including but not limited to, Surrender Charge, Accumulated Value and Total Face Amount will be reduced pro rata.**

**You may opt out of the Rider at any time after the Policy is issued. There is no charge for opting out of the Rider.**

#### *Rider Terms*

**Activities of Daily Living** – include the following self-care functions:

- Bathing oneself
- Continence
- Dressing oneself
- Feeding oneself
- Getting oneself to and from the toilet
- Transferring oneself into or out of a bed, chair or wheelchair.

**Annual Per Diem Limitation** – the Per Diem Limitation declared by the Internal Revenue Service on the date the Chronic Illness Benefit Proceeds are effective, multiplied by the Maximum Per Diem Limit Percentage, then multiplied by 365.

**Chronically Ill Individual** – an Insured who has been certified in writing as:

- Being permanently unable to perform at least two Activities of Daily Living without hands-on or standby assistance from another individual; or
- Requiring continual supervision by another person for protection from threats to the Insured's health or safety as described in the Rider.

**Initial Eligible Amount** – the lesser of the Maximum Lifetime Accelerated Death Benefit or the Death Benefit on the effective date of the initial request for the Benefit.

**Licensed Health Care Practitioner** – a physician licensed and residing in the United States. The Licensed Physician cannot be you or an immediate family member.

**Maximum Lifetime Accelerated Death Benefit** – the maximum amount of Death Benefit that you can accelerate under the Premier Living Benefits Rider during the Insured’s lifetime, as shown in the Policy Specifications.

*Eligibility Conditions*

This Rider may be attached to only one policy per insured. If you have existing Pacific Life Policies with a chronic illness rider, you may choose to either:

1. terminate the chronic illness rider on your existing policy, and obtain a new chronic illness rider with a newly-issued policy, if you qualify; or
2. maintain the chronic illness rider on your existing policy, and accept any applied for life insurance, if issued, without the chronic illness rider.

You should not terminate any existing Pacific Life chronic illness rider until the new application with a chronic illness rider has been approved by Pacific Life. If an insured’s chronic illness has generated benefits under any existing Pacific Life policy, that insured does not qualify for a new chronic illness rider. Please understand that chronic illness benefits may be higher or lower based upon the policy to which it is attached. Request sample illustrations from your life insurance producer to help determine the policy configuration is appropriate for you.

To receive the Rider Benefit, you must satisfy the following conditions:

- You must submit a Written Request while the Policy is In Force; we will provide you with a claim form within 15 days of your Written Request. Your completed claim form must contain proof that the Insured is a Chronically Ill Individual;
- Any assignee or any irrevocable Beneficiary under the Policy must provide written consent;
- The Chronically Ill Individual’s illness must not be the result of attempted suicide or intentionally self-inflicted injury.

We will pay the Benefits immediately after we receive written certification from a Licensed Health Care Practitioner that the Insured is a Chronically Ill Individual and meets the conditions described in the Rider. We reserve the right to obtain an additional opinion of the Insured’s conditions at our expense. If this opinion differs from that of the Insured’s Licensed Health Care Practitioner, eligibility for Benefits will be determined by a third Licensed Physician who is mutually acceptable to you and to us.

We pay the Benefits to you (or your designee) or to your estate while the Insured is still living, unless the Policy has been otherwise assigned.

*The Rider at Exercise*

You may request the Rider Benefits once per twelve-month period. Your Written Request should include:

- The Benefit amount requested; and
- Your selection of an annual payment or monthly payments. If your request does not specify a payment option, we will pay the Benefit as an annual payment.

If you elect to receive an annual payment, we will provide you with one lump-sum payment. Your request for an annual payment cannot be less than \$5,000, and can never be greater than the Maximum Annual Benefit Amount. The Maximum Annual Benefit Amount is the lesser of:

- The Annual Per Diem Limitation; or
- The Reduction Factor times the Eligible Accelerated Annual Death Benefit. The Reduction Factor is equal to  $[a + b] \div c$  where
  - (a) is 100% of the Policy’s Cash Surrender Value;
  - (b) is the Chronic Illness Risk Factor times the result of the Death Benefit minus the greater of zero or the Policy’s Accumulated Value; and
  - (c) is the Death Benefit.

The Eligible Accelerated Annual Death Benefit is the lesser of:

- 24% of the Initial Eligible Amount; or
- The excess of the Maximum Lifetime Accelerated Death Benefit over the Total Accelerated Death Benefit; or
- The Death Benefit.

The Chronic Illness Risk Factor is based on the Insured’s Age, gender and Risk Class, as well as the Accelerated Death Benefit Interest Rate and a mortality table for disabled lives we declare.

The Accelerated Death Benefit Interest Rate will not exceed the greater of:

- the current yield on the 90-day Treasury bill; or
- the maximum fixed annual rate of 8% in arrears or a variable rate determined in accordance with the National Association of Insurance Commissioners Policy Loan Interest Rate Model.

When you exercise the Rider, we will send you a statement demonstrating the effect of exercising the Rider on the Policy's Accumulated Value, Death Benefit, Premium, Cost of Insurance Charges and Policy Loans.

At the time of each Benefit payment, we will:

- Verify that the Policy is not in the Grace Period. If it is in the Grace Period, we will reduce the Benefit payment by the amount needed to pay any Monthly Deduction required to keep the Policy In Force;
- Limit the Benefit to the Maximum Annual or Maximum Monthly Benefit Amount, as applicable;
- Calculate the amount payable upon request under this Rider (the "Chronic Illness Benefit Proceeds");
- Reduce the Policy and Rider values as described in the Rider; and
- Send you an endorsement to the Policy, which will include a statement of the effect of the Benefit payment on the Policy's Accumulated Value, Death Benefit, Premium, Cost of Insurance Charges and Policy Loans.

If your Policy has an accidental death rider, the accidental Death Benefit amount is not eligible for acceleration under this Rider.

#### *Your Policy After Exercising the Rider*

When you exercise the Rider and we make a Benefit payment, the following values will be reduced by an amount equal to the value below multiplied by the Acceleration Percentage:

- the Total Face Amount;
- the Accumulated Value;
- the surrender charge for each Coverage Layer;
- For Policies with Death Benefit Option C, the sum of the premiums less withdrawals; and
- For Policies with Death Benefit Option C, the Option C Death Benefit Limit.

The Acceleration Percentage equals  $(a \div b)$  where:

a = the Chronic Illness Benefit; and

b = the Reduction Factor multiplied by the Death Benefit on the date of each benefit payment.

Your Policy's Total Face Amount will be reduced by an amount equal to the Acceleration Percentage multiplied by the Total Face Amount prior to the benefit payment. The Face Amount of each Coverage Layer of the Policy or any term insurance Rider on the Insured will be reduced according to the terms of the Policy and Rider.

The Policy's Investment Options values are reduced on the date of each benefit payment by an amount equal to the Acceleration Percentage multiplied by the Investment Option values prior to the benefit payment. The reduction to the values in each of the Investment Options will be treated as an Account Deduction.

We will reduce your Policy Debt, Loan Account and Loan Account Value on the date of a Benefit payment by an amount equal to their respective values prior to the Benefit payment multiplied by the Acceleration Percentage.

Your Policy's Cost of Insurance charges will be calculated according to the terms of the Policy, but will be based on the reduced Policy values following a Benefit payment.

Your Policy's Alternate Accumulated Value, if any, will be reduced by an amount equal to the Acceleration Percentage multiplied by the Alternate Accumulated Value prior to a Benefit payment.

Your Policy's Cash Surrender Value and Net Cash Surrender Value following a Benefit payment will be calculated according to the terms of the Policy.

#### *Other Effects on the Policy*

After we make the initial Benefit payment under the Rider:

- You can change your Death Benefit Option, but only to Death Benefit Option A;
- We will not allow any requested increases in benefits under the Policy or any Riders; and
- We will discontinue the Automated Income Option or any other systematic distribution program in effect.

### *The Riders After Exercising the Premier Living Benefits Rider*

Generally, optional rider benefits under the Policy will remain In Force subject to their terms and conditions, unless otherwise stated. We will calculate charges for optional riders in accordance with the terms of each applicable rider. The charges may be affected by the reduction in benefits and policy values. In addition:

- Face Amounts for any term insurance rider on the Insured will be reduced as the Policy's Total Face Amount is reduced;
- For any no-lapse guarantee rider using no lapse guarantee premiums, the no-lapse premium and the no-lapse credit will each be reduced on the date of each benefit payment;
- For policies with overloan protection riders, the riders will terminate at the time the first Benefit proceeds are paid;
- For policies with any minimum earnings benefit riders, Alternate Accumulated Value will be reduced by an amount equal to the Alternate Accumulated Value prior to the Benefit payment multiplied by the Acceleration Percentage;
- The sum of the Policy's Fixed, Variable and Indexed Accumulated Values will be reduced on the date of the claim for Benefits.

Accelerated Death Benefits may affect your eligibility for, or amount of, other benefits provided by federal, state or local government. Payments of Accelerated Death Benefits provided by the Rider are intended to qualify as Death Benefits under section 101(g) of the Tax Code. You should consult with your personal tax advisor before requesting any accelerated Death Benefit payments.

The Rider is effective on the Policy Date unless otherwise stated. It will terminate on the earlier of:

- Your Written Request;
- Acceleration of any part of the Policy's Death Benefit because of the Insured's terminal illness;
- When you have accelerated the maximum amount of Death Benefit that can be accelerated under the Rider, as shown in the Policy Specifications;
- Exercise of an overloan protection rider;
- When the Rider or the Policy terminate; or
- When you notify us of the Insured's death.

If your Policy lapses and is reinstated, you may reinstate the Rider.

**Payment of an Accelerated Death Benefit under this rider will reduce the Policy's Death Benefit and other values under the Policy. In most circumstances, the cost of insurance charges will also be reduced. In addition, premium limitations and Death Benefits required in order for the Policy to qualify as a life insurance policy or avoid being classified as a Modified Endowment Contract under the Tax Code will also be affected.**

#### **• Terminal Illness Rider**

(This Rider is called "Accelerated Death Benefit Rider for Terminal Illness" in your Policy.)

The Terminal Illness Rider provides protection from the financial impacts of having a medical condition that is reasonably expected to result in a life expectancy of 12 months or less by providing acceleration of a portion of the Death Benefit. For more information, please see **APPENDIX B: State Law Variations**.

**There is no additional cost for the rider. However, if you choose to exercise the Rider, at the time we pay the Rider Benefit, we will reduce your Policy's Death Benefit by an amount greater than the Benefit payment itself, as described in the Rider. Other Policy values, including but not limited to, Surrender Charge, Accumulated Value and Total Face Amount will be reduced pro rata.**

**You may opt out of the Rider at any time after the Policy is issued. There is no charge for opting out of the Rider.**

#### *Rider Terms*

**Eligible Coverage** – the portion of the Policy Face Amount that will qualify for determining the Terminal Illness Benefit under the Terminal Illness Benefit Rider. Your Policy's Eligible Coverage is listed in the Policy Specifications under the Terminal Illness Rider. It does not include any insurance on the life of anyone other than the Insured and any other rider on the Insured.

**Licensed Physician** – a physician licensed and residing in the United States. The Licensed Physician cannot be you or an immediate family member.

**Terminally Ill Individual** – an Insured who has been certified in writing as having a medical condition that is reasonably expected to result in a life expectancy of 12 months or less.

#### *Eligibility Conditions*

To receive the Rider Benefits, you must satisfy the following conditions:

- You must submit a Written Request while the Policy is In Force; we will provide you with a claim form within 15 days of your Written Request. Your completed claim form must contain proof that the Insured is a Terminally Ill Individual;
- Any assignee or any irrevocable Beneficiary under the Policy must provide written consent;
- The Terminally Ill Individual's illness must not be the result of attempted suicide or intentionally self-inflicted injury;
- If your Policy is a last survivor policy, it will only be eligible for a Terminal Illness Benefit after the death of the first Insured and only if the survivor is a Terminally Ill Individual.

The Terminal Illness Benefit will be payable when we receive written certification from a Licensed Physician that the Insured is a Terminally Ill Individual and meets the conditions described in the Rider. We reserve the right to obtain an additional opinion of the Insured's conditions at our expense. If this opinion differs from that of the Insured's Licensed Physician, eligibility for Benefits will be determined by a third Licensed Physician who is mutually acceptable to you and to us.

The Terminal Illness Benefit will not be payable if the law requires the Benefit to meet creditor claims or a government agency requires the Benefit for application or maintenance of a government benefit or entitlement.

The Premier Living Benefits Rider will terminate when we receive a Written Request for the Terminal Illness Benefit under this Rider.

If your Policy has an accidental Death Benefit rider, the accidental Death Benefit amount is not eligible for acceleration under the terms of this Rider.

#### *The Rider at Exercise*

You may submit your Written Request for benefits under the Rider, including the amount of Terminal Illness Benefit requested, when the Insured qualifies as a Terminally Ill Individual and meets the eligibility conditions.

When we make the benefit payment we will:

- Limit the benefit to the lesser of 75% of the Eligible Coverage or \$250,000;
- Calculate the Terminal Illness Benefit Proceeds, as described below; and
- Reduce Policy and Rider values.

#### *Calculating the Benefit Under the Rider*

The Terminal Illness Benefit Proceeds is the amount payable under the Rider. It is a one-time payment equal to the Terminal Illness Benefit multiplied by (a) and reduced by (b) and (c) where:

- the Terminal Illness Reduction Factor;
- Policy Debt multiplied by the Acceleration Percentage; and
- a processing charge, guaranteed not to exceed \$100.

If the Insured dies within 30 days of payment of the Terminal Illness Benefit Proceeds, we will refund the amounts defined in (a) and (c) above.

The Terminal Illness Reduction Factor is equal to (a) x (b) where:

- equals 1; and
- equals 1 plus the Accelerated Death Benefit Interest Rate.

The Accelerated Death Benefit Interest Rate will not exceed the greater of:

- the current yield on the 90-day Treasury Bill; or
- the maximum fixed annual rate of 8% in arrears or a variable rate determined in accordance with the National Association of Insurance Commissioners Policy Loan Interest Rate Model.

We pay the Terminal Illness Benefit as a lump sum. It is guaranteed never to be less than \$500 or 25% of your Policy's Face Amount. We will pay the Terminal Illness Proceeds once per Policy.

If you send us Written Notice that the Insured has died before we have paid the Terminal Illness Benefit, we will not make the payment. However, if we pay the Terminal Illness Benefit before we receive Written Notice of the Insured's death, the payment will be effective and we will reduce the Death Benefit Proceeds payable under the Policy.

We pay the Benefits to you (or your designee) or to your estate while the Insured is still living, unless the Policy has been otherwise assigned.



When you exercise the Rider, we will send you a statement demonstrating the effect of exercising the Rider on the Policy's Accumulated Value, Death Benefit, Premium, Cost of Insurance Charges and Policy Loans.

At the time of each Benefit payment, we will:

- Calculate the amount payable upon request under this Rider (the "Terminal Illness Benefit Proceeds");
- Reduce the Policy and Rider values as described in the Rider; and
- Send you an endorsement to the Policy, which will include a statement of the effect of the Benefit payment on the Policy's Accumulated Value, Death Benefit, Premium, cost of insurance Charges and Policy Loans.

If your Policy has an accidental Death Benefit rider, the accidental Death Benefit amount is not eligible for acceleration under the terms of this Rider.

If you request another transaction on the same day as a Terminal Illness Benefit is paid, we will process the Terminal Illness Benefit Proceeds after we have processed the other requested transactions.

#### *Your Policy After Exercising the Rider*

When you exercise the Rider and we make a Benefit payment, Policy values will be reduced by an amount equal to the value below multiplied by the Acceleration Percentage:

- the Total Face Amount;
- the Accumulated Value;
- For Policies with Death Benefit Option C, the sum of the premiums less withdrawals; and
- For Policies with Death Benefit Option C, the Option C Death Benefit Limit.

The Acceleration Percentage equals  $(a \div b)$  where:

a = the Terminal Illness Benefit; and

b = the Eligible Coverage on the date of each Benefit payment.

Your Policy's Total Face Amount will be reduced by an amount equal to the Acceleration Percentage multiplied by the Total Face Amount prior to the benefit payment. The Face Amount of each Coverage Layer of the Policy or any term insurance Rider on the Insured will be reduced according to the terms of the Policy and Rider.

The Policy's Death Benefit and Accumulated Value will continue to be calculated in accordance with the terms of the Policy.

The Policy's Investment Options values are reduced on the date of each benefit payment by an amount equal to the Acceleration Percentage multiplied by the Investment Option values prior to the benefit payment. The reduction to the values in each of the Investment Options will be treated as an Account Deduction.

We will reduce your Policy Debt, Loan Account and Loan Account Value on the date of a Benefit payment by an amount equal to their respective values prior to the Benefit payment multiplied by the Acceleration Percentage.

Your Policy's Cost of Insurance charges will be calculated according to the terms of the Policy, but will be based on the reduced Policy values following the Benefit payment.

Your Policy's Cash Surrender Value and Net Cash Surrender Value following the Benefit payment will be calculated according to the terms of the Policy.

#### *The Riders After Exercising the Terminal Illness Rider*

Generally, optional rider benefits under the Policy will remain In Force subject to their terms and conditions, unless otherwise stated. We will calculate charges for optional riders in accordance with the terms of each applicable rider. The charges may be affected by the reduction in benefits and policy values. In addition:

- Face Amounts for any term insurance rider on the Insured will be reduced as the Policy's Total Face Amount is reduced;
- For any no-lapse guarantee rider using no lapse guarantee premiums, the no-lapse premium and the no-lapse credit will each be reduced on the date of each Benefit payment;
- For policies with overloan protection riders, the rider will terminate at the time the first Terminal Illness Benefit proceeds are paid;
- For policies with any minimum earnings benefit riders, Alternate Accumulated Value will be reduced by an amount equal to the Alternate Accumulated Value prior to the benefit payment multiplied by the Acceleration Percentage.

Terminal Illness Benefit Accelerated Death Benefits may affect your eligibility for, or amount of, other benefits provided by federal, state or local government. Payments of Accelerated Death Benefits provided by the Rider are intended to qualify as Death Benefits under section 101(g) of the Tax Code.

You should consult with your personal tax advisor before requesting any accelerated Death Benefit payments.

The Rider is effective on the Policy Date unless otherwise stated. It will terminate on the earlier of:

- Your Written Request;
- The date the Benefit under the Rider are paid;
- Exercise of an overloan protection rider;
- When the Rider or the Policy terminate; or
- When you notify us of Insured's death.

If your Policy lapses and is reinstated, you may reinstate the Rider.

**Payment of an Accelerated Death Benefit under this rider will reduce the Policy's Death Benefit and other values under the Policy. In most circumstances, the cost of insurance charges will also be reduced. In addition, premium limitations and Death Benefits required in order for the Policy to qualify as a life insurance policy or avoid being classified as a Modified Endowment Contract under the Tax Code will also be affected.**

#### • Waiver of Charges Rider

Waives any monthly cost of insurance charges, administrative charges and Coverage charges for the Policy, and any monthly cost of any Rider benefits which fall due while the Insured is totally disabled, under the provisions of the Rider.

Total disability is a condition

- resulting from accidental bodily injury or a disease which first manifests itself while the Rider is in effect;
- occurs before the Insured's age 60;
- lasts continuously for a minimum of three months; and either
- prevents the Insured from performing the duties of their job; or
- includes the Insured's total and irrecoverable loss of sight of both eyes or use of two hands, two feet or one hand and one foot.

We will not waive the Loan Interest Charge or any charges that are due more than one year before we receive proof of total disability, or which fall due before the Insured's Age 55. The monthly charge for the Rider appears in your Policy Specifications.

The Rider is available for Insureds Age 55 or younger who are not in a substandard Risk Class. You may purchase the Rider at Policy issue or any time while the Policy is In Force. If you request to purchase the Rider after your Policy is issued, we may charge you an underwriting service fee of \$100 at the time of your request. If regular evidence of insurability for new life insurance is being submitted, no additional evidence of insurability for a Waiver of Charges Rider is usually needed. If you apply for an increase in Face Amount under an insurability option or conversion option, and if the Waiver of Charges Rider was included in the original Coverage, the evidence needed to include the Waiver of Charges Rider on the new insurance is a statement that the Insured is not totally disabled. Except as stated above, satisfactory evidence of insurability is required.

The Rider will terminate on the earliest of your Written Request, on lapse or termination of the Policy, or when the Insured reaches Age 60. However, if the Insured was disabled before reaching Age 60, benefits under the Rider will continue until the death of the Insured as long as the Insured remains disabled.

#### **Things to Keep in Mind**

We offer other variable life insurance policies which provide insurance protection on the life of the Insured. We also offer riders that provide Coverage on the Insured. Many life insurance policies and riders have some flexibility in structuring the Face Amount, the Death Benefit, and premium payments in targeting cash values based on your particular needs.

Providing Coverage on the Insured using Rider Coverage will result in different Policy charges than Coverage under the Policy alone. In general, your Policy Coverage offers the advantage of lower overall guaranteed charges than the added Riders. If you add a Rider or Riders to your Policy, and if we apply maximum guaranteed charges, you may increase your risk of lapse even if all planned premiums are paid. Adding a Rider or Riders may also affect the amount of premium you can pay on your Policy and still have it qualify as life insurance.

Accelerated death benefit payments received for a chronic illness may be taxable in certain situations, such as when benefit payments are made from multiple policies or when benefit amounts exceed certain IRS limitations (referred to as “per diem” limitations). Pacific Life cannot determine the taxability of benefit payments. Tax treatment of long-term care benefits is complex, and will depend on the amount of benefits taken, the amount of qualified expenses incurred and possibly other factors. Receipt of accelerated death benefits may affect eligibility for public assistance programs such as Medicaid. Consult your qualified and independent legal and tax advisors about the tax implications of these benefits.

Combining a Policy with an Annual Renewable Term Rider or Scheduled Annual Renewable Term Rider (if available), may lower costs and may improve Accumulated Value accrual for the same amount of Death Benefit. However, your Policy has guaranteed maximum charges. Adding an Annual Renewable Term Rider will result in guaranteed maximum charges that are higher than for a single Policy with the same Face Amount.

We also offer the ability to have increases in Coverage, either by requesting an increase in Face Amount or by using scheduled increases in Policy and/or Rider Coverages. Scheduled increases will avoid the need for further medical underwriting. A requested increase in Coverage can provide for a larger increase, but would be subject to full underwriting and could result in a different Risk Class than that originally underwritten. Policy charges will vary based on the amount and timing of increases, and on whether the increase was scheduled or requested.

Ultimately, individual needs and objectives vary, and they may change through time. It is important that you consider your goals and options carefully. You should discuss your insurance needs and financial objectives with your life insurance producer before purchasing any life insurance product or purchasing additional insurance benefits. You should also consider a periodic review of your Coverage with your life insurance producer.

## HOW PREMIUMS WORK

Your Policy gives you the flexibility to choose the amount and frequency of your premium payments within certain limits. Each premium payment must be at least \$50.

The amount, frequency, and period of time over which you make premium payments may affect whether your Policy will be classified as a Modified Endowment Contract, or no longer qualifies as life insurance for tax purposes. See **VARIABLE LIFE INSURANCE AND YOUR TAXES** for more information.

We deduct a premium load from each premium payment, and then allocate your Net Premium to the Investment Options you have chosen. However, if you have chosen the Indexed Fixed Options, your Net Premium will first be allocated to the Fixed Account and transferred from the Fixed Account to the Indexed Fixed Options on the Segment Start Date. The Accumulated Value transferred from the Fixed Account to the Indexed Fixed Options may be less than the Net Premium or the Accumulated Value you transferred to the Fixed Account because there may have been deductions from the Fixed Account, such as those due to Monthly Deductions, withdrawals or Policy loans.

There is other information you should know about allocating all or part of a Net Premium to the Indexed Fixed Options. You can only allocate a Net Premium to the Indexed Fixed Options if your Policy is not in a Lockout Period. In addition, you must notify us of your allocation to the Indexed Fixed Options by the Cutoff Date (two Business Days before a Segment Start Date) of a particular Segment Start Date in order for Accumulated Value to be transferred from the Fixed Account to the Indexed Fixed Options on that Segment Start Date. See **YOUR INVESTMENT OPTIONS – Indexed Fixed Options**. Otherwise, your Accumulated Value will be transferred to the Indexed Fixed Options on the Segment Start Date.

We do not count the allocation from the Fixed Account to the Indexed Fixed Options towards the number of transfers you may make in a Policy Year. In addition, we do not count such transfer towards the number of transfers you may make in a Policy Year without a transfer fee.

### Your Initial Premium

We apply your first premium payment to the Policy on the later of the day we receive it or the day we receive all contractual and administrative requirements necessary for your Policy to be In Force. See **HOW PREMIUMS WORK – Allocating Your Premiums** for more information on when your first Net Premium is allocated to the Investment Options.

If you have outstanding contractual and administrative requirements, your life insurance producer will notify you of a *delivery date* when any outstanding requirements are due to us, not to exceed 45 days from the date we issue your Policy. If we do not receive your first premium payment and all contractual and administrative requirements on or before the delivery date, we can cancel the Policy and refund any premium payment you have made. We may extend the delivery date in some cases.

### Planned Periodic Premium Payments

You can schedule the amount and frequency of your premium payments. We refer to scheduled premium payments as your *planned periodic premium*. Here's how it works:

- You indicate whether you want to make premium payments annually, semi-annually, or quarterly. You can also choose monthly payments using our monthly Electronic Funds Transfer Plan, which is described below.
- We send you a notice to remind you of your scheduled premium payment (except for monthly Electronic Funds Transfer Plan payments, which are paid automatically). If you own more than one Policy, you can request us to send one notice – called a *list bill* – that reminds you of your payments for all of your Policies. We require at least three participants for a list bill. You can choose to receive the list bill every month.
- If you have any Policy Debt, we will treat any payment you make during the life of your Policy as a loan repayment, not as a premium payment, unless you tell us otherwise in writing. When a payment, or any portion of it, exceeds your Policy Debt, we will treat it as a premium payment.

You do not have to make the premium payments you have scheduled. However, not making a premium payment may have an impact on any financial objectives you may have set for your Policy's Accumulated Value and Death Benefit, and could cause your Policy to lapse. Even if you pay all your premiums when they're scheduled, your Policy could lapse if the Accumulated Value, less any Policy Debt, is not enough to pay your monthly charges. Turn to **YOUR POLICY'S ACCUMULATED VALUE** for more information.

### Paying Your Premium

Premium payments must be made in a form acceptable to us before we can process it. You may pay your premium:

- by personal check, drawn on a U.S. bank
- by cashier's check, if it originates in a U.S. bank

- by money order in a single denomination of more than \$10,000 for in force payments, if it originates in a U.S. bank
- by third party payments, when there is a clear relationship between the payor (individual, corporation, trust, etc.) and the Insured and/or Owner
- by temporary check with the ABA routing number and account number pre-printed on the check
- wire transfers that originate in U.S. banks.

We will not accept premium payments in the following forms:

- cash
- credit card or check drawn against a credit card account
- traveler's checks
- cashier's check or money order drawn on a non-U.S. bank, even if the payment may be effected through a U.S. bank
- money order in a single denomination of \$10,000 or less
- third party payments, if there is not a clear relationship between the payor (individual, corporation, trust, etc.) and the Insured and/or Owner
- wire transfers that originate from foreign bank accounts.

If your Policy is subject to the Minimum Death Benefit, and you want to pay a premium that increases the Net Amount At Risk, you will need to provide us with satisfactory evidence of insurability before we can increase the Death Benefit regardless of which Death Benefit Option you have selected. In this event, your cost of insurance charges will also increase. Cost of insurance charges are based, among other things, upon your Policy's Net Amount At Risk. For more information, see **YOUR POLICY'S ACCUMULATED VALUE** on how cost of insurance charges are calculated.

All unacceptable forms of premium payments will be returned to the payor along with a letter of explanation. We reserve the right to reject or accept any form of payment. If you make premium payments or loan repayments by Electronic Funds Transfer or by check other than a cashier's check, your payment of any withdrawal proceeds and any refund during the free look period may be delayed until we receive confirmation in our administrative office that your payment has cleared.

### ***Monthly Electronic Funds Transfer Plan***

You can make monthly premium payments or loan payments using our Electronic Funds Transfer Plan. Here's how it works:

- You authorize us to withdraw a specified amount from your checking account, savings account or money market account each month.
- If you do not specify a day for us to make the withdrawal, we will withdraw the payment on your Policy's monthly anniversary.
- If you make monthly payments by the Electronic Funds Transfer Plan, we will apply the payments as loan repayment unless you have requested that payments be applied as premium payments. Loan payments made by the Electronic Funds Transfer Plan must be at least \$50.

### **Deductions From Your Premiums**

We deduct a maximum *premium load* of 6.25% from each premium payment you make.

This charge helps pay for the cost of distributing our Policies, and is also used to pay state and local premium taxes, any other taxes that may be imposed, and to compensate us for certain costs or lost investment opportunities resulting from our amortization and delayed recognition of certain policy acquisition expenses for federal income tax purposes. These consequences are referred to as the deferred acquisition cost ("DAC tax").

Like other Policy charges, we may profit from the premium load and may use these profits for any lawful purpose, such as the payment of distribution and administrative expenses. We will notify you in advance if we change our current load rate.

### **Limits on the Premium Payments You Can Make**

We will not accept premium payments after your Policy's Monthly Deduction End Date.

Federal tax law puts limits on the amount of premium payments you can make in relation to your Policy's Death Benefit. These limits apply in the following situations:

- **If you have chosen the Guideline Premium Test as your Death Benefit Qualification Test and accepting the premium means your Policy will no longer qualify as life insurance for federal income tax purposes.**
- **If applying the premium in that Policy Year means your Policy will become a Modified Endowment Contract.** You may direct us to accept premium payments or other instructions that will cause your Policy to be treated as a Modified Endowment

Contract by signing a Modified Endowment Contract Election Form. You will find a detailed discussion of Modified Endowment Contracts in **VARIABLE LIFE INSURANCE AND YOUR TAXES**. You should speak to a qualified tax advisor for complete information regarding Modified Endowment Contracts.

- **If applying the premium payment to your Policy will increase the Net Amount At Risk. This will happen if your Policy's Death Benefit is equal to the Minimum Death Benefit or would be equal to it once we applied your premium payment.**

You will find more detailed information regarding these situations in the SAI.

### **Allocating Your Premiums**

We generally allocate your Net Premiums to the Investment Options you have chosen on your application on the day we receive them. Please turn to **YOUR INVESTMENT OPTIONS** for more information about the Investment Options.

When we allocate your first premium depends on the state and replacement status. For policies that require us to return the premiums you have paid if you exercise your Free Look Right, we will hold your Net Premiums in the Fidelity<sup>®</sup> VIP Government Money Market Variable Account until the end of the applicable state free look period, and then transfer them to the Investment Options you have chosen.

If your Policy requires refunds to be based on Accumulated Value if you exercise your Free Look Right, we allocate Net Premiums to the Investment Options you have chosen on the day we receive them or your Policy Date, if later. If your Policy has outstanding contractual and/or administrative requirements necessary before it can be placed In Force, we will allocate any Net Premiums received to the Fidelity<sup>®</sup> VIP Government Money Market Variable Account until the requirements are satisfied and your Policy is placed In Force.

## YOUR POLICY'S ACCUMULATED VALUE

Accumulated Value is the value of your Policy on any Business Day. It is used as the basis for determining Policy benefits and charges.

We use it to calculate how much money is available to you for loans and withdrawals, and how much you will receive if you surrender your Policy. It also affects the amount of the Death Benefit if you choose a Death Benefit Option that's calculated using Accumulated Value.

The Accumulated Value of your Policy is not guaranteed – it depends on the performance of the Investment Options you have chosen, the premium payments you have made, Policy charges and how much you have borrowed or withdrawn from the Policy.

If your Accumulated Value less any Policy Debt is insufficient to pay for Policy charges, your policy will enter its Grace Period. If you do not pay sufficient premium during the Grace Period to restore your Policy's Accumulated Value, your Policy will lapse.

### Calculating Your Policy's Accumulated Value

Your Policy's Accumulated Value is the sum of the following:

- Variable Accumulated Value – the sum of the Accumulated Value in each Variable Account.
- Fixed Accumulated Value – the value allocated to the Fixed Options.
- Indexed Accumulated Value – is the sum of the Segment Values for all Segments in each Indexed Fixed Option.
- Loan Account Value – The value of any Loans that you have taken, including interest on the amount of loan.

The Accumulated Value in the Fixed and Variable Options is made up of the following:

- Net Premiums that you allocate
- Any non-guaranteed Persistency Credits that we may pay
- Policy Charges that we deduct
- Withdrawals that you request
- Loans that you request and that become part of the Loan Account
- Earnings on the Accounts.

Your Policy's Accumulated Value is the total amount allocated to the Variable Investment Options, the Indexed Fixed Options and the Fixed Options, plus the amount in the Loan Account. Please see **WITHDRAWALS, SURRENDERS AND LOANS – Taking Out a Loan** for information about loans and the Loan Account.

The Variable Accumulated Value is the sum of the value allocated to each of the Variable Accounts. For each Variable Account, we determine the value allocated to the Variable Investment Options on any Business Day by multiplying the number of accumulation units for each Variable Investment Option credited to your Policy on that day, by the Variable Investment Option's unit value at the end of that day. The process we use to calculate unit values for the Variable Investment Options is described in **YOUR INVESTMENT OPTIONS**.

The Fixed Accumulated Value is the sum of the value in the Fixed Account and Fixed LT Account. We credit interest to these Accounts on a daily basis, at a rate not less than the guaranteed minimum of 2.00%. Please see **YOUR INVESTMENT OPTIONS – Fixed Options** for further details.

The Indexed Accumulated Value is the sum of the Segment Values for all Segments in the Indexed Fixed Options. We credit Segment Guaranteed Interest to each segment at a rate of 1%, and each segment receives Segment Indexed Interest credits at the Segment Maturity Date. Please see **YOUR INVESTMENT OPTIONS – Indexed Fixed Options** for further details.

When you request a Policy Loan, an equivalent amount of money is processed as an Account Deduction and added to the Loan Account. Please see **WITHDRAWALS, SURRENDERS AND LOANS – Taking Out a Loan** for information about loans and the Loan Account.

### Persistency Credit

Your Policy may be eligible for a persistency credit. Here is how it works:

Beginning on your 6th Policy Anniversary and on each Policy Anniversary thereafter, we may credit your Policy with a persistency credit on an annual basis. We calculate the persistency credit amount on your Policy's average Accumulated Value less any Policy Debt on each Monthly Payment Date during the preceding Policy Year. We add it proportionately to your Fixed and Variable Options according to your most recent allocation instructions.

The persistency credit rate applied is the sum of a basic persistency credit and an additional persistency credit.

Beginning in year 6, the basic persistency credit rate is 0.14%. On the later of the insured's Age 100 or policy year 26, the basic persistency credit rate will equal 0%.

The additional persistency credit rate is added to the persistency credit rate above. The additional persistency credit rate is the weighted average of the additional persistency credit rates for all Coverage Layers, based on the Face Amount for each Coverage Layer.

The additional persistency credit rate for each Coverage Layer begins on Coverage Year 11. The additional persistency credit rate depends on your Age, Risk Class and Death Benefit Option at the issue of each Coverage Layer. The additional persistency credit will end on the later of the Insured's Age 100 or on Policy Year 26.

Your Policy's persistency credit is not guaranteed, and we may discontinue the program at any time.

For more information on the persistency credit, you may ask your life insurance producer to provide an In Force Illustration.

#### **A hypothetical example**

For an insured, age 45 at Policy issue, assuming the average unloaned Policy Accumulated Value is \$100,000:

- In policy year 6, assuming the basic persistency credit rate is 0.14%, and the additional persistency credit rate is 0.00%. The persistency credit added to the Policy's Accumulated Value is  $0.14\% \times 100,000 = \$140$ .
- In policy year 11, assuming the basic persistency credit rate is 0.14% and the additional persistency credit rate is 0.24388%. The persistency credit added to the Policy's Accumulated Value is  $0.38388\% \times 100,000 = \$383.88$ .

## **Policy Charges**

We take various charges from your Policy's Accumulated Value to compensate us for the cost of the Policy benefits and for maintaining your Policy:

1. Monthly Deductions
2. Certain Transaction Fees
3. Administrative and Underwriting Service Fees
4. Loan Interest Charged against the Loan Account.

Transaction fees, administrative and underwriting service fees are shown in the **FEE TABLES**.

All Policy charges assessed under the policy will reduce the Accumulated Value as an Account Deduction.

## **Monthly Deductions**

We deduct a monthly charge from your Policy's Accumulated Value on each Monthly Payment Date until the Monthly Deduction End Date. If there is not enough Accumulated Value to pay the monthly charge, your Policy could lapse. For more information, see **Lapsing and Reinstatement**.

The Monthly Deduction is made up of five charges:

1. cost of insurance charge
2. administrative charge
3. Coverage charge
4. charges for optional Riders and benefits
5. monthly Indexed Account charge

Your Policy and any Riders will provide a list of all guaranteed Policy charges. For any given charge, we may charge less than these amounts, but we will never charge more than these guaranteed amounts. Any lesser charge will apply uniformly to all members of the same Class.



We may profit from Policy charges and may use these profits for any lawful purpose such as the payment of distribution and administrative expenses.

There are no Monthly Deductions after the Monthly Deduction End Date.

### ***Cost of Insurance Charge***

This Cost of Insurance Charge is for providing you with life insurance protection. It is based upon the *cost of insurance rates* of each Coverage Layer and a Net Amount At Risk.

The Net Amount At Risk used for calculating cost of insurance charges is determined on the Monthly Payment Date as:

- The Death Benefit under the policy divided by the Net Amount At Risk Factor of 1.0016516
- Less the Accumulated Value

If your policy has multiple Coverage Layers, the Net Amount at Risk is proportional to each Coverage Layer based upon the Face Amount of the Coverage Layer.

There are maximum or guaranteed cost of insurance rates associated with each Coverage Layer. These rates are shown in your Policy Specifications or in any Supplemental Schedule of Coverage that we provide.

The guaranteed rates include the insurance risks associated with insuring one person. They are calculated using 2001 Commissioners Standard Ordinary Mortality Tables. The cost of insurance rates take into consideration the Age and gender of the Insured unless unisex rates are required. Male rates are used for unisex cost of insurance rates. Unisex rates are used for Policies issued in the state of Montana. They are also used when a Policy is owned by an employer in connection with employment-related or benefit programs.

#### **How we calculate cost of insurance**

We calculate cost of insurance by multiplying the current cost of insurance rate by a Net Amount At Risk at the beginning of each Policy month.

The Net Amount At Risk used in the cost of insurance calculation is the difference between a discounted Death Benefit that would be payable if the Insured died and the Accumulated Value of your Policy at the beginning of the Policy month before the monthly charge is due.

First, we calculate the total Net Amount At Risk for your Policy in two steps:

- Step 1: we divide the Death Benefit that would be payable at the beginning of the Policy month by 1.0016516.
- Step 2: we subtract your Policy's Accumulated Value at the beginning of the Policy month from the amount we calculated in Step 1.

Next, we allocate the Net Amount At Risk in proportion to the Face Amount of all Coverage Layers, and each increase that's In Force as of your Monthly Payment Date.

We then multiply the amount of each allocated Net Amount At Risk by the cost of insurance rate for each Coverage Layer. The sum of these amounts is your cost of insurance charge.

Premiums, Net Premiums, Policy fees and charges, withdrawals, investment performance and fees and expenses of the underlying portfolios may affect your Net Amount At Risk, depending on the Death Benefit Option you choose or if your Death Benefit under the Policy is the Minimum Death Benefit.

### ***COI Rates calculated based upon the AV Ratio***

Upon the later of the Insured's age 100 or the 26<sup>th</sup> Coverage year, cost of insurance rates for certain Coverage Layers may be calculated based upon the AV Ratio of this Policy. The AV Ratio as of the Monthly Payment Date is equal to  $a \div b$  where:

a = the Accumulated Value at the beginning of the Policy month before the Monthly Deduction is charged; and

b = the Death Benefit after any Policy changes but before the Monthly Deduction is charged.

These cost of insurance rates may be less than, but will be no greater than the maximum cost of insurance rates shown in the Policy Specifications. In order to determine if the AV Ratio cost of insurance rates can be used, on each Monthly Payment Date, we will calculate the AV Ratio of the Policy and compare it to the current threshold percentage. If the AV Ratio is greater than or equal to the threshold percentage, then the AV Ratio cost of insurance rates may be used to determine your cost of insurance charges for that policy month. If the AV Ratio is less than the maximum threshold percentage, then the AV Ratio cost of insurance rates will not be used and the current cost of insurance rate will be used.

We reserve the right to use threshold percentages lower than the maximum threshold percentage shown in the Policy Specifications. Any lesser threshold percentage will apply uniformly to all members of the same Class.

### ***Administrative charge***

We deduct a charge not to exceed \$15.00 a month to help cover the costs of administering and maintaining our Policies. We guarantee that this charge will not increase. The current administrative charge will end on the later of Insured's attained Age 100 or on Policy Year 26. The guaranteed administrative charge will be assessed until the Monthly Deduction End Date.

### ***Coverage charge***

We deduct a Coverage charge every month to help cover the costs of distributing our Policies.

Each Coverage Layer on the Insured in the Policy has its own Coverage charge. The total amount of Coverage charges deducted monthly is the sum of the Coverage charges calculated for each Coverage Layer in effect.

The Coverage charge for each Coverage Layer is calculated based on the Face Amount, Insured's Age and Risk Class, and Death Benefit Option on the Coverage Layer Effective Date.

Your Policy Specifications and any Supplemental Schedule of Coverage provide the Policy's guaranteed Coverage charges. We may charge less than our guaranteed rate.

**A hypothetical example:**

For a Policy that insures a male standard nonsmoker who is Age 45 when the Policy is issued, and has a Policy Face Amount of \$350,000:

The guaranteed monthly Coverage charge in year one is:

- Under Death Benefit Option A or Option C, is \$161.96  $((\$350,000 \div 1,000) \times 0.3798) + 29.03$
- Under Death Benefit Option B, is \$375.72  $((\$350,000 \div 1,000) \times 0.983) + 31.67$

**Charges for optional riders**

If you add any Riders to your Policy, we add any charges for them to your monthly charge.

**Monthly Indexed Account Charge**

We assess an additional charge every month for amounts in each of the Indexed Fixed Options. The charge is added to the Monthly Deduction assessed against the Policy's Accumulated Value. The charge is calculated by multiplying the Indexed Account Charge Rate, as shown in the **FEE TABLES** (guaranteed maximum annual rate of 0.30% (0.025% monthly)), to the value of the Indexed Fixed Options as of the Monthly Payment Date.

Indexed Fixed Options	Monthly Indexed Account Charge
1 - Year Indexed Account	0.025% of Indexed Account value
1 - Year High-Par Indexed Account	0.025% of Indexed Account value

An example:

- For a Policy with \$10,000 in the 1 - Year Indexed Account, the maximum monthly Indexed Account charge is:  
 $(\$10,000 \times 0.025\%) = \$2.50$

See **YOUR INVESTMENT OPTIONS – Indexed Fixed Options – Segment Value Changes**.

**Lapsing and Reinstatement**

There is no guarantee that your Policy will not lapse even if you pay your planned periodic premium. Your Policy will lapse if there is not enough Accumulated Value, after subtracting any Policy Debt, to cover the monthly charge on the day we make the deduction.

Your Policy's Accumulated Value is affected by the following:

- loans or withdrawals you make from your Policy
- certain Rider benefits paid from your Policy
- not making planned periodic premium payments
- the performance of your Investment Options
- charges under the Policy.

If your Policy's Accumulated Value less Policy Debt is not enough to pay the total monthly charge, your policy will enter its Grace Period. We deduct the amount that is available and send you, and anyone you have assigned your Policy to, a notice telling you the amount to pay to keep your Policy In Force. The minimum amount you must pay to keep your Policy In Force is equal to three times the monthly charge that was due on the Monthly Payment Date when there was not enough Accumulated Value to pay the charge, plus premium load. For more information regarding payment due to keep your Policy In Force, please contact our Life Insurance Division.

We will give you a *Grace Period* of 61 days from the date we send the notice to pay sufficient premium to keep your Policy In Force. Your Policy will remain In Force during the Grace Period.

If we do not receive your payment within the Grace Period, your Policy will lapse with no value. This means we will end your life insurance Coverage.

***If you make the minimum payment***

If we receive your payment within the Grace Period, we will allocate your Net Premium on the day it is received to the Investment Options you have chosen and deduct the monthly charge from your Investment Options in proportion to the Accumulated Value you have in each Investment Option at the next policy monthly payment date.

If your Policy is in danger of lapsing and you have Policy Debt, you may find that making the minimum payment would cause the total premiums paid to exceed the maximum amount for your Policy's Face Amount under tax laws. In that situation, we will not accept the portion of your payment that would exceed the maximum amount. To stop your Policy from lapsing, you will have to repay a portion of your Policy Debt.

Remember to tell us if your payment is a premium payment. Otherwise, we will treat it as a loan repayment.

***How to avoid future lapsing***

To stop your Policy from lapsing in the future, you may want to make larger or more frequent premium payments if tax laws permit it. Or if you have a Policy loan, you may want to repay a portion of it.

***Paying Death Benefit Proceeds during the Grace Period***

If the Insured dies during the Grace Period, we will pay Death Benefit Proceeds to your Beneficiary. We will reduce the payment by any unpaid monthly charges and any Policy Debt.

***Reinstating a lapsed Policy***

If your Policy lapses, you have three years from the end of the Grace Period to apply for a reinstatement. We will consider your reinstatement request if you send us the following:

- a written application
- evidence satisfactory to us that the Insured is still insurable
- a Premium payment sufficient to:
  - cover all unpaid monthly charges and Policy loan interest that were due in the Grace Period, and
  - keep your Policy In Force for three months after the day your Policy is reinstated.

We will reinstate your Policy as of the first Monthly Payment Date on or after the day we approve the reinstatement. When we reinstate your Policy, its Accumulated Value will be the same as it was on the day your Policy lapsed. We will allocate the Accumulated Value according to your most recent premium allocation instructions.

At reinstatement:

- Surrender charges and Policy charges other than Cost of Insurance charges for Basic Life Coverage under this Policy will resume on their schedule as of the Monthly Payment Date when lapse occurred.
- Cost of Insurance Charges will be calculated using Cost of Insurance Rates that resume their original schedule as if lapse had never occurred, reflecting the Insured's Age at reinstatement and policy duration measured from the original Policy Date.

***Reinstating a lapsed Policy with Policy Debt***

If there was a Policy loan at the time of lapse, upon reinstatement we will eliminate the loan by deducting any Policy Debt from the Accumulated Value. Any negative Accumulated Value will be due in addition to sufficient premium at the time of reinstatement.

## YOUR INVESTMENT OPTIONS

This section tells you about the Investment Options available under your Policy and how they work.

We put your Net Premium in our General Account and Separate Account. We own the assets in our accounts and allocate your Net Premiums, less any charges, to the Investment Options you have chosen. Amounts allocated to any available Fixed Options or Indexed Fixed Options are held in our General Account. Amounts allocated to the Variable Investment Options are held in our Separate Account. You will find information about when we allocate Net Premiums to your Investment Options in **HOW PREMIUMS WORK**.

You choose your initial Investment Options on your application. If you choose more than one Investment Option, you must tell us the dollar amount or percentage you want to allocate to each Investment Option. You can change your premium allocation instructions at any time.

You can change your premium allocation instructions by writing or sending a fax. If we have your completed telephone and electronic authorization on file, you can call us at (800) 347-7787 or submit a request electronically. Or you can ask your life insurance producer to contact us. You will find more information regarding telephone and electronic instructions in **POLICY BASICS**.

The Investment Options you choose, and how they perform, will affect your Policy's Accumulated Value and may affect the Death Benefit. Please review the Investment Options carefully. You may ask your life insurance producer to help you choose the right ones for your goals and tolerance for risk. Any financial firm or representative you engage to provide advice and/or make transfers for you is not acting on our behalf. We are not responsible for any investment decisions or allocations you make, recommendations such financial representatives make or any allocations or specific transfers they choose to make on your behalf. Some broker-dealers may not allow or may limit the amount you may allocate to certain Investment Options. Work with your life insurance producer to help you choose the right Investment Options for your investment goals and risk tolerance. Make sure you understand any costs you may pay directly and indirectly on your Investment Options because they will affect the value of your Policy.

### Variable Investment Options

The following charts are summaries of the Fund portfolios. You will find detailed descriptions of the portfolios in each Fund prospectus. There's no guarantee that a portfolio will achieve its investment objective. You should read each Fund prospectus carefully before investing.

<b>AIM VARIABLE INSURANCE FUNDS (INVESCO VARIABLE INSURANCE FUNDS)</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Invesco V.I. International Growth Fund Series II</b>	Long-term growth of capital.	Invesco Advisers, Inc.
<b>AMERICAN CENTURY VARIABLE PORTFOLIOS, INC.</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>American Century VP Mid Cap Value Fund Class II</b>	Seeks long-term capital growth. Income is a secondary objective.	American Century Investment Management, Inc.
<b>AMERICAN FUNDS INSURANCE SERIES</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>American Funds IS Asset Allocation Fund Class 4</b>	Seeks to provide high total returns (including income and capital gains) consistent with preservation of capital over long term.	Capital Research and Management Company <sup>SM</sup>
<b>American Funds IS Growth Fund Class 4</b>	Seeks to provide growth of capital.	Capital Research and Management Company <sup>SM</sup>
<b>American Funds IS Growth-Income Fund Class 4</b>	Seeks to provide long-term growth of capital and income.	Capital Research and Management Company <sup>SM</sup>

<b>BLACKROCK VARIABLE SERIES FUNDS, INC.</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>BlackRock Basic Value V.I. Fund Class III</b>	Seeks capital appreciation and, secondarily, income.	BlackRock Advisors, LLC
<b>BlackRock Global Allocation V.I. Fund Class III</b>	Seeks high total investment return.	BlackRock Advisors, LLC
<b>BlackRock 60/40 Target Allocation ETF V.I. Fund Class I</b> (formerly called <i>BlackRock iShares<sup>®</sup> Dynamic Allocation V.I. Fund</i> )	Seeks to provide total return.	BlackRock Advisors, LLC

<b>DREYFUS VARIABLE INVESTMENT FUND*</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Dreyfus VIF Appreciation Portfolio Service Shares</b>	Seeks long-term capital growth consistent with the preservation of capital. Its secondary goal is current income.	The Dreyfus Corporation

\* On or about June 3, 2019, the fund will change its name to the BNY Mellon Variable Investment Fund. All references to the Dreyfus Variable Investment Fund in this Prospectus are replaced with BNY Mellon Variable Investment Fund after the name change.

<b>FIDELITY<sup>®</sup> VARIABLE INSURANCE PRODUCTS FUNDS</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Fidelity<sup>®</sup> VIP Contrafund<sup>®</sup> Portfolio Service Class 2</b>	Seeks long-term capital appreciation.	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Freedom 2010 Portfolio<sup>SM</sup> Service Class 2</b>	Seeks high total return. (Principal preservation as the fund approaches its target date and beyond is of secondary importance.)	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Freedom 2015 Portfolio<sup>SM</sup> Service Class 2</b>	Seeks high total return. (Principal preservation as the fund approaches its target date and beyond is of secondary importance.)	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Freedom 2020 Portfolio<sup>SM</sup> Service Class 2</b>	Seeks high total return. (Principal preservation as the fund approaches its target date and beyond is of secondary importance.)	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Freedom 2025 Portfolio<sup>SM</sup> Service Class 2</b>	Seeks high total return. (Principal preservation as the fund approaches its target date and beyond is of secondary importance.)	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Freedom 2030 Portfolio<sup>SM</sup> Service Class 2</b>	Seeks high total return. (Principal preservation as the fund approaches its target date and beyond is of secondary importance.)	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Freedom 2035 Portfolio<sup>SM</sup> Service Class 2</b>	Seeks high total return. (Principal preservation as the fund approaches its target date and beyond is of secondary importance.)	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Freedom 2045 Portfolio<sup>SM</sup> Service Class 2</b>	Seeks high total return. (Principal preservation as the fund approaches its target date and beyond is of secondary importance.)	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Freedom Income Portfolio<sup>SM</sup> Service Class 2</b>	Seeks high total return. (Principal preservation is of secondary importance.)	Fidelity Management & Research Co., Inc.
<b>Fidelity<sup>®</sup> VIP Government Money Market Portfolio Service Class</b>	Seeks as high a level of current income as is consistent with preservation of capital and liquidity.	Fidelity Management & Research Co., Inc.

<b>FIDELITY® VARIABLE INSURANCE PRODUCTS FUNDS</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Fidelity® VIP Growth Portfolio Service Class 2</b>	Seeks capital appreciation.	Fidelity Management & Research Co., Inc.
<b>Fidelity® VIP Mid Cap Portfolio Service Class 2</b>	Seeks long-term growth of capital.	Fidelity Management & Research Co., Inc.
<b>Fidelity® VIP Value Strategies Portfolio Service Class 2</b>	Seeks capital appreciation.	Fidelity Management & Research Co., Inc.

<b>FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Templeton Foreign VIP Fund Class 2</b>	Long-term capital growth.	Templeton Investment Counsel, LLC
<b>Templeton Global Bond VIP Fund Class 2</b>	High current income, consistent with preservation of capital, with capital appreciation as a secondary consideration.	Franklin Advisers, Inc.

<b>JANUS ASPEN SERIES</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Janus Henderson Enterprise Portfolio Service Shares</b>	Long-term growth of capital.	Janus Capital Management LLC
<b>Janus Henderson Overseas Portfolio Service Shares</b>	Long-term growth of capital.	Janus Capital Management LLC

<b>LAZARD RETIREMENT SERIES, INC.</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Lazard Retirement Global Dynamic Multi-Asset Portfolio Service Class</b>	Seeks total return.	Lazard Asset Management LLC
<b>Lazard Retirement International Equity Portfolio Service Class</b>	Seeks long-term capital appreciation.	Lazard Asset Management LLC
<b>Lazard Retirement US Equity Select Portfolio Service Class</b> <i>(formerly called Lazard Retirement US Strategic Equity Portfolio)</i>	Seeks long-term capital appreciation.	Lazard Asset Management LLC

<b>LEGG MASON PARTNERS VARIABLE EQUITY TRUST</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>ClearBridge Variable Aggressive Growth Portfolio – Class II</b>	Seeks capital appreciation.	Legg Mason Partners Fund Advisor, LLC
<b>ClearBridge Variable Mid Cap Portfolio – Class II</b>	Seeks long-term growth of capital.	Legg Mason Partners Fund Advisor, LLC

<b>LEGG MASON PARTNERS VARIABLE INCOME TRUST</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Western Asset Variable Global High Yield Bond Portfolio – Class II</b>	Seeks to maximize total return.	Legg Mason Partners Fund Advisor, LLC
<b>LORD ABBETT SERIES FUND, INC.</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Lord Abbett Bond Debenture Portfolio Class VC</b>	Seeks to deliver high current income and long-term growth of capital by investing primarily in a variety of fixed income securities and select equity-related securities.	Lord Abbett & Co. LLC
<b>Lord Abbett Developing Growth Portfolio Class VC</b>	Seeks to deliver long-term growth of capital by investing primarily in stocks of small U.S. companies.	Lord Abbett & Co. LLC
<b>Lord Abbett Fundamental Equity Portfolio Class VC</b>	Seeks to deliver long-term growth of capital by investing primarily in stocks of U.S. companies.	Lord Abbett & Co. LLC
<b>Lord Abbett Total Return Portfolio Class VC</b>	Seeks to deliver current income and the opportunity for capital appreciation by investing primarily in U.S. investment grade corporate, government, and mortgage- and asset-backed securities, with select allocations to high yield and foreign debt securities.	Lord Abbett & Co. LLC
<b>MFS VARIABLE INSURANCE TRUST</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>MFS<sup>®</sup> New Discovery Series – Service Class</b>	Seeks capital appreciation.	Massachusetts Financial Services Company
<b>MFS<sup>®</sup> Utilities Series – Service Class*</b>	Seeks total return.	Massachusetts Financial Services Company
<b>MFS<sup>®</sup> Value Series – Service Class</b>	Seeks capital appreciation.	Massachusetts Financial Services Company
* Issuers in the utilities industry include issuers engaged in the manufacture, production, generation, transmission, sale or distribution of electric, gas or other types of energy, and issuers engaged in telecommunications, including wireless, telephone, and cable (but not engaged in public broadcasting).		
<b>M FUND</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>M Capital Appreciation Fund</b>	Seeks to provide maximum capital appreciation.	Frontier Capital Management Company, LLC
<b>M International Equity Fund</b>	Seeks to provide long-term capital appreciation.	Dimensional Fund Advisors, LP
<b>M Large Cap Growth Fund</b>	Seeks to provide long-term capital appreciation.	DSM Capital Partners LLC
<b>M Large Cap Value Fund</b>	Seeks to provide long-term capital appreciation.	AJO, LP
<b>NEUBERGER BERMAN ADVISERS MANAGEMENT TRUST</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Neuberger Berman Sustainable Equity Portfolio Class I</b>	Seeks long-term growth of capital by investing primarily in securities of companies that meet the Fund's financial criteria and social policy.	Neuberger Berman Investment Advisers LLC

OPPENHEIMER VARIABLE INVESTMENT GOAL ACCOUNT FUNDS		PORTFOLIO MANAGER
<b>Oppenheimer Global Fund/VA Service Shares</b>	Seeks capital appreciation.	OFI Global Asset Management, Inc.
<b>Oppenheimer Main Street Small Cap Fund<sup>®</sup>/VA Non-Service Shares</b>	Seeks capital appreciation.	OFI Global Asset Management, Inc.
PACIFIC SELECT FUND INVESTMENT GOAL		MANAGER
<i>All Portfolios offered are Class I unless otherwise noted below.</i>		
<b>Comstock Portfolio</b>	Seeks long-term growth of capital.	Invesco Advisers, Inc.
<b>Core Income Portfolio</b>	Seeks a high level of current income; capital appreciation is of secondary importance.	Pacific Asset Management
<b>Currency Strategies Portfolio</b>	Seeks to provide total return.	UBS Asset Management (Americas) Inc. & Neuberger Berman Investment Advisers LLC
<b>PSF DFA Balanced Allocation Portfolio Class D</b>	Seeks long-term growth of capital and low to moderate income.	Pacific Life Fund Advisors LLC
<b>Diversified Alternatives Portfolio</b>	Seeks to provide total return.	Pacific Life Fund Advisors LLC
<b>Diversified Bond Portfolio</b>	Seeks to maximize total return consistent with prudent investment management.	Western Asset Management Company, LLC
<b>Dividend Growth Portfolio</b>	Seeks dividend income and long-term capital appreciation.	T. Rowe Price Associates, Inc.
<b>Emerging Markets Debt Portfolio</b>	Seeks to maximize total return consistent with prudent investment management.	Ashmore Investment Management Limited
<b>Emerging Markets Portfolio</b>	Seeks long-term growth of capital.	OppenheimerFunds, Inc.
<b>Equity Index Portfolio</b>	Seeks investment results that correspond to the total return of common stocks that are publicly traded in the U.S.	BlackRock Investment Management, LLC
<b>Equity Long/Short Portfolio</b>	Seeks capital appreciation.	AQR Capital Management, LLC
<b>Floating Rate Income Portfolio</b>	Seeks a high level of current income.	Pacific Asset Management
<b>Focused Growth Portfolio</b>	Seeks long-term growth of capital.	Janus Capital Management LLC
<b>Growth Portfolio</b>	Seeks long-term growth of capital.	MFS Investment Management
<b>Health Sciences Portfolio</b>	Seeks long-term growth of capital.	BlackRock Investment Management, LLC
<b>High Yield Bond Portfolio</b>	Seeks a high level of current income.	Pacific Asset Management
<b>Inflation Managed Portfolio</b>	Seeks to maximize total return consistent with prudent investment management.	Pacific Investment Management Company LLC
<b>Inflation Strategy Portfolio</b>	Seeks to maximize total return consistent with prudent investment management.	Barings LLC
<b>International Large-Cap Portfolio</b>	Seeks long-term growth of capital.	MFS Investment Management
<b>International Small-Cap Portfolio</b>	Seeks long-term growth of capital.	QS Investors, LLC



<b>PACIFIC SELECT FUND</b>	<b>INVESTMENT GOAL</b>	<b>MANAGER</b>
<b>International Value Portfolio</b>	Seeks long-term capital appreciation primarily through investment in equity securities of corporations domiciled in countries with developed economies and markets other than the U.S. Current income from dividends and interest will not be an important consideration.	Wellington Management Company LLP
<b>Large-Cap Growth Portfolio</b>	Seeks long-term growth of capital; current income is of secondary importance.	BlackRock Investment Management, LLC
<b>Large-Cap Value Portfolio</b>	Seeks long-term growth of capital; current income is of secondary importance.	ClearBridge Investments, LLC
<b>Main Street<sup>®</sup> Core Portfolio</b>	Seeks long-term growth of capital and income.	OppenheimerFunds, Inc.
<b>Managed Bond Portfolio</b>	Seeks to maximize total return consistent with prudent investment management.	Pacific Investment Management Company LLC
<b>Mid-Cap Equity Portfolio</b>	Seeks capital appreciation.	Scout Investments, Inc.
<b>Mid-Cap Growth Portfolio</b>	Seeks long-term growth of capital.	Ivy Investment Management Company
<b>Mid-Cap Value Portfolio</b>	Seeks long-term growth of capital.	Boston Partners Global Investors, Inc.
<b>Pacific Dynamix – Conservative Growth Portfolio</b>	Seeks current income and moderate growth of capital.	Pacific Life Fund Advisors LLC
<b>Pacific Dynamix – Growth Portfolio</b>	Seeks moderately high, long-term growth of capital with low, current income.	Pacific Life Fund Advisors LLC
<b>Pacific Dynamix – Moderate Growth Portfolio</b>	Seeks long-term growth of capital and low to moderate income.	Pacific Life Fund Advisors LLC
<b>Portfolio Optimization Aggressive-Growth Portfolio</b>	Seeks high, long-term capital appreciation.	Pacific Life Fund Advisors LLC
<b>Portfolio Optimization Conservative Portfolio</b>	Seeks current income and preservation of capital.	Pacific Life Fund Advisors LLC
<b>Portfolio Optimization Growth Portfolio</b>	Seeks moderately high, long-term capital appreciation with low, current income.	Pacific Life Fund Advisors LLC
<b>Portfolio Optimization Moderate Portfolio</b>	Seeks long-term growth of capital and low to moderate income.	Pacific Life Fund Advisors LLC
<b>Portfolio Optimization Moderate-Conservative Portfolio</b>	Seeks current income and moderate growth of capital.	Pacific Life Fund Advisors LLC
<b>Real Estate Portfolio</b>	Seeks current income and long-term capital appreciation.	Principal Real Estate Investors LLC
<b>Short Duration Bond Portfolio</b>	Seeks current income; capital appreciation is of secondary importance.	T. Rowe Price Associates, Inc.
<b>Small-Cap Equity Portfolio</b>	Seeks long-term growth of capital.	Franklin Advisory Services, LLC & BlackRock Investment Management, LLC
<b>Small-Cap Index Portfolio</b>	Seeks investment results that correspond to the total return of an index of small-capitalization companies.	BlackRock Investment Management, LLC
<b>Small-Cap Value Portfolio</b>	Seeks long-term growth of capital.	AllianceBernstein L.P.
<b>Technology Portfolio</b>	Seeks long-term growth of capital.	MFS Investment Management
<b>Value Advantage Portfolio</b>	Seeks to provide long-term total return from a combination of income and capital gains.	J.P. Morgan Investment Management Inc.

<b>PIMCO VARIABLE INSURANCE TRUST</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>PIMCO Global Multi-Asset Managed Allocation Portfolio – Advisor Class</b>	Seeks total return which exceeds that of a blend of 60% MSCI World Index/40% Bloomberg Barclays U.S. Aggregate Index.	Pacific Investment Management Company, LLC
<b>PIMCO Income Portfolio – Administrative Class</b>	Seeks to maximize current income. Long-term capital appreciation is a secondary objective.	Pacific Investment Management Company, LLC
<b>ROYCE CAPITAL FUND</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>Royce Micro-Cap Portfolio Service Class</b>	Long-term growth of capital.	Royce & Associates, LP
<b>STATE STREET VARIABLE INSURANCE SERIES FUNDS, INC.</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>State Street Total Return V.I.S. Fund Class 3</b>	Highest total return, composed of current income and capital appreciation, as is consistent with prudent investment risk.	SSGA Funds Management, Inc.
<b>T. ROWE PRICE EQUITY SERIES, INC.</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>T. Rowe Price Blue Chip Growth Portfolio – II</b>	Seeks to provide long-term capital growth. Income is a secondary objective.	T. Rowe Price Associates, Inc.
<b>T. Rowe Price Equity Income Portfolio – II</b>	Seeks a high level of dividend income and long-term capital growth primarily through investments in stocks.	T. Rowe Price Associates, Inc.
<b>VANECK VIP TRUST</b>	<b>INVESTMENT GOAL</b>	<b>PORTFOLIO MANAGER</b>
<b>VanEck VIP Global Hard Assets Fund Initial Class*</b>	Seeks long-term capital appreciation by investing primarily in hard asset securities. Income is a secondary consideration.	Van Eck Associates Corporation

\* Hard Assets include precious metals (including gold), base and industrial metals, energy, natural resources and other commodities. A hard assets company is a Company that derives directly or indirectly, at least 50% of its revenues from exploration, development, production, distribution or facilitation of processes relating to hard assets.

***The Investment Adviser***

American Century Investment Management, Inc. is the investment adviser of the American Century Variable Portfolios, Inc.

Capital Research and Management Company<sup>SM</sup> is the investment adviser of the American Funds Insurance Series.

BlackRock Advisors, LLC is the investment adviser for the BlackRock Variable Series Funds, Inc.

The Dreyfus Corporation is the investment adviser of the Dreyfus Variable Investment Fund. The Fund's sub-adviser is Fayez Sarofim & Co. *On or about June 3, 2019, the investment adviser, The Dreyfus Corporation, will change its name to BNY Mellon Investment Adviser, Inc. All references to The Dreyfus Corporation in this Prospectus are replaced with BNY Mellon Investment Adviser, Inc. after the name change.*

Fidelity Management & Research Co., Inc. is the investment adviser of the Fidelity<sup>®</sup> Variable Insurance Products Funds.

Franklin Advisers, Inc. is the investment adviser for the Templeton Global Bond VIP Fund portfolio. Templeton Investment Counsel, LLC is the investment adviser for the Templeton Foreign VIP Fund portfolio.

Invesco Advisers, Inc. is the investment adviser of the AIM Variable Insurance Funds (Invesco Variable Insurance Funds).

Janus Capital Management LLC is the investment adviser of the Janus Aspen Series.

Lazard Asset Management LLC is the investment manager of the Lazard Retirement Series, Inc.

Legg Mason Partners Fund Advisor, LLC is the investment manager of the Legg Mason Partners Variable Equity Trust and the Legg Mason Partners Variable Income Trust.

Lord, Abnett & Co. LLC is the investment adviser of the Lord Abnett Series Fund, Inc.

Massachusetts Financial Services Company is the investment adviser of the MFS Variable Insurance Trust.

M Financial Investment Advisers Inc. (“MFIA”) is the investment adviser to the M Funds, and has retained other firms to manage the M Fund portfolios. The MFIA and M Fund’s Board of Directors oversee the management of all of the M Fund portfolios.

Neuberger Berman Investment Advisers LLC is the investment manager of the Neuberger Berman Advisers Management Trust.

OFI Global Asset Management, Inc. is the investment adviser of the Oppenheimer Variable Account Funds. The Fund’s sub-adviser is OppenheimerFunds, Inc.

Pacific Investment Management Company, LLC is the investment adviser of the PIMCO Variable Insurance Trust.

Pacific Life Fund Advisors LLC (PLFA), a subsidiary of Pacific Life Insurance Company, is the investment adviser for the Pacific Select Fund. PLFA and the Pacific Select Fund’s Board of Trustees oversee the management of all the Pacific Select Fund’s Portfolios, and PLFA also manages certain portfolios directly. PLFA also does business under the name “Pacific Asset Management” and manages certain Pacific Select Fund Portfolios under that name.

Royce & Associates, LP is the investment adviser of the Royce Capital Fund.

SSGA Funds Management, Inc. is the investment adviser of the State Street Variable Insurance Series Funds, Inc.

T. Rowe Price Associates, Inc. is the investment manager of the T. Rowe Price Equity Series, Inc.

Van Eck Associates Corporation is the investment adviser of the VanEck VIP Trust.

We are not responsible for the operation of the underlying Funds or any of their portfolios. We also are not responsible for ensuring that the underlying Funds and their portfolios comply with any laws that apply.

### ***Calculating unit values***

When you choose a Variable Investment Option, we credit your Policy with *accumulation units*. The number of units we credit equals the amount we have allocated divided by the unit value of the Variable Account. Similarly, the number of accumulation units in your Policy will be reduced when you make a transfer, withdrawal or loan from a Variable Investment Option, and when your monthly charges are deducted.

#### **An example**

You ask us to allocate \$6,000 to the Inflation Managed Investment Option on a Business Day. At the end of that day, the unit value of the Variable Account is \$15. We will credit your Policy with 400 units (\$6,000 divided by \$15).

The value of an accumulation unit is the basis for all financial transactions relating to the Variable Investment Options. The value of an accumulation unit is not the same as the value of a share in the underlying portfolio. We calculate the unit value for each Variable Account once every Business Day, usually at or about 4:00 p.m. Eastern time.

Generally, for any transaction, we will use the next unit value calculated after we receive your Written Request. If we receive your Written Request before the time of the close of the New York Stock Exchange, which is usually 4:00 p.m. Eastern time, on a Business Day, we will use the unit value calculated as of the end of that Business Day. If we receive your request at or after the time of the close of the New York Stock Exchange on a Business Day, we will use the unit value calculated as of the end of the next Business Day.

If a scheduled transaction falls on a day that is not a Business Day, we will process it as of the end of the next Business Day. For your monthly charge, we will use the unit value calculated on your Monthly Payment Date. If your Monthly Payment Date does not fall on a Business Day, we will use the unit value calculated as of the end of the next Business Day. For information about timing of transactions, see **POLICY BASICS**.

The unit value calculation is based on the following:

- the investment performance of the underlying portfolio
- any dividends or distributions paid by the underlying portfolio
- any charges for any taxes that are, or may become, associated with the operation of the Variable Account.

The unit value of a Variable Account will change with the value of its corresponding portfolio. Changes in the unit value of a Variable Account will not change the number of accumulation units credited to your Policy. For unit values please go to [www.pacificlife.com](http://www.pacificlife.com).

### ***Fees and expenses paid by the Funds***

Each Fund pays advisory fees, any service and distribution (12b-1) fees, and other expenses. These fees and expenses are deducted from the assets of the Fund's portfolios and may vary from year to year. They are not fixed and are not part of the terms of your Policy. You will find more about Fund fees and expenses in **FEE TABLES** and in each Fund's prospectus. If you choose a Variable Investment Option, these fees and expenses affect you indirectly because they reduce portfolio returns. Each Fund is governed by its own Board of Trustees or Board of Directors.

### **Fixed Options**

You can also choose from two Fixed Options: the Fixed Account and the Fixed LT Account. The Fixed Options provide a guaranteed minimum annual rate of interest. The amounts allocated to the Fixed Options and the Indexed Fixed Options are held in our General Account. For more information about the General Account, see **ABOUT PACIFIC LIFE**.

Here are some things you need to know about the Fixed Options:

- Accumulated Value allocated to the Fixed Options earns interest on a daily basis, using a 365-day year. Our minimum annual interest rate is 2.00%.
- We may offer a higher annual interest rate on the Fixed Options. If we do, we will guarantee the higher rate until your next Policy Anniversary.
- There are no investment risks or direct charges. Policy charges still apply.
- There are limitations on when and how much you can transfer from the Fixed Options. These limitations are described below, in **YOUR INVESTMENT OPTIONS – Transferring Among Investment Options**. It may take several Policy Years to transfer your Accumulated Value out of either of the Fixed Options.
- We reserve the right to limit aggregate allocations to the Fixed Options during the most recent 12 months for all Pacific Life policies in which you have an ownership interest or to which payments are made by a single payor, to \$1,000,000. Any allocations in excess of these limits will be allocated to your other Investment Options according to your most recent instructions. We may increase the limits at any time at our sole discretion. To find out if higher limits are in effect, ask your life insurance producer or contact us.
- We have not registered the Fixed Options with the SEC. Disclosures regarding the Fixed Options, however, are subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in the prospectus.
- We may add, terminate, or suspend one or more of the Fixed Options at any time. We will notify you before any such changes occur.

### **Indexed Fixed Options**

***We have not registered the Indexed Fixed Options with the SEC. Disclosures regarding the Indexed Fixed Options, however, are subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in the prospectus.***

Pacific Life believes that the Policies are in substantial compliance with the applicable provisions of Section 989J(a)(1)-(3) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Indexed Fixed Options qualify for an exemption from registration under the federal securities laws because, as a Pacific Life General Account investment option, its value does not vary according to the performance of a separate account. In addition, the products in which the Indexed Fixed Options are offered satisfy standard non-forfeiture laws. Accordingly, the Company has a reasonable basis for concluding that the Indexed Fixed Options provide sufficient guarantees of principal and interest through the Company's General Account to qualify under Section 3(a)(8).

The Indexed Fixed Options are held in our General Account. Currently, there are two Indexed Fixed Options, the 1-Year Indexed Account and the 1-Year High Par Indexed Account.

**Here is a summary comparing both Indexed Fixed Options**

	<u>1-year Indexed Account</u>	<u>1-year High Par Indexed Account</u>
Index	S&P 500® Index	S&P 500® Index
Segment Term	1 year	1 year
Indexed Fixed Option Charge	0.025%/month	0.025%/month
Current Participation Rate	100%	150%
Cumulative Segment Guaranteed Interest Rate	1%	1%
Guaranteed Minimum Participation Rate	100%	140%
Guaranteed Minimum Growth Cap	3%	2%
Segment Guaranteed Interest Rate	1%	1%

Allocations to the Indexed Fixed Options are made first to the Fixed Account and transferred to the Indexed Fixed Options on the next Segment Start Date. If you surrender your Policy prior to segment maturity, you will forfeit any Segment Indexed Interest. We reserve the right to add additional Indexed Fixed Options or to cease offering one or more of the Indexed Fixed Options at any time. We will notify you of any change at your address on file with us.

You may also allocate all or part of your Net Premium and your Accumulated Value to the Indexed Fixed Options if certain conditions are met. Accumulated Value in the Indexed Fixed Options is divided into Segments. We create a separate Segment for each allocation to an Indexed Fixed Option. Allocations to the Indexed Fixed Options are made first to the Fixed Account and transferred from the Fixed Account to an Indexed Fixed Option on the next Segment Start Date (currently the 15th of each month). Each Segment represents Accumulated Value transferred from the Fixed Account to the Indexed Fixed Options on a Segment Start Date.

We credit interest on Accumulated Value in the Indexed Fixed Options in two ways. One way is that at the end of a one-year period (the Segment Maturity), we credit interest based in part on any positive change in the S&P 500<sup>®</sup> Index<sup>1</sup>, excluding dividends.<sup>2</sup> This positive change, however, is limited by the Growth Cap (as discussed below, the Growth Cap includes the Cumulative Segment Guaranteed Interest Rate). The other way, is that on each Business Day we credit interest on Accumulated Value in any Segment based on a minimum interest rate, 1% annually for both of the Indexed Fixed Options (the Cumulative Segment Guaranteed Interest Rate, as shown in the Policy Specifications). Generally, a portion of the total return on investments in the securities that underlie the S&P 500<sup>®</sup> are investment dividends. However, allocations to the 1-Year Indexed Account and 1-Year High Par Indexed Account will not receive the portion of total returns attributable to dividends, so that the index's performance will be less than that of the securities underlying the S&P 500<sup>®</sup> Index. We refer to the total interest we credit to a Segment as the Total Interest Credited.

**The following examples are not intended to serve as projections of future investment returns nor are they a reflection of how your Policy will actually perform.**

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<sup>2</sup> The Standard & Poor's 500<sup>®</sup> Index ("S&P 500<sup>®</sup>") is an unmanaged index that covers 500 industrial, utility, transportation, and financial companies of the U.S. markets.

***Below is a hypothetical example that shows how we currently credit interest to a Segment in the 1-Year Indexed Account.***

**Assumptions:**

- The segment Accumulated Value is \$10,000 at the start of the first segment.
- There are no deductions for Policy charges, including the annual 0.30% Indexed Fixed Option Charge (this assumes all charges are deducted from the Fixed Account and/or the Variable Accounts).
- The Growth Cap is 9% for all time periods. (This is a hypothetical Growth Cap for illustrative purposes only.)
- Accumulated Value is reallocated to a new Segment at Segment Maturity.

Segment	Year 1	Year 2	Year 3	Year 4	Year 5
Amount at Start of Segment	10,000.00	10,900.00	11,009.00	11,119.09	11,319.22
Average Segment Monthly Balance	10,000.00	10,900.00	11,009.00	11,119.09	11,319.22
Starting Index Value	1,000.00	1,200.00	1,050.00	1,058.40	1,077.45
Ending Index Value	1,200.00	1,050.00	1,058.40	1,077.45	1,148.56
Index Growth Rate <sup>1</sup>	20.00%	-12.50%	0.80%	1.80%	6.60%
Growth Cap	9%	9%	9%	9%	9%
Participation Rate	100%	100%	100%	100%	100%
Cumulative Segment Guaranteed Interest Rate	1%	1%	1%	1%	1%
Segment Guaranteed Interest	100.00	109.00	110.09	111.19	113.19
Segment Indexed Interest Rate	8.00%	0.00%	0.00%	0.80%	5.60%
Segment Indexed Interest	800.00	0.00	0.00	88.94	633.88
Total Interest Credited over Term	900.00	109.00	110.09	200.13	747.07
Segment Maturity Value	10,900.00	11,009.00	11,119.09	11,319.22	12,066.29
Total Return over Period	20.66%				
Annual Return over Period	3.83%				

***Below is a hypothetical example that shows how we currently credit interest to a Segment in the 1-Year High Par Indexed Account.***

**Assumptions:**

- The segment Accumulated Value is \$10,000 at the start of the first segment.
- There are no deductions for Policy charges, including the annual 0.30% Indexed Fixed Option Charge (this assumes all charges are deducted from the Fixed Account and/or the Variable Accounts).
- The Growth Cap is 8% for all time periods. (This is a hypothetical Growth Cap for illustrative purposes only.)
- Accumulated Value is reallocated to a new Segment at Segment Maturity.

Segment	Year 1	Year 2	Year 3	Year 4	Year 5
Amount at Start of Segment	10,000.00	10,800.00	10,908.00	11,038.90	11,336.93
Average Segment Monthly Balance	10,000.00	10,800.00	10,908.00	11,038.90	11,336.93
Starting Index Value	1,000.00	1,200.00	1,050.00	1,058.40	1,077.45
Ending Index Value	1,200.00	1,050.00	1,058.40	1,077.45	1,148.56
Index Growth Rate <sup>1</sup>	20.00%	-12.50%	0.80%	1.80%	6.60%
Growth Cap	8%	8%	8%	8%	8%
Participation Rate	150%	150%	150%	150%	150%
Cumulative Segment Guaranteed Interest Rate	1%	1%	1%	1%	1%
Segment Guaranteed Interest	100.00	108.00	109.08	110.39	113.37
Segment Indexed Interest Rate	7.00%	0.00%	0.20%	1.70%	7.00%
Segment Indexed Interest	700.00	0.00	21.82	187.64	793.58
Total Interest Credited over Term	800.00	108.00	130.90	298.03	906.95
Segment Maturity Value	10,800.00	10,908.00	11,038.90	11,336.93	12,243.88
Total Return over Period	22.44%				
Annual Return over Period	4.13%				

<sup>1</sup> The performance of the Index reflected in this example is not necessarily an indication or guarantee of how the Index will perform in the future.

***Below is a hypothetical example that shows how we credit interest to a Segment in the 1-Year Indexed Account on a guaranteed basis.***

Assumptions:

- The segment Accumulated Value is \$10,000 at the start of the first segment.
- There are no deductions for Policy charges, including the annual 0.30% Indexed Fixed Option Charge (this assumes all charges are deducted from the Fixed Account and/or the Variable Accounts).
- The Growth Cap is 3% for all time periods.
- Accumulated Value is reallocated to a new Segment at Segment Maturity.

Segment	Year 1	Year 2	Year 3	Year 4	Year 5
Amount at Start of Segment	10,000.00	10,300.00	10,403.00	10,507.03	10,696.14
Average Segment Monthly Balance	10,000.00	10,300.00	10,403.00	10,507.03	10,696.14
Starting Index Value	1,000.00	1,200.00	1,050.00	1,058.40	1,077.45
Ending Index Value	1,200.00	1,050.00	1,058.40	1,077.45	1,148.56
Index Growth Rate <sup>1</sup>	20.00%	-12.50%	0.80%	1.80%	6.60%
Growth Cap	3%	3%	3%	3%	3%
Participation Rate	100%	100%	100%	100%	100%
Cumulative Segment Guaranteed Interest Rate	1%	1%	1%	1%	1%
Segment Guaranteed Interest	100.00	103.00	104.03	105.07	106.96
Segment Indexed Interest Rate	2.00%	0.00%	0.00%	0.80%	2.00%
Segment Indexed Interest	200.00	0.00	0.00	84.04	213.92
Total Interest Credited over Term	300.00	103.00	104.03	189.11	320.88
Segment Maturity Value	10,300.00	10,403.00	10,507.03	10,696.14	11,017.03
Total Return over Period	10.17%				
Annual Return over Period	1.96%				

***Below is a hypothetical example that shows how we credit interest to a Segment in the 1-Year High Par Indexed Account on a guaranteed basis.***

Assumptions:

- The segment Accumulated Value is \$10,000 at the start of the first segment.
- There are no deductions for Policy charges, including the annual 0.30% Indexed Fixed Option Charge (this assumes all charges are deducted from the Fixed Account and/or the Variable Accounts).
- The Growth Cap is 2% for all time periods.
- Accumulated Value is reallocated to a new Segment at Segment Maturity.

Segment	Year 1	Year 2	Year 3	Year 4	Year 5
Amount at Start of Segment	10,000.00	10,200.00	10,302.00	10,417.38	10,625.73
Average Segment Monthly Balance	10,000.00	10,200.00	10,302.00	10,417.38	10,625.73
Starting Index Value	1,000.00	1,200.00	1,050.00	1,058.40	1,077.45
Ending Index Value	1,200.00	1,050.00	1,058.40	1,077.45	1,148.56
Index Growth Rate <sup>1</sup>	20.00%	-12.50%	0.80%	1.80%	6.60%
Growth Cap	2%	2%	2%	2%	2%
Participation Rate <sup>2</sup>	140%	140%	140%	140%	140%
Cumulative Segment Guaranteed Interest Rate	1%	1%	1%	1%	1%
Segment Guaranteed Interest	100.00	102.00	103.02	104.17	106.26
Segment Indexed Interest Rate	1.00%	0.00%	0.12%	1.00%	1.00%
Segment Indexed Interest	100.00	0.00	12.36	104.17	106.26
Total Interest Credited over Term	200.00	102.00	115.38	208.35	212.51
Segment Maturity Value	10,200.00	10,302.00	10,417.38	10,625.73	10,838.24
Total Return over Period	8.38%				
Annual Return over Period	1.62%				

<sup>1</sup> The performance of the Index reflected in this example is not necessarily an indication or guarantee of how the Index will perform in the future.

<sup>2</sup> The guaranteed minimum Participation Rate will never be lower than 140%.



Segment Indexed Interest is subject to a Growth Cap, which is the highest percentage that will be credited for a one-year period even if the change in the S&P 500<sup>®</sup> Index is higher. The Growth Cap is subject to change at our discretion, but the Growth Cap percentage is guaranteed never to be lower than 3% for the 1-Year Indexed Account and 2% for the 1-Year High Par Indexed Account. We will declare any change in the current Growth Cap at the start of a Segment Term; the current Growth Cap will remain in effect for that Segment Term. You should contact us or your life insurance producer for information on the current Growth Cap. The guaranteed minimum Participation Rate is 100% for the 1-Year Indexed Account and 140% for the 1-Year High Par Indexed Account.

Here is how it works.

- **Segment Creation.** A new Segment is created when there is a transfer to the Indexed Fixed Options. The Segment continues until the end of the Segment Term.
- **Segment Value Change.** The Segment is credited with the Segment Guaranteed Interest and is reduced by Segment Deductions (discussed below).
- **Segment Deductions.** Over the Segment Term, money may be transferred from the Segments for the Policy's Monthly Deductions, for withdrawals and for policy loans.
- **Segment Indexed Interest.** Based in part on any positive change of the Index, additional interest may be credited to the Segment at the end of the Segment Term. It is possible, however, that Segment Indexed Interest will not be greater than zero.
- **Segment Maturity.** At the end of a Segment Term, the Segment Maturity Value is transferred to a new Segment or to the Fixed Options, based on your instructions.

### **Important Considerations:**

- Net Premiums and Accumulated Value are not directly deposited in or allocated to the Indexed Fixed Options. Such amounts are first allocated or transferred to the Fixed Account. On a Segment Start Date, we then transfer such Net Premiums and Accumulated Value to the Indexed Fixed Options.
- All Segment Start Dates currently begin on the 15th of a month. Each Segment Start Date has a Cutoff Date. To begin a Segment on a particular Segment Start Date, we must receive your instructions by the Cutoff Date for that Segment Start Date.
- You can only allocate all or a portion of your Net Premiums or transfer Accumulated Value to the Indexed Fixed Options if your Policy is not in a Lockout Period (discussed below). However, the Lockout Period will not affect any maturing Segments. Accumulated Value in a Segment that matures during the Lockout Period will be reallocated to a new segment, or to the Fixed Account per your instructions.
- We assess a charge on Accumulated Value in the Indexed Fixed Options.
- We first deduct all Monthly Deductions, loans, and withdrawals from Accumulated Value in the Fixed Accounts and Variable Accounts. We then deduct amounts in excess of Accumulated Value in the Fixed Accounts and Variable Accounts from the Indexed Fixed Options.
- There is no guarantee that Segment Indexed Interest will be greater than zero at Segment Maturity. However, we credit Segment Guaranteed Interest daily to Accumulated Value in the Indexed Fixed Options.
- The total interest crediting rate that is applied to each Segment will never exceed the Growth Cap, and will never be less than the 1% Segment Guaranteed Interest rate.
- You cannot transfer Accumulated Value from an Indexed Fixed Option until Segment Maturity.
- At Segment Maturity, we will automatically invest Segment Maturity Value into a new Segment unless you tell us otherwise by the Cutoff Date.
- We may eliminate or substitute the Index if the Index we are currently using is no longer published, if the licensing agreement for a particular Index expires, or if the cost of providing the investment on the Index becomes too high.
- Changing the Index will not affect the guarantees for the Indexed Fixed Options.
- We will notify you if we replace the Index.
- We will select a replacement Index in our sole discretion, based on the availability of the Index and our ability to purchase the necessary underlying securities.

The way we calculate interest on Accumulated Value allocated to the Indexed Fixed Options is different from the way Accumulated Value allocated to a Variable Account, such as the Equity Index Variable Account, is calculated. The Equity Index Variable Account invests in the Pacific Select Fund Equity Index Portfolio, whose investment strategy is to invest at least 80% of its assets in equity securities of companies that are included in the S&P 500<sup>®</sup> Index. Accumulated Value allocated to the Equity Index Variable Account

is valued daily based on the net asset value of the underlying Equity Index Fund. The Equity Index Variable Account reflects the change in the underlying Equity Index Fund's net asset value.

Conversely, the Indexed Fixed Options are part of Pacific Life's General Account. Investment of General Account assets is at Pacific Life's sole discretion, subject to applicable law and regulation. The Segment Indexed Interest credited to Segments of the Indexed Fixed Options is based in part on any positive change in the S&P 500<sup>®</sup> Index (without dividends). It is a one-year point-to-point interest crediting strategy that will credit interest based on the one-year performance of the S&P 500<sup>®</sup> (without dividends) between two points in time, with a Segment Guaranteed Interest Rate and Growth Cap, as described above. The Segment Guaranteed Interest credited to Segments is based on a predetermined annual interest rate that does not fluctuate during a Segment Term.

***Segment Creation:***

- Segments can be funded by:
  - a. premium payments
  - b. transfers from the Fixed Account
  - c. reallocated amounts from prior Segments following Segment Maturity.
- A new Segment is created when amounts are transferred from the Fixed Account to an Indexed Fixed Option.
- Accumulated Value held in the Fixed Account will earn interest at the Fixed Account rate until it is transferred.

In order for us to create a Segment on a particular Segment Start Date, we must receive your instructions by the Cutoff Date for that Segment Start Date. It is important to remember the Accumulated Value we transfer from the Fixed Account at the Segment Start Date may be less than your Designated Amount if we deducted Policy charges, or if you took a withdrawal or loan, from the Fixed Account before the Segment Start Date.

Once a Segment is created, you may not transfer Accumulated Value out of that Segment to any other Investment Option before the end of the Segment Term.

Allocations to the Indexed Fixed Options will first be made to the Fixed Account and transferred to the Indexed Fixed Options on the next Segment Start Date. The value in the Indexed Fixed Options may come from several sources:

- Net Premiums or loan repayments that you have instructed us to transfer to the Indexed Fixed Option;
- Transfers you request from the Fixed Account;
- Transfers from the Variable Accounts and Fixed LT Account, which can be made to the Fixed Account under policy Transfer guidelines, and then transferred from the Fixed Account into the Indexed Fixed Options.

Any persistency credits or loan interest credits earned on Accumulated Value will not be allocated into the Indexed Fixed Options.

Transfers from the Fixed Account to an Indexed Fixed Option may not be made during the Lockout Period.

Each Segment has its own Growth Cap and Participation Rate. The Growth Cap and Participation Rate for a Segment are those in effect on the Segment Start Date. The Growth Cap and Participation Rate in effect as of the Policy Date are shown in the Policy Specifications. We will notify you in the Annual Report or other written notice if they change.

We reserve the right to change the Segment Start Dates and to limit transfers into the Indexed Fixed Options, but in any event you will be allowed to make transfers at least once per calendar quarter. We will notify you in the Annual Report or other written notice if we change the Segment Start Dates.

There are two ways to make transfers to the Indexed Fixed Options:

- Payment and Reallocation Instructions;
- Transfers by Written Request

Transfers to the Indexed Fixed Options will be based on your latest instructions on file with us. There are two types of instructions for transfers to the Indexed Fixed Options.

1. **Payment Instructions:** are your instructions to us to transfer a portion of a Net Premium or Loan Repayment to an Indexed Fixed Option. The portion of the Net Premium or Loan repayment that you designated will be deposited into the Fixed Account on the day it is received and will remain there until the next Segment Start Date, assuming we received your instructions by the Cutoff Date for that Segment Start Date. The Fixed Account will earn interest and be assessed Policy charges during this period. On the Segment Start Date, we will transfer the lesser of the amount of Net Premium or Loan Repayment you designated for transfer, or the value of the Fixed Account. If you did not give us instructions by the Cutoff Date or if your Policy is in a Lockout Period, we will not make the transfer to the Indexed Fixed Option.

An example:

We receive and apply a premium payment of \$10,000 on January 2, which corresponds to a Net Premium of \$9,375 after deduction of a \$625 maximum premium load. Based upon your payment instructions, 100% of the Net Premium is applied to the Indexed Fixed Option and the Designated Amount = \$9,375.

On January 2, the Designated Amount is applied to the Fixed Account and the Fixed Account balance is \$9,375. The Policy earns interest and charges are deducted, and on January 15 (the Segment Start Date), the Fixed Account balance is equal to \$9,300.

On January 15, the Segment Start Date, the Fixed Account balance is \$9,300, which is less than the Designated Amount. This amount will be transferred to the Indexed Fixed Option and the Fixed Account balance will be zero.

Another example:

Using the same examples as above, but assuming that the Fixed Account Value is \$9,500 on the Segment Start Date:

On January 15, the Segment Start Date, the Designated Amount of \$9,375 will be transferred to the Indexed Fixed Option. The Fixed Account value will be \$125.

2. **Reallocation Instructions:** are your instructions to us to reallocate the Segment Maturity Value to the Indexed Fixed Options at the end of a Segment Term or the Fixed Options. If you did not give us instructions, the Segment Maturity Value automatically will be reallocated to the same Indexed Fixed Option to create a new Segment. Transfer of the Segment Maturity Value from the Fixed Account to other Investment Options must be made in compliance with your Policy's transfer restrictions. Transfer restrictions in effect may increase the amount of time required to transfer your Indexed Accumulated Value from the Indexed Fixed Options. See *Transferring Among Investment Options and Market-timing Restrictions*.

You may also make transfers to the Indexed Fixed Options by Written Request. We must receive your request before the Cutoff Date. When we receive your Written Request, we will make the allocation first to the Fixed Account and then transfer it to the Indexed Fixed Options on the next Segment Start Date. If you want to transfer Accumulated Value from other Investment Options into the Indexed Fixed Options, your Accumulated Value will first be transferred from the Investment Options to the Fixed Account, according to the Transfer provisions in your Policy, and then transferred from the Fixed Account to the Indexed Fixed Options. See *Transferring Among Investment Options and Market-timing Restrictions*.

Any reallocation of Segment Maturity Value from the Indexed Fixed Options to the Fixed Options will occur before any other transfer.

#### ***Segment Value Changes:***

We credit interest daily to each Segment from the Segment Date to Segment Maturity at an annual rate equal to the Segment Guaranteed Interest Rate shown in your Policy Specifications.

Deductions from your Policy's Accumulated Value for Monthly Deductions, policy loans and withdrawals are taken first from the Policy's Fixed Accumulated Value and Variable Accumulated Value. If there is no Fixed Accumulated Value or Variable Accumulated Value, we will take deductions from the Indexed Accumulated Value. Deductions are first taken from the 1-Year Indexed Account, and then from the 1-Year High Par Indexed Account. Deductions are made for all Segments within each Indexed Fixed Option proportionate to Segment Value. For each Segment, deductions are taken first from the Segment monthly balance (defined below under *Segment Maturity*) and then from the Segment Guaranteed Interest. If a withdrawal or loan is taken from the Policy that results in a deduction from the Indexed Fixed Options, and the withdrawal or loan is not taken pursuant to a Systematic Distribution Program, then a Lockout Period will begin. During the Lockout Period you may not allocate all or a portion of a Net Premium, loan repayments or otherwise transfer Accumulated Value from the Fixed Account into the Indexed Fixed Options. Segment reallocations for any maturing Segment will be made according to your reallocation instructions.

Deductions from the Indexed Accumulated Value may be taken for monthly Policy charges, withdrawals or loans. **Segment Indexed Interest will be credited to the Segment and is equal to the Segment Indexed Interest Rate multiplied by the average of all Segment Monthly Balances over the entire Segment Term.** This means that a proportionate Segment Indexed Interest will be applied to all amounts that are deducted from the Indexed Fixed Options over the Segment Term.

**Here is an example of how a deduction from the Policy affects Segment Indexed Interest.**

- We create the Segment on January 15 with a \$1,000 allocation.
- You have not taken a loan, and we have not deducted Policy charges from the Segment.
- On July 15, you take a single withdrawal (or Policy loan) of \$300 from the Segment.
- At the end of the Segment Term, the Index Growth Rate and corresponding Segment Indexed Interest Rate are 8%.

<u>End of Segment Month</u>	<u>Segment Monthly Balance</u>
February 14	\$1,000
March 14	\$1,000
April 14	\$1,000
May 14	\$1,000
June 14	\$1,000
July 14	\$1,000
August 14	\$700
September 14	\$700
October 14	\$700
November 14	\$700
December 14	\$700
January 14 (of the following year)	\$700

The average monthly Segment Balance is \$850 (6 months × \$1,000 + 6 months × \$700, divided by 12).

The Segment Indexed Interest credited at Segment Maturity is \$68 ( $\$850 \times 8\% = \$68.00$ ). Upon Segment Maturity, the final Segment Accumulated Value is \$768 (the \$700 remaining Segment Balance plus the \$68 Segment Indexed Interest).

**How surrenders affect Segment Indexed Interest**

Using the example above, if you surrender the Policy on July 15<sup>th</sup> instead of taking a withdrawal, you will forfeit the Segment Indexed Interest we would otherwise have credited, and the \$1,000 Accumulated Value in the Segment is included in the Policy's Net Cash Surrender Value.

**Segment Maturity:**

We calculate Segment Indexed Interest, if any, and credit it to the Segment at Segment Maturity. We will never credit negative interest to the Indexed Fixed Options. The Segment ends at Segment Maturity and we allocate the Segment Maturity Value to the Investment Options according to your reallocation instructions on file with us. If you have not given us reallocation instructions, we will reallocate the Segment Maturity Value to a new Segment in the Indexed Fixed Options. Reallocation to a new Segment will be subject to the Growth Cap and Segment Indexed Interest Rate then in effect. However, if the Segment Maturity Value consists only of the Segment Guaranteed Interest and the Segment Indexed Interest, we will transfer such value into the Fixed Account.

The Segment Indexed Interest is the average of all Segment monthly balances over the entire Segment Term multiplied by the Segment Indexed Interest Rate.

The Segment monthly balance is, as of the end of any Segment Month, the amount initially transferred to the Segment minus all Segment Deductions, excluding any interest that may have been credited to the Segment. We calculate the Segment monthly balance as of the end of each Segment Month, and average these amounts for determining the Segment Indexed Interest.

The Segment Indexed Interest Rate reflects the Index Growth Rate, and is equal to [the lesser of (a × b) and c] – d, such result being not less than zero, where:

a = Index Growth Rate;

b = Participation Rate (currently 100% for the 1-Year Indexed Account and 150% for the 1-Year High Par Indexed Account and guaranteed to be not less than 100% for the 1-Year Indexed Account and 140% for the 1-Year High Par Indexed Account);

c = Growth Cap (Will not be less than 3% for the 1-Year Indexed Account and 2% for the 1-Year High Par Indexed Account); and

d = Cumulative Segment Guaranteed Interest Rate (1%).

## Transferring Among Investment Options and Market-timing Restrictions

### Transfers

You can transfer among your Investment Options any time during the life of your Policy without triggering any current income tax. If your state requires us to refund your premiums when you exercise your Free Look Right, you can make transfers and use transfer programs only after the Free Look Transfer Date. Your transfer of Accumulated Value on the Free Look Transfer Date does not count as a transfer for purpose of applying the limitations described in this section. You can make transfers by writing to us, by making a telephone or electronic transfer, or by signing up for one of our automatic transfer services. You will find more information about making telephone and electronic transfers in **POLICY BASICS**.

Transfers will normally be effective as of the end of the Business Day we receive your written, telephone or electronic request.

Here are some things you need to know about making transfers:

- Transfers are limited to 25 for each calendar year.
- If you have used all 25 transfers available to you in a calendar year, you may no longer make transfers between the Investment Options until the start of the next calendar year. However, you may make 1 transfer of all or a portion of your Policy's Accumulated Value remaining in the Variable Investment Options into the Fidelity® VIP Government Money Market Variable Account prior to the start of the next calendar year.
- You may only make 2 transfers in any calendar month to or from each of the following Investment Options:

American Funds IS Asset Allocation Fund Class 4	Fidelity® VIP Freedom 2015 Service Class 2	Fidelity® VIP Freedom 2045 Service Class 2	T. Rowe Price Blue Chip Growth Portfolio – II
American Funds IS Growth Fund Class 4	Fidelity® VIP Freedom 2020 Service Class 2	Fidelity® VIP Freedom Income Service Class 2	T. Rowe Price Equity Income Portfolio – II
American Funds IS Growth-Income Fund Class 4	Fidelity® VIP Freedom 2025 Service Class 2	Fidelity® VIP Growth Service Class 2	
Fidelity® VIP Contrafund Service Class 2	Fidelity® VIP Freedom 2030 Service Class 2	Fidelity® VIP Mid Cap Service Class 2	
Fidelity® VIP Freedom 2010 Service Class 2	Fidelity® VIP Freedom 2035 Service Class 2	Fidelity® VIP Value Strategies Service Class 2	

*For example*, if you transfer from the American Funds IS Asset Allocation Fund Class 4 to the American Funds IS Growth Fund Class 4, that counts as one transfer for each Investment Option. Only one more transfer involving those two Investment Options can occur during the calendar month. If you later transfer from the Fidelity VIP Value Strategies Service Class 2 to the American Funds IS Asset Allocation Fund Class 4, that would be the second transfer in the calendar month involving the American Funds IS Asset Allocation Fund Class 4 and that Investment Option is no longer available for the remainder of the calendar month. All other Investment Options listed above would still be available to transfer into or out of for the remainder of the calendar month.

- Additionally, only 2 transfers in any calendar month may involve any of the following Investment Options:

BlackRock Global Allocation V.I. Fund Class III	Lazard Retirement International Equity Portfolio Service Class	Templeton Foreign VIP Fund Class 2	Western Asset Variable Global High Yield Bond Portfolio Class II
Invesco V.I. International Growth Fund Series II	Oppenheimer Global Fund/VA Service Shares	Templeton Global Bond VIP Fund Class 2	
Janus Henderson Overseas Portfolio Service Class	PIMCO Global Multi-Asset Managed Allocation Portfolio - Advisor Class	VanEck VIP Global Hard Assets Fund Initial Class	
Lazard Retirement Global Dynamic Multi-Asset Portfolio Service Class	State Street Total Return V.I.S. Fund Class 3	Variable Account I (M International Equity Fund)	

*For example*, if you transfer from the BlackRock Global Allocation V.I. Fund Class III to the Invesco V.I. International Growth Fund Series II, that counts as one transfer for the calendar month. If you later transfer from the Templeton Foreign VIP Fund Class 2 to the Templeton Global Bond VIP Fund Class 2, that would be the second transfer for the calendar month and no more transfers will be allowed for any of the Investment Options listed above for the remainder of the calendar month.

- For the purpose of applying the limitations, multiple transfers that occur on the same day are considered 1 transfer. Transfers into the Loan Account, a transfer of Accumulated Value from the Loan Account into your Investment Options following a loan payment, or transfers that occur as a result of the dollar cost averaging service, the portfolio rebalancing service, approved

corporate owned life insurance policy rebalancing programs, the first year transfer service or an approved asset allocation service are excluded from the transfer limitations. Also, allocations of premium payments are not subject to these limitations.

- Transfers to or from a Variable Investment Option cannot be made before the seventh calendar day following the last transfer to or from the same Variable Investment Option. If the seventh calendar day is not a Business Day, then a transfer may not occur until the next Business Day. The day of the last transfer is not considered a calendar day for purposes of meeting this requirement. For example, if you make a transfer into the Equity Index Variable Investment Option on Monday, you may not make any transfers to or from that Variable Investment Option before the following Monday. Transfers to or from the Fidelity® VIP Government Money Market Variable Account are excluded from this limitation.
- Only one transfer into the Fixed LT account is allowed during the Policy Year any 12 month period. There is no limit on the number of transfers into the Fixed Account other than the restriction that the total number of transfers cannot exceed 25 in a policy year. Transfers to the Fixed Options may be limited (see **YOUR INVESTMENT OPTIONS – Fixed Options**).
- You can make one transfer in any 12-month period from each Fixed Option, except if you have signed up for the first year transfer service (see **YOUR INVESTMENT OPTIONS – Transfer Services** later in this section). Such transfers are limited to the greater of:
  - \$5,000, 25% of your Policy’s Accumulated Value in the Fixed Account, or the amount transferred from the Fixed Account to the Variable Accounts in the prior year. You may transfer 100% of the value in the Fixed Account to the Fixed LT Account.
  - \$5,000, 10% of your Policy’s Accumulated Value in the Fixed LT Account, or the amount transferred from the Fixed LT Account to the Variable Accounts or Fixed Account in the prior year.
- We reserve the right, in our sole discretion, to waive the transfer restrictions on the Fixed Options. Please contact us or your life insurance producer to find out if a waiver is currently in effect.
- If you request a transfer to the Indexed Fixed Options, we will make the transfer first to the Fixed Account and then to the Indexed Fixed Options on the next Segment Start Date.
- Currently, there is no charge for making a transfer but we may charge you in the future. The maximum fee we will charge for a transfer is \$25 per transfer in excess of 12 per Policy Year.
- There is no minimum required value for the Investment Option you are transferring to or from.
- There is no minimum amount required if you are making transfers between Variable Investment Options.
- You cannot make a transfer if your Policy is in the Grace Period and is in danger of lapsing.
- We can restrict or suspend transfers.
- We will notify you or your representative if we refuse or delay your transfer request.
- We have the right to impose limits on transfer amounts, the value of the Investment Options you are transferring to or from, or impose further limits on the number and frequency of transfers you can make. Any policy we establish with regard to the exercise of any of these rights will be applied uniformly to all Policy Owners.

There are no exceptions to the above transfer limitations in the absence of an error by us, a substitution of Investment Options, or reorganization of underlying portfolios or other extraordinary circumstances.

We do not count the transfer from the Fixed Account to an Indexed Fixed Option towards the number of transfers you may make in Policy Year. Further, we do not count such transfer towards the number of transfers you may make in a Policy Year without a transfer fee.

You may not transfer from an Indexed Fixed Option until Segment Maturity. In addition, you may not allocate all or a portion of a Net Premium or Accumulated Value to the Indexed Fixed Option if your Policy is in a Lockout Period.

Any amounts transferred from the Indexed Fixed Option to the Fixed Account or any of the Variable Options at Segment Maturity will be subject to applicable transfer restrictions following the transfer. However, if the request is for a transfer from the Indexed Fixed Option to any of the Variable Options, the transfer from the Indexed Fixed Option to the Fixed Account required before the transfer to the Variable Options will not be counted against the Fixed Account transfer restrictions.

When index segments mature, these funds cannot be transferred directly into the Variable Options. To move funds to the Variable Options, set up the Index Maturity Instructions to the Fixed Account. Upon segment maturity, the proceeds will be automatically deposited in the Fixed Account. This will not count against the allowed number of transactions for the year.

#### ***Market-timing restrictions***

The Policy is not designed to serve as a vehicle for frequent trading in response to short-term fluctuations in the market. Accordingly, organizations or individuals that use market-timing investment strategies and make frequent transfers should not purchase the Policy.

Such frequent trading can disrupt management of the underlying portfolios and raise expenses. The transfer limitations set forth above are intended to reduce frequent trading. In addition, we monitor certain large transaction activity in an attempt to detect trading that may be disruptive to the portfolios. In the event transfer activity is found to be disruptive, certain future subsequent transfers by such Policy Owners, or by a life insurance producer or other party acting on behalf of one or more Policy Owners, will require preclearance. Frequent trading and large transactions that are disruptive to portfolio management can have an adverse effect on portfolio performance and therefore your Policy's performance. Such trading may also cause dilution in the value of the Investment Options held by long-term Policy Owners. While these issues can occur in connection with any of the underlying portfolios, portfolios holding securities that are subject to market pricing inefficiencies are more susceptible to abuse. For example, portfolios holding international securities may be more susceptible to time-zone arbitrage which seeks to take advantage of pricing discrepancies occurring between the time of the closing of the market on which the security is traded and the time of pricing of the portfolios.

Our policies and procedures which limit the number and frequency of transfers and which may impose preclearance requirements on certain large transactions are applied uniformly to all Policy Owners, subject to the transfer restrictions outlined above. However, there is a risk that these policies and procedures will not detect all potentially disruptive activity or will otherwise prove ineffective in whole or in part. Further, we and our affiliates make available to our variable life insurance policy owners and variable annuity contract owners underlying Funds not affiliated with us. We are unable to monitor or restrict the trading activity with respect to shares of such Funds not sold in connection with our contracts. In the event the Board of Trustees/Directors of any underlying Fund imposes a redemption fee or trading (transfers) limitations, we will pass them on to you.

We reserve the right to restrict, in our sole discretion and without prior notice, transfers initiated by a market timing organization or individual or other party authorized to give transfer instructions on behalf of multiple Policy Owners. Such restrictions could include:

- not accepting transfer instructions from a representative acting on behalf of more than one Policy Owner, and
- not accepting preauthorized transfer forms from market timers or other entities acting on behalf of more than one Policy Owner at a time.

We further reserve the right to impose, without prior notice, restrictions on transfers that we determine, in our sole discretion, will disadvantage or potentially hurt the rights or interests of other policy owners.

## **Transfer Services**

We offer several services that allow you to make transfers of Accumulated Value or interest earnings from one Investment Option to another. Under the dollar cost averaging and portfolio rebalancing services, you can transfer among the Variable Investment Options. Under the first year transfer service, you can make transfers from the Fixed Account to the Fixed LT Account and the Variable Investment Options. Under the Fixed Option interest sweep service, you can transfer interest earnings from the Fixed Account or Fixed LT Account to the Variable Investment Options. Under the Scheduled Indexed Transfer Program, you can schedule transfers from the Fixed Account to the Indexed Fixed Options.

We may restrict the number of transfer services in which you can participate at any time. We have the right to discontinue, modify or suspend any of these transfer services at any time.

Detailed information regarding each transfer service appears in the SAI.

### ***Dollar cost averaging***

Our dollar cost averaging service allows you to make scheduled transfers of \$50 or more between Variable Investment Options. It does not allow you to make transfers to or from either of the Fixed Options or the Indexed Fixed Options. We process transfers as of the end of the Business Day on your Policy's monthly, quarterly, semi-annual or annual anniversary, depending on the interval you choose. You must have at least \$5,000 in a Variable Investment Option to start the service.

Since the value of accumulation units can change, more units are credited for a scheduled transfer when unit values are lower, and fewer units when unit values are higher. This allows you to average the cost of investments over time. By making allocations on a regularly scheduled basis, instead of on a lump sum basis, you may reduce exposure to market volatility. Investing this way does not guarantee profits or prevent losses.

We will not charge you for the dollar cost averaging service or for transfers made under this service, even if we decide to charge you in the future for transfers outside of the service, except if we have to by law.

### ***Portfolio rebalancing***

As the value of the underlying portfolios changes, the value of the allocations to the Variable Investment Options will also change. The portfolio rebalancing service automatically transfers your Policy's Accumulated Value among the Variable Investment Options according to your original percentage allocations. We process transfers as of the end of the Business Day on your Policy's next quarterly, semi-annual or annual anniversary, depending on the interval you choose, unless you specify a different start date.

Because the portfolio rebalancing service matches your original percentage allocations, we may transfer money from an Investment Option with relatively higher returns to one with relatively lower returns.

We do not charge for the portfolio rebalancing service and we do not currently charge for transfers made under this service. If imposed, transfer fees could be substantial if total transfers scheduled under this service plus any unscheduled transfers you request exceed any applicable minimum guarantee of free transfers per Policy Year.

If at any time you move all or any portion of your Policy's Accumulated Value out of the Investment Options you selected at the time you enrolled in the portfolio rebalancing service, your enrollment will be cancelled. Once the portfolio rebalancing service is cancelled, you must wait 30 days before you can re-enroll.

***First year transfer***

Our first year transfer service allows you to make transfers from the Fixed Account to the Variable Investment Options or the Fixed LT Account during the Policy's first year. It does not allow you to transfer among Variable Investment Options. You enroll in the service when you apply for your Policy using the New Business Variable Life Optional Services form.

This service allows you to average the cost of investments over the first 12 months from the date your initial premium is applied to your Policy. Investing this way does not guarantee profits or prevent losses.

We do not charge for the first year transfer service and we do not currently charge for transfers made under this service. If imposed, transfer fees could be substantial if total transfers scheduled under this service plus any unscheduled transfers you request exceed any applicable minimum guarantee of free transfers per Policy Year.

***Fixed Option interest sweep***

The Fixed Option interest sweep service allows you to make scheduled transfers of the accumulated interest earnings from your Fixed Account or Fixed LT Account to the Variable Investment Options. At the time you complete the election form for the Fixed Option interest sweep service, you will select either the Fixed Account or the Fixed LT Account as the account from which you want to transfer interest earnings. You will also select the Variable Investment Options to which you wish to transfer the interest earnings. Interest earnings subject to transfer under the Fixed Option interest sweep service will begin to accrue on the Policy's first monthly anniversary following your enrollment in the service. Each transfer must be at least \$50. If the fixed account option you selected on the election form does not have interest earnings of at least \$50, the transfer will be held until the next scheduled transfer date when the interest earnings are at least \$50. Amounts transferred under the Fixed Option interest sweep service do not count against the Fixed Option transfer limitations or Investment Option transfer restrictions.

We do not charge for the Fixed Option interest sweep service and we do not currently charge for transfers made under this service. If imposed, transfer fees could be substantial if total transfers scheduled under this service plus any unscheduled transfers you request exceed any applicable minimum guarantee of free transfers per Policy Year.

***Scheduled Indexed Transfer program***

Our Scheduled Indexed Transfer program (SIT) allows you to make scheduled transfers from the Fixed Account to the available Indexed Fixed Options. When you complete the form for the SIT, you must specify one of the two available methods to make the allocation: the Specified Amount method or the Period Depletion method.

If you select the Specified Amount method, you will request a specific amount to be transferred. This amount will be transferred until the Fixed Account has been depleted or the number of transfers specified have been completed.

If you select the Period Depletion method, you will specify the number of transfers you wish to make. Amounts will be reallocated from the Fixed Account into an Indexed Fixed Option using a declining balance calculation until the Fixed Account has been depleted.

Allocations from the Fixed Account to new segments of an Indexed Fixed Option will occur on the Transfer Date after any other transfers or premium payment allocations have occurred.



## WITHDRAWALS, SURRENDERS AND LOANS

You can take out all or part of your Policy's Accumulated Value while your Policy is In Force by making withdrawals or surrendering your Policy. You can take out a loan from us using your Policy as security. You can also use your Policy's loan and withdrawal features to supplement your income, for example, during retirement.

Making a withdrawal, taking out a loan or surrendering your Policy can change your Policy's tax status, generate taxable income, or make your Policy more susceptible to lapsing. Be sure to plan carefully before using these Policy benefits.

If you withdraw a larger amount than your investment in your Policy, or if your Policy is classified as a Modified Endowment Contract, your withdrawal may be considered taxable income.

For more information on the tax treatment of withdrawals or loans, or in the event you surrender your Policy, see **VARIABLE LIFE INSURANCE AND YOUR TAXES**.

### Making Withdrawals

You can withdraw part of your Policy's Net Cash Surrender Value starting on your Policy's first anniversary. Here's how it works:

- You must send us a Written Request that's signed by all owners.
- Each withdrawal must be at least \$200, and the Net Cash Surrender Value of your Policy after the withdrawal must be at least \$500.
- We will not accept your request to make a withdrawal if it will cause your Policy to become a Modified Endowment Contract, unless you have told us in writing that you want your Policy to become a Modified Endowment Contract.
- We may charge you \$25 for each withdrawal you make. (There is no charge currently imposed upon a withdrawal.)
- You can choose to receive your withdrawal in a lump sum or use it to elect an income benefit. Please see the discussion about income benefits in **GENERAL INFORMATION ABOUT YOUR POLICY**.
- The Accumulated Value, Cash Surrender Value and Net Cash Surrender Value of your Policy will be reduced by the amount of each withdrawal. The withdrawal will be processed as an Account Deduction.
- If the Insured dies after you have sent a withdrawal request to us, but before we have made the withdrawal, we will deduct the amount of the withdrawal from any Death Benefit Proceeds owing.

### *How withdrawals affect your Policy's Death Benefit*

Making a withdrawal will affect your Policy's Death Benefit in the following ways:

- If your Policy's Death Benefit does not equal the Minimum Death Benefit, the Death Benefit may decrease by the amount of your withdrawal.
- If your Policy's Death Benefit equals the Minimum Death Benefit, the Death Benefit may decrease by more than the amount of your withdrawal.

### *How withdrawals affect your Policy's Face Amount*

If you have chosen Death Benefit Option B or Option C, making a withdrawal does not reduce your Policy's Total Face Amount.

If you have chosen Death Benefit Option A, then a withdrawal may reduce your Policy's Total Face Amount; however, the first withdrawal of each year in the first 15 Policy Years up to an allowable amount that is the lesser of \$10,000 or 10% of the Net Cash Surrender Value will not reduce the Policy's Total Face Amount. If you withdraw an amount that is larger than the allowable amount, the Total Face Amount will be reduced by the withdrawal amount in excess of the allowable amount. For Policies with Death Benefit Option A and the Guideline Premium Test election, the Total Face Amount reduction following a withdrawal may be limited to keep the Guideline Premium Limit greater than zero at all times prior to Age 100.

We reserve the right to refuse any withdrawal request that would reduce the Policy's Total Face Amount to less than \$10,000 after the withdrawal.

#### **An example**

For a Policy with a Total Face Amount of \$250,000 and a Surrender Value of \$80,000, the Owner may withdraw the lesser of \$10,000 or \$8,000 (10% × \$80,000) without any reduction in Total Face Amount.

Example 1: Owner requests a withdrawal of \$6,000. There will be no reduction in Total Face Amount.

Example 2: Owner requests a withdrawal of \$10,000. The Total Face Amount reduction is the amount of the withdrawal, less the allowable withdrawal amount, or \$2,000 (\$10,000 – \$8,000 = \$2,000). The Total Face Amount following the withdrawal is \$248,000 (\$250,000 – \$2,000 = \$248,000).

## Taking Out a Loan

You can borrow money from us any time after the free look period. The minimum amount you can borrow is \$200, unless there are other restrictions in your state. The maximum amount available to borrow is less than 100% of your Accumulated Value.

Taking out a loan will affect the growth of your Policy's Accumulated Value, and may affect the Death Benefit.

You may request a loan either by sending us a request in writing, over the telephone or electronically. You will find more information about requesting a loan by telephone or electronically in **POLICY BASICS**.

When you borrow money from us, we use your Policy's Accumulated Value as security. You pay interest on the amount you borrow. The Accumulated Value set aside to secure your loan also earns interest. Here's how it works:

- To secure the loan, we transfer an amount equal to the amount you are borrowing from your Accumulated Value in the Investment Options to the Loan Account. We will transfer the loan from the Investment Options that make up your Policy's Accumulated Value to the Loan Account. The loan amount will be processed as an Account Deduction.
- Interest owing on the amount you have borrowed accrues daily at an annual rate of 2.25%. Interest that has accrued during the Policy Year is due on your Policy Anniversary.
- Taking a loan or making a withdrawal from the Policy that results in a deduction from the Indexed Fixed Options, other than a withdrawal or loan pursuant to a Systematic Distribution Program, will cause a Lockout Period to begin. During the Lockout Period, you may not allocate any Net Premium payments, loan repayments or otherwise transfer Accumulated Value from the Fixed Account into the Indexed Fixed Options. Reallocations for any maturing Segment will be made according to your reallocation instructions.
- The amount in the Loan Account earns interest daily at an annual rate of at least 2.00%. On each Policy Anniversary, if the Policy Debt exceeds the Loan Account Value, then the excess is transferred from your Policy's Investment Options to the Loan Account on a proportionate basis to the Loan Account. If the Loan Account Value exceeds Policy Debt, then the excess will be transferred from the Loan Account to the Investment Options according to your most recent premium allocation instructions.
- We currently intend to credit interest on the amount in the Loan Account at an annual rate of 2.25% in Policy Year 6 and thereafter. We can decrease the rate credited if we believe the change is needed to ensure that your Policy loan is not treated as a taxable distribution under federal income tax laws, or under any applicable ruling, regulation, or court decision. We will not decrease the annual rate to less than 2.00% on the amount in the Loan Account.

### *How much you can borrow*

The maximum amount you may borrow on any date is equal to the Accumulated Value less:

- three times the most recent monthly deduction;
- the Maximum Surrender Charge; and
- any existing Total Policy Debt.

#### **An example of how much you can borrow**

For a Policy in Policy Year 5 with:

- Accumulated Value of \$100,000
- a most recent monthly deduction of \$225
- a Maximum Surrender Charge of \$5,000 if the Policy was surrendered on the day the loan is taken.
- Total Policy Debt of \$60,000

The maximum amount you can borrow is \$34,325.  $(100,000 - (3 \times 225) - 5,000 - 60,000)$

### *Paying off your loan*

You can pay off all or part of the loan any time while your Policy is In Force. Unless you tell us otherwise, we will generally transfer any loan payments you make proportionately to your Investment Options according to your most recent allocation instructions. We may, however, first transfer any loan payments you make to the Fixed Options or the Indexed Fixed Options, up to the amount originally transferred from the Fixed Options or the Indexed Fixed Options to the Loan Account. We will then transfer any excess amount to your Variable Investment Options and Indexed Fixed Options according to your most recent premium allocation instructions.

While you have Policy Debt, we will treat any money you send us as a loan repayment unless you tell us otherwise in writing.

You can make monthly loan payments using our Electronic Funds Transfer Plan. Please see **HOW YOUR PREMIUMS WORK-Paying Your Premium-Monthly Electronic Funds Transfer Plan** section for details.

### ***What happens if you do not pay off your loan***

If you do not pay off your loan, we will deduct the Policy Debt from one of the following:

- the Death Benefit Proceeds before we pay them to your Beneficiary
- the Cash Surrender Value if you surrender your Policy.

Taking out a loan, whether or not you repay it, will have a permanent effect on the value of your Policy. For example, while your Policy's Accumulated Value is held in the Loan Account, it will miss out on all earnings available in the Investment Options. The amount of interest you earn on the Loan Account may also be less than the amount of interest you would have earned from the Fixed Options or the Indexed Fixed Options. These could lower your Policy's Accumulated Value, which could reduce the amount of the Death Benefit.

When a loan is outstanding, the amount in the Loan Account is not available to help pay for any Policy charges. If, after deducting your Policy Debt, there is not enough Accumulated Value in your Policy to cover the Policy charges, your Policy could lapse. You may need to make additional premium payments or loan repayments to prevent your Policy from lapsing.

Your Policy Debt could result in taxable income if you surrender your Policy, if your Policy lapses, or if your Policy is a Modified Endowment Contract. You should talk to your tax advisor before taking out a loan under your Policy. See **VARIABLE LIFE INSURANCE AND YOUR TAXES – Taxation of Distributions**.

### **Ways to Use Your Policy's Loan and Withdrawal Features**

You can use your Policy's loan and withdrawal features to supplement your income, for example, during retirement. If you are interested in using your life insurance Policy to supplement your retirement income, please contact us for more information.

Setting up an income stream may not be suitable for all Policy Owners.

Here are some things you should consider when setting up an income stream:

- the rate of return you expect to earn on your Investment Options
- how long you would like to receive regular income
- the amount of Accumulated Value you want to maintain in your Policy.

You can ask your life insurance producer for Illustrations showing how Policy charges may affect existing Accumulated Value and how future withdrawals and loans may affect the Accumulated Value and Death Benefit. You can also ask for accompanying charts and graphs that compare results from various retirement strategies.

### ***Understanding the risks***

Using your Policy to supplement your income does not change your rights or our obligations under the Policy. The terms for loans and withdrawals described in this prospectus remain the same. It is important to understand the risks that are involved in using your Policy's loan and withdrawal features. Use of these features may increase the chance of your Policy lapsing.

You should consult with your financial adviser and carefully consider how much you can withdraw and borrow from your Policy each year to set up your income stream.

### **Automated Income Option**

Our automated income option ("AIO") program allows you to make scheduled withdrawals or loans. Your Policy is eligible after the 7<sup>th</sup> Policy Anniversary. To begin the program, you must have a minimum Net Cash Surrender Value of \$50,000, and your Policy must not qualify as a Modified Endowment Contract.

You request participation in the AIO program and specify your AIO preferences by sending us an AIO Request Form. If you wish to do so, contact your life insurance producer for an AIO Request Form.

There is no fee to participate in the AIO program. The \$25 fee for withdrawals under the AIO program is currently waived.

Withdrawals and loans may reduce Policy values and benefits. They may also increase your risk of lapse. In order to minimize the risk of lapse, you should not take additional loans or withdrawals while you are in the AIO program.

Distributions under the AIO program may result in tax liability. Please consult your tax advisor. For more information, see **VARIABLE LIFE INSURANCE AND YOUR TAXES**.

You may discontinue participation in the AIO program at any time by sending a Written Request to us.

Detailed information appears in the SAI.

## Overloan Protection 3 Rider

Your Policy will have an Overloan Protection 3 Rider if the Insured is Age 80 or younger and you elect the Guideline Premium Test as the Death Benefit Qualification Test. Exercise of this Rider will guarantee, as long as the Rider stays in effect, that the Policy will not lapse even if the Policy Debt exceeds the Accumulated Value. For more information, please see **THE DEATH BENEFIT – Optional Riders and Benefits**.

## Surrendering Your Policy

You can surrender or cash in your Policy at any time while the Insured is alive.

Here are some things you need to know about surrendering your Policy:

- You must send us your Policy and a Written Request.
- We will send you the Policy's Net Cash Surrender Value. You can choose to receive your money in a lump sum or use it to elect an income benefit. Please see **GENERAL INFORMATION ABOUT YOUR POLICY – Income Benefit**.
- If you surrender your Policy during the first 15 Policy Years, we will deduct a surrender charge.
- Your Policy has a Surrender Charge, which is equal to the lesser of the Maximum Surrender Charge or the Surrender Benefit Cap.
  - The Maximum Surrender Charge is the sum of the Maximum Surrender Charge on each of the Basic Coverage Layers.
  - The Surrender Benefit Cap is equal to the Policy's net Accumulated Value multiplied by the Surrender Benefit Cap Percentage shown in the Policy Specifications.
- For each Basic Coverage Layer, there is an Initial Maximum Surrender Charge as of the Coverage Layer effective date. This Maximum Surrender Charge decreases on each Monthly Payment Date by 1/12 of the Reduction Factor until the charge becomes \$0 after the End Year. The Maximum Surrender Charge at the end of each Policy Year, the Reduction Factor (the amount by which the Surrender Charge is reduced) and the End Year (the last year in which a Surrender Charge is assessed) are shown in the Table of Surrender Charge Factors in your Policy Specifications.

### *Hypothetical Example 1*

For a Policy with a Policy Face Amount of \$100,000, assuming:

Initial Surrender Charge Amount = \$1,728.00

Reduction Factor in Policy Year 1 = \$69.12

End Year = 15

Net Accumulated Value in Policy month 1 = \$2,500

In Policy month 1, the surrender charge is: \$1,722.24. Minimum of  $(\$1,728.00 - 69.12 \div 12)$  and  $(90\% \times 2,500)$

### *Hypothetical Example 2*

For a Policy with a Policy Face Amount of \$100,000, assuming:

Initial Surrender Charge Amount = \$1,728.00

Reduction Factor in Policy Year 1 = \$69.12

End Year = 15

Net Accumulated Value in Policy month 1 = \$1,000

In Policy month 1, the surrender charge is: \$900.00. Minimum of  $(\$1,728.00 - 69.12 \div 12)$  and  $(90\% \times 1,000)$

If there have been decreases in the Basic Coverage Layer Face Amount, including decreases due to withdrawals, the Maximum Surrender Charge will not change as a result of the decrease. The Maximum Surrender Charge described is the guaranteed maximum charge. We may charge less than such guaranteed maximum charge. Any lesser charge will apply uniformly to all members of the same Class.

In addition, any Coverage Layer representing an increase in Basic Life Coverage will have an associated Maximum Surrender Charge and Reduction Factor that will be provided in a Supplemental Schedule of Coverage. The Maximum Surrender Charge for any such Coverage Layer will be effective as of the Coverage Layer Date and as of the beginning of each Coverage Year thereafter, and will decrease in the same manner as the initial Basic Life Coverage Layer.

- There is no surrender charge on any Coverage Layer after 15 Policy Years from the date the Coverage Layer is effective.
- We guarantee the Maximum Surrender Charge rates will not increase.
- If you decrease the Face Amount, the decrease will not affect your Policy's Maximum Surrender Charge.

## GENERAL INFORMATION ABOUT YOUR POLICY

This section tells you some additional things you should know about your Policy.

### Income Benefit

All or part of any Death Benefit proceeds and Net Cash Surrender Value proceeds, when due and paid, may be distributed over a period of time instead of being paid in a lump sum. If you elect to distribute the proceeds over a period of time, you may select any one, or a combination of the income benefit plans available, subject to our minimum amount requirements on the date of election. At the time of death, if an income benefit plan has not been selected, the Beneficiary may select one that is available. If the payee is not a natural person, the choice of a payment option will be subject to our approval. Prior to any payment, you may contact us to obtain information on our currently available plans. There are no income benefit plans that are specified within your Policy.

### Paying the Death Benefit in the Case of Suicide

If the Insured, whether sane or insane, commits suicide within two years of the Policy Date, Death Benefit Proceeds will be the total of all premiums you have paid, less any Policy Debt, withdrawals and LTC Benefit Amount processed.

If you reinstate your Policy and the Insured commits suicide, while sane or insane, within two years of the latest reinstatement date, the Death Benefit Proceeds will be the sum of the premiums paid, less the sum of any Policy loans and withdrawals taken, since the latest reinstatement date.

If the Insured commits suicide, while sane or insane, after two years from the Policy Date but within two years of any increase in Total Face Amount or, if applicable, the latest reinstatement date after any such increase, the Death Benefit Proceeds will be limited by the following adjustments:

- 1) any such increase in Total Face Amount will be excluded;
- 2) refund of the portion of monthly deductions associated with any such increase will be included; and
- 3) premium load associated with the portion of monthly deductions referred to in 2) above will be included.

### Replacement of Life Insurance or Annuities

The term *replacement* has a special meaning in the life insurance industry. Before you make a decision to buy, we want you to understand what impact a replacement may have on your existing insurance policy.

A replacement occurs when you buy a new life insurance policy or annuity contract, and a policy or contract you already own has been or will be:

- lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer, or otherwise terminated
- converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values
- amended to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid
- reissued with any reduction in cash value, or
- pledged as collateral or subject to borrowing, whether in a single loan or under a schedule of borrowing over a period of time.

There are circumstances when replacing your existing life insurance policy or annuity contract can benefit you. As a general rule, however, replacement is not in your best interest. A replacement may affect your plan of insurance in the following ways:

- You will pay new acquisition costs;
- You may have to submit to new medical examinations;
- You may pay increased premiums because of the increased age or changed health of the Insured;
- Claims made in the early policy years may be contested;
- You may have to pay surrender charges and/or income taxes on your current policy or contract values;
- Your new policy or contract values may be subject to surrender charges; and
- If part of a financed purchase, your existing policy or contract values or Death Benefit may be reduced.

You should carefully compare the costs and benefits of your existing policy or contract with those of the new policy or contract to determine whether replacement is in your best interest.

## **Policy Exchange**

If your Policy is issued in Connecticut, you may exchange this Policy for a policy with benefits that do not vary with the investment results of a separate account. You must request this in writing within 18 months of your Policy Date and return the original Policy.

The new policy will have the same Owner, Beneficiary and Cash Surrender Value as those of your original Policy on the date of exchange. It will also have the same issue Age, Policy Date, Face Amount, benefits, Riders and underwriting class as the original Policy. However, if your Risk Class is not available, the Policy will be issued with a comparable risk classification. Any Policy Debt will be carried over to the new policy. Evidence of insurability will not be required.

## **Errors on Your Application**

If the sex or birth date of the Insured is stated incorrectly on your application and it is discovered on or after the death of the Insured, the Death Benefit under your Policy will be the greater of the following:

- the Death Benefit based on a Net Amount At Risk adjusted by the ratio of the incorrect cost of insurance rate to the correct cost of insurance rate for the Insured's sex and Age, or
- the Minimum Death Benefit for the correct sex and birth date.

If the Insured's sex or birth date is misstated in the application and it is discovered before the death of the Insured, we will not recalculate the Accumulated Value, but we will use the correct sex and birth date of the Insured in calculating future Monthly Deductions.

## **Contesting the Validity of Your Policy**

We have the right to contest the validity of your Policy for two years from the Policy Date. Once your Policy has been In Force for two years from the Policy Date during the lifetime of the Insured, we generally lose the right to contest its validity.

We also have the right to contest the validity of a Policy that you reinstate for two years from the day that it was reinstated. Once your reinstated Policy has been In Force for two years from the reinstatement date during the lifetime of the Insured, we generally lose the right to contest its validity. During this period, we may contest your Policy only if there is a material misrepresentation on your application for reinstatement.

We have the right to contest the validity of an increase in the Face Amount of a Policy for two years from the day the increase becomes effective. Once the increased Face Amount has been In Force for two years during the lifetime of the Insured, we generally lose the right to contest its validity.

Regardless of the above, we can contest the validity of your Policy for failure to pay premiums at any time. The Policy will terminate upon successful contest with respect to the Insured.

## **Assigning Your Policy as Collateral**

You may assign your Policy as collateral to secure a loan, mortgage, or other kind of debt. An assignment will take place only when we receive and record your signed Collateral Assignment Form. When recorded, the assignment will take effect as of the date the form was signed. Any rights created by the assignment will be subject to any payments made or actions taken by us before we record the change. We will not be responsible for the validity of any assignment. Please contact us for a Collateral Assignment Form if you would like to assign your Policy.

## **Non-participating**

This Policy will not share in any of our surplus earnings.

## **Policy Changes**

We reserve the right to make any change to the provisions of this Policy to comply with, or give you the benefit of, any federal or state statute, rule, or regulation, including but not limited to requirements for life insurance contracts under the Tax Code or of any state. We will provide you with a copy of any such change, and file such a change with the insurance supervisory official of the state in which this Policy is delivered, and any other applicable regulatory authority. You have the right to refuse any such change.

## VARIABLE LIFE INSURANCE AND YOUR TAXES

The tax consequences of owning a Policy or receiving proceeds from it may vary by jurisdiction and according to the circumstances of each Owner or Beneficiary.

The following is based on our understanding of the present federal income tax laws as they are currently interpreted by the Internal Revenue Service (IRS). It is based on the Internal Revenue Code (the Tax Code) and does not cover any state or local tax laws. More detailed information appears in the SAI.

We do not know whether the current treatment of life insurance policies under current federal income tax or estate or gift tax laws will continue. We also do not know whether the current interpretations of the laws by the IRS or the courts will remain the same. Future legislation may adversely change the tax treatment of life insurance policies. This may affect the performance and underlying tax assumptions of this Policy, including any Riders. In some cases, these changes could result in a decrease in Policy values or lapse.

**We do not make any guarantees about the tax status of your Policy, and you should not consider the discussion that follows to be tax advice. This is not a complete discussion of all federal income tax questions that may arise under a Policy. There are special rules that we do not include here that may apply in certain situations. Speak to a qualified tax advisor for complete information about federal, state and local taxes that may apply to you.**

### The Policy as Life Insurance

Death benefits from a life insurance policy may generally be excluded from income under Section 101(a) of the Tax Code.

We believe that the Policy meets the statutory definition of life insurance for federal income tax purposes. That means it will receive the same tax advantages as a conventional fixed life insurance policy. The two main tax advantages are:

- In general, your Policy's Beneficiary will not be subject to federal income taxes when he or she receives the Death Benefit Proceeds unless the Policy was acquired through a sale by a previous Owner, or if the Death Benefit Proceeds are received in a series of installments.
- You will generally not be taxed on your Policy's Accumulated Value unless you receive a cash distribution by making a withdrawal, surrendering your Policy, or in some instances, taking a loan from your Policy.

### Policy Features and Charges

The tax laws defining life insurance do not cover all policy features. Your Policy may have features that could prevent it from qualifying as life insurance. For example, the tax laws have yet to fully address:

- substandard risk policies
- policies with term insurance on the Insured
- life insurance policies that continue coverage beyond Age 100, or other advanced ages.
- certain features available to you, either in the policy or in an attached rider.

The Tax Code and tax regulations impose limitations on unreasonable mortality and expense charges for purposes of determining whether a policy qualifies as life insurance for federal tax purposes. We can change our mortality charges if we believe the changes are needed to ensure that your Policy qualifies as a life insurance contract.

### Diversification Rules and Ownership of the Separate Account

Your Policy will not qualify for the tax benefit of a life insurance contract unless, among other requirements, the Separate Account follows certain rules requiring diversification of investments underlying the Policy. Section 817(h) of the Tax Code and related Treasury Regulations describe the diversification rules.

For a variable life insurance policy to qualify for tax deferral, assets in the separate accounts supporting the policy must be considered to be owned by the insurance company and not by the policy owner. If a policy owner is treated as having control over the underlying assets, the policy owner will be taxed currently on income and gains from the account and in such a case of "investor control" the policy owner would not derive the tax benefits normally associated with variable life insurance.

For more information about diversification rules, please refer to the Pacific Select Fund prospectus. For more information regarding investor control, please refer to the policy SAI.

### Policy Exchanges

Policy exchanges fall under Section 1035(a) of the Tax Code.

If you exchange your Policy for another one that insures the same person, it generally will be treated as a tax-free exchange and, if so, will not result in the recognition of gain or loss. If the policy owner or the person insured by the policy is changed, the exchange will be treated as a taxable exchange.

## **Change of Ownership**

You may have taxable income if you transfer ownership of your Policy, sell your Policy, or change the ownership of it in any way. This may include the transfer or sale of any entity or business that owns a Policy. The determination of taxation upon a change of Ownership cannot be determined by Pacific Life. Please consult your tax advisor for advice on your specific situation.

## **Corporate or Employer Owners**

There are special tax issues for employer Owners:

- Section 101(j) of the Tax Code generally provides that Death Benefits paid in connection with certain life insurance policies involving an employer will be taxable income. Employer-involved policies issued or materially modified on or after August 18, 2006 may be subject to income tax liability on the Policy's Death Benefit unless certain requirements and conditions of Section 101(j) are met.
- Using your Policy to informally fund a promised deferred compensation benefit for executives may have special tax consequences.
- Corporate ownership of a Policy may affect your liability under the alternative minimum tax (Section 56 of the Tax Code) and the environmental tax (Section 59A of the Tax Code).
- Where a business is the Owner of the Policy, Section 264(f) of the Tax Code may disallow a portion of the entity's interest expense unless, at the time the Policy is issued, the Insured is an officer, director, employee, or 20% owner of the business. If the Policy is later exchanged for a new life insurance Policy, the Insured must meet this exception at the time the new Policy is issued.

Please consult your tax advisor for these and other special rules for employer-involved Policies.

## ***Loans and corporate-owned policies***

If you borrow money to buy or carry certain life insurance policies, tax law provisions may limit the deduction of interest. If the taxpayer is an entity that's a direct or indirect beneficiary of certain life insurance, endowment or annuity contracts, a portion of the entity's deductions for loan interest may be disallowed, even though this interest may relate to debt that's completely unrelated to the contract.

## **Modified Endowment Contracts**

Section 7702A of the Tax Code defines a class of life insurance policies known as "Modified Endowment Contracts". If your Policy is a Modified Endowment Contract, any distributions you receive during the life of the Policy are treated less favorably than under non-MEC life insurance policies. Withdrawals, loans, pledges, assignments and the surrender of your Policy are all considered distributions and may be subject to tax on an income-first basis and a 10% penalty.

### ***When a Policy becomes a Modified Endowment Contract***

A life insurance policy becomes a Modified Endowment Contract if, at any time during the first seven policy years, the sum of actual premiums paid exceeds the seven-pay limit. The seven-pay limit is the cumulative total of the level annual premiums (or seven-pay premiums) required to pay for the policy's future death and endowment benefits.

#### ***An Example***

For a policy with seven-pay premiums of \$1,000 a year, the maximum premiums you could pay during the first seven years to avoid modified endowment treatment would be:

- \$1,000 in the first year
- \$2,000 through the first two years
- \$3,000 through the first three years, etc.

If there is a material change to your Policy, like a change in the Death Benefit, we may have to retest your Policy and restart the seven-pay premium period to determine whether the change has caused the Policy to become a Modified Endowment Contract.

## **Taxation of Distributions**

Tax treatment of distributions from your Policy's Accumulated Value may be treated differently, depending upon whether your Policy is a Modified Endowment Contract.



**Surrendering your Policy**

Proceeds are taxed to the extent they exceed the investment in the contract<sup>1</sup>.

Proceeds are taxed to the extent they exceed the investment in the contract.<sup>3</sup>

**Making a withdrawal**

If you make a withdrawal after your Policy has been In Force for 15 years, you will only be taxed on the amount you withdraw that exceeds the investment in the contract.

You will be taxed on the amount of the withdrawal that's considered income (i.e. gain)<sup>2</sup>.

Special rules apply if you make a withdrawal within the first 15 Policy Years. If there is a reduction in benefits and an applicable distribution of policy value in the prior two years, a portion of the distribution may be taxable.

**Taking out a loan**

You will not pay tax on the loan amount unless your Policy is surrendered, lapses or matures and you have not repaid your Policy Debt.

You will be taxed on the amount of the loan that's considered income, including all previously non-taxed gains.

<sup>1</sup> The investment in the contract is generally the premiums you have paid plus any taxable distributions less any withdrawals or premiums previously recovered that were taxable.

<sup>2</sup> Income (i.e. gain) is the difference between the Accumulated Value and the investment in the contract.

<sup>3</sup> Distributions under Modified Endowment Contracts may be subject to an additional 10% penalty tax.

All Modified Endowment Contracts issued to you in a calendar year by us or our affiliates are treated as a single contract when we calculate whether a distribution amount is subject to tax. In addition, an assignment of policy cash value may be treated as a distribution under the contract.

***10% penalty tax on Modified Endowment Contracts***

If any amount you receive from a Modified Endowment Contract is taxable, you may also have to pay a penalty tax equal to 10% of the taxable amount. A taxpayer will not have to pay the penalty tax if any of the following exceptions apply:

- you are at least 59½ years old
- you are receiving an amount because you have become disabled
- you are receiving an amount that's part of a series of substantially equal periodic payments, paid out at least annually. These payments may be made for your life or life expectancy or for the joint lives or joint life expectancies of you and your Beneficiaries.

***Distributions before a Policy becomes a Modified Endowment Contract***

If your Policy fails the seven-pay test and becomes a Modified Endowment Contract, any amount you receive or are deemed to have received during the two years before it became a Modified Endowment Contract may be taxable. The distribution would be treated as having been made in anticipation of the Policy's failing to meet the seven-pay test.

**Federal Estate Taxes**

According to the Tax Cuts and Jobs Act of 2017, the federal estate tax exemption amount has been temporarily increased to \$10,000,000 (indexed for inflation effective for tax years after 2011); the maximum estate tax rate is 40%. For 2019, the indexed exemption amount is \$11,400,000. In 2026, the federal estate tax exemption amount is scheduled to revert to \$5,000,000 per person (indexed for inflation for years after 2011).

**Optional Policy Benefits and Riders**

***Riders providing Accelerated Death Benefits***

If you exercise a Rider that accelerates the Death Benefit under the Policy in connection with certain chronic or terminal illnesses, the amounts received under the Rider may qualify for favorable tax treatment under Section 101(g) of the Tax Code.

However, benefits under the Rider will be taxed, if they are paid to someone other than a person insured by the Policy, and either Insured:

- is a director, officer or employee of the person receiving the benefit, or
- has a financial interest in a business of the person receiving the benefit.

Payment of an accelerated death benefit will reduce the death benefit, associated cost of insurance charges, and other values under the Policy. Further, the premium limitations and death benefits required for the Policy to qualify as a life insurance policy or avoid being classified as a Modified Endowment Contract under the Tax Code will also be affected.

Benefits paid by accelerating the policy's death benefit may qualify for favorable tax treatment under Section 101(g) of the Tax Code. Tax treatment of an accelerated death benefit due to terminal illness depends on your life expectancy at the time benefits are accelerated.

Accelerated death benefit payments received due to a chronic illness may be taxable in certain situations, such as when benefit payments are made from multiple policies or when benefit amounts exceed certain IRS limitations (referred to as "per diem" limitations).

Under the Premier LTC Rider, the Pension Protection Act of 2006 provides that any LTC Rider charges under the Policy are treated as non-taxable distributions from your Policy. The LTC Rider charges will reduce your Policy's cost basis, but not below zero. We will report these charges to you in the year in which the charge was assessed on IRS Form 1099-R.

Pacific Life cannot determine the taxability of benefit payments. 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 prior to receiving benefits.

***Income payments from Net Cash Value or Death Benefit Proceeds***

Your policy contains provisions that allow for all or a portion of the Net Cash Surrender Value or Death Benefit to be paid in a series of installments. In addition, certain policies may have Optional Riders that provide for installment benefits. These installments may be for a certain period of time, or may be payable based upon the life of one or more individuals.

Under the rules of Section 72 of the Tax Code, each payment made will be comprised of two portions: A portion representing a return of the investment in the contract, and the remainder representing interest. The Exclusion Ratio as defined in Section 72(b) is used to determine what amount of each payment is excluded from tax reporting.

The calculation of the Exclusion ratio is based upon these two policy values as of the date the amount of the installment payment is being determined:

- The portion of the Net Cash Surrender Value or Death Benefit Proceeds being applied to the installment benefit
- The investment in the contract

The portion of each payment that is treated as a return of the investment in the contract is equal to the Exclusion Ratio multiplied by the Payment Amount. For installments payments that are based upon the life of one or more individuals, once the investment in the contract has been depleted any subsequent payment(s) would be treated as a return of interest and thus fully taxable.

## **ABOUT PACIFIC LIFE**

Pacific Life Insurance Company is a life insurance company domiciled in Nebraska. Along with our subsidiaries and affiliates, our operations include life insurance, annuity, mutual funds, broker-dealer operations, and investment and advisory services. At the end of 2018, we had \$501.9 billion of individual life insurance in force and total admitted assets of approximately \$129 billion.

We are authorized to conduct our life and annuity business in the District of Columbia and in all states except New York. Our executive office is at 700 Newport Center Drive, Newport Beach, California 92660.

### **How Our Accounts Work**

We own the assets in our General Account and our Separate Account. We allocate your Net Premiums to these accounts according to the Investment Options you have chosen.

#### ***General Account***

Our General Account includes all of our assets, except for those held in our separate accounts. We guarantee you an interest rate for up to one year on any amount allocated to the Fixed Options or the Indexed Fixed Options. The rate is reset annually. The Fixed Options and Indexed Fixed Options are part of our General Account, which we may invest as we wish, according to any laws that apply. We will credit the guaranteed rate even if the investments we make earn less. Unlike the Separate Account, the General Account is subject to liabilities arising from any of our other business. Our ability to pay these guarantees is backed by our financial strength and claims paying ability as a company. You must look to the company's strength with regard to policy guarantees. We can provide you with reports of our ratings as an insurance company and our ability to pay claims with respect to our General Account assets.

The Fixed Options and Indexed Fixed Options are not securities, so they do not fall under any securities act. However, other federal securities laws will apply to the accuracy and completeness of the disclosure about the Fixed Options or the Indexed Fixed Options.

#### ***Separate Account***

Amounts allocated to the Variable Investment Options are held in our Separate Account. The assets in this account are kept separate from the assets in our General Account and our other separate accounts, and are protected from our general creditors.

The Separate Account is divided into Variable Accounts. Each Variable Account invests in shares of a designated portfolio of the Funds listed in the **YOUR INVESTMENT OPTIONS** section. We may add Variable Accounts that invest in other portfolios of these Funds or in other securities.

We are the legal owner of the assets in the Separate Account, and pay its operating expenses. We do not hold ourselves out to be trustees of the Separate Account assets. The Separate Account is operated only for our variable life insurance policies. Pacific Life is obligated to pay all amounts promised to Policy Owners under the terms of the Policy. We must keep assets in the Separate Account equal to the reserves and policy liabilities (i.e. amounts at least equal to the aggregate variable account value) sufficient to pay obligations under the insurance policies funded by the Separate Account and may only transfer to the General Account assets of the Separate Account which exceed such reserves and Policy liabilities. Some of the money in the Separate Account may include charges we collect from the account and any investment results on those charges.

We cannot charge the assets in the Separate Account attributable to our reserves and other liabilities under the policies funded by the Separate Account with any liabilities from our other business.

Similarly, the income, gains or losses, realized or unrealized, of the assets of any Variable Account belong to that Variable Account and are credited to or charged against the assets held in that Variable Account without regard to our other income, gains or losses.

#### ***Making changes to the Separate Account***

We can add, change or remove any securities that the Separate Account or any Variable Account holds or buys, as long as we comply with the laws that apply.

We can substitute shares of one portfolio with shares of another portfolio or Fund if:

- any portfolio is no longer available for investment; or
- our management believes that a portfolio is no longer appropriate in view of the purposes of the Policy.

We will give you any required notice or receive any required approval from Policy Owners or the SEC before we substitute any shares. We will comply with the filing or other procedures established by insurance regulators as required by law.

We can add new Variable Accounts, which may include additional subaccounts of the Separate Account, to serve as Investment Options under the Policies. These may be managed separate accounts or they may invest in a new portfolio of the Funds, or in shares of another investment company or one of its portfolios, or in a suitable investment vehicle with a specified investment objective.

We can add new Variable Accounts when we believe that it is warranted by marketing needs or investment conditions. We will decide on what basis we will make new Variable Accounts available to existing Policy Owners.

We can also eliminate any of our Variable Accounts if we believe marketing, tax or investment conditions warrant it. We can terminate and liquidate any Variable Account.

If we make any changes to Variable Accounts or substitution of securities, we can make appropriate changes to this Policy or any of our other policies, by appropriate endorsement, to reflect the change or substitution.

If we believe it is in the best interests of people holding voting rights under the Policies and we meet any required regulatory approvals we can do the following:

- operate the Separate Account as a management investment company, unit investment trust, or any other form permitted under securities or other laws
- register or deregister the Separate Account under securities law
- combine the Separate Account with one of our other separate accounts or our affiliates' separate accounts
- combine one or more Variable Accounts
- create a committee, board or other group to manage the Separate Account
- change the classification of any Variable Account.

### ***Taxes we pay***

We may be charged for state and local taxes. Currently, we pay these taxes because they are small amounts with respect to the Policy. If these taxes increase significantly, we may deduct them from the Separate Account.

We may charge the Separate Account for any federal, state and local taxes that apply to the Separate Account or to our operations. This could happen if our tax status or the tax treatment of variable life insurance changes.

### **Voting Rights**

We are the legal owner of the shares of the Funds that are held by the Variable Accounts. We may vote on any matter at shareholder meetings of the Funds. However, we are required by law to vote as you instruct on the shares relating to your allocation in a Variable Investment Option. This is called your *voting interest*.

Your voting interest is calculated as of a day set by the Board of Trustees or Board of Directors of a Fund, called the *record date*. Your voting interest equals the Accumulated Value in a Variable Investment Option divided by the net asset value of a share of the corresponding portfolio. Fractional shares are included. If allowed by law, we may change how we calculate your voting interest.

We will send you documents from the Fund called *proxy materials*. They include information about the items you will be voting on and forms for you to give us your instructions. We will vote shares held in the Separate Account for which we do not receive voting instructions in the same proportion as all other shares in the portfolio held by the Separate Account for which we have received timely instructions. If we do not receive any voting instructions for the shares in a separate account, we will vote the shares in the same proportion as the total votes for all of our separate accounts for which we have received timely instructions. As a result of proportional voting, the votes cast by a small number of policy owners may determine the outcome of a vote.

We will vote shares of any portfolio we hold in our General Account in the same proportion as the total votes for all of our separate accounts, including this Separate Account. We will vote shares of any portfolio held by any of our non-insurance affiliates in the same proportion as the total votes for all of our separate accounts and those of our insurance affiliates.

If the law changes to allow it, we can vote as we wish on shares of the portfolios held in the Separate Account.

When required by state insurance regulatory authorities, we may disregard voting instructions that:

- would change a portfolio's investment objective or subclassification
- would approve or disapprove an investment advisory contract.

We may disregard voting instructions on a change initiated by Policy Owners that would change a portfolio's investment policy, investment adviser or portfolio manager if:

- our disapproval is reasonable
- we determine in good faith that the change would be against state law or otherwise be inappropriate, considering the portfolio's objectives and purpose, and considering what effect the change would have on us.

If we disregard any voting instructions, we will include a summary of the action we took and our reasons for it in the next report to Policy Owners.

## Cybersecurity

Our business is highly dependent upon the effective operation of our computer systems and those of our business partners. As a result, our business is potentially susceptible to operational and information security risks associated with the technologies, processes and practices designed to protect networks, systems, computers, programs and data from attack, damage or unauthorized access. These risks include, among other things, the theft, loss, misuse, corruption and destruction of data maintained online or digitally, denial of service on websites and other operational disruption, and unauthorized release of confidential customer information. Cyber-attacks affecting us, any third party administrator, the underlying Funds, intermediaries, and other affiliated or third-party service providers may adversely affect us and your Policy Accumulated Value. For instance, cyber-attacks may interfere with Policy transaction processing, including the processing of orders from our website or with the underlying Funds; impact our ability to calculate Accumulated Unit Values, Subaccount Unit Values or an underlying Fund to calculate a net asset value; cause the release and possible destruction of confidential customer or business information; impede order processing; subject us and/or our service providers and intermediaries to regulatory fines and financial losses; and/or cause reputational damage. Cybersecurity risks may also impact the issuers of securities in which the underlying Funds invest, which may cause the Funds underlying your Policy to lose value. The constant change in technologies and increased sophistication and activities of hackers and others, continue to pose new and significant cybersecurity threats. While measures have been developed that are designed to reduce cybersecurity risks, there can be no guarantee or assurance that we, the underlying Funds, or our service providers will not suffer losses affecting your Policy due to cyber-attacks or information security breaches in the future.

## Distribution Arrangements

Pacific Select Distributors, LLC (“PSD”), a broker-dealer and our subsidiary, pays various forms of sales compensation to broker-dealers (including other affiliates) that solicit applications for the Policies. PSD also may reimburse other expenses associated with the promotion and solicitation of applications for the Policies.

We offer the Policies for sale through broker-dealers that have entered into selling agreements with PSD. Broker-dealers sell the Policies through their life insurance producers who have been appointed by us to sell our products. PSD pays compensation to broker-dealers for the promotion and sale of the Policies. The individual life insurance producer who sells you a Policy typically will receive a portion of the compensation, under the representative’s own arrangement with his or her broker-dealer.

Commissions are based on “target” premiums we determine. The commissions we pay vary with the agreement, but the most common schedule of commissions we pay is:

- 100% of premiums paid up to the first target premium
- 2% of premiums paid thereafter.

A target premium is a hypothetical premium that is used only to calculate commissions. It varies with the Death Benefit Option you choose, the Age of the Insured on the Policy Date, and the sex (unless unisex rates are required) and Risk Class of the Insured. A Policy’s target premium will usually be less than, but generally does not exceed 120% of, the Policy’s guideline level premiums. Before you buy a Policy, you can ask us or your life insurance producer for a personalized Illustration that shows you the guideline single premium and guideline level premiums.

Your life insurance producer typically receives a portion of the compensation that is payable to his or her broker-dealer in connection with the Policy, depending on the agreement between your life insurance producer and his or her firm. Pacific Life is not involved in determining that compensation arrangement, which may present its own incentives or conflicts. You may ask your life insurance producer how he/she will personally be compensated for the transaction.

PSD or an affiliate may pay broker-dealers an annual renewal commission of up to 0.10% of a Policy’s Accumulated Value less any Policy Debt. We calculate the renewal amount monthly and it becomes payable on each Policy Anniversary.

In addition to the commissions described above, we and/or an affiliate may pay additional cash compensation from their own resources in connection with the promotion and solicitation of applications for the Policies by some, but not all, broker-dealers. The range of additional cash compensation based on premium payments usually ranges from 0% to 45% of premiums paid up to the first target premium, but generally does not exceed 1.50% of commissions paid on premium thereafter. Such additional compensation may give Pacific Life greater access to life insurance producers of the broker-dealers that receive such compensation. While this greater access provides the opportunity for training and other educational programs so that your life insurance producer may serve you better, this additional compensation also may afford Pacific Life a “preferred” status at the recipient broker-dealer and provide some other marketing benefit such as website placement, access to life insurance producer lists, extra marketing assistance, or other heightened visibility and access to the broker-dealer’s sales force that otherwise influences the way that the broker-dealer and the life insurance producer market the Policies.

We may also provide compensation to broker-dealers for providing ongoing service in relation to Policies that have already been purchased.

### ***Additional Compensation and Revenue Sharing***

To the extent permitted by SEC and FINRA rules and other applicable laws and regulations, selling broker dealers may receive additional payments in the form of cash, other special compensation or reimbursement of expenses, sometimes called “revenue sharing”. These additional compensation or reimbursement arrangements may include, for example, payments in connection with the firm’s “due diligence” examination of the Policies, payments for providing conferences or seminars, sales or training programs for invited life insurance producers and other employees, payments for travel expenses, including lodging, incurred by life insurance producers and other employees for such seminars or training programs, seminars for the public, advertising and sales campaigns regarding the Policies, and payments to assist a firm in connection with its administrative systems, operations and marketing expenses and/or other events or activities sponsored by the firms. Subject to applicable FINRA rules and other applicable laws and regulations, PSD and its affiliates may contribute to, as well as sponsor, various educational programs, sales contests and/or promotions in which participating firms and their sales persons may receive prizes such as merchandise, cash, or other awards. Such additional compensation may give us greater access to life insurance producers of the broker-dealers that receive such compensation or may otherwise influence the way that a broker-dealer and life insurance producer market the Policies.

These arrangements may not be applicable to all firms, and the terms of such arrangements may differ between firms. We provide additional information on special compensation or reimbursement arrangements involving selling firms and other financial institutions in the Statement of Additional Information, which is available upon request. Any such compensation, which may be significant at times, will not result in any additional direct charge to you by us.

The compensation and other benefits provided by PSD or its affiliates, may be more or less than the overall compensation on similar or other products. This may influence your life insurance producer or broker-dealer to present this Policy over other investment vehicles available in the marketplace. You may ask your life insurance producer about these differing and divergent interests, how he/she is personally compensated and how his/her broker-dealer is compensated for soliciting applications for the Policy.

We may agree to waive or reduce some or all of such charges and/or credit additional amounts under our Policies, for those Policies sold to persons who meet criteria established by us, who may include current and retired officers, directors and employees of us and our affiliates, trustees of the Pacific Select Fund, life insurance producers and employees of broker/dealers with a current selling agreement with us and their affiliates, and immediate family members of such persons (“Eligible Persons”). We will credit additional amounts to Policies owned by Eligible Persons. If such Policies are purchased directly through Pacific Select Distributors, LLC (PSD), Eligible Persons will not be afforded the benefit of services of any other broker/dealer and will bear the responsibility of determining whether a variable life insurance Policy, optional benefits and underlying Investment Options are appropriate, taking into consideration age, income, net worth, tax status, insurance needs, financial objectives, investment goals, liquidity needs, time horizon, risk tolerance and other relevant information. In addition, Eligible Persons who purchased their Policy through PSD, must contact us directly with servicing questions, Policy changes and other matters relating to their Policies.

The amount credited to Policies owned by Eligible Persons will equal the reduction in expenses we enjoy by not incurring brokerage commissions in selling such Policies, with the determination of the expense reduction and of such crediting being made in accordance with our administrative procedures. These credits will be added to an eligible persons Policy after the Free Look Transfer Date has occurred, or, if premiums are paid using the monthly Electronic Funds Transfer plan, on the first Policy Anniversary.

Portfolio managers of the underlying portfolios available under this Policy may help pay for conferences or meetings sponsored by us or PSD relating to management of the portfolios and our variable life insurance products.

Please refer to the SAI for additional information on distribution arrangements and the conflicts of interest that they may present.

### **Service Arrangements**

We have entered into administrative and/or service agreements with certain Funds which pay us for administrative and other services, including, but not limited to, certain communications and support services. The fees are based on an annual percentage of average daily net assets of certain Fund portfolios purchased by us at Policy Owner’s instructions. Currently, the fees received do not exceed an annual percentage of 0.40% and each Fund may not pay the same annual percentage. Because we receive such fees, we may be subject to competing interests in making these Funds available as Investment Options under the Policies.

American Century Services, LLC pays us for each American Century Variable Portfolios, Inc. portfolio (Class II) held by our separate accounts. American Funds Insurance Series pays us for each American Funds Insurance Series Portfolio (Class 4) held by our separate accounts. BlackRock Distributors, Inc., pays us for each BlackRock Variable Series Funds, Inc. portfolio (Class I and Class III) held by our separate accounts. The Dreyfus Corporation pays us for each Dreyfus Variable Investment Fund portfolio (Service Shares) held by our separate accounts. Fidelity Distributors Corporation (FDC) and Fidelity Investments Institutional Operations Company, Inc. (FIIOC), pay us for each Fidelity® VIP Funds portfolio (Service Class 2) held by our separate accounts. Franklin Templeton Services, LLC pays us for each Franklin Templeton Variable Insurance Products Trust portfolio (Class 2) held by our separate accounts. Invesco Advisers, Inc. and its affiliates pay us for each AIM Variable Insurance Funds (Invesco Variable Insurance Funds) portfolio (Series II) held by our separate accounts. Janus Capital Management LLC, pays us for each Janus Aspen Series portfolio (Service Shares) held by our separate accounts. Lazard Asset Management Securities LLC, pays us for each Lazard Retirement Series, Inc. portfolio (Service Class) held by our separate accounts. Legg Mason Investor Services, LLC, pays us for each Legg Mason Partners

Variable Equity Trust (Class II) and Legg Mason Partners Variable Income Trust (Class II) portfolio held by our separate accounts. Lord Abbett Series Fund, Inc. pays us for each Lord Abbett Series Fund, Inc. portfolio (Class VC) held by our separate accounts. Massachusetts Financial Services Company, pays us for each MFS Variable Insurance Trust portfolio (Service Class) held by our separate accounts. Neuberger Berman BD LLC pays us for each Neuberger Berman Advisers Management Trust portfolio (I Class) held by our separate accounts. OppenheimerFunds Distributor, Inc. and Shareholder Services, Inc. pay us for each Oppenheimer Variable Account Funds portfolio (Service Shares) held by our separate accounts. Pacific Investment Management Company, LLC pays us for each PIMCO Variable Insurance Trust portfolio (Advisor Class) held by our separate accounts. Royce Capital Fund pays us for each Royce Capital Fund portfolio (Service Class) held by our separate accounts. State Street Global Advisors Funds Distributors, LLC pays us for each State Street Variable Insurance Series Funds, Inc. portfolio (Class 3) held by our separate accounts. T. Rowe Price Associates, Inc., pays us for each T. Rowe Price Equity Series Inc., portfolio (Class II) held by our separate accounts. Van Eck Securities Corporation, pays us for each VanEck VIP Trust portfolio (Initial Class) held by our separate accounts.

## **Illustrations**

We will provide you with Illustrations based on different sets of assumptions upon your request.

- Illustrations based on information you give us about the Age of the person to be insured by the Policy, their Risk Class, the Face Amount of all Coverage Layers, the Death Benefit and premium payments.
- Illustrations that show the allocation of premium payments to specified Variable Accounts. These will reflect the expenses of the portfolio of the Fund in which the Variable Account invests.
- Illustrations that use a hypothetical gross rate of return up to 12% are available. Illustrations that use a hypothetical gross rate of return greater than 12% are available only to certain large institutional investors.

You can request such Illustrations at any time. Such Illustrations reflect assumptions about the Policy's non-guaranteed elements and about how you will use the Policy's options. Over time the Policy's actual non-guaranteed elements, and your actual use of the Policy's options, are likely to vary from the assumptions used in such Illustrations. For these reasons, actual Policy values will likely be more or less favorable than shown in such Illustrations. You can get one Policy Illustration free of charge per Policy Year. We reserve the right to charge \$25 for each additional Illustration.

## **Lost Policy**

If you lose your Policy, you may request a Certificate of Coverage free of charge. If you require a duplicate Policy, we may charge a fee of \$50 per duplicate. To request a Certificate of Coverage or a duplicate Policy, please contact us for a Certificate of Insurance/Duplicate Policy Request Form.

## **Audits of Premiums/Loans**

You may request us to run a report of premium payments you have made or loan transactions under your Policy. If you request us to provide information for a period of more than 2 years from date of request, we may charge you an administrative fee of \$25 for this service.

## **Risk Class Change**

If you have a change in Risk Class, such as a change in smoking status or health, you can request us to review your Risk Class. Changing your Risk Class may change the rates used for cost of insurance and may also change the rates on any Riders on your Policy which base charges on Risk Class. We may charge you a fee of up to \$100 at the time you request us to change your Risk Class.

## **State Regulation**

On September 1, 2005, Pacific Life redomesticated to Nebraska. We are subject to the laws of the state of Nebraska governing insurance companies and to regulations issued by the Commissioner of Insurance of Nebraska. In addition, we are subject to the insurance laws and regulations of the other states and jurisdictions in which we are licensed or may become licensed to operate.

An annual statement in a prescribed form must be filed with the Commissioner of Insurance of Nebraska and with regulatory authorities of other states on or before March 1<sup>st</sup> in each year. This statement covers our operations for the preceding year and our financial condition as of December 31<sup>st</sup> of that year. Our affairs are subject to review and examination at any time by the Commissioner of Insurance or his agents, and subject to full examination of our operations at periodic intervals.

## **Legal Proceedings and Legal Matters**

Pacific Life, the Separate Account, and PSD are not involved in any legal proceedings that would have a material effect on Policy Owners.

Legal matters concerning the issue and sale of the life insurance policies described in this prospectus, our organization and authority to issue the Policies, and matters relating to federal securities laws and federal income tax laws have been passed upon by our counsel.

**Rule 12h-7 Representation**

In reliance on the exemption provided by Rule 12h-7 of the Securities Exchange Act of 1934 (“’34 Act”), we do not intend to file periodic reports as required under the ’34 Act.

**Financial Statements**

Pacific Life’s financial statements and the financial statements of Pacific Select Exec Separate Account are contained in the Statement of Additional Information.



## APPENDIX A: DEATH BENEFIT PERCENTAGES

<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>
0-40	250%	50	185%	60	130%	70	115%
41	243	51	178	61	128	71	113
42	236	52	171	62	126	72	111
43	229	53	164	63	124	73	109
44	222	54	157	64	122	74	107
45	215	55	150	65	120	75-90	105
46	209	56	146	66	119	91	104
47	203	57	142	67	118	92	103
48	197	58	138	68	117	93	102
49	191	59	134	69	116	>93	101

## APPENDIX B: STATE LAW VARIATIONS

Certain Policy features described in this Prospectus may vary or may not be available in your state. The state in which your Policy is issued governs whether or not certain features, Riders, charges or fees are available or will vary under your Policy. These variations are reflected in your Policy and in Riders or Endorsements to your Policy. See your life insurance producer or contact us for specific information that may be applicable to your state.

### BACKDATING

For policies based in Ohio, your Policy can be backdated only 3 months.

### YOUR FREE LOOK RIGHT

#### Free Look Right

For policies issued in California, you may return this policy within 10 days of policy delivery. For Insureds age 60 or older, you may return this policy within 30 days of policy delivery.<sup>1</sup>

For policies issued as an internal replacement in Michigan or Pennsylvania, you may return this policy within 45 days of policy delivery.

For policies issued in District of Columbia, you may return this policy within 10 days of policy delivery, or 45 days from the date you signed the application, whichever is later.

For policies issued in Florida, you may return this policy within 14 days of policy delivery.

For policies issued in North Dakota, you may return this policy within 20 days of policy delivery.

The table below shows which states do or do not require refund of premiums paid.

Return of Premium	Return of Accumulated Value + Loads + Charges <sup>1</sup>
CT DC; DE; FL; ND; SD	AK; AL; AR; AZ; CA; CO; GA; HI; IA; ID; IL; IN; KS; KY; LA; MA; MD; ME; MI; MN; MO; MS; MT; NC; NE; NH; NJ; NM; NV; OH; OK; OR; PA; RI; SC; TN; TX; UT; VA; VT; WA; WI; WV; WY

<sup>1</sup> In California, for ages 60+ and if we've not received a written request for immediate investment in variable options, premium is returned for a free look surrender.

### OPTIONAL RIDERS AND BENEFITS

#### Disability Benefit Rider

For policies issued in California, the Disability Benefit Rider does not terminate until the Insured becomes Age 65.

For policies issued in Florida, the following applies:

#### Premier Living Benefits Rider

Provides the Policy Owner with prepayment of a portion of the Death Benefit when we receive written proof that the Insured has been certified as an individual with either Chronic Illness or Terminal Illness and has met the terms and conditions described in the Rider. If you qualify for the Premier Living Benefits Rider, you may not choose the Terminal Illness Rider.

#### Chronic Illness Benefit

**Chronic Illness** – is a medical condition where the Insured is:

- Unable to perform (without Substantial Assistance from another individual) at least two Activities of Daily Living due to a loss of functional capacity and the condition is expected to be permanent; or
- Requires Substantial Supervision to protect the individual from threats to health and safety due to Severe Cognitive Impairment and the condition is expected to be permanent.

**Individual with Chronic Illness** – means the Insured has been certified in writing by a Licensed Health Care Practitioner to have Chronic Illness. An Individual with Chronic Illness shall not include an Insured who otherwise meets the Chronic Illness requirements unless within the preceding twelve-month period a Licensed Health Care Practitioner has certified that the Insured meets these requirements.

#### Eligibility Conditions

To receive the Rider Benefit, you must satisfy the following conditions:

- You must submit a Written Request while the Policy is In Force; we will provide you with a claim form within 15 days of your Written Request. Your completed claim form must contain proof that the Insured is an Individual with Chronic Illness;
- Any assignee or any irrevocable Beneficiary under the Policy must provide written consent;
- The illness of the Individual with Chronic Illness must not be the result of attempted suicide or intentionally self-inflicted injury.

We will pay the Benefits immediately after we receive written proof that the Insured is an Individual with Chronic Illness who meets the conditions described in the Rider.

We pay the Benefits to you (or your designee) or to your estate while the Insured is still living, unless the Policy has been otherwise assigned.

Annual and monthly payments are not available. Instead, the Premier Living Benefits Rider offers a one-time benefit payment.

### **Terminal Illness Benefit**

**Individual with Terminal Illness** – means the Insured has been certified in writing by a Licensed Physician to have Terminal Illness that is reasonably expected to result in a life expectancy of 12 months or less from the date of Written Request.

**Terminal Illness** – is a medical condition that is reasonably expected to result in a life expectancy of 12 months or less.

#### *Eligibility Conditions*

To receive the Rider Benefits, you must satisfy the following conditions:

- You must submit a Written Request while the Policy is In Force; we will provide you with a claim form within 15 days of your Written Request. Your completed claim form must contain proof that the Insured is a Individual with Terminal Illness;
- Any assignee or any irrevocable Beneficiary under the Policy must provide written consent;
- The illness of the Individual with Terminal Illness must not be the result of attempted suicide or intentionally self-inflicted injury.
- If your Policy is a last survivor policy, it will only be eligible for a Terminal Illness Benefit after the death of the first Insured and only if the survivor is a Individual with Terminal Illness.

The Terminal Illness Benefit will be payable when we receive written certification from a Licensed Physician that the Insured is a Individual with Terminal Illness and meets the conditions described in the Rider. We reserve the right to obtain an additional opinion of the Insured's conditions at our expense. If this opinion differs from that of the Insured's Licensed Physician, eligibility for Benefits will be determined by a third Licensed Physician who is mutually acceptable to you and to us.

#### *The Rider at Exercise*

You may submit your Written Request for benefits under the Rider, including the amount of Terminal Illness Benefit requested, when the Insured qualifies as a Individual with Terminal Illness and meets the eligibility conditions.

For policies issued in California, the following applies:

### **Premier Living Benefits Rider**

#### **Chronic Illness Benefit**

You may elect the Chronic Illness Benefit payment on a lump sum basis.

**Chronically Ill Individual** – as defined under the federal Health Insurance Portability and Accountability Act, an Insured who has been certified in writing as:

- Being permanently unable to perform at least two Activities of Daily Living without hands-on or standby assistance from another individual; or
- Requiring continual supervision by another person for protection from threats to the Insured's health or safety as described in the Rider.

**Licensed Health Care Practitioner** – a physician, registered nurse, licensed social worker or other individual whom the United States Secretary of the Treasury may prescribe by regulation. A Licensed Health Care Practitioner may not be the Insured, the Owner, or the Insured's or Owner's spouse or domestic partner, child or stepchild, brother or sister, parent or grandparent, or the spouse, domestic partner, child, stepchild, brother, sister, parent, or grandparent of any of these persons. The Licensed Health Care Practitioner must be independent of us, meaning he or she may not be our employee or be compensated in a manner that is linked to the outcome of the certification.

**Severe Cognitive Impairment** – loss or deterioration in intellectual capacity that is comparable to (and includes) Alzheimer’s disease and similar forms of irreversible dementia, and measured by clinical evidence and standardized tests that reliably measure impairment in the individual’s short-term or long-term memory, orientation as to people, places, or time, and deductive or abstract reasoning.

For policies issued in Connecticut, the following applies:

### **Premier Living Benefits Rider**

The definition of Chronic Illness does not include the requirement that the condition is expected to be permanent. However, in order to qualify for benefit payment, the certification must state that the Chronic Illness has caused the Insured to be confined for at least six months in the Insured’s residence or in an institution that provides necessary care or treatment of an injury, illness, or loss of functional capacity, and for which it has been medically determined that such Insured is expected to remain confined in such place of residence or institution until death.

Annual and monthly payments are not available. Instead, the Premier Living Benefits Rider offers a one-time benefit payment.

#### *Eligibility Conditions*

To receive the Rider Benefit, you must satisfy the following conditions:

- You must submit a Written Request while the Policy is In Force; we will provide you with a claim form within 15 days of your Written Request. Your completed claim form must contain proof that the Insured is a Chronically Ill Individual;
- Any assignee or any irrevocable Beneficiary under the Policy must provide written consent;

We will pay the Benefits immediately after we receive written certification from a Licensed Health Care Practitioner that the Insured is a Chronically Ill Individual and meets the conditions described in the Rider. We reserve the right to obtain an additional opinion of the Insured’s conditions at our expense. If this opinion differs from that of the Insured’s Licensed Health Care Practitioner, eligibility for Benefits will be determined by a third Licensed Physician who is mutually acceptable to you and to us.

We pay the Benefits to you (or your designee) or to your estate while the Insured is still living, unless the Policy has been otherwise assigned.

For policies issued in Montana, the following applies:

### **Premier Living Benefits Rider**

The Chronic Illness Risk factor does not vary by gender.

### **Terminal Illness Rider**

For policies issued in Florida, the following applies:

If you do not qualify for the Premier Living Benefit Rider, you may elect the Terminal Illness Rider.

**Terminally Ill Individual** – means the Insured has been certified in writing by a Licensed Physician to have a medical condition that is reasonably expected to result in a life expectancy of 12 months or less from the date of Written Request.

#### *Eligibility Conditions*

To receive the Rider Benefits, you must satisfy the following conditions:

- You must submit a Written Request while the Policy is In Force; we will provide you with a Claim Form within 15 days of your Written Request. Your completed Claim Form must contain proof that the Insured is an Individual with Terminal Illness;
- Any assignee or any irrevocable Beneficiary under the Policy must provide written consent;
- The illness of the Terminally Ill Individual must not be the result of attempted suicide or intentionally self-inflicted injury.
- If your Policy is a last survivor policy, it will only be eligible for a Terminal Illness Benefit after the death of the first Insured and only if the survivor is a Terminally Ill Individual.

The Terminal Illness Benefit will be payable when we receive written certification from a Licensed Physician that the Insured is an Individual with Terminal Illness and meets the conditions described in the Rider. We reserve the right to obtain an additional opinion of the Insured’s conditions at our expense. If this opinion differs from that of the Insured’s Licensed Physician, eligibility for Benefits will be determined by a third Licensed Physician who is mutually acceptable to you and to us.

#### *The Rider at Exercise*

You may submit your Written Request for benefits under the Rider, including the amount of Terminal Illness Benefit requested, when the Insured qualifies as an Individual with Terminal Illness and meets the eligibility conditions.

## Premier LTC Rider

### *Rider Terms*

For policies issued in Connecticut, the following applies:

**Assisted Living Facility** – a facility that is licensed or certified or complies with the state’s facility licensing requirements to engage primarily in providing ongoing Assisted Living Care and related services as described in the Rider.

A managerial residential community that provides residents with services from assisted living service agencies will be considered an Assisted Living Facility.

For policies issued in Florida, the following applies:

**Assisted Living Facility** – a facility that is engaged primarily in providing ongoing Assisted Living Care and related services that has the appropriate state licensure or certification as an Assisted Living Facility where required.

For policies issued in Florida, the following applies:

**Claim Forms** –When we receive the notice of claim, we will send the claimant forms for filing proof of loss. If these forms are not given to the claimant within 15 days, the claimant may meet the proof of loss requirements by giving the insurer a written statement of the nature and the extent of the loss within the time limit stated in the Proof of Loss provision.

For policies issued in Arizona, Connecticut, Delaware, Florida, Indiana, New Jersey, North Dakota, South Dakota, and Washington D.C. the following applies:

**Elimination Period** –the total number of days that the Insured is a Chronically Ill Individual before benefits are payable. However, in no case will the Elimination Period start date be more than:

90 days prior to the date the Owner or Insured contacts us for a loss related to the Insured’s inability to perform Activities of Daily Living; or

365 days prior to the date the Owner or Insured contacts us for a loss due to Severe Cognitive Impairment.

For policies issued in Montana, the following applies:

**Elimination Period** – the total number of days that the Insured is a Chronically Ill Individual before benefits are payable. This period includes the time it takes to determine that the Insured is Chronically Ill. Each occurrence of days counted towards satisfying the Elimination Period begins on the first day that the Insured is a Chronically Ill Individual and incurs Covered Services. However, in no case will the Elimination Period start date be more than:

90 days prior to the date the Owner or Insured contacts us for a loss related to the Insured’s inability to perform Activities of Daily Living; or

365 days prior to the date the Owner or Insured contacts us for a loss due to severe Cognitive Impairment.

For policies issued in Montana, the following applies:

**Home Health Care** – medical and non-medical services, provided to ill, disabled or infirm persons by a Home Health Care Agency in their residences. Such services may include:

- Nursing;
- Home health aide services;
- Physical therapy;
- Occupational therapy;
- Speech therapy;
- Hospice service;
- Medical supplies and equipment suitable for use in the home; and
- Medically necessary personal hygiene, grooming and dietary assistance.

For policies issued in Florida, the following applies:

**Hospital** – means any establishment that:

Offers services more intensive than those required for room, board, personal services, and general nursing care, and offers facilities and beds for use beyond 24 hours by individuals requiring diagnosis, treatment, or care for illness, deformity, infirmity, abnormality, disease, or pregnancy; and

Regularly makes available at least clinical laboratory services, diagnostic X-ray services, and treatment facilities for surgery or obstetrical care, or other definitive medical treatment of similar extent.

For policies issued in Washington D.C., the following applies:

**Immediate Family** – the Insured’s Spouse or civil union partner and the parents, brothers, sisters and children of either the Insured, the Insured’s Spouse or civil union partner by blood, adoption or marriage.

For policies issued in Montana, the following applies:

**Irreversible Dementia** – means deterioration or loss of intellectual faculties, reasoning power, memory, and will due to organic brain disease characterized by confusion, disorientation, apathy and stupor of varying degrees which is not capable of being reversed and from which recovery is impossible.

For policies issued in Arizona, the following applies:

**Licensed Health Care Practitioner** – a physician licensed pursuant to Arizona title 32, chapter 13 or 17, any registered nurse or registered nurse practitioner licensed to Arizona title 32, chapter 15, licensed social worker or other individual who meets such requirements as may be prescribed by the Secretary of the Treasury of the United States. A Licensed Health Care Practitioner must reside in the United States and cannot be you or an Immediate Family Member.

For policies issued in Florida, the following applies:

**Licensed Health Care Practitioner** – a physician or nurse licensed pursuant to Part I of Chapter 464, Florida Statutes; a psychotherapist licensed under Chapter 490 or Chapter 491, Florida Statutes; any individual who meets any requirements as may be prescribed by rule adopted by the Florida Insurance regulatory authority.

For policies issued in South Dakota, the following applies:

A Licensed Health Care Practitioner may be an Immediate Family Member if that family member is the only doctor in the area, provided the doctor is acting within the scope of the practice.

For policies issued in Montana, the following applies:

**Maintenance or Personal Care Services** – any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the Insured is a Chronically Ill Individual. This includes protection from threats to health and safety due to severe Cognitive Impairment and Irreversible Dementia.

For policies issued in Florida, the following applies:

**Proof of Loss** – Written proof must be available to us within 90 days after the loss for which benefits are claimed. If it was not reasonably possible to give written proof in the time required, we shall not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than one year from the time specified unless the claimant was legally incapacitated.

For policies issued in Florida, the following applies:

**Qualified Long-Term Care Services** – necessary diagnostic, preventive, curing, treating, mitigating and rehabilitative services, and Maintenance or Personal Care Services which are required by a Chronically Ill Individual and are provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.

For policies issued in Montana or Arizona, the following applies:

The term Severe Cognitive Impairment is referred to as Cognitive Impairment.

For policies issued in Washington D.C. the following applies:

**Spouse** – means the person of the same or opposite sex to whom the Insured is legally married under the laws of the state or jurisdiction in which the marriage took place.

For policies issued in Florida, the following applies:

**Terminally Ill** – the Insured has a medical prognosis that his or her life expectancy is one year or less if the illness runs its normal course.

#### *Limitations, Exclusions and Eligibility Conditions for Benefits*

For policies issued in New Jersey, the following applies:

**Certain pre-existing condition limitations apply.** A preexisting condition is any condition for which the Insured received medical advice or treatment in the six months preceding the LTC Rider Effective Date. We will not pay benefits for a Confinement due wholly or in part to a preexisting condition if the need for services begins during the first six months after the LTC Rider Effective Date.

For policies issued in Montana, the following applies:

The Rider will pay benefits for:

Confinements due to preexisting conditions that occur six months after the LTC Rider Effective Date.

For policies issued in South Dakota, the following applies:

The Rider will pay benefits for:

Care or services that result from an attempt at suicide (while sane or insane) or an intentionally self-inflicted injury;

Care or services that result from active duty in the armed forces of any nation or international government or units auxiliary thereto, or the National Guard;

The rider will pay for services available under governmental programs (except Medicaid), state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no fault law. It will not pay for work related injuries or illnesses if benefits are paid under workers' compensation or other similar laws.

For policies issued in Florida, the following applies:

To receive the Rider Benefit, you must satisfy the following condition:

A Licensed Health Care Practitioner certifies the Insured as being a Chronically Ill Individual within the preceding twelve-month period;

#### *Claims Provisions*

For policies issued in Florida, the following applies:

At our expense, we have the right to have the Insured examined as often as reasonably necessary while a claim is pending except that when a Licensed Health Care Practitioner has certified that the Insured is a Chronically Ill Individual, additional certifications may not be performed until after the expiration of the 90-day period starting on the date of certification. We may also have an autopsy made unless prohibited by law.

For policies issued in Florida, the following applies:

Written notice of claim must be given within 20 days after a covered loss starts or as soon as reasonably possible. The notice may be given to us at our Administrative Office or to our agent.

For policies issued in Montana, the following applies:

We will pay benefits within 30 days of the date we receive the Insured's claim, however if we need to collect information in order to verify eligibility, benefits will be paid within 60 days of our receipt of the original Proof of Loss unless we have notified you, your designee, your assignee or the claimant of the reasons we have not paid the claim in full or unless we have a reasonable belief that insurance fraud has been committed and we have reported the possible insurance fraud to the commissioner.

For policies issued in Florida, the following applies:

If a claim is not paid or denied within 120 days after receipt, we will add 10% simple interest to any overdue claim payments.

#### *Lapse and Reinstatement*

For policies issued in Montana, the following applies:

We will provide such notice at least 30 days before the effective date of lapse or termination. Notice shall be given by first class United States mail, postage prepaid; and notice will not be given until 30 days after a premium is due and unpaid. Notice shall be deemed to have been given as of five days after the date of mailing.

#### *Extension of Benefits*

For policies issued in New Jersey, the following applies:

If this Rider terminates, we will recognize the basis for a claim under this Rider predicated upon the Insured's continuous certification as a Chronically Ill Individual before the date of termination in the same manner as if the insurance was In Force. Extension of Benefits stops on the earliest of:

- The date when the Insured no longer meets the Eligibility for the Payment of Benefits requirements;
- The date the Insured is no longer incurring Covered Services; or
- The date when the LTC Coverage Amount remaining after monthly benefit payment is zero.

This Extension of Benefits is subject to all of the provisions of this rider, and all applicable coverage maximums.

If benefits are continued under this Extension of Benefits provision because the Policy has lapsed, no Death Benefit will be payable to the beneficiary under the Policy.

*Non-Duplication with Other Plans*

For policies issued in Florida, the following applies:

We will not pay benefits for any amount that would be reimbursable under Medicare or any other plan or program but for the application of a deductible or coinsurance amount. We will pay the difference between the actual expense and the benefits payable by Medicaid or private insurance, but our payment will not exceed the amount we would have paid in the absence of such other insurance. However, if the Insured's Medicaid or private insurance denies payment for a service that we cover, we will pay the benefit as outlined in this Rider. The care coordinator can assist in identifying other insurance benefits to which the Insured is entitled that can be applied to meet actual expenses.

**Waiver of Charges Rider**

For policies issued in California, the total disability Age and Age of Rider termination is 65.

HOW MUCH YOU CAN BORROW

**Loan Amount Available**

For policies issued in Arizona, your loan amount available equals the Net Cash Surrender Value.

PAYING THE DEATH BENEFIT IN THE CASE OF SUICIDE

**Suicide Exclusion**

For policies issued in North Dakota, the suicide exclusion period is one year.



## WHERE TO GO FOR MORE INFORMATION

The Pacific Select VUL-Accumulation variable life insurance policy is underwritten by Pacific Life Insurance Company.

You will find more information about the Policy and Pacific Select Exec Separate Account in the SAI dated May 1, 2019. The SAI has been filed with the SEC and is considered to be part of this prospectus because it is incorporated by reference.

You can get a copy of the SAI without charge by calling or writing to us, or you can view it online at our website. You can also contact the SEC to get the SAI, material incorporated into this prospectus by reference, and other information about registrants that file electronically with the SEC. The SEC may charge you a fee for this information.

You may obtain the current prospectus and SAI for any of the portfolios underlying the Variable Accounts by calling (800) 347-7787.

If you ask us, we will provide you with Illustrations of Policy benefits based on different sets of assumptions. Illustrations may help you understand how your Policy's Death Benefit, Cash Surrender Value and Accumulated Value would vary over time based on different assumptions. You can get one Policy Illustration free of charge per Policy Year by calling or writing to us. We reserve the right to charge \$25 for additional Illustrations.

### **How to Contact Us**

Pacific Life Insurance Company  
P.O. Box 2030  
Omaha, Nebraska 68103-2030

(800) 347-7787  
5 a.m. through 5 p.m. Pacific time  
[www.PacificLife.com](http://www.PacificLife.com)

***We accept faxes or emails for both Variable and Indexed Fixed Option transaction requests (transfers, allocation changes, rebalancing) and also Policy loans at:***

(866) 398-0467  
[Transactions@pacificlife.com](mailto:Transactions@pacificlife.com)

### **PREMIUM PAYMENTS**

***Unless you receive premium notices via list bill, send premiums (other than initial premium) to:***

Pacific Life Insurance Company  
P.O. Box 100957  
Pasadena, California 91189-0957

### **How to Contact the SEC**

You can also find reports and other information about the Policy and Separate Account from the SEC. The SEC may charge you a fee for this information.

Commission's Public Reference Section  
100 F Street, NE  
Washington, D.C. 20549  
(202) 551-8090  
Website: [www.sec.gov](http://www.sec.gov)  
e-mail: [publicinfo@sec.gov](mailto:publicinfo@sec.gov)

### **FINRA Public Disclosure Program**

FINRA provides investor protection education through its website and printed materials. The FINRA regulation website address is [www.finra.org](http://www.finra.org). An investor brochure that includes information describing the BrokerCheck program may be obtained from FINRA. The FINRA BrokerCheck hotline number is (800) 289-9999. FINRA does not charge a fee for the BrokerCheck program services.

SEC file number 811-05563

333-202248

## Our Privacy Promise

- **We do not sell information about you.**
- **We do not share your information with anyone else for their marketing purposes.**
- **We use your personal information only to help maintain and grow the business relationship you have with us.**

### Privacy Notice to Our Customers

As our customer, you trust us to help you achieve financial success and security. We provide this notice because you have a right to know how we protect the privacy of the personal information you share with us. Your knowledge of our privacy principles and practices will confirm the trust you have placed in us.

### What Personal Information Do We Collect?

The type of information that we collect depends on the type of product or service you request. This includes:

- Information you provide on an application or other form (for example, name, address, social security number, or income).
- Information we get from other sources such as credit reporting agencies and information to verify employment or income.
- Information about your business relationship and history with us.
- Medical or health information you permit us to receive from doctors or other health care providers.

Much of the personal information we collect is obtained from you. We collect personal information needed only to service and manage your relationship with us.

### How Do We Use and Disclose Your Information?

The main use of your information is to confirm your identity in the course of business that we perform at your request. We also use your information to underwrite policies or contracts, process claims, and service your relationship with us.

Information may be disclosed to other entities that provide business services to us related to our relationship with you. This includes administrative, claims, or audit services. Examples are your producer/registered representative, broker, or a reinsurance company. Before we disclose your information, these entities must agree to keep it private. Additionally, we may provide information to individuals and entities with whom you authorize us to share.

We may also share information within our corporate family to service and grow the business relationship we have with you. For example, our business units provide administrative services, assist with policy document preparation and delivery, and provide claims processing assistance. In addition, we may share your information with other Pacific Life business units that offer products and services that may be of interest to you.

If necessary, we disclose information when it is required by law. An example is a routine filing to the Internal Revenue Service (such as a Form 1099). We may also disclose certain information to other entities to help us report or prevent fraud. Examples are reports to a regulatory or law enforcement agency.

### What Medical and Health Information Do We Collect?

We may receive medical or health information about you. This may be on an application for insurance or when we process a claim, as approved by you in writing. We do not share that medical or health information among our family of companies. We do not share it with unrelated companies, except as needed to process your transactions. This may be necessary to provide services that you have requested related to your insurance coverage or payment.

### How Do We Protect the Security of Your Information?

We have policies to maintain physical, electronic, and procedural safeguards to protect the confidentiality of your personal information. Access to personal information is available only to those people who need to know it in order to help service our relationship with you.

Should your relationship with us end, we will continue to follow the privacy policies described in this notice to the extent that we retain information about you.

## **Do You Need to Do Anything?**

It is not necessary for you to take any action. This is because we do not share your information except to service the business relationship you have with us. You do not need to "opt-out" or "opt-in" as you may have done with other financial companies.

## **How Can You See And Correct Your Information?**

Generally, you have the right to review the personal information we have about you. You must request this in writing. We will not disclose information we have collected in connection with a claim or lawsuit. If you believe that any of the information we have is in error, you may write us and request a correction. Where justified, corrections will be made.

## **Confidentiality Practices for Victims of Domestic Violence or Abuse**

Pacific Life understands that certain personal information may require special handling. This may be especially true in instances where an individual is, or has been, a victim of domestic violence or abuse. This information may include the individual's address, telephone number, name and place of employment, and other contact or location information.

If you are a Pacific Life applicant, policyowner, insured or beneficiary, who is a victim of domestic violence or other abuse, and would like Pacific Life to take steps to further safeguard your information from others or need to remove a previously submitted request, our Customer Service Representatives are available to assist you.

- For Life Insurance policies that have policy numbers beginning with "2L", please call 844-276-0191 from 9:00AM-8:00PM ET.
- For all other Life Insurance policies, please call 800-374-7787 from 5:00AM-5:00PM PT.
- For Annuity Contracts, please call 800-722-4448, from 6:00AM-5:00PM PT.

Please direct inquiries about accessing or correcting your information to the address below:

Pacific Life Privacy Office  
700 Newport Center Drive  
Newport Beach, CA 92660

If you have questions regarding Our Privacy Promise, please call toll free

**(877) 722-7848**

Please have a copy of your policy or contract available when you call so we may provide you with the best service. You may also review Pacific Life's Online Privacy Policy.

Pacific Life will provide you a copy of our Privacy Promise annually.

We, Our and Us, as referred to in this notice, includes:

Pacific Life Insurance Company  
Pacific Life & Annuity Company  
Pacific Select Distributors, LLC  
Pacific Life Fund Advisors LLC

***Pacific Life Insurance Company is licensed to issue individual life insurance and annuity products in all states except New York. Product availability and features vary by state. Individual life insurance and annuity products are available in New York through Pacific Life & Annuity Company. Each company is solely responsible for the financial obligations accruing under the policies and annuity contracts it issues, and its product and rider guarantees are backed by that company's financial strength and claims-paying ability.***

This privacy notice is not part of the Prospectus.

Pacific Life Insurance Company

Mailing address:

P.O. Box 2030

Omaha, NE 68103-2030

Visit us at our website: [www.PacificLife.com](http://www.PacificLife.com)

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