



# PACIFIC LIFE

Pacific Life Insurance Company • [45 Enterprise • Aliso Viejo, CA 92656]  
[www.PacificLife.com] (800) 347-7787

**READ YOUR POLICY CAREFULLY.** This is a legal contract between you, the Owner, and us, Pacific Life Insurance Company, a stock insurance company. We agree to pay the benefits of this policy ("Policy") according to its provisions. The consideration for this policy is the Application for it, a copy of which is attached, and payment of the initial premium.

**The method for determining the Death Benefit is described in the Death Benefit section of this policy. The amount of the Death Benefit may decrease as a result of withdrawals or paid policy or rider benefits. Please reference the Index located at the end of this contract to determine the page on which the Death Benefit is described.**

**Benefits as specified under this policy will be reduced upon receipt of an accelerated death benefit. We recommend you contact a qualified tax advisor about the tax status of an accelerated death benefit payment.**

**Premiums are flexible, subject to minimums required to keep the policy In Force. It is possible that, due to loans or withdrawals the policy may lapse before any Death Benefit or accelerated benefits are payable.**

Signed for Pacific Life Insurance Company,

[James T. Purnell]

Chairman and Chief Executive Officer

[Jane M. Guon]

Secretary

## FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE

- **Death Benefit Payable On The Death Of The Insured**
- **Net Cash Surrender Value Payable Upon Surrender**
- **Adjustable Face Amount**
- **Non-Participating**

Insured: [Jane Doe]  
Owner: [Leland Stanford]  
Policy Number: [LTC6999990]  
Policy Date: [June 1, 2013]

California Department of Insurance: [(XXX) XXX-XXXX]

**Free Look Right** – The Owner has 30 days from the day the policy and any riders are received to examine and return them to us if the Owner decides not to keep them. The Owner does not have to tell us the reason for returning the policy and riders. The policy and riders can be returned to us at our Administrative Office or to the Producer through whom they were bought. We will refund, directly to the payer, the full amount of any premium paid within 30 days of such a return and the policy and any riders will be void from the start.

(This page intentionally left blank)

**SAMPLE**

**POLICY SPECIFICATIONS**

**Summary of Coverages Effective on the Policy Date**

P12PPC	Flexible Premium Adjustable Life Insurance (Life Coverage)
[R12ABR	Accelerated Benefit Rider ("ABR") for Comprehensive Long-Term Care]
[R12EBR	Extended Benefit Rider ("EBR") for Comprehensive Long-Term Care]

Life Policy:	Flexible Premium Adjustable Life Insurance
Insured:	[Jane Doe]
Owner:	[Leland Stanford]
Policy Date:	[June 1, 2013]
Sex And Age:	[Female 35]
Risk Class:	[Nonsmoker] [with Couples Discount]
Death Benefit Qualification Test:	Cash Value Accumulation Test
Net Amount at Risk Factor:	[1.0028709]
[This Policy Is a Modified Endowment Contract]	
[7 Pay Premium:	\$1,772.13]
Guaranteed Annual Interest Rate:	[3.50%]
Maximum Premium Load Rate:	[4.00%]
Minimum Face Amount:	[\$37,000.00]
Monthly Deduction End Date:	Policy Anniversary When the Insured Attains Age 95
<b>Surrender Charge</b>	
Initial Amount:	[\$908.40]
Level Period:	[5] Years
Reduction Factor:	[\$181.68]
Surrender Charge Period:	[10] Years
<b>Maximum Monthly Coverage Charge</b>	
Years 1 -10:	[\$36.60]
Year 11 +:	[\$0.00]

**Summary of Values Effective on the Policy Date**

<b>Death Proceeds (Before Minimum Death Benefit)</b>	<b>Benefit Amount</b>
Face Amount (Life Coverage):	[\$60,000.00]
Death Proceeds:	[\$60,000.00]

<b>Coverage Type</b>	<b>Premium Amount</b>
Life Coverage:	[\$17,706.60]
Accelerated Benefit Rider (ABR):	[\$9,400.20]
[Extended Benefit Rider (EBR):]	[\$6,793.80]
Total Premium:	[\$33,900.60]
Return of Premium Benefit:	[\$33,900.60]

<b>Long-Term Care Benefit Limits</b>	<b>Elected Benefit Duration</b>	<b>Benefit Amount</b>
Maximum ABR Benefit Limit:	[2 Years][*]	[\$60,000.00]
[Maximum EBR Benefit Limit:]	[4 Years]	[\$120,000.00]
[Inflation Benefit:]		[\$13,500.00]
Total Long-Term Care Benefit:	[6 Years]	[\$193,500.00]

Monthly Maximum ABR [and EBR] Benefit Amount:	[\$2,500.00]
Inflation Benefit for ABR [and EBR]:	[Rejected] [3% Simple]

<b>Long-Term Care Benefits</b>	<b>Elimination Period</b>
Alternative Care Benefit:	[0] Days
Residential Care Facility Benefit:	[90] Days
Care Coordination Benefit:	[0] Days
Caregiver Training Benefit:	[0] Days
Home Care and Community-Based Services Benefit:	[0] Days
Respite Care Benefit:	[0] Days
International Benefit:	[90] Days
Home Modification and Durable Medical Equipment Benefit:	[0] Days
Nursing Home Benefit:	[90] Days

**Home Modification and Durable Medical Equipment Benefit Lifetime Maximum** – Lesser of \$5,000 or Monthly Maximum ABR Benefit Amount at time of policy issue while covered under ABR [and EBR].

**Caregiver Training Benefit Lifetime Maximum** – \$[1,000] for the Caregiver Training Benefit while covered under ABR [and EBR].

\*This duration may increase or decrease depending on how the Policy and Rider Benefits are used.

For questions about your policy or to discuss policy and rider benefits, you may contact us at our Administrative Office at (800) 347-7787 or at [www.PacificLife.com](http://www.PacificLife.com).

TABLE OF COST OF INSURANCE RATES

FOR LIFE COVERAGE

INSURED: [JANE DOE]

MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1000.00 OF NET AMOUNT AT RISK APPLICABLE TO THIS COVERAGE.

POLICY YEAR	MONTHLY RATE	POLICY YEAR	MONTHLY RATE
[1	0.07670	45	3.43850
2	0.08250	46	3.82530
3	0.08750	47	4.30290
4	0.09170	48	4.81110
5	0.09670	49	5.34790
6	0.10260	50	5.95010
7	0.10920	51	6.56440
8	0.11670	52	7.29570
9	0.12590	53	8.20720
10	0.13680	54	9.17860
11	0.14930	55	10.15600
12	0.16430	56	10.88250
13	0.18180	57	11.58260
14	0.20110	58	12.75540
15	0.22280	59	14.36970
16	0.24700	60	16.42160
17	0.27460	61+	0.00000]
18	0.30550		
19	0.33810		
20	0.37240		
21	0.41180		
22	0.45450		
23	0.49970		
24	0.54660		
25	0.59440		
26	0.64480		
27	0.70020		
28	0.75900		
29	0.82120		
30	0.88930		
31	0.96510		
32	1.04770		
33	1.13960		
34	1.24180		
35	1.35340		
36	1.47950		
37	1.62360		
38	1.78150		
39	1.95420		
40	2.14600		
41	2.35700		
42	2.58910		
43	2.84660		
44	3.12830		

## DEFINITIONS

In this section, we define certain terms used throughout this policy. Other terms may be defined in other parts of the policy. Defined terms are usually capitalized to provide emphasis.

**Accumulated Value** – is the sum of Net Premiums and credited interest less withdrawals, monthly deductions, and any reductions due to benefit payments under a rider. See the Accumulated Value and Policy Loan sections for details.

**Administrative Office** – is the office that administers your policy. The mailing address of the Administrative Office at the time you applied for this policy is shown in the heading of the Application. If the address changes, we will send you written notice of the new address.

**Age** – means the age as of the Insured's birthday prior to the Policy Date, increased by the number of complete policy years elapsed.

**Application** – consists of the application for this policy, including any Statement of Good Health and Insurability, amendments, endorsements, and any application for reinstatement.

**Class** – is used in determining Policy Charges and interest credited, and depends on a number of factors, including (but not limited to) the Death Benefit, Face Amount, Policy Date, policy duration, the Insured's Age and Risk Class and the presence of optional riders and benefits.

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

**Evidence of Insurability** – is information, including medical information, that is used to determine insurability and the Insured's Risk Class, subject to our approval.

**Face Amount** – is the Face Amount of Life Coverage as shown in the Policy Specifications.

**In Force** – means a policy is in effect and provides a Death Benefit or Residual Death Benefit on the Insured.

**Insured** – is the person insured under this policy, as shown in the Policy Specifications.

**Life Coverage** – is insurance coverage on the Insured provided by this policy as shown in the Policy Specifications, rather than coverage provided by rider.

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

**Monthly Payment Date** – is the same day in each month as the Policy Date and is the date on which certain Policy Charges are deducted from the Accumulated Value. The first Monthly Payment Date is the Policy Date.

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

**Net Amount at Risk** – is the difference between the Death Benefit and the Accumulated Value.

**Net Premium** – is the premium we receive for Life Coverage reduced by any Premium Load.

**Owner, you, or your** – refers to the Owner of this policy.

**Policy Date** – is shown in the Policy Specifications and means the date the policy and associated riders become effective. Policy and rider months, quarters, years and anniversaries are measured from this date.

**Policy Debt** – is the sum of the Loan Account and accrued Loan Interest charged, as described in the Policy Loans section.

**Policy Specifications** – is a section of the policy that shows information specific to your policy.

**Risk Class** – is used in determining Policy Charges and is determined by us during the underwriting process. Risk Class depends on the Insured's gender, health, tobacco use, and other factors. The Risk Class of the Insured is shown in the Policy Specifications. Risk Class may also be referred to as Risk Classification.

**We, our, ours, and us** – refers to Pacific Life Insurance Company.

**Written Request** – is your signed request in writing, or on a form we provide, and received by us at our Administrative Office, containing information we need to act on the request.

## DEATH BENEFIT

**When the Policy is In Force** – This policy is In Force as of the Policy Date, subject to your acceptance of the delivered policy and payment of the initial premium. The policy remains In Force until the earliest of the following:

- Surrender, as described in the Surrender and Withdrawal of Values section;
- Lapse, as described in the Policy Lapse and Reinstatement section; or
- The death of the Insured.

Coverage under this policy will be reduced by any decreases in Face Amount, as described in later sections of this policy or riders attached to this policy.

**Death Benefit** – This policy provides a Death Benefit on the death of the Insured while this policy is In Force. This section describes how the Death Benefit is calculated. The Death Benefit is the larger of:

- The Face Amount reflecting any reductions as a result of withdrawals or any rider benefits paid; or
- The Minimum Death Benefit according to the Cash Value Accumulation Test.

The Death Benefit as calculated above is subject to any increase required by the minimum death benefit provisions set out in General Provisions to satisfy certain federal tax qualification requirements.

**Death Benefit Qualification Test** – In order for your policy to qualify as a life insurance contract under the Code, it must at all relevant times satisfy the Cash Value Accumulation Test. The policy provides a Minimum Death Benefit amount, as needed, for the policy to qualify under the Cash Value Accumulation Test.

**Minimum Death Benefit** – The Minimum Death Benefit at any time will be the minimum amount required for this policy to qualify as a life insurance contract under the Code, but not less than 101% of the greater of the Accumulated Value or the Life Return of Premium Benefit.

**Death Proceeds** – The Death Proceeds ("Proceeds") amount is the actual amount payable to the beneficiary if the Insured dies while this policy is In Force. The Proceeds amount is equal to the greater of the Death Benefit or the Residual Death Benefit, as of the date of death:

- Less any Policy Debt; and
- Less any Monthly Deductions that may be due and unpaid if death occurs during a Grace Period.

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 Proceeds from the date of death at a rate not less than the rate payable for funds left on deposit (see the Income Benefits section). If payment of Proceeds is delayed more than 31 calendar days after we

receive the following 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 referenced above. Proceeds are paid as a lump sum unless you choose to have the Proceeds paid under an income benefit plan available on the date of election, subject to our requirements.

We will pay the Proceeds to the beneficiary after we receive, at our Administrative Office:

- Due proof of the Insured's death, consisting of a certified copy of the death certificate for the Insured or other lawful evidence providing equivalent information;
- Proof of the claimant's legal interest in the Proceeds; and
- Sufficient evidence that any legal impediments to payment of Proceeds that depend on parties other than us have been resolved. Legal impediments to payment include, but are not limited to (a) the establishment of guardianships and conservatorships; (b) the appointment and qualification of trustees, executors and administrators; (c) submission of information required to satisfy state and federal reporting requirements; and (d) conflicting claims.

**Residual Death Benefit** – This policy provides a Residual Death Benefit if greater than the Death Benefit, in an amount equal to the lesser of 5% of the initial Face Amount, as shown on the Policy Specifications, or \$5,000.00. Any withdrawals and certain rider benefit payments will reduce the Residual Death Benefit in the same proportion that they reduce the Face Amount.

**Face Amount Changes** – A requested increase or decrease in Face Amount is not allowed.

**Face Amount Decreases** – A decrease in Face Amount will occur as a result of:

- Withdrawals of policy Accumulated Value; or
- Rider benefits exercised while the policy is In Force.

The effective date of the decreased Face Amount will be the date we have processed the withdrawal or rider benefit. Upon processing any decrease, we will send you written notification reflecting the decrease.

**Change in Benefits** – Under the Cash Value Accumulation Test, any change in policy or rider benefits or certain other factors may require an adjustment to the policy's tax qualification limits.

## PREMIUMS

**Premiums** – The initial premium is payable either at our Administrative Office or to our authorized representative before we can place your policy In Force. At your request, we will give you a premium receipt signed by one of our officers. Additional premiums are optional and are payable at any time at our Administrative Office. We will consider any premium paid after the initial premium, whether delivered to an independent producer or otherwise, to be "received" when it is actually delivered to our Administrative Office. Except for the initial premium, we bear no responsibility for any premium unless we have received the premium. We reserve the right to reject premium payments less than \$50 unless such premium is required to keep the policy In Force. Premiums may be paid at any time before the Monthly Deduction End Date, subject to the premium limits below. Any payment we receive from you while you have a loan will be first considered a loan repayment, unless you tell us by Written Request it is a premium payment.

**Premium Load** – The Premium Load is equal to the premium paid for Life Coverage multiplied by the Premium Load Rate. The Maximum Premium Load Rate is shown in the Policy Specifications.

**Premium Processing** – When a premium is received by us, the Premium Load will first be deducted. Then the resulting Net Premium will be credited to the Accumulated Value.

**Premium Limitation** – We reserve the right to require Evidence of Insurability satisfactory to us for any premium payment that would result in an increase in the Net Amount at Risk and, if such Evidence of



Insurability is not satisfactory, to limit or refuse the premium payment, unless it is necessary to keep the policy In Force.

**Modified Endowment Contract Premium Limit** – The provisions of this subsection will not apply if your policy is classified as a Modified Endowment Contract under Section 7702A of the Code as of the Policy Date. Otherwise, in order that this policy not be classified as a Modified Endowment Contract under Section 7702A of the Code, the sum of premiums paid less a portion of any withdrawals may not exceed the 7-Pay limit as defined in the Code. The 7-Pay limit is the cumulative sum of the 7-Pay Premiums during the applicable 7-Pay testing period. In the event that a premium payment would cause the 7-Pay limit to be exceeded, we will refund the excess payment to you, unless you have provided a Written Request in which you accept your policy being classified as a Modified Endowment Contract and indicate that we may accept such payments and apply them to the policy, in accordance with the Modified Endowment Contract Tax Status subsection of this policy.

The 7-Pay Premium may change whenever there is a change in the Face Amount of insurance or in other policy benefits or factors. The 7-Pay Premiums are determined according to the rules applicable to this policy set forth in the Code. The 7-Pay Premium will be adjusted to conform to any changes in the Code. To the extent that a premium payment would cause such limits to be exceeded, we will refund the excess payment to you, in accordance with the Modified Endowment Contract Tax Status section of this policy. Further, as indicated in that section, we will increase the Death Benefit to the extent we deem necessary to continue to classify this policy as a non-Modified Endowment Contract under the Code.

## ACCUMULATED VALUE

**Accumulated Value** – The Accumulated Value equals the sum of:

- Fixed Accumulated Value; and
- Loan Account Value, as described in the Policy Loans section.

**Fixed Accumulated Value** – On the Policy Date, the Fixed Accumulated Value equals the Net Premium received less the first Monthly Deduction. On each other day, the Fixed Accumulated Value equals:

- The Fixed Accumulated Value as of the prior day;
- Plus interest earned on such amount since the prior day;
- Plus the amount of any Net Premiums received since the prior day;
- Less the amount of any withdrawal since the prior day;
- Less the amount of any Policy Loan, including any Policy Loan to pay Policy Loan interest, taken since the prior day;
- Less reduction for benefits paid since the prior day as described in the riders attached to this policy;
- Plus the amount of any loan repayment made since the prior day; and
- Less, on a Monthly Payment Date, the Monthly Deduction.

We credit interest to the Fixed Accumulated Value on a daily basis at the end of each day, using a 365-day year, at a rate not less than the Guaranteed Annual Interest Rate shown in the Policy Specifications. At our discretion, we may credit additional interest. Any such additional interest may be adjusted to reflect expenses, taxes, profit, or sources of earnings other than investment earnings and will be applied uniformly to all members of the same Class. Once credited, the additional interest is nonforfeitable except indirectly due to the Surrender Charge.

## POLICY CHARGES

**Monthly Deduction** – The Monthly Deduction provides coverage for the policy month following the Monthly Payment Date and is deducted from the Accumulated Value on each such date before the Monthly Deduction End Date. It is equal to the sum of the following items:

- The Cost of Insurance Charge;
- The Coverage Charge; and
- Rider charges, if any.

The maximum for each such charge is described below or in the rider forms. We may charge less than such maximum charge. Any lesser charge will apply uniformly to all members of the same Class.

**Coverage Charge** – This charge is based on the Face Amount of the policy and will not exceed the Maximum Monthly Coverage Charge shown in the Policy Specifications. The Coverage Charge will decrease proportionately to the Face Amount Decrease as a result of a withdrawal or payment of a rider benefit.

**Rider Charges** – Any rider charges are described in the rider.

**Cost of Insurance Charge** – The Cost of Insurance Charge is equal to (1) multiplied by (2), where: (1) is the Monthly Cost of Insurance Rate divided by 1000 as shown in the Policy Specifications; and (2) is the Death Benefit divided by the Net Amount at Risk Factor shown in the Policy Specifications, reduced by the Accumulated Value as of the beginning of the policy month before the Monthly Deduction is assessed.

**Cost of Insurance Rates** – The Maximum Monthly Cost of Insurance Rates for the Life Coverage are shown in the Policy Specifications.

## POLICY LAPSE AND REINSTATEMENT

**Grace Period** – If the Accumulated Value less Policy Debt on a Monthly Payment Date is sufficient to cover the Monthly Deduction due, the policy will continue in Force. If the Accumulated Value less Policy Debt on a Monthly Payment Date is not sufficient to cover the Monthly Deduction due, a Grace Period of 61 days will be allowed for the payment of sufficient loan repayment or premium to keep your policy in Force. The Grace Period begins on the Monthly Payment Date on which the insufficiency occurred and ends 61 days thereafter. At the start of the Grace Period, we will provide a Grace Notice to you, any assignee of record, and any additional person designated to receive notice of lapse or termination. There is no penalty for paying a premium during the Grace Period. Your policy will remain in Force during the Grace Period and no interest on such premium will be charged.

**Notification of Termination for Non-Payment** – Thirty days after the Monthly Payment Date on which the insufficiency occurred, we will provide a notification of termination for non-payment to you, any assignee of record, and any additional person designated to receive notice of lapse or termination. The notice will be provided to each person at their last known addresses by first class United States mail, postage prepaid and will state the due date, which is 61 days after the date this notice is mailed, and the amount of loan repayment or premium required for your policy to remain in Force. A minimum of the monthly charges not deducted plus three times the monthly deduction due when the insufficiency occurred must be paid.

**Lapse** – If sufficient loan repayment or premium is not paid by the end of the Grace Period, a lapse will occur. If the Insured dies during the Grace Period, the Death Proceeds will be equal to the Death Proceeds as of the beginning of the Grace Period reduced by any overdue charges. Upon lapse, the policy will terminate with no value.

**Reinstatement** – If it has not been surrendered, this policy may be reinstated within five years after the end of the Grace Period. To reinstate this policy you must provide us with the following:

- A written application;
- Full repayment of Policy Debt, if a loan was outstanding at the time of lapse;
- Evidence of Insurability satisfactory to us that the Insured is insurable in the same rate class and rate type as when the Policy was issued; and

- Sufficient premium, after reduction by Premium Load, to cover all Monthly Deductions and Loan Interest Charges due and unpaid during the Grace Period.

The effective date of the policy reinstatement will be the Monthly Payment Date on or next following the date we approve your reinstatement application. Upon reinstatement:

- The Accumulated Value will equal the amount it was at the beginning of the Grace Period, plus the reinstatement Net Premium, less Monthly Deductions as indicated below (including those due and unpaid during the Grace Period);
- The Surrender Charges, Life Return of Premium Benefit and Policy Charges (other than Cost of Insurance Charges) for 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; and
- The periods during which we may exclude death by suicide and contest coverage due to a material misstatement in the reinstatement application will begin from the reinstatement date.

After the reinstatement premium has been applied, regular policy processing of Monthly Deductions will occur for the period of time when coverage was provided during the Grace Period. There will be no Monthly Deductions between the time of lapse and reinstatement.

## SURRENDER AND WITHDRAWAL OF VALUES

**Surrender** – Upon Written Request while the policy is In Force, you may surrender this policy for its Net Cash Surrender Value. If surrendered within 30 days following a policy anniversary, the value available shall not be less than the anniversary value, less any withdrawal, Policy Loan, or rider benefit paid since the policy anniversary. If surrendered at any time other than on a policy anniversary, the value available shall be calculated with allowance for lapse of time from the last preceding policy anniversary. The policy will terminate on the date the Written Request is received at our Administrative Office. The policy cannot be surrendered during the Grace Period.

**Net Cash Surrender Value** – The Net Cash Surrender Value is the Cash Surrender Value less any Policy Debt plus any Return of Premium Benefits under any attached riders.

**Life Return of Premium Benefit** – At issue, the Life Return of Premium Benefit is equal to the Life Coverage Premium Amount at issue, as shown in the Policy Specifications. Thereafter, the Life Return of Premium Benefit is modified as described in the Return of Premium Benefit section.

**Return of Premium Benefit** – The Return of Premium Benefit is not available if your policy was issued upon the exercise of a conversion option from another policy. Otherwise, the Return of Premium Benefit, if greater than the Accumulated Value less any Surrender Charge, is available upon surrender of the policy. The Return of Premium Benefit is equal to the sum of the Life Return of Premium Benefit and any Return of Premium Benefit under riders attached to the policy. There are no increases to the Return of Premium Benefit after issue, even if additional premiums are paid.

After issue, the Return of Premium Benefit is reduced by the following events:

- Any withdrawals; and
- Any benefit payments made under the riders.

These events will reduce the Life Return of Premium Benefit first (but not below zero), and then any Return of Premium Benefit under riders attached to the policy.

**Cash Surrender Value** – The Cash Surrender Value is equal to the greater of:

- Life Return of Premium Benefits; or

- The Accumulated Value;
- Less any Surrender Charge; and
- Less any Return of Premium Benefits under any riders attached to this Policy.

**Surrender Charge** – If you surrender this policy, there may be a Surrender Charge deducted from the Accumulated Value. During the Level Period, the Surrender Charge is equal to the Initial Amount. After the Level Period, the Surrender Charge decreases by the Reduction Factor for the remaining Surrender Charge Period. The Initial Amount, Level Period, Reduction Factor and Surrender Charge Period are shown in the Policy Specifications.

**Withdrawals** – Upon Written Request on or after the first policy anniversary, you may withdraw a portion of the Net Cash Surrender Value of this policy. Such withdrawal will be deducted from the Accumulated Value. There is no Surrender Charge imposed for a withdrawal, even if the Face Amount is reduced as a result of the withdrawal. Withdrawals may be restricted or prohibited by certain riders attached to the policy. Withdrawals will be subject to the following conditions:

- The amount of each withdrawal must be at least \$200;
- The Net Accumulated Value less any Surrender Charge remaining after a withdrawal must be at least \$500; and
- The Face Amount remaining after the withdrawal must be at least the Minimum Face Amount as shown in the Policy Specifications.

A withdrawal will reduce the Face Amount in proportion to the amount of the withdrawal divided by the Accumulated Value before the withdrawal. If such a reduction in Face Amount would cause the policy to become a Modified Endowment Contract, we will not process your withdrawal request unless and until we receive your Written Request to have your policy classified as a Modified Endowment Contract. Refer to the Premiums section for details.

If the Insured dies after the request for a withdrawal is received by us and prior to the withdrawal being processed, the withdrawal, if allowed under this provision, will be processed and paid to the Owner, or to the Owner's estate, before the Death Proceeds are determined and paid to the beneficiary.

## INCOME BENEFITS

**Income Benefits** – All or part of any policy proceeds may, instead of being paid in a lump sum, be left with us under any one, or a combination of the income benefit plans available, subject to our minimum amount requirements on the date of election. If the payee is not a natural person, the choice of a payment option will be subject to our approval. We guarantee that the income benefit will not be less than the income that would be provided by the single premium immediate annuity purchase rates we offer at the time. We guarantee that we will have at least the following income benefit plans available.

**Fixed Income** – Equal payments of the amount chosen with interest of not less than 2% per year until the funds left on deposit are exhausted.

**Life Income** – Monthly income will automatically be guaranteed to continue for at least ten years. If the payee dies before the end of the ten-year period, payments will continue to the end of the ten-year period to a person designated in writing by that payee. The purchase rates for the monthly income for a male or female income recipient bought by each \$1,000 of benefits are shown below.

Age	Monthly Income	Age	Monthly Income	Age	Monthly Income	Age	Monthly Income	Age	Monthly Income
0-30	2.38	40	2.63	50	3.00	60	3.60	70	4.63
32	2.42	42	2.69	52	3.10	62	3.76	72	4.92
34	2.47	44	2.76	54	3.20	64	3.94	74	5.26
36	2.52	46	2.83	56	3.32	66	4.14	75+	5.45
38	2.57	48	2.91	58	3.45	68	4.37		

Monthly income amounts for ages not shown are halfway between the two amounts for the nearest two ages that are shown. Amounts shown are based on an annual interest rate of 2% and the Annuity 2000 female mortality table with five-year age setback. We may require evidence of survival for incomes that last more than ten years.

## POLICY LOANS

**Policy Loans** – You may obtain Policy Loans by Written Request after the Free Look Period, on the sole security of the Loan Account of this policy. We recommend you consult a qualified tax advisor before requesting a Policy Loan.

**Loan Amount Available** – The amount of the loan must be at least \$200. The maximum amount available for a loan on any date is equal to the Accumulated Value less:

- Three times the most recent Monthly Deduction;
- Any Surrender Charge; and
- Any existing Policy Debt.

**Loan Account** – The amount of any Policy Loan will be added to the Loan Account.

**Loan Repayment** – You may make loan repayments at any time prior to lapse of this policy. Any payment we receive from you while you have a loan will be treated as a loan repayment, unless you tell us by Written Request that it is a premium payment.

**Loan Interest Charge** – Interest will accrue daily based on the balance in the Loan Account and will be due on each policy anniversary. Such interest is calculated using the simple interest method and is based on the balance in the Loan Account, using an annual interest rate of 5.50%. The corresponding daily interest rate is equal to the annual rate divided by 365. If the policy terminates before a policy anniversary, the Loan Interest Charge will be due at such time.

**Policy Debt** – The Policy Debt is the amount necessary to repay the Policy Loan in full and is equal to the Loan Account plus any Loan Interest Charge. The Policy Debt reduces any amount otherwise payable under the policy.

**Loan Account Value** – The Loan Account Value is a portion of the Accumulated Value set aside to secure the Policy Debt. The Loan Account Value is equal to the Loan Account plus Loan Interest. Such interest is based on the balance in the Loan Account, and accrues daily on a simple interest basis, using the Loan Account Interest rate, which is an annual interest rate not less than the Guaranteed Annual Interest Rate shown in the Policy Specifications. The corresponding daily interest rate is equal to the annual rate divided by 365.

**Loan Processing on Policy Anniversary** – On each policy anniversary we will adjust the values of the Policy Debt, Loan Account and Loan Account Value so that they are equal to each other. To do this, we calculate the difference between the Policy Debt and the Loan Account Value. If the Policy Debt is greater than the Loan Account Value, which is generally the case when the policy loan interest has not been paid, a new loan will be taken for the excess and will be added to the Loan Account. If the Loan Account Value is greater than the Policy Debt, which is generally the case when the policy loan interest has been paid, the excess will be transferred into the Fixed Accumulated Value.

## OWNER AND BENEFICIARY

**Owner** – The Owner of this policy is as shown in the Policy Specifications or as later changed by Written Request. If you change the Owner, the change is effective on the date the Written Request is signed, unless otherwise specified by the Owner, subject to our receipt of it and subject to any action taken or payment made by us prior to its receipt. If there are two or more Owners, they will own this contract as joint tenants with right of survivorship, unless otherwise provided by Written Request. We recommend you consult a qualified tax advisor before requesting a change of Owner.

**Assignment** – Pursuant to Section 7702B of the Code, a policy providing qualified long-term care insurance benefits may not provide for a cash surrender value or other money that can be paid, assigned, or pledged as collateral for a loan. Accordingly, this Policy may not be assigned.

**Beneficiary** – The beneficiary is named by you in the Application to receive the Death Proceeds. You may name one or more beneficiaries. If you name more than one beneficiary, they will share the Death Proceeds equally or as you may otherwise specify by Written Request. If you have named a contingent beneficiary, that person becomes the beneficiary if the beneficiary dies before the Insured. A beneficiary may not, on or after the Insured's death, assign, transfer or encumber any benefit payable. To the extent allowed by law, policy benefits will not be subject to the claims of any creditor of any beneficiary.

You may make a change of beneficiary by Written Request on a form provided by us while the policy is In Force. The change will take place as of the date the request is signed, unless otherwise specified by the Owner. Any rights created by the change will be subject to any payments made or actions taken by us before we have received the Written Request.

The interest of a beneficiary who does not outlive the Insured will be divided pro rata among the surviving beneficiaries. If no beneficiaries survive to receive payment, the death proceeds will pass to the Owner, or the Owner's estate if the Owner does not survive the Insured. In the event of a simultaneous death of the Insured and a beneficiary such that it cannot be determined who died first, it will be assumed, unless proof to the contrary is provided, that the beneficiary died last.

## GENERAL PROVISIONS

**Entire Contract** – This policy is a contract between you and us. This policy, the attached copy of the initial Application, including any amendments and endorsements to the Application, any applications for reinstatement, any endorsements, benefits, or riders, and all additional policy information sections added to this policy are the entire contract. Only our president, chief executive officer or secretary is authorized to change this contract or extend the time for paying premiums. Any such change must be in writing.

All statements in the Application shall, in the absence of fraud, be deemed representations and not warranties. We will not use any statement to contest this policy or defend a claim on grounds of misrepresentation unless the statement is in an Application.

**Incontestability** – We will not contest this policy unless there was a material misrepresentation in the Application. We will rescind the policy if:

- The policy has been In Force for less than six months and we determine that the Application contains a misrepresentation that is material to acceptance for coverage; and
- The policy has been In Force for at least six months but less than two years and we determine that the Application contains a misrepresentation that is material to acceptance for coverage and which pertains to a claim made under this policy or the riders attached to this policy.

If we rescind the policy, we will return to you the premiums paid less any Policy Loans, any withdrawals taken, and any benefits paid under this policy or the riders attached to this policy. No Death Benefit will be paid. This policy cannot be contested, except as provided below, after it has been In Force for two years during the Insured's lifetime.

If this policy lapses and is later reinstated, we will rescind the policy as of the reinstatement date if:

- Less than six months after the reinstatement date, we determine that the Application required for reinstatement contains a misrepresentation that is material to acceptance for coverage; and
- After six months from the reinstatement date but less than two years from the reinstatement date, we determine that the Application required for reinstatement contains a misrepresentation that is material to acceptance for coverage and which pertains to a claim made under this policy or the riders attached to this policy.

If we rescind the policy following reinstatement, we will return to you the premiums paid after the reinstatement date less any Policy Loans and any withdrawals taken after the reinstatement date. No Death Benefit will be paid. We will not contest the reinstated policy after it has been In Force for two years following such reinstatement during the Insured's lifetime.

If there has been a change to the policy for which we required the Insured to submit Evidence of Insurability, we will rescind the policy change and all Policy Charges made after the change will be reversed and corrected charges applied so that the policy's Accumulated Value will be unaffected by the change if:

- Less than six months after the change, we determine that the Application required for the change contains a misrepresentation that is material to acceptance for coverage; and
- After six months from the change but less than two years from the change, we determine that the Application required for the change contains a misrepresentation that is material to acceptance for coverage and which pertains to a claim made under this policy or the riders attached to this policy.

Any Death Benefits or other benefits that become payable will be determined as though the policy change had never been requested. We will not contest any such change after two years following the effective date of the change during the Insured's lifetime.

**Non-Participating** – This policy will not share in any of our surplus earnings.

**Suicide Exclusion** – If the Insured dies by suicide, while sane or insane, within two years of the Policy Date, the Death Proceeds will be limited to an amount equal to the sum of the premiums paid, less the sum of any Policy Loans, withdrawals taken, and any benefits paid under this policy or the riders attached to this policy. If this policy has been reinstated and the Insured dies by suicide, while sane or insane, within two years of the latest reinstatement date, the Death Proceeds will be limited to an amount equal to the sum of the premiums paid less the sum of any Policy Loans, withdrawals taken, and any benefits paid under this policy or the riders attached to this policy since such date.

**Misstatement** – If the Insured's sex or birth date is misstated in the Application and it is discovered on or after the death of the Insured, the Death Benefit shall be the minimum Death Benefit for the correct sex and birth date, or if greater, a 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. The adjusted Net Amount at Risk will result in an adjusted Death Benefit, since the Death Benefit depends on the Net Amount at Risk.

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.

**Maturity** – This policy does not mature, but will continue In Force so long as the Insured is alive and the policy has not been surrendered and lapse has not occurred.

**After the Monthly Deduction End Date** – Provided the policy is still In Force, coverage will continue on and after the Monthly Deduction End Date, subject to all policy provisions, with these exceptions and clarifications:

- Monthly Deductions will cease;
- Premiums will not be accepted, except amounts required to keep the policy in force;
- Loans will be allowed;
- Loan repayments will be permitted;
- Loan interest will continue to accrue; and
- Withdrawals will not be allowed.

**Timing of Payments** – We may defer payments of any Net Cash Surrender Value, withdrawal or loan (except for loans to pay a premium on any policy issued by us) for up to six months after we receive your

request. If we defer any such payment for more than 30 days after we receive your request, we will pay interest at the rate required by the state in which this policy is delivered, and such rate will be at least equal to the Guaranteed Annual Interest Rate shown in the Policy Specifications.

**Annual Report** – A report will be mailed to your last known address no less frequently than annually. This report will show:

- The beginning and end dates of the reporting period;
- The Accumulated Value at the beginning and end of the reporting period;
- Amounts that have been credited or debited to the Accumulated Value during the reporting period, identified by type;
- The Death Benefit at the end of the reporting period;
- The Net Cash Surrender Value at the end of the reporting period;
- A notice if the Net Cash Surrender Value will not be sufficient to keep the policy In Force until the end of the next reporting period, unless further premium payments are made;
- Any Policy Debt outstanding at the end of the reporting period; and
- Any other information required by law.

**Additional Report** – Each year, you may request, without charge, an additional report showing the same information as the Annual Report.

**Basis of Values** – All nonforfeiture values for this policy will be at least equal to the minimums required by the state in which this policy was delivered. Cash Values and nonforfeiture benefits available under this policy are not less than the minimum values and benefits required by or pursuant to the law of the state where the policy was delivered. To calculate the minimum required nonforfeiture values, we use the Guaranteed Annual Interest Rate shown in the Policy Specifications and mortality rates from the 2001 CSO mortality tables using age last birthday. The rates we use are both smoker and sex distinct.

**Tax Qualification as Life Insurance** – This policy is intended to qualify as a life insurance contract for federal tax purposes, and the Death Benefit under this policy is intended to qualify for federal income tax exclusion. The provisions of this policy, including any rider or endorsement that does not specifically override this tax qualification provision, shall be interpreted to ensure and maintain such tax qualification, despite any other provision to the contrary. At no time shall the amount of Death Benefit under this policy ever be less than the minimum amount needed to ensure or maintain such tax qualification. If need be, the Death Benefit shall be increased retroactively and prospectively to the minimum extent necessary to accomplish that purpose. In addition, the Accumulated Value will be reduced to reflect the increased Monthly Deductions that result from such Death Benefit increase(s), starting on the date that each increase is effective. We reserve the right to amend this Policy from time to time to reflect any clarifications that may be needed or are appropriate to maintain such tax qualification or to conform the Policy provisions to any applicable changes in such tax qualification requirements, as provided in the Code or any published IRS guidance relating thereto, without consent (where allowed by law). We will send you a copy of such amendment. **As of the effective date of the filing of this policy in the state in which it was delivered, the Internal Revenue Service has not published final guidance on all aspects of the tax treatment of life insurance policies that continue coverage beyond Age 100. You should consult a qualified tax advisor, as there may be tax consequences.**

If you request a withdrawal that causes a decrease in policy or rider benefits, it may cause a reduction in any applicable tax limits on premiums or Accumulated Value for the policy to maintain such tax qualification. Such a reduction in these limits may require us to make a distribution from the policy equal to the greatest amount by which the premiums paid or Accumulated Value for the policy exceed any such reduced limits, as determined under federal tax law, in order to maintain the policy's tax qualification. If such a distribution is made, the distribution will be paid to you and the Accumulated Value will be reduced by the amount of the distribution. However, no request for a withdrawal that causes a decrease in policy or rider benefits will be allowed to the extent that we determine that the resulting reduction in such tax limits would require us to distribute more than the Net Cash Surrender Value for the policy.



**Modified Endowment Contract Tax Status** – The provisions of this subsection will not apply if your policy is classified as a Modified Endowment Contract (“MEC”) as of the Policy Date. If, at the time your policy is issued, we have classified it as a MEC, this will be indicated on the Policy Specifications. Otherwise, unless and until you have given us a Written Request to accept a MEC classification for your policy, the provisions of this Modified Endowment Contract Tax Status subsection apply to your policy.

Under federal tax law, if the funding of a life insurance contract occurs too rapidly, it becomes a MEC and fails to qualify for certain favorable tax treatment as a result. This policy is intended to qualify as a life insurance contract that is not a MEC for federal tax purposes. To achieve these purposes, the provisions of this policy (including any rider or endorsement that does not specifically override this tax qualification provision) shall be interpreted to prevent this policy from being subject to such MEC treatment, despite any other provision to the contrary. If and while the provisions of this subsection apply to your policy, the amount of Death Benefit under this policy shall never be less than the minimum amount needed to avoid such MEC treatment. We reserve the right to amend this Policy from time to time to reflect any clarifications that may be needed or are appropriate to maintain such tax qualification for non-MEC treatment or to conform the Policy provisions to any applicable changes in such tax qualification requirements, as provided in the Code or any published IRS guidance relating thereto, without consent (where allowed by law). We will send you a copy of such amendment.

We will not accept a payment as premium or otherwise which would cause the policy to become a MEC. The 7-Pay Premium, shown on Page 3.0, is used solely to determine the policy’s premium limits to avoid MEC treatment. Payment of one or more 7-Pay Premium amounts does not guarantee that the policy will never lapse, and additional premiums may be necessary to prevent the policy from lapsing in the future.

If at any time the amounts paid under the policy exceed the limit for avoiding such MEC treatment, this excess amount, including any interest as determined under federal tax law, shall be removed from the policy as of the date of its payment, and any appropriate adjustment in the Death Benefit and/or Accumulated Value shall be made as of such date. This excess amount, including any interest, shall be refunded no later than 60 days after the end of the applicable contract year, as determined under federal tax law.

If this excess amount is not refunded by the end of such 60-day period, the Death Benefit shall be increased retroactively and prospectively to the minimum extent necessary (e.g., to the end of any MEC 7-year test period) so that at no time is the Death Benefit ever less than the minimum amount necessary to avoid Modified Endowment Contract classification. In addition, the Accumulated Value will be reduced to reflect any increased Monthly Deductions resulting from such Death Benefit increase, starting on the date that the increase is effective.

Any request that would change the Death Benefit or any other benefit or rider under the policy will not be processed if the change would cause the policy to be classified as a Modified Endowment Contract. Requested changes that could cause the policy to be classified as a Modified Endowment Contract include, but are not limited to a withdrawal that would cause a reduction in the Face Amount.

**Other Distributions of Accumulated Value** – If the Net Amount at Risk ever exceeds three times the original Face Amount, we reserve the right to make a distribution of Accumulated Value to make the Net Amount at Risk equal three times the original Face Amount. In such case, the distribution will be treated as a premium refund. Note that while such a distribution will be treated as a premium refund for certain contract purposes, normal tax rules will apply in determining the amount of such a distribution, if any, which is taxable.

**Additional Services** – While this policy is In Force, we may, either directly or through a third party service provider, provide you with access to independent living-related resources and discounted independent living-related goods and services.

## INDEX

Accumulated Value .....	5, 8
Additional Report .....	15
Additional Services .....	16
Administrative Office .....	5
After the Monthly Deduction End Date .....	14
Age .....	5
Annual Report .....	15
Application .....	5
Assignment .....	13
Basis of Values .....	15
Beneficiary .....	13
Cash Surrender Value .....	10
Change in Benefits .....	7
Class .....	5
Code .....	5
Cost of Insurance Charge .....	9
Cost of Insurance Rates .....	9
Coverage Charge .....	9
Death Benefit .....	6
Death Benefit Qualification Test .....	6
Death Proceeds .....	6
Definitions .....	5
Entire Contract .....	13
Evidence of Insurability .....	5
Face Amount .....	5
Face Amount Changes .....	7
Face Amount Decreases .....	7
Fixed Accumulated Value .....	8
Fixed Income .....	11
General Provisions .....	13
Grace Period .....	9
In Force .....	5
Income Benefits .....	11
Incontestability .....	13
Insured .....	5
Lapse .....	9
Life Coverage .....	5
Life Income .....	11
Life Return of Premium Benefit .....	10
Loan Account .....	12
Loan Account Value .....	12
Loan Amount Available .....	12
Loan Interest Charge .....	12
Loan Processing on Policy Anniversary .....	12
Loan Repayment .....	12
Maturity .....	14
Minimum Death Benefit .....	6
Misstatement .....	14
Modified Endowment Contract Premium Limit .....	8
Modified Endowment Contract Tax Status .....	16
Monthly Deduction .....	8

Monthly Deduction End Date .....	5
Monthly Payment Date.....	5
Net Accumulated Value .....	5
Net Amount at Risk.....	5
Net Cash Surrender Value.....	10
Net Premium .....	5
Non-Participating .....	14
Notification of Termination for Non-Payment .....	9
Other Distributions of Accumulated Value.....	16
Owner .....	12
Owner and Beneficiary .....	12
Owner, you, or your .....	5
Policy Charges .....	8
Policy Date .....	5
Policy Debt.....	6, 12
Policy Lapse and Reinstatement.....	9
Policy Loans .....	12
Policy Specifications .....	6
Premium Limitation.....	7
Premium Load .....	7
Premium Processing .....	7
Premiums .....	7
Reinstatement .....	9
Residual Death Benefit.....	7
Return of Premium Benefit.....	10
Rider Charges.....	9
Risk Class .....	6
Suicide Exclusion .....	14
Surrender .....	10
Surrender and Withdrawal of Values .....	10
Surrender Charge.....	11
Tax Qualification as Life Insurance.....	15
Timing of Payments.....	14
We, our, ours, and us.....	6
When the Policy is In Force .....	6
Withdrawals .....	11
Written Request.....	6

SAMPLE

**SAMPLE**



**PACIFIC LIFE**

Pacific Life Insurance Company, 45 Enterprise, Aliso Viejo, CA 92656

---

## **FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE**

- **Death Proceeds Payable On The Death Of The Insured**
- **Net Cash Surrender Value Payable Upon Surrender**
- **Adjustable Face Amount**
- **Non-Participating**