

# BULLETIN

A Communication from the Life Insurance Division

**DATE:** January 3, 2012  
**TO:** Life Insurance Producers, Management, Office Administrators, and Technical Staff  
**SUBJECT:** **Introducing: Pacific Prime IUL**

Category	
<input type="checkbox"/>	Administration
<input type="checkbox"/>	Compliance
<input type="checkbox"/>	Marketing
<input checked="" type="checkbox"/>	Product
<input type="checkbox"/>	Risk Selection
<input type="checkbox"/>	Miscellaneous

## ***Pacific Prime IUL — Help Balance Protection with Global Potential***

Introducing Pacific Prime IUL<sup>1</sup> indexed universal life insurance, the newest member in the Pacific Prime line-up of permanent life insurance products geared for the emerging affluent marketplace. Pacific Prime IUL is designed to appeal to clients who want market-paced growth potential but fear losing money due to poor market performance. It only offers Basic Coverage on the primary insured and streamlines the list of optional riders to appeal to the widest base of clients' needs with the minimal amount of complexity.

**3 Choices for Growth Potential:** The 2 Indexed Accounts credit interest based in part on their underlying Index(es), without direct exposure to any stock or equities markets.

	1-Year Indexed Account	1-Year International Indexed Account <sup>2</sup>
<i>Current Growth Cap</i>	13%*	13%*
<i>Index (excluding dividends)</i>	S&P 500® index <sup>3</sup>	Composite (1/3 each): <ul style="list-style-type: none"> <li>• Hang Seng Index<sup>4</sup></li> <li>• EURO STOXX 50® Index<sup>5</sup></li> <li>• MSCI Emerging Markets Index<sup>6</sup></li> </ul>
<i>Considerations</i>	Earns 1-year change in S&P 500® index up to 13% current Growth Cap but not below 0% guaranteed minimum rate	Earns the average of all 3 international indexes 1-year performance after each is separately applied to 13% current Growth Cap and 0% floor

\* Both Indexed Accounts feature a 100% Guaranteed Participation Rate, 3% Guaranteed Minimum Growth Cap, and 0% Guaranteed Minimum Rate (floor).

**Fixed Account** — Earns current rate declared by Pacific Life Insurance Company. Current rate guaranteed for first policy year. Guaranteed minimum of 2% annually.

### **Permanent Death Benefit Protection, Plus:**

- **2% Interest Guarantee** — Regardless of how premiums are allocated, clients are guaranteed an alternate cash value that, if higher than the policy's actual cash value, may increase the amount available upon policy surrender, death benefit payout, or for use in preventing policy lapse. This alternate cash value is calculated using current policy charges and earns 2% annual interest from the date of issue.
- **Optional No-Lapse Guarantee Up to Age 90** — Medium Duration No-Lapse Guarantee II Rider (Form #R03FNL)<sup>7,8</sup> helps keep the policy in force up to the insured's age 90, even if the policy cash value drops to zero. This is an optional rider with charges and must be elected at application.

- **Other Optional Riders:**<sup>8</sup>
  - Annual Renewable Term Rider–Additional Insured (Form #R08RTA)
  - Overloan Protection II Rider (Form #R08OLP)<sup>9</sup>
  - Waiver of Charges Rider (Form #R84-WC)

**Beginning January 3, 2012**, we will accept applications and Pacific Prime IUL policies will begin being issued and paid.

## Administrative Notes

### Marketing Materials

To order the following items, contact your Pacific Life representative, go to [Lifeline.PacificLife.com](http://Lifeline.PacificLife.com), or call the Marketing Order Desk at (800) 800-7681 ext. 3920.

Item	Order Code
• Pacific Prime IUL Client Brochure	15-31249
• Pacific Prime IUL Description Page	15-31250
• Pacific Prime IUL Rates & Values Book	15-31251

### Navigator Illustration Software

Pacific Prime IUL is available in the most recent version of Navigator. To make sure you are using the most recent Navigator version, you can go to *Help* → *Check for Updates*.

### State Approvals

As of January 3, 2012, Pacific Prime IUL is available for sale in all states except California, Connecticut and New York.

### Submission Guidelines

#### Applications May Be Taken Beginning on January 3, 2012

Submit all of the following:

- Product illustration.
- Most current, signed state-specific application.
- Write “MDNLG II Rider” in **Remarks** or **Optional Benefits** section of application, if the Rider is desired. It will not be automatically included with the policy, regardless of the illustration submitted.
- If applicable, all appropriate signed replacement paperwork.

**Policies will begin being issued and paid on January 3, 2012.**

**Note: Pacific Prime IUL is available for Regular Issue only. Guaranteed Issue and Simplified Issue risk classes are not available.**

For questions, see below.

### Resource and Contact Information

Your Pacific Life Representative, New Business Services  
Team Supervisor, or Case Owner

<http://Lifeline.PacificLife.com>



Pacific Life Insurance Company is licensed to issue individual life insurance and annuity products in all states except New York. Product availability and features may vary by state.

Non-guaranteed elements are not guaranteed by definition. As such, Pacific Life Insurance Company reserves the right to change or modify any non-guaranteed element. This right to change non-guaranteed elements is not limited to a specific time or reason.

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<sup>1</sup> Pacific Life Insurance Company's Pacific Prime Indexed Universal Life (IUL) (Policy Form #P11P1I or ICC11 P11P1I — form # based on state in which policy is issued) is referred to as indexed adjustable life insurance in the contract.

<sup>2</sup> The 1-Year International Indexed Account is referred to as the 1 Year Indexed Account 2 in the contract.

<sup>3</sup> "S&P 500<sup>®</sup>", "Standard & Poor's 500<sup>™</sup>", and "S&P<sup>®</sup>" are trademarks of Standard & Poor's and have been licensed for use by Pacific Life Insurance Company. The life insurance product is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing a life insurance product.

<sup>4</sup> Hang Seng Indexes Company Limited ("HSIL") and Hang Seng Data Services Limited ("HSDS") have licensed Pacific Life Insurance Company to use the Hang Seng Index in connection with this life insurance product. This product and its 1-Year International Indexed Account are not sponsored, endorsed, sold or promoted by HSIL or HSDS. HSIL and HSDS make no representation regarding the advisability of purchasing a life insurance product. Please read the disclaimer in relation to the Hang Seng Index in the policy illustration. For more information about the Hang Seng Index, please visit [www.hsi.com.hk](http://www.hsi.com.hk).

<sup>5</sup> The EURO STOXX 50<sup>®</sup> is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors ("Licensors"), which is used under license. The Product that includes the Index is in no way sponsored, endorsed, sold or promoted by STOXX and its Licensors and neither of the Licensors shall have any liability with respect thereto.

<sup>6</sup> The Product and its 1-Year International Indexed Account referred to herein is not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such Product and any included index. The Policy Contract contains a more detailed description of the limited relationship MSCI has with Pacific Life Insurance Company and any related Product.

<sup>7</sup> The Medium Duration No-Lapse Guarantee II Rider (Form #R03FNL or ICC11 R03FNL — form # based on state in which policy is issued). The rider provides a guarantee on the Basic Coverage until the insured attains age 90. The guarantee under this rider will be effective as long as the no-lapse guarantee value is positive. When the Net No-Lapse Guarantee Value and the Net Accumulated Value are both less than zero, the policy will enter its grace period. At the end of the grace period the policy will terminate and no further benefits will be provided by this rider. To restore a positive net Accumulated Value and keep the policy from entering the grace period and eventually lapsing, an additional amount, representing uncollected monthly deductions, must be paid. This additional amount and future premiums will be significantly higher than the premiums required to keep the no-lapse guarantee in force. If the policy is being maintained solely by the no-lapse guarantee benefit, the policyowner will be foregoing the advantage of building Accumulated Value.

<sup>8</sup> Riders will likely incur additional charges and are subject to availability, restrictions, and limitations. Clients should be shown policy illustrations with and without a rider to show the rider's impact on policy values.

<sup>9</sup> The potential tax consequences of the Overloan Protection II Rider have not specifically been ruled on by the IRS or the courts. Clients should consult their tax advisor for more information.