



DATE: August 3, 2009
TO: Producers, Management, Office Administrators, and Technical Staff
SUBJECT: **Introducing Pacific UL**

Does your client's existing policy have one of these two problems?

1. Policy may mature prior to client's death.
2. Policy is projected to lapse due to Guideline Premium limits and/or premium force-outs.

For Qualifying Policies, Pacific UL Can Help!

Introducing: Pacific UL (Policy Form #P09PUL), a flexible premium adjustable life insurance policy designed to replace¹ in-force policies nearing maturity or potentially lapsing policies in which clients can't pay more premium without violating the Guideline Premium Test (GPT). By exchanging their existing policy for a new Pacific UL, clients may continue their coverage with the ability to pay more premiums, if necessary.

Pacific UL Key Points *(See chart on pgs 2–3 for details):*

- Allows Internal 1035 Exchanges from eligible policies only.
- Requires no new evidence of insurability. Applies most recent underwriting risk class on existing policy to corresponding Pacific UL risk class.
- Targeted at clients ages 75–90, and for a limited time only, ages 91–99. For ages 50–74, see chart on page 2.
- Rider restrictions also apply; only the Accelerated Living Benefit Rider (Form #R06ALB) and Annual Renewable Term Rider—Additional Insured (ARTR-AI) (Form #R08RTA) are available with Pacific UL, with restrictions.
- Pays flat 2% commission on new premiums only (no commissions on exchange amount).

Applications:

Beginning August 3, 2009 we will begin accepting applications and Pacific UL policies will begin being issued and paid.

Pacific UL — Product Summary

Product Title Pacific UL (Policy Form #P09PUL)

& Form #

Eligibility **Eligible Products:**

Listed below and in-force for at least 10 policy years with no Face Amount increases in the past three (3) years:

Product Name	Form #	Estimated Period Offered for Sale
Pacific Protector UL	93-60	From 09/10/1993 to 05/01/2003
Pacific Select Choice VUL	93-55	From 11/05/1993 to 05/01/2000
Pacific Select Exec VUL	88-52	From 10/31/1988 to 05/11/2004
Versa-Flex UL	84-40	From 11/06/1984 to 11/01/1998
Versa-Flex II UL	86-42	From 01/05/1987 to 05/01/2002
Versa-Flex III UL	89-44	From 08/07/1989 to 02/01/2004
Versa-Flex IV UL	92-45	From 10/23/1992 to 02/01/2004

Pacific UL Issue Ages & Restrictions

Pacific UL will use the same risk classification as in the original, replaced policy and will be issued with one of the four available risk classes listed below. (See Planned Performance Tracking screenshot and instructions on pg 4 for help on determining Pacific UL risk class.)

Depending on issue age, there may be additional issue restrictions as follows:

Issue Age	Pacific UL Issue Restrictions	Pacific UL Risk Class Detail
0-49	Not Available	N/A
50-74	<p>Available, provided Pacific UL Face Amount is 50% or less of eligible replaced policy.</p> <p>If a reduction less than 50% of Face Amount is desired, submit an in-force illustration showing a projected lapse due to Guideline Premium limitations or Guideline force-outs will occur prior to policy's maturity date. For UL products, illustrate at the current rate. For VUL products, illustrate at a net rate of 4% or higher. The in-force illustration must be consistent with desired Pacific UL Face Amount and Death Benefit Option.</p>	<ul style="list-style-type: none"> • Preferred NonSmoker: No Table Ratings allowed; non-medical flat extras only. • NonSmoker, Standard NonSmoker and Smoker: Table Ratings A-P and flat extras allowed. <p><i>Replaced policies originally issued as Guaranteed Issue/Simplified Issue will be issued as regular issue Smoker or</i></p>

75– Available with no additional restrictions. *NonSmoker, as applicable.*

91– Available only during the first six months following the later of (1) the Pacific UL launch date, or (2) state approval.

Available Riders²

- **Accelerated Living Benefit Rider** (Form #R06ALB)
- **Annual Renewable Term Rider—Additional Insured (ARTR-AI)** (Form #R08RTA) – Only if existing policy has a similar additional insured rider in-force on an eligible family member.

Face Amount

- Minimum: \$5,000 at issue. Face amount minimum after issue is \$1,000.
- Maximum: Face Amount of replaced policy.
- No requested Increases allowed, unless increase is a result of a Death Benefit Option change after issue.
- Decreases allowed after 1st policy year.

Death Benefit

- Two Options:
 - Option A (Face Amount)
 - Option B (Face Amount plus Accumulated Value)
- Cash Value Accumulation Test (CVAT), only.
- The total death benefit cannot be greater than the total death benefit of the existing policy.

Interest Rate **Current:** Declared rate for 1st policy year; renews periodically at company declared rate.

- Interest Rate Bonus: +0.30% to Current Rate in policy years 11+.
- 5.15% current rate as of 8/3/09. Subject to change without prior notice.

Guaranteed: Minimum of 3.00%.

Policy Charges

Premium Load	Current	Guaranteed
New Premium	5.95%	6.95%
Internal Roll-In	4.00%	6.95%

Monthly Deductions (sum of following):

- Cost of Insurance (COI) Charges
- Administrative Charge: \$7.50/month
- NO Coverage Charges
- NO Surrender Charges

Partial Withdrawals and Policy Loans

- Withdrawals: \$200 Minimum. Maximum must leave a net Accumulated Value of \$500.
- Loans: \$200 Minimum
 - Current & Guaranteed Interest: Charged 3.50%; Credited 3.00%.

» Net Cost: 0.50%.

Commission One level rate (2.00%) paid on all new premiums. (No commission paid on 1035 Exchanged amounts.)

Help with determining Pacific UL risk class:

In order to run a Pacific UL illustration, you will need to know three pieces of information about the risk class of the current policy:

1. Risk Class, found on Planned Performance Tracking (see screenshot below).
2. Table Rating, found on Planned Performance Tracking (see screenshot below).
3. Flat Extra, found on the in-force illustration or by calling (800) 347-7787.

It is important to look at Planned Performance Tracking for the risk class and table rating as the in-force illustration may not show the most up-to-date information.

This information shown in the example above can be located by going to Planned Performance Tracking » Policy Look Up » Policy Coverage.

Administrative Notes:

Navigator Illustration Software

The Pacific UL 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 August 3, 2009, Pacific UL is available in all states [except CA, MA, MD, NJ, PA, TX, VA, and NY] (see attached map).

Transition Rules:

Status of Case

Internal Replacement and 1035 Exchange to Pacific UL

Requirements:

- A new application is now available to apply for the Pacific UL product only. Use Application for Individual Adjustable (Universal) Life Insurance. Generic Form #A09PUL (limited use).

Note: Internal Replacement Information and the 1035 Absolute Assignment are included in the new application so no additional forms are required, other than the replacement notice and any other state-required forms,

Starting:

[August 3, 2009]

which will be included in the appropriate state-pak.

- Signed Pacific UL illustration.
- Signed in-force illustration.

Pacific UL Rates & Values Books

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

<http://Lifeline.PacificLife.com>

For Producer Use Only. Not For Use With The Public.

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.

¹There are circumstances in which replacing your client's existing life insurance policy can benefit your client. As a general rule, however, replacement is not in your client's best interest. You should make a careful comparison of the costs and benefits of your client's existing policy and the proposed policy to analyze how a replacement may affect your client's plan of insurance. You should provide this detailed information to your client and discuss whether replacement is in your client's best interest.

²Riders will likely incur additional charges and are subject to state availability, restrictions and limitations. Clients should be shown policy illustrations with and without riders to help show the rider's impact on the policy's values.

³Benefits are subject to state requirements, may be subject to taxation, and may impact Medicaid benefits. Clients should consult their legal advisor for more information.