

BULLETIN

A Communication from
the Life Insurance Division



PACIFIC LIFE

Pacific Life Insurance Company

DATE: May 24, 2021

TO: Life Insurance Producers, Management, Office Administrators, and Technical Staff

SUBJECT: Pacific PremierCare Choice: New Life-Pay Option and Lower Face Amount

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

Beginning May 24, 2021, Pacific Life Insurance Company is making the following changes to Pacific PremierCare Choice® whole life insurance products with long-term care (LTC) benefits:¹ adding a new life-pay premium option in Pacific PremierCare Choice Multi-Pay Max, lowering the minimum face amount, discontinuing Pacific PremierCare Choice Multi-Pay 100, and discontinuing the 15- and 20-year premium options in Pacific PremierCare Choice Multi-Pay Max.

Now Available with Life-Pay Premium Option— Pacific PremierCare® Choice Multi-Pay Max

- New budget-friendly life-pay premium option
- Lockable BenefitsSM for LTC, Return of Premium Benefit, and Death Proceeds²
- Available for all states (except: CA, DE, DC, HI, IN, MT, ND, NY, and SD)

Other Pacific PremierCare® Choice Changes:

- **New Minimum Face Amount** – For a lower minimum premium entry-point, the minimum face amount for the new product lineup has been reduced to \$36K (was \$50K)³ (for all states except: SD, VT, and WI)
- **Discontinuation of Pacific PremierCare Choice Multi-Pay 100 and the 15- and 20-year payment options in Pacific PremierCare Choice Multi-Pay Max** – See chart below

New Product Lineup, Effective 5/24/21

(Subject to Above State Approvals)

Pacific PremierCare Choice® Product Version	Premium Payment Options	Return of Premium (ROP) Benefit
Choice 100	Single Pay	100% from Day 1
Choice Max	Single Pay	Vested ROP*
Choice Multi-Pay Max	5, 10, and NEW! Life-Pay	Vested ROP*
Payment Options Discontinued In All States, Effective 5/24/21		
Choice Multi-Pay Max	15- and 20-Pay	Vested ROP*
Product Option Discontinued In All States, Effective 5/24/21		
Choice Multi-Pay 100	5- and 10-Pay	100% from Day 1

**Vested ROP for multi-pay reaches 100% at end of level pay period (5 or 10 years, respectively). For the Life-Pay option, the maximum ROP is 10% Year 1, 20% Year 2, 30% Year 3, 40% Year 4, and 50% of premiums paid upon surrender in Year 5 or after.*

Transition Guidelines

Deadline	Requirement
<p>May 24, 2021 to June 4, 2021</p>	<p>Submission Requirements To receive Pacific PremierCare Choice Multi-Pay 100 and/or the 15- and 20-year premium options in Pacific PremierCare Choice Multi-Pay Max, the ticket and all associated new business submission paperwork must be received in the Life Insurance Division by 6/4/21 with the personal history interview completed by the client within 45 days of submission and premiums received within 30 days of policy issue. Submissions received after this date will automatically receive the current available versions. Reminder, backdating is not available for this product. Current age rates will also apply.</p>
<p>Prior to Policy Issue or within 30 Days of State Availability</p>	<p>To Request Pacific PremierCare Choice Multi-Pay Max with the life-pay premium option on Pending Cases For in-flight cases, if this product with the life-pay premium is desired, it must be requested in writing and a new quote for the revised product must be submitted.</p> <p>For policies paid and/or issued prior to 5/24/21 that would now like Pacific PremierCare Choice Multi-Pay Max with the life-pay premium, requests must be in writing and submitted within 30-days from the original policy issue date and include a new quote for the revised product.</p> <p>Requests for Pacific PremierCare Choice Multi-Pay Max with the life-pay premium is subject to additional underwriting.</p>
<p>Adverse Underwriting Decisions</p>	<p>Credentialing Requirements Life insurance producers must be properly credentialed to submit a ticket for the prior versions of Pacific PremierCare Choice products. If a life insurance producer is not properly credentialed, a new ticket will need to be resubmitted once the life insurance producer is properly credentialed.</p> <p>Client Interview and Policy Placement Requirements Once a ticket is successfully submitted, the Personal History Interview must be completed within 45 days of submission. After the policy is issued, you will have up to 30 days to pay the case. If these conditions are not met, the case will be closed out and a new ticket must be submitted.</p>

- 1 Policy Form #P17PCH and S17PCH100M or ICC17 P17PCH and ICC17 S17PCH100M; P17PCH and S17PCHMAXM or ICC17 P17PCH and ICC17 S17PCHMAXM; P17PCH and S17PCH100S or ICC17 P17PCH and ICC17 S17PCH100S; P17PCH and S17PCHMAXS or ICC17 P17PCH and ICC17 S17PCHMAXS; based on product and state of policy issue. These products are intended to provide federally tax-qualified long-term care insurance as defined in IRC Section 7702B(b). Tax treatment of long-term care benefits may depend on factors such as the amount of benefits in relation to certain IRS limitations (referred to as "per diem" limitations), the amount of qualified expenses incurred or if similar benefits are being received under other contracts. When benefits are received from multiple policies providing long-term care for a given insured, including policies with different owners, those benefits must be aggregated to determine their taxability. Pacific Life cannot determine whether the benefits are taxable. Clients should be advised to consult with qualified and independent legal and tax advisors for more information.
- 2 The policy's guaranteed benefits are Long-Term Care Benefits, Death Proceeds, and the Return of Premium Benefit. Long-term care benefits are reduced by any policy distributions (loans or terminal illness benefit). Death Proceeds and Return of Premium Benefit will also be reduced by policy distributions and long-term care benefits. The Return of Premium benefit is based on cumulative premium paid to date and is subject to a vesting schedule. Benefit Payments for Qualified Long-Term Care (LTC) Services may be subject to a one-time elimination period and are provided by the Accelerated Benefit Rider (ABR) for Long-Term Care (Form # R17ABR or ICC17 R17ABR, R17ABRI or ICC17 R17ABRI) and the Extended Benefit Rider (EBR) for Long-Term Care (Form # R17EBR or ICC17 R17EBR, R17EBRI or ICC17 R17EBRI) (form #s based on state of policy issue and policy elections.) The amount and duration of the policy's maximum LTC Benefits and premium will be based on policy elections. The actual amount and duration of LTC benefit payments may vary based on policy use. Covered LTC Benefit payments may occur until the total LTC Benefits are exhausted. Your clients should be provided with additional information on other available options. Coverage durations elected for longer than two years are provided through a combination of the ABR and EBR. Charges for the ABR, EBR, and any Inflation Benefit Option are included in the scheduled premium payment(s). As long as the premium(s) is paid when due, the long-term care (LTC) coverage as issued will continue as long as the insured lives, or until the policy is surrendered at the owner's request, or until the maximum LTC benefits have been paid, or until policy lapse. Prior to lapse, the policy provides a Grace Period of 61 days to pay an amount sufficient to keep the policy in force as issued.
- 3 Varies by state.

Pacific PremierCare Choice Suite of Products, whole life insurance products with long-term care benefits, are subject to underwriting and approval of the application and may include obtaining records from a physician. No medical exam is required, but a Medical Information Bureau (MIB) and prescription report will be ordered and a Personal History Interview and Cognitive Assessment will be performed via telephone as part of the underwriting process.

Exclusions, Exceptions, and Limitations: Pacific Life will not pay benefits for care or services: 1) 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; or provided by the Insured's Immediate Family unless the Indemnity Benefit Option is in effect and benefits are being paid for Home and Community Care; 2) for which no charge is normally made in the absence of insurance; 3) provided outside the United States of America except as provided under the Indemnity Option's International Benefit; 4) that result from an attempt at suicide (while sane or insane) or an intentionally self-inflicted injury; 5) that result from alcoholism or drug addiction; 6) that result from committing or attempting to commit or participating in a felony, riot or insurrection; 7) provided in a government facility (unless otherwise required by law); 8) for which benefits are available under Medicare (including amounts that would be reimbursable but for the application of a deductible or coinsurance amount) 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. No benefits will be paid for services received while the Accelerated Benefit Rider (ABR) and the Extended Benefit Riders (EBR) for Long-Term Care are not in effect.

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



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Pacific Life Insurance Company is licensed to issue insurance products in all states except New York. Product/material availability and features may vary by state. Insurance products and their guarantees, including optional benefits and any crediting rates, are backed by the financial strength and claims-paying ability of the issuing insurance company. Look to the strength of the life insurance company with regard to such guarantees as these guarantees are not backed by the broker-dealer, insurance agency, or their affiliates from which products are purchased. Neither these entities nor their representatives make any representation or assurance regarding the claims-paying ability of the life insurance company.

Pacific Life Insurance Company's individual life insurance products are marketed exclusively through independent third-party life insurance producers, which may include bank affiliated entities. Some selling entities may limit availability of some optional riders and investment options based on their client's age and other factors. Your broker-dealer or firm can help you determine which optional riders and investment options are available and appropriate for your clients.

The primary purpose of life insurance is death benefit protection against the premature death of the insured.

Pacific Life Insurance Company's Home Office is located in Newport Beach, CA.

Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value