

BULLETIN

A Communication from
the Life Insurance Division



PACIFIC LIFE

Pacific Life Insurance Company

DATE: October 15, 2021

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

SUBJECT: Revised Pricing and Non-forfeiture Rates for Pacific PremierCare Choice

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

Revised Pricing and Non-forfeiture Rates for Pacific PremierCare Choice

Revised Pricing for Pacific PremierCare Choice¹

Effective 10/15/21 at 5:00pm PST, we have revised pricing for Pacific Life Insurance Company's Pacific PremierCare[®] Choice one-, five-, and 10-year premium (lifetime premium is not impacted) whole life insurance products with long-term care (LTC) benefits in all states except: DE, DC, HI, IN, MT, ND, and SD.

Non-Forfeiture Rate Updates

Effective 11/19/2021, in accordance with the Consolidated Appropriations Act, 2021, we will update non-forfeiture rates for Pacific PremierCare Choice[®] whole life insurance products with long-term care (LTC) benefits for the states of DE, DC, HI, IN, MT, ND, and SD.

Summary of Non-Forfeiture Rate Change Impacts:

- No impact on premium rates or LTC benefits
- No impact to return of premium benefit
- Increase to the policy cash values
- No impact to policy face amounts, but death benefit proceeds may be lower when the policy is in corridor

Please see below and page 2 for transition guidelines for the reprice and non-forfeiture rate updates.

Reprice Transition Guidelines

Deadline	Requirement
10/29/21	Submission Requirements To receive current pricing on Pacific PremierCare Choice products, the ticket and all associated new business submission paperwork must be received in the Life Insurance Division <u>by</u> 10/29/21. Submissions received after this date will automatically receive the new rates. Reminder, backdating is not available for this product. Current age rates will also apply.

Prior to Policy Issue or within 30 Days of State Availability

To Request Revised Pricing on Pacific PremierCare Choice products on Pending Cases
For in-flight cases, if the revised pricing is desired, it must be requested in writing and a new quote for the revised product must be submitted within the transition period listed above.

For policies paid and/or issued prior to 10/15/21 that would now like the revised pricing, 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.

Requests for revised pricing are subject to additional underwriting.

Credentialing Requirements

Life insurance producers must be properly credentialed by 10/29/21 to submit a ticket for the prior pricing of the Pacific PremierCare Choice products. If a life insurance producer is not properly credentialed by 10/29/21, a new ticket will need to be resubmitted once the life insurance producer is properly credentialed. The ticket will be subject to the revised pricing and may be subject to additional underwriting.

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, subject to the revised pricing.

Adverse Underwriting Decisions

Underwriting Appeals for Applications received prior to 10/15/21
For those cases that were declined/postponed and are now eligible as of 10/15/21, product and pricing will be limited to the Pacific Life product available in the market as of 10/15/21 following our review of additional information or evidence.

Non-Forfeiture Transition Guidelines

Requirements	Deadline
Last day to submit completed and signed application (includes Tele-App) and illustration for Pacific PremierCare Choice <i>without the updated non-forfeiture rates</i> in the impacted states.	11/18/2021
Last day to request a new business reissue on Pacific PremierCare Choice <i>without the updated non-forfeiture rates</i> in the impacted states.	12/16/2021
All critical requirements, including minimum initial premium to pay the policy regardless of funding source, are due in order to use the Pacific PremierCare Choice <i>without the updated non-forfeiture rates</i> product.	12/31/2021

Resource and Contact Information

For questions, contact the Long-Term Care Sales Desk (855) 584-0661 or LTCSalesDesk@PacificLife.com.

1 Policy Form #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 are advised to consult with qualified and independent legal and tax advisors for more information.

These products 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.

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 any 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.

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