



# GET MORE UPSIDE POTENTIAL

## Customize Your Indexed Interest Crediting Strategy with the Enhanced Performance Factor Rider<sup>1</sup>

While its primary purpose is providing death benefit protection, our most versatile indexed universal life (IUL) insurance product—**Pacific Horizon IUL 2<sup>2</sup>**—also offers the optional **Enhanced Performance Factor Rider (rider)** for a potential boost to your policy's indexed interest crediting.

### 4 RIDER DESIGN OPTIONS

- Classic
- Plus
- Performance
- Performance Plus

Each design has its own level of rider performance factor and monthly rider charges. While the rider must be selected at policy issue, you can change the rider design once a year, giving you more flexibility in case your needs change. Additionally, all indexed accounts are eligible for the Enhanced Performance Factor Rider.

### How it Works

- Each rider design has a current and guaranteed **segment performance factor**. The current performance factor at **segment** creation is guaranteed to stay the same throughout the segment term. Each rider design's segment performance factor and rider charge are shown below.

**Segment Performance Factor and Rider Charge by Policy Year for Each Rider Design**

Rider Design	Classic			Plus			Performance			Performance Plus		
	Guaranteed Performance Factor	Current Performance Factor	Rider Charge	Guaranteed Performance Factor	Current Performance Factor	Rider Charge	Guaranteed Performance Factor	Current Performance Factor	Rider Charge	Guaranteed Performance Factor	Current Performance Factor	Rider Charge
1	1.00	1.00	0%	1.00	1.00	0%	1.00	1.00	0%	1.00	1.00	0%
2–20	1.00	1.00	0%	1.25	1.46	2.496%	1.49	1.91	4.98%	1.72	2.36	7.50%
21	1.00	1.00	0%	1.25	1.46	2.496%	1.43	1.81	4.38%	1.64	2.20	6.60%
22	1.00	1.00	0%	1.25	1.46	2.496%	1.37	1.70	3.78%	1.56	2.04	5.70%
23	1.00	1.00	0%	1.25	1.46	2.496%	1.31	1.59	3.18%	1.47	1.88	4.80%
24	1.00	1.00	0%	1.25	1.46	2.496%	1.25	1.48	2.58%	1.38	1.72	3.90%
25+	1.00	1.00	0%	1.25	1.46	2.496%	1.20	1.37	1.98%	1.30	1.55	3.00%

Current performance factors shown above will vary for the Loaned 1-Year Volatility Control and 1-Year High Cap Indexed Accounts

<sup>1</sup> Form series R18EPF, S23EPF, varies based on state of policy issue. Riders will likely incur additional charges and are subject to availability, restrictions and limitations. When considering a rider, request a policy illustration from your life insurance producer to see the rider's impact on your policy's values.

<sup>2</sup> Form series P21IUL, S23HZN2-B, S23HZN2-E, or S23HZN2-L, varies based on coverage design option and state of policy issue.

2. We multiply the segment indexed interest credit by the performance factor. So, the higher the performance factor, the higher the potential for boosting your policy's interest crediting. Here's a hypothetical example.

Let's say you allocated a portion of your policy's cash value to the 1-Year Indexed Account and elected the Performance Plus rider design in the second policy year. At the end of the segment's term, the segment indexed interest rate is multiplied by the **average segment balance**. Additionally, the segment's indexed interest credit is multiplied by the current performance factor of the rider design for that segment.

Segment Indexed Interest Rate	Segment Indexed Interest Credit		Current Performance Factor		Total Segment Indexed Interest Credit		Annualized Rider Charge		Net Impact to Segment Value
10%	\$1,000.00	x	2.36	=	\$2,360.00	-	\$750.00	=	\$1,610.00
Subject to <b>growth cap</b>	10% x \$10,000 (average segment balance)		Locked in for the segment term				7.50% x \$10,000 (varies by rider design)		

3. In years of negative index growth, the indexed account's **floor** will protect you from index-based losses, but the annualized rider charge and any other policy charges or distributions will reduce the policy's accumulated value.

#### KEY TERMS

**Rider**– An additional feature or benefit added to the policy (can be optional or standard), but all mentions of rider in this flyer specifically pertain to the optional Enhanced Performance Factor Rider

**Segment**– A unit of value created every time you allocate your policy's accumulated value to a specific indexed account

**Segment Performance Factor**– The sum of the guaranteed performance factor and the rider performance factor that multiplies the segment indexed interest credit (varies by rider design, policy year, and indexed account)

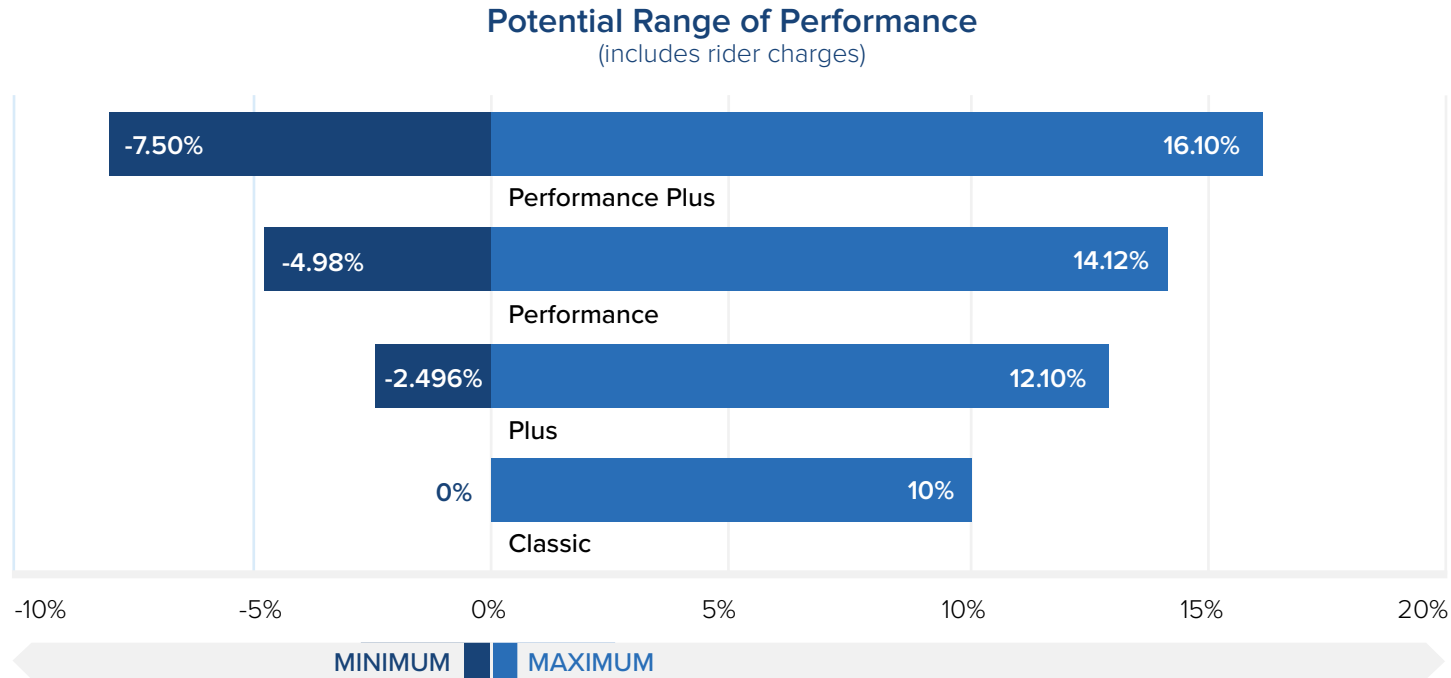
**Average Segment Balance**– Average of all monthly segment balances over the segment term after any policy deductions, including the rider monthly charges, have been taken

**Growth Cap**– Maximum interest rate

**Floor**– 0% guaranteed minimum interest rate

## How Might the Four Rider Design Options Perform?

We've extended the hypothetical example above to give you an idea on how the different rider design options will impact your policy's accumulated value in different crediting scenarios: 0%, 4%, 5%, and 10% segment indexed interest rate. For simplicity's sake, we're using the same assumptions in these hypothetical examples: money allocated to 1-Year Indexed Account with current 10% cap, 0% floor, and \$10,000 average segment balance in policy years two to 20. **Keep in mind that on an actual policy, the rider charges are included in the policy's monthly deductions and are not part of the indexed interest crediting rate calculation.**



Rider Design	0% Segment Credit	4% Segment Credit	5% Segment Credit	10% Segment Credit
Classic	\$0.00	\$400.00	\$500.00	\$1,000.00
Plus	\$ (249.60)	\$334.40	\$480.40	\$1,210.40
Performance	\$ (498.00)	\$266.00	\$457.00	\$1,412.00
Performance Plus	\$ (750.00)	\$194.00	\$430.00	\$1,610.00

As you can see, the rider's impact on your policy's accumulated value can be positive or negative. Consider the costs and upside potential of each rider design and discuss with your financial professional<sup>3</sup> when deciding which design option to select. You can also look at additional life insurance illustrations to analyze the impact each rider design may have on your policy.

**Ask your financial professional whether the Enhanced Performance Factor Rider is an appropriate strategy for your risk-tolerance and needs.**

<sup>3</sup> In order to sell life insurance, a financial professional must be a properly licensed and appointed life insurance producer.

# The Power of Pacific

Pacific Life provides a variety of products and services designed to help individuals and businesses in the retail, institutional, workplace benefits, and reinsurance markets achieve financial security. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative life insurance and annuity solutions, as well as mutual funds, that provide value and financial security for current and future generations. Supporting our policyholders for more than 150 years, Pacific Life is a Fortune 500 company headquartered in Newport Beach, California. For additional company information, including current financial strength ratings, visit [PacificLife.com](http://PacificLife.com).

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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.

Indexed universal life insurance does not directly participate any stock or equity investments.

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 reserves the right to change or modify any non-guaranteed or current elements.  
The right to modify these elements is not limited to a specific time or reason.

Life insurance is subject to underwriting and approval of the application and will incur monthly policy charges. In general, additional premium is required to continue coverage of the policy. Policy may lapse if premium is insufficient to continue coverage.

Indexed Universal Life Insurance generally requires additional premium payments after the initial premium. If either no premiums are paid, or subsequent premiums are insufficient to continue coverage, it is possible that coverage will expire

This material reflects the Pacific Life Insurance Company policy features and benefits.  
All policy features and benefits may not be available through some broker/dealers.

Pacific Life Insurance Company's home office is located in Omaha, NE.

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