



PACIFIC LIFE

Fixed Indexed Annuity Rate Lock *Questions and Answers for Financial Professionals*

This document is meant to be a general overview of rate-lock rules for Pacific Life fixed indexed annuities. Contact Pacific Life for specific product information.

The term “rates” may refer to interest rates, caps, participation rates, and spreads, and refers to the initial rates set upon contract issue. The length of the guarantee for initial rates varies by product. Minimum and maximum rates are contractually guaranteed for the length of the contract.

Q. How does the rate-lock feature work, and what dates are important in determining the rates that will be credited?

A: The following rules apply when determining the rate the customer will receive for Pacific Life fixed indexed annuities, based on the methods of submitting business below.

Applications submitted with funds

- The contract will receive the higher of the rates (lower of the spreads) in effect on:
 - a) the date the application is signed, provided the application and funds are received 14 calendar days after the application signed date in good order, or
 - b) the date the contract is issued.
- If we receive the application or funds more than the 14 calendar days after the date the application is signed, the initial payment will receive the rates in effect on the day the contract is issued.

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Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state.

**No bank guarantee ♦ Not a deposit ♦ May lose value
Not FDIC/NCUA insured ♦ Not insured by any federal government agency**

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Electronic applications submitted with funds

- The contract will receive the higher of the rates (lower of the spreads) in effect on:
 - a) the date the application is signed, as indicated on the transmission, provided that the transmission and funds are received within 14 calendar days of the application signed date in good order, or
 - b) the date the contract is issued.
- If we receive the transmission or funds more than 14 calendar days after the application signed date, the initial payment will receive the rates in effect on the day the contract is issued.

Important note: If a paper application is received prior to contract issue, the paper application signed date will override the transmitted application signed date.

Application submitted with 1035 exchange/transfer request and Pacific Life is requesting transfer

- The contract will receive the highest of the rates (lowest of the spreads) in effect on the following:
 - a) the date the application is signed, provided the application is received within 14 calendar days of the application signed date in good order and the funds are received within 60 calendar days of the application receipt date;
 - b) the date the application is received at Pacific Life (PL) in good order, provided the funds are received within 60 calendar days of the application receipt date; or
 - c) the date the contract is issued.
- If the application is received within 14 calendar days of the application signed date, but the funds are not received within 60 calendar days of the application receipt date, then the initial payment will receive the rates in effect on the date the contract is issued.
- If application is **not** received by the 14th calendar day after the application signed date, then the initial payment will receive the higher the rates (lower of the spreads) in effect on:
 - a) the date the application is received at PL in good order, provided the funds are received within 60 calendar days of the application receipt date, or
 - b) the date the contract is issued.
- If the application is not received within 14 calendar days of the application signed date, and the funds are not received within 60 calendar days of the application receipt date, then the initial payment will receive rates in effect on the date the contract is issued.

Electronic application submitted with 1035 exchange/transfer request and Pacific Life is requesting transfer

- The initial payment will receive the highest of the rates (lowest of the spreads) in effect on the following:
 - a) the date the 1035 exchange/transfer paperwork is signed, provided the transmission is received in good order within 14 calendar days from the date 1035 exchange/transfer paperwork is signed and the funds are received within 60 calendar days of the application receipt date;
 - b) the date the transmission is received at PL in good order, provided the funds are received within 60 calendar days of the application receipt date; or
 - c) the date the payment is received.
- If the transmission is received within 14 calendar days of the 1035 exchange/transfer paperwork signed date, but the funds are not received within 60 calendar days of the application receipt date, then the initial payment will receive the rates in effect on the date the contract is issued.

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- If the transmission is **not** received within 14 calendar days from the 1035 exchange/transfer paperwork signed date, then the initial payment will receive the higher of the rates (lower of the spreads) in effect on:
 - a) the date the transmission is received at PL in good order, provided the funds are received within 60 calendar days of the application receipt date, or
 - b) the rates in effect on the date the payment is received.
- If the transmission is not received within 14 calendar days of the 1035 exchange/transfer paperwork signed date and the funds are not received within 60 calendar days of the application receipt date, then the initial payment will receive the rates in effect on the date the contract is issued.

Important note: If a paper application is received prior to contract issue, the paper application signed date will override the 1035 exchange/transfer paperwork signed date

Applications (electronic or paper) submitted without funds and Pacific Life is NOT handling the transfer (i.e. registered representative handling)

- The initial payment will receive the higher of the rates (lower of the spreads) in effect on:
 - the date the application is signed, provided that the application and funds are received in good order within 14 calendar days from the application signed date, or
 - the date the contract is issued.
- If we receive the application or funds more than 14 calendar days after the date the application is signed, the initial payment will receive rates in effect on the day the contract is issued.

Notes

- When counting calendar days for the application receipt date, the 1035 exchange/transfer paperwork receipt date, and the fund receipt date, subtract beginning date from end date, i.e. Aug 15 – Aug 1 = 14 days, July 31 - July 1 = 30 days, etc.
- Application receipt date, 1035 exchange/transfer paperwork, and fund receipt date will only occur on business days. If either of the rate-lock due dates (either 14 calendar day or 60 calendar day) falls on a non-business day, then in order to qualify for rate lock, the application or funds must be received by the business day immediately **prior** to the rate-lock due date.

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Fixed indexed annuities are not available in New York.

Pacific Life, its affiliates, their distributors, and respective representatives do not provide tax, accounting, or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor or attorney.

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.

Guaranteed rates, caps, participation rates, and spreads will never be set below the minimum or above the maximum stated in the contract. Pacific Life determines, at its discretion, guaranteed rates, caps, and participation rates, and spreads in excess of the minimum or below the maximum guaranteed in the contract.

Not all products, features, or riders are available at all broker/dealer firms.

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues. Insurance product and rider guarantees, including optional benefits and any fixed crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company. They are not backed by the independent third party from which this annuity is purchased, including the broker/dealer, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Fixed annuities issued by Pacific Life (Newport Beach, CA) are available through licensed, independent third parties.

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