STRUCTURED SETTLEMENTS
Personal Physical Injury Annuities

PACIFIC LIFE

Growth Potential with Pacific Life's **Index-Linked Annuity Payment Adjustment Rider**

- Increases Settlement Payments if the Market Rises
- No Loss if the Market Declines

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Planning for Your Financial Future

Pacific Life can help you make the most of your settlement by converting it into a steady, reliable stream of payments that is:

- Free from federal and state income tax.[1]
- Guaranteed[2] to be stable; your payments will not decrease, regardless of market or economic conditions.
- Guaranteed to last for a time period you choose—including the option of payments that will last your entire life, no matter how long you live.

Why Pacific Life

It's essential for you to choose a strong and stable company that can help you achieve your future income needs. Since 1868, individuals and businesses have relied on the strength of Pacific Life to help protect their financial security.

- Pacific Life[3] provides a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans. Pacific Life counts more than half of the 100 largest U.S. companies as its clients.[4]
- Pacific Life Insurance Company is organized under a mutual holding company structure and operates for the benefit of its policyholders and contract owners.
- We have achieved ongoing recognition[5] for high-quality service standards.
- We maintain strong financial strength ratings from major independent rating agencies.

Ratings may change. For more information and current financial strength ratings, please visit our website at www.PacificLife.com.

[1] Excludable from gross income under Internal Revenue Code (IRC) Section 104(a)(1) or (2).

[2] Guarantees, including interest rates and income payments, are backed by the financial strength and claims-paying ability of the issuing insurance company.

[3] Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company.

[4] Client count as of May 2013 is compiled by Pacific Life using the 2013 FORTUNE 500® list.

[5] Recipient of multiple DALBAR Service Awards since 1997. Refer to www.Dalbar.com for more information regarding awards, certification, and rankings.

Ability for Payments to Grow

As part of your strategy, you may want to give your structured settlement payments an opportunity to increase over time, like an occasional pay raise. It can help you manage expenses, or it may simply provide a bit more freedom to do things you enjoy.

Pacific Life offers the **Index-Linked Annuity Payment Adjustment Rider**.[1] By adding this optional rider to your structured settlement:

- Payments can increase based on positive S&P 500® index returns.
- No decrease in payments if the S&P 500 index declines or remains flat.

The S&P 500 index is a market capitalization-weighted index of 500 companies in leading industries of the U.S. economy.

How the Index-Linked Annuity Payment Adjustment Rider Works

If the S&P 500 index rises	**Up to 5%**	When the S&P 500 index rises over a period of 12 months (referred to as "Index Measurement Periods"), your payments will also rise, subject to an annual maximum of 5%.[2]
If the S&P 500 index decreases or there is no change	**No Change**	When the S&P 500 index has a negative or zero return, there is no reduction to the payment amount.

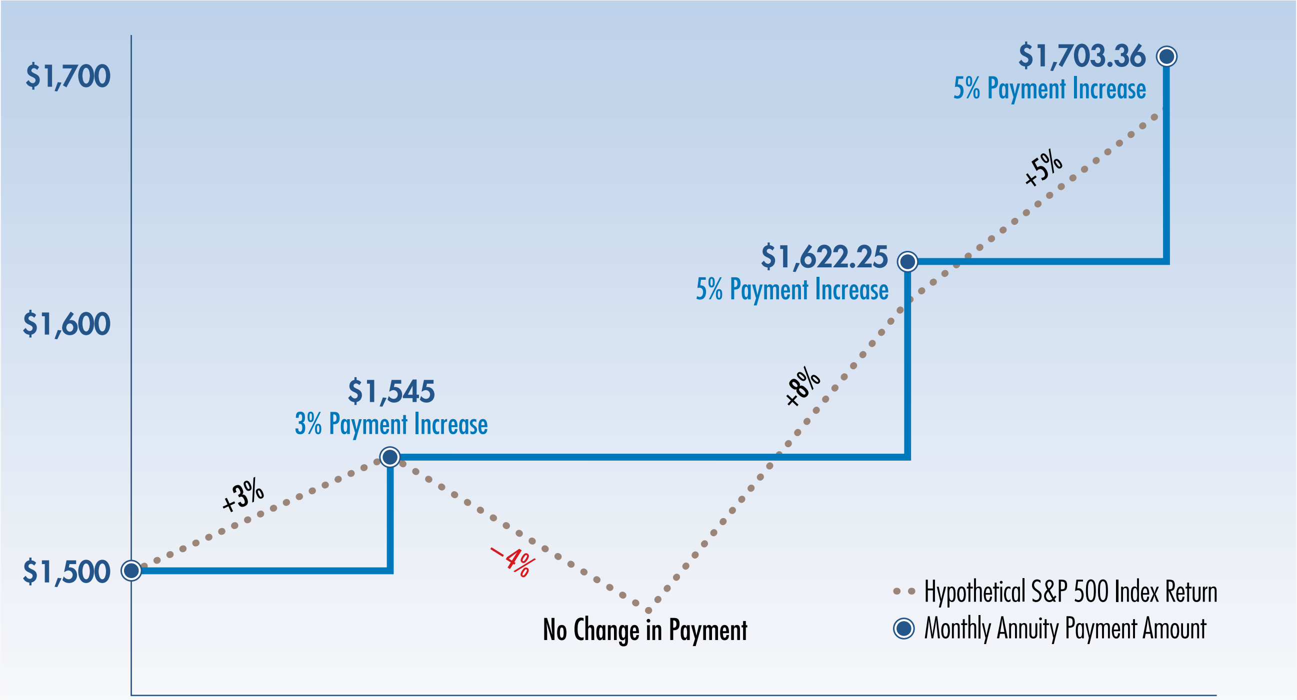
[1]The Index-Linked Annuity Payment Adjustment Rider is not a security and does not participate directly in the stock market or any index, so it is not an investment. It is an insurance product designed to help you prepare for your future.

[2]The S&P 500 index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by Pacific Life Insurance Company. Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Pacific Life. Pacific Life's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s), nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 index. The index is unmanaged and cannot be invested in directly, and index performance does not include the reinvestment of dividends.
Index Measurement Periods are not calendar years. They are defined according to when your annuity payments begin. Increases in the index are measured by the percentage difference between the index on the first and last day of each Index Measurement Period. Payment increases take effect on the anniversary of when payments originally started. Cost-of-living adjustment and the Index-Linked Annuity Payment Adjustment Rider cannot be used together with the same payment stream.

Growth and Protection

You can earn additional payment amounts based on any positive movement of the S&P 500 index. The following example helps to demonstrate how the rider works. Assumptions:

- The four-year returns for the S&P 500 index are for hypothetical demonstration purposes only.
- The rider was added when the annuity was purchased.
- Initial structured settlement monthly annuity payment amount is $1,500 for the first year.
- The annual maximum annuity payment adjustment is 5%.



End of Year	1	2	3	4
Hypothetical S&P 500 Index Return	3%	−4%	8%	5%
Adjustment to Payment Amount (5% Cap)	3%	0%	5%	5%
Resulting Monthly Annuity Payment Amount	$1,545.00	$1,545.00	$1,622.25	$1,703.36

Index Measurement Periods are not calendar years. They are defined according to when your annuity payments begin. Increases in the index are measured by the percentage difference between the index on the first and last day of each Index Measurement Period. Payment increases take effect on the anniversary of when payments originally started. Cost-of-living adjustment and the Index-Linked Annuity Payment Adjustment Rider cannot be used together with the same payment stream. Selecting the Index-Linked Annuity Payment Adjustment Rider may result in a varying benefit amount based on the annuity type and period selected.

Calculating the Monthly Annuity Payment Amount

The explanation below corresponds to the graph on the previous page.

At the end of each year, if the performance of the S&P 500 index is positive, the monthly annuity payment amount is increased. If an adjustment to the payment is made, it remains level for 12 months.

Positive Index Return—5% or less **Payment Amount Is Increased by the % Index Change**	**At the end of year 1,** the S&P 500 index returned 3% for the year, so the payment amount was increased 3%, which is an additional $45 in this example, bringing the annuity payment amount to $1,545.00. **At the end of year 4,** the S&P 500 index returned 5% for the year, so the payment was increased 5%, which is an additional $81.11, bringing the annuity payment amount to $1,703.36.
Positive Index Return—More Than 5% **Payment Amount Is Increased by the Maximum 5%**	**At the end of year 3,** the S&P 500 index returned 8% for the year, so the payment amount was increased the annual maximum annuity payment adjustment of 5%, which is an additional $77.25 in this example, bringing the annuity payment amount to $1,622.25.
Flat or Negative Index Return **Payment Amount Remains the Same**	**At the end of year 2,** the S&P 500 index returned –4% for the year, so the payment amount remained steady.

Protect Your Future with Potential for Growth

A well-planned strategy may include one or more structured settlement solutions to fit your individual needs and goals.

Mary needs to protect her family and her future needs:

- 55 years old
- Husband deceased
- Works part-time
- Two high-school-age children

Planning Goals	Structured Settlement Payment Solutions
■ Cover college education expenses ■ Replace 75% of her husband's income now with potential growth throughout her retirement	■ **5-Year Period Certain** – Guarantees a level payment for five years ■ **Life with 10-Year Period Certain plus Index-Linked Annuity Payment Adjustment Rider** – Guarantees a level monthly payment for life or 10 years, whichever is longer, to help replace lost income. The Index-Linked Annuity Payment Adjustment Rider adds the potential for an annual increase of the payment amount to help address the rising cost of living during retirement

The benefit amount will vary based on the annuity payout period selected.

George has to plan ahead for the long term:

- 30 years old; unmarried
- Injured in an accident and has a documented medical condition
- Currently renting an apartment
- May not return to work full-time

Planning Goal	Structured Settlement Payment Solutions
Cover monthly rent for the next five years	**5-Year Period Certain** – Guarantees a level monthly payment for five years
Purchase a condominium in five years	**Lump-sum payment in five years** – Guarantees a lump sum for down payment on a condo
Pay monthly projected mortgage on condo and partially replace lost income if he cannot return to work in his previous occupation, while providing potential for growth	**Life with 35-Year Period Certain plus Index-Linked Annuity Payment Adjustment Rider** – Guarantees a level monthly payment for life or 35 years, whichever is longer, to help replace lost income with the potential for an annual increase of the payment amount through an index-linked rider

The benefit amount will vary based on the annuity payout period selected.

Life is about moving forward. A structured settlement can help you move forward with confidence, knowing you have guaranteed payments that address some of your most important needs and goals—both now and in the future. With the help of your structured settlements consultant, follow these simple steps to get started:

1. Determine the time horizon for which you need income, your financial situation and needs.
2. Decide if the Index-Linked Annuity Payment Adjustment Rider is appropriate for you.
3. Complete the agreement for the structured settlement.

For more information, contact your structured settlements consultant. Or, call us toll-free at (877) 784-0622.

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