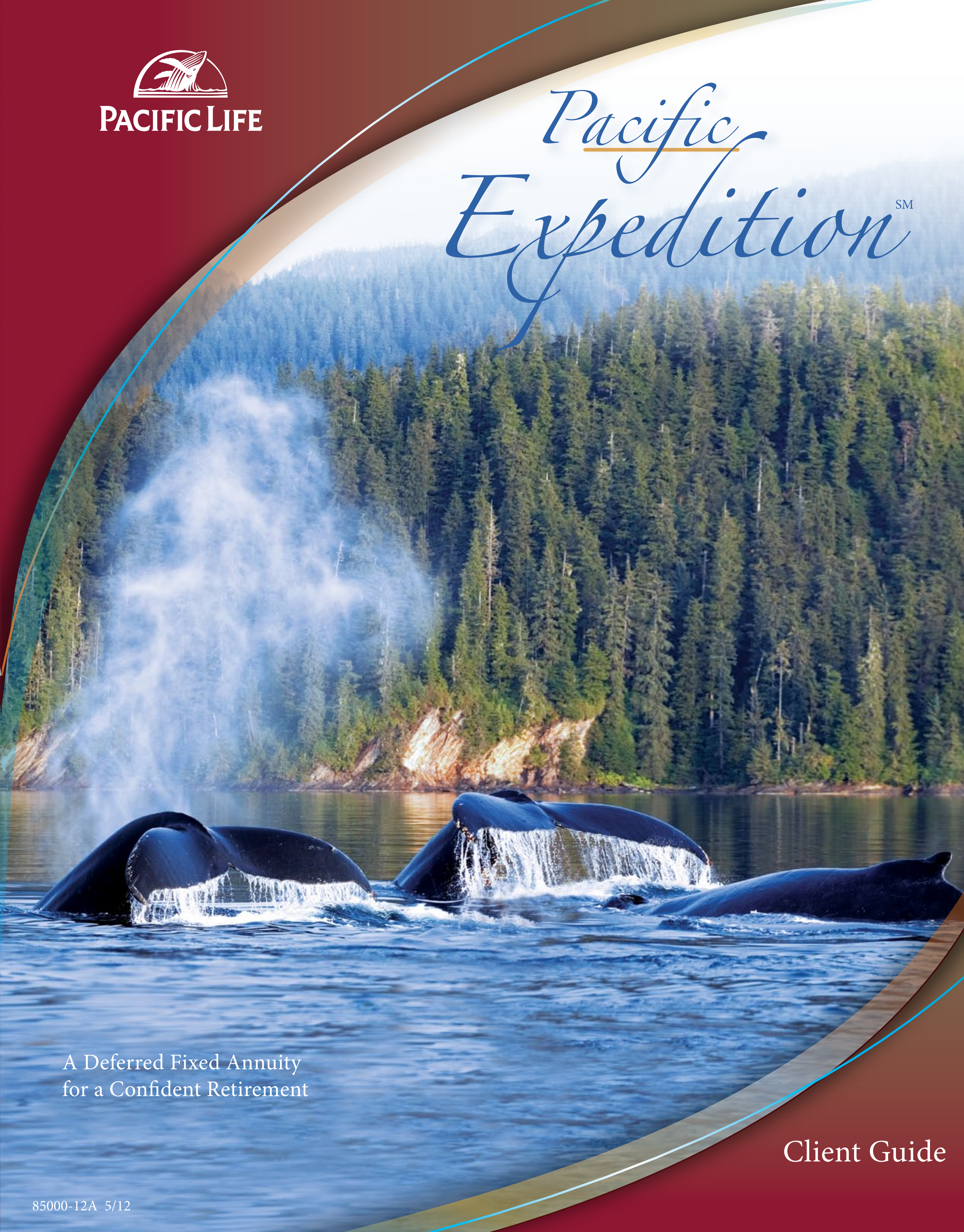
PACIFIC LIFE

Pacific Expedition℠



A Deferred Fixed Annuity
for a Confident Retirement

Client Guide

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The Power to Help You Succeed

Pacific Life has more than 140 years of experience, and we remain committed to providing quality products, service, and stability to meet your needs today and throughout your lifetime.

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.

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

- 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 for high-quality service standards.
- We offer products that address market environments during all stages of your life.
- 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.

While ratings can be objective indicators of an insurance company's financial strength and can provide a relative measure to help select among insurance companies, they are not guarantees of the future financial strength and/or claims-paying ability of a company. The independent third party from which this annuity is purchased, including the broker/dealer, the insurance agency from which this annuity is purchased, and any affiliates of those entities make no representations regarding the quality of the analysis conducted by the rating agencies. The rating agencies are not affiliated with the above-mentioned entities nor were they involved in any rating agency's analysis of the insurance companies.

Prepare for a Secure Retirement

As you save for retirement, you may want a financial product that offers safety of principal and predictable growth.

Pacific Expedition, a deferred fixed annuity from Pacific Life, offers:

- Tax deferral
- A choice of initial guaranteed periods during which you receive a guaranteed interest rate
- A one-time option to increase your guaranteed interest rate with RateAdvantage
- Access to your money
- Lifetime income
- Beneficiary protection

Guarantees, including interest rates and subsequent income payouts, are backed by the claims-paying ability of the issuing company.

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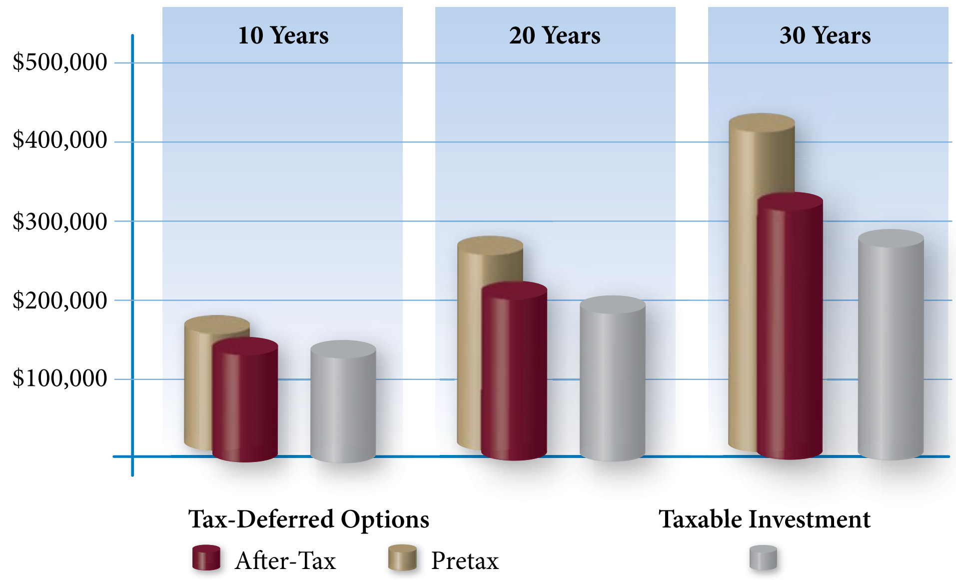
The Power of Tax Deferral

Because an annuity is tax-deferred for individuals, interest will compound without current income tax. Your assets grow faster because you don't pay taxes on the interest earned until you actually withdraw it or until it is distributed to you.

Whether you purchase your annuity with **after-tax** (nonqualified) or **pretax** (qualified) dollars, you have the benefit of tax-deferred compounding. IRAs and qualified plans—such as 401(k)s and 403(b)s—are already tax deferred. Therefore, a deferred annuity should be used only to fund an IRA or qualified plan to benefit from the annuity's features other than tax deferral. These include lifetime income and death benefit options.

This chart illustrates just how effective tax deferral can be. A $100,000 initial purchase payment, compounded at 5% annually over 10, 20, and 30 years, grows with taxes deferred. Once taxes are paid on the lump-sum distribution, after 30 years the amount would be $322,570—still much more than the $268,729 accumulated in a taxable investment over the same time frame.



Assumes a 33% ordinary income tax rate, assessed yearly on the taxable investment and at period-end on the tax-deferred example. Actual tax rates may vary for different taxpayers and assets from that illustrated (e.g., capital gains and qualified dividend income). Actual performance of your investment also will vary. Lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the example shown. Consider your personal investment time horizon and income tax brackets, both current and anticipated, when making an investment decision. Hypothetical returns are not guaranteed and do not represent performance of any particular investment.

If Pacific Expedition charges were included (7% maximum withdrawal charge), the tax-deferred performance would be significantly lower.

Protection and Growth

With Pacific Expedition, you are not invested in the market and therefore will never lose your principal because of market performance. However, the value of your contract is guaranteed to grow. You will receive an immediate increase to your contract value with the credit enhancement and earn a guaranteed interest rate that is set at the time your annuity contract is purchased.

Immediate Credit Enhancement

When you purchase your contract—referred to as making a "purchase payment"—a percentage of your purchase payment will be automatically added to your contract value. The credit enhancement amount is determined at contract issue and will vary based on the initial guaranteed period you select. For example, if you purchase Pacific Expedition with $100,000 and the immediate credit enhancement for the period you select is 0.50% ($100,000 x 0.50% = $500), your beginning contract value is $100,500.

Credit enhancements are not counted as purchase payments, are treated as additional earnings for tax purposes, and are not returned under the free-look provision. If the death benefit is payable in the first year, the credit enhancement will be recaptured on a proportionate basis (except in Connecticut and New York).

Purchase Payment Guarantee

If you need access to your money and surrender your contract, you are guaranteed to get back at least your total purchase payments if you have not taken any partial withdrawals.

Guaranteed Interest Rate

Choose from Two Initial Guaranteed Periods*

You may select one of two initial guaranteed periods, locking in an initial guaranteed interest rate for the period you select.

Choose from:

- 5-year
- 7-year

After the initial guaranteed period expires, a renewal rate will be declared by Pacific Life and guaranteed for one year. This rate will never be lower than the minimum guaranteed interest rate stated in your contract.

**All initial guaranteed periods may not be available at all times, in all states, or offered by all firms. Check with your financial professional.*

The Ability to Earn More

Depending on the amount of your purchase payments, you may receive a higher interest rate.

There are two interest-rate breakpoints:

- $25,000–$99,999
- $100,000 and more

Additional purchase payment requests must be submitted with your application and received within 90 days of contract issue. If an additional purchase payment causes the amount of the total purchase payments (minus any withdrawals) to exceed the current breakpoint, the crediting rate may be adjusted.

Increase Your Guaranteed Interest Rate with RateAdvantage

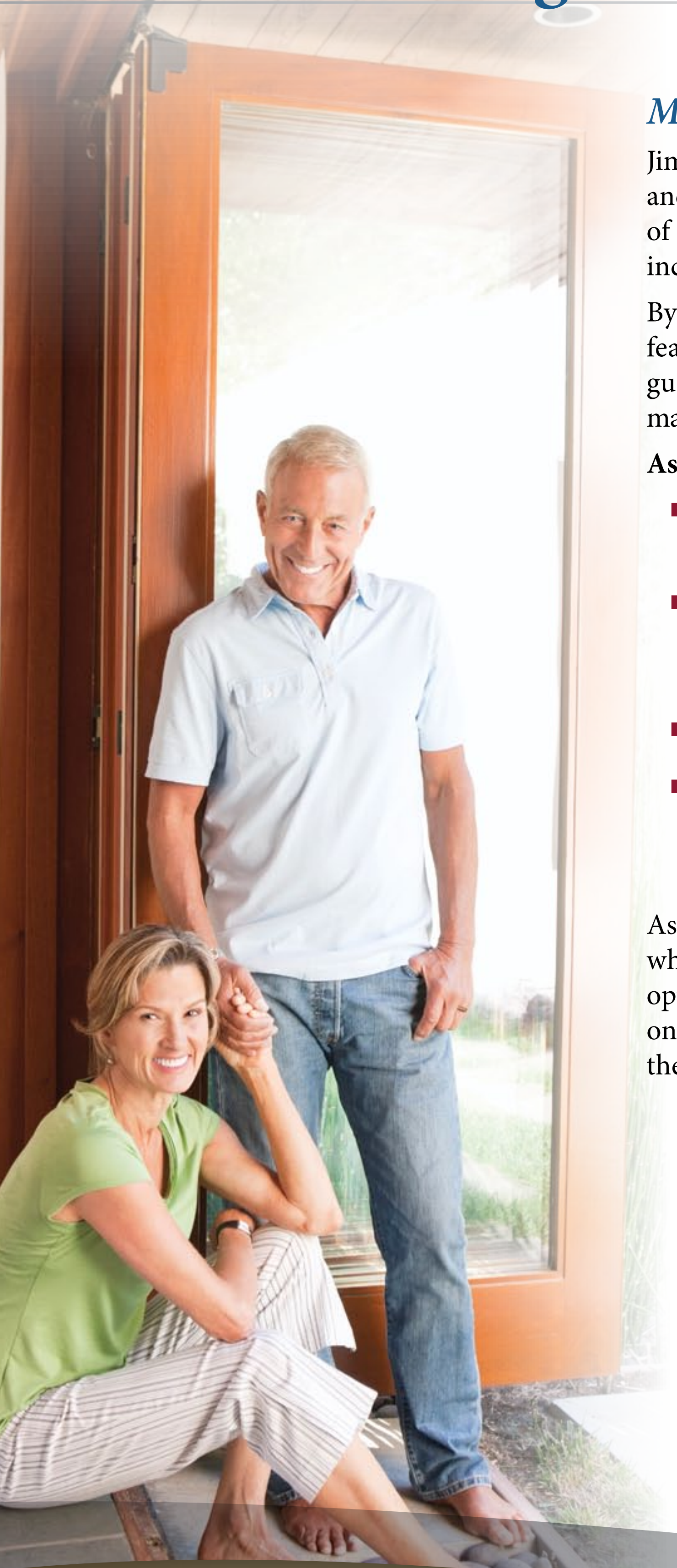
Pacific Expedition offers an optional feature called RateAdvantage that provides you the opportunity to increase your guaranteed interest rate. This feature, which can only be elected when you first purchase your annuity, offers the potential to make a one-time adjustment of your initial guaranteed interest rate to a higher rate. Initial guaranteed interest rates will be lower for contracts that elect RateAdvantage than for those that do not.

You Choose When to Make the One-Time Increase

- **If newly declared rates are higher** on a contract anniversary during your initial guaranteed period than the guaranteed interest rate set at contract issue, you can choose to exercise the feature once and receive the rate increase for the remainder of the period. Newly declared rates are rates on new contracts that elect the same guaranteed period and the RateAdvantage feature.
- **The amount of the rate increase will be subject to a maximum** each year, known as the Maximum Anniversary Rate (MAR), which will increase each contract year. MARs are specified in your contract at issue.
- **The rate automatically increases** if newly declared rates are higher and if you have not exercised the feature by the last contract anniversary prior to the end of your initial guaranteed period.

Let's take a look at RateAdvantage in action . . .

RateAdvantage in Action



Meet Jim and Gail

Jim and Gail are in their early 60s, plan to retire in five to seven years, and are looking for a conservative option to protect a $100,000 portion of their retirement savings. However, they would like an opportunity to increase their initial guaranteed interest rate, should rates rise.

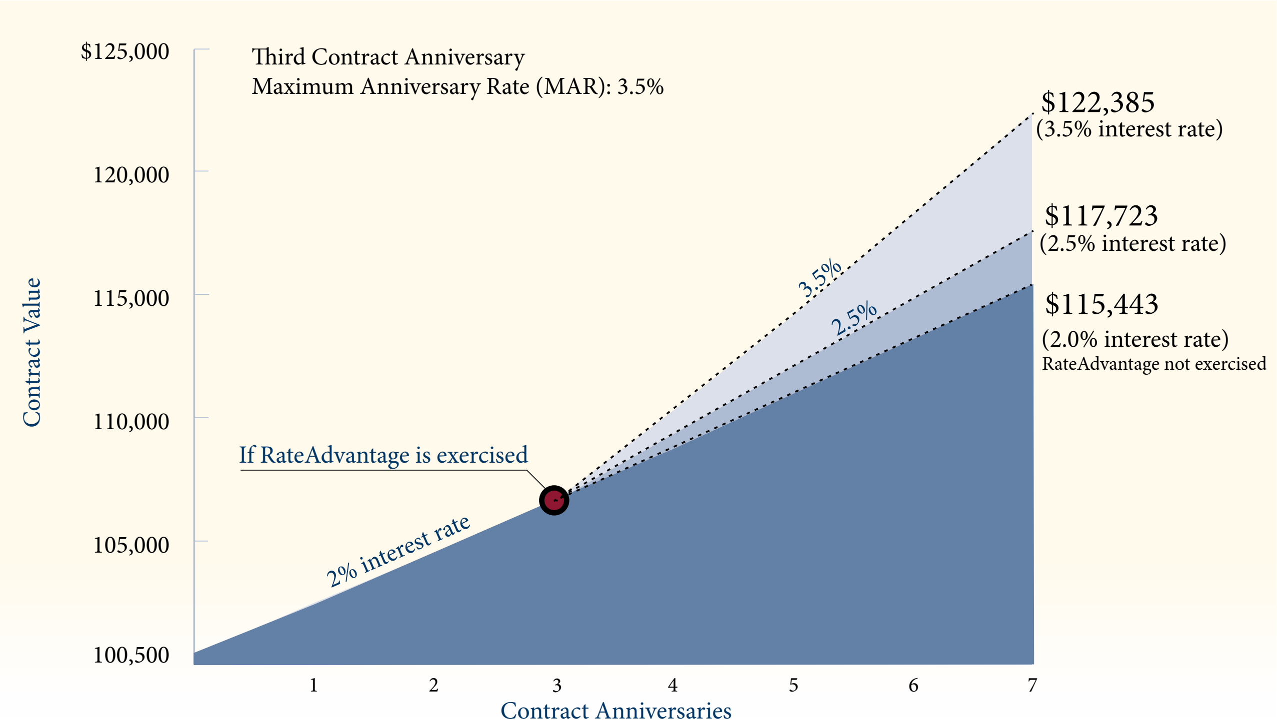
By purchasing Pacific Expedition and electing the RateAdvantage feature, Jim and Gail will never lose their principal, will receive a guaranteed rate of interest for a specified period, and can potentially make a one-time increase to their initial guaranteed interest rate.

Assumptions for the following hypothetical example:

- Jim and Gail choose a 7-year initial guaranteed period and elect RateAdvantage at contract issue.
- The initial $100,000 purchase payment has an assumed 0.50% credit enhancement. This means their beginning contract value is $100,500.
- The initial guaranteed interest rate is 2%.
- They do not take any withdrawals during the initial guaranteed period.

As Jim and Gail approach their third anniversary, they are deciding whether to exercise the RateAdvantage feature and are exploring their options. If they are eligible to exercise the feature, they will be notified on their annual statement. The Maximum Anniversary Rate (MAR) on the third contract anniversary is 3.5%.

Possible Scenarios That Could Occur on the Third Contract Anniversary



What Happens to Their Contract if:

New rates are the same or lower than the initial guaranteed interest rate of 2%	**RateAdvantage cannot be exercised.** Assuming rates stay at or below 2% for the remainder of the initial guaranteed period, Jim and Gail will continue to receive 2%, resulting in a contract value of $115,443 at the end of seven years.
New rates are 2.5%—higher than the initial guaranteed interest rate of 2%, but lower than the MAR of 3.5%	**Jim and Gail can exercise the RateAdvantage feature.** 2.5% is credited for the balance of the initial guaranteed period, resulting in a contract value of $117,723 at the end of seven years.
New rates are 5%—higher than both the initial guaranteed interest rate of 2% and the MAR of 3.5%	**Jim and Gail can exercise the RateAdvantage feature.** The 3.5% MAR is credited for the balance of the initial guaranteed period, resulting in a contract value of $122,385 at the end of seven years.
Regardless of new rates (higher or lower), Jim and Gail decide to wait until another contract anniversary to revisit whether to exercise RateAdvantage	**RateAdvantage is not exercised.** Jim and Gail will continue to earn 2% until the feature is exercised. If they do not use RateAdvantage by the last contract anniversary prior to the end of the initial guaranteed period (contract year 6) and newly declared rates are higher, they will get an *automatic* increase to their initial guaranteed interest rate.

Access to Your Money

Because you can never predict the future, it's comforting to have the ability to access your money when you need it. Withdrawals may begin as soon as 30 days after your contract is issued.

The minimum amount you may withdraw at any one time is $500 unless you elect scheduled withdrawals. Scheduled withdrawals may be set up on a monthly, quarterly, semiannual, or annual basis, with a minimum per-withdrawal amount of $250 ($100 if withdrawn via electronic funds transfer).

Withdrawals without Charge

You may withdraw amounts up to 10% of your purchase payments in the first contract year and 10% of your contract value during the remainder of the withdrawal charge period (based on the contract value from the previous contract year) without a withdrawal charge.

Additionally, you may take withdrawals without a charge for the following reasons:

- Required minimum distribution (RMD) withdrawals (calculated by Pacific Life)
- Withdrawals after the first contract year if diagnosed with a terminal illness (life expectancy of 12 months or fewer)
- Withdrawals after the first 90 days if confined to an accredited nursing home for 30 days or more, as long as you are not confined to a nursing home when the contract is issued

Withdrawals that Incur a Charge

Withdrawal charges only apply during your chosen initial guaranteed period.

5-Year Initial Guaranteed Period

Contract year	1	2	3	4	5	6+
Charge per withdrawal	7%	7%	7%	6%	4%	0%

7-Year Initial Guaranteed Period

Contract year	1	2	3	4	5	6	7	8+
Charge per withdrawal	7%	7%	7%	6%	5%	4%	3%	0%

All initial guaranteed periods may not be available at all times, in all states, or offered by all firms.

Withdrawals and other distributions of taxable amounts, including death benefit payouts, will be subject to ordinary income tax. For nonqualified contracts, an additional 3.8% tax may apply on net investment income beginning in 2013. If withdrawals and other distributions are taken prior to age 59½, an additional 10% federal tax will apply. If withdrawal charges are paid on partial withdrawals, the purchase payment guarantee will be decreased.

Receive a Steady Stream of Income

After the first year, you are automatically entitled to one of the following four standard payout options, including some that pay for life. Choosing appropriately for your retirement strategy is important because once you convert your contract to an annuity income stream, you cannot switch payout options. Amounts will differ, based on the payout period selected. Usually, the longer the payout option, the lower the periodic payment amount. The minimum income payment is $250 ($20 in New York).

There are only two decisions you need to make:

1. ***How often do you want to be paid?***
   - Monthly
   - Quarterly
   - Semiannually
   - Annually

2. ***How long do you want to receive income?***
   - **Life Only**—Periodic payments for life are guaranteed.
   - **Life with Period Certain**—Periodic payments will be made for life and guaranteed for a minimum period of 5 to 30 years. If you die before the end of the period, your beneficiary will receive the remaining income. If you live longer than the period certain, you will continue to receive the income for life.
   - **Joint and Survivor Life**—Periodic payments are guaranteed over your lifetime (as the primary annuitant) and the lifetime of another person (as the secondary annuitant). The secondary annuitant does not need to be a spouse.
   - **Period Certain**—Periodic payments will be made over a specific period, from 10 to 30 years.

Tax Advantages

When you begin taking annuity income payments under one of the standard payout options, each payment is composed of money that you've paid into the annuity plus any interest. For qualified contracts, taxes will generally be due on the entire payment. For nonqualified contracts, taxes will be due only on the interest portion. A formula unique to annuities determines the nontaxable portion of each payment until all the money you put into the contract has been taken out. Due to the formula, nonqualified income payments are tax-advantaged—which means that your tax liability is spread out over time. The actual tax impact will depend on the payout option, term, and age at which the payout option is selected.

Help Provide for Your Spouse and Heirs

While you're probably focusing on how to enjoy your retirement savings, it's important to think ahead and plan how to provide for your loved ones if you were to die unexpectedly. Pacific Expedition offers built-in protection and a commitment to customer service that will be there for your family when they need it most.

Provide for Your Spouse

You may wish to base your annuity contract on the lives of both you and your spouse. This way, no matter who dies first, the survivor is assured continued income payments. With the Joint and Survivor Life payout option, periodic payments are made during the lifetime of the primary annuitant. After the primary annuitant dies, periodic payments will be made for the remainder of the named secondary annuitant's life.

Or, if the owner or sole annuitant dies, the spouse (who is the beneficiary) can continue the contract.

Provide for Your Heirs

If death occurs before you start to take annuity income payments, Pacific Expedition can provide for your heirs. The value of the contract will pass directly to your designated beneficiaries, and they may avoid the delays and costs of probate.

Who's Who in an Annuity?

It's important to know who the key parties are in an annuity contract.

Owner

The owner makes the decisions about the annuity, such as how much money to put into the contract. The owner also names the annuitants and beneficiaries.

Annuitant

The owner and the annuitant may or may not be the same person. Either way, it's the annuitant's life expectancy that is used to set the dollar amount of future annuity income.

Beneficiary

If the owner or annuitant dies before annuity payments begin, usually, the beneficiary is the one who may have the right to receive the death benefit.

There may be one or more owners, annuitants, and beneficiaries.

Our Focus Is on You

Getting Started

Fixed annuities are long-term contracts designed for retirement.

Discuss with your financial professional whether Pacific Expedition is appropriate for you.

Pacific Expedition allows you to protect your principal and grow your contract value. With the help of your financial professional, follow these simple steps to get started:

1. **Consider your age, financial situation, and retirement time horizon, and then select an initial guaranteed period.**
2. **Decide if you want to elect the RateAdvantage optional feature.**
3. **Purchase your deferred fixed annuity—Pacific Expedition.**

Ongoing Support

Pacific Life provides award-winning customer service and support to help you achieve your retirement goals.

Website

www.PacificLife.com or, in New York, www.PacificLifeandAnnuity.com

Go online and select "Annuities" under the heading "Client Account Sign-In" to view your account balance or make other transactions.

Personal Customer Service

(800) 722-4448 or, in New York, (800) 748-6907

Call our toll-free number to access account information via our automated line or to speak directly with an annuity information specialist.

PACIFIC LIFE

Mailing addresses:

Pacific Life Insurance Company
P.O. Box 2378
Omaha, NE 68103-2378
(800) 722-4448
www.PacificLife.com

In New York, Pacific Life & Annuity Company
P.O. Box 2829
Omaha, NE 68103-2829
(800) 748-6907
www.PacificLifeandAnnuity.com

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No guaranteed rate will be less than the minimum guaranteed rate stated in the contract. Pacific Life determines, at its discretion, interest rates in excess of the stated minimum guarantee in the contract.

Maximum Anniversary Rate is named "Maximum Adjusted Guaranteed Rate" in the contract.

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Producer's name & firm:	State insurance license number:

Contract Form Series: 30-1229, 30-1229-R, 30-2229, 30-2229-R
85000-12A
Exp. 5/14