



Pacific Explorer[®]

A Deferred Fixed Annuity
for a Confident Retirement

Client Guide

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.

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.

For more information and current financial strength ratings, please visit our website.



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

Make the Most of Your Retirement

Long-term financial planning requires evaluating alternatives to find the right mix for your portfolio. To make the most of your retirement planning, you may need an option that provides safety, choice, and guarantees.

A fixed annuity is an interest-earning contract, issued by an insurance company, which can offer you the:

- Ability for your interest to grow tax-deferred.
- Stability of premium and interest-rate guarantees, even during market volatility.
- Flexibility to access a portion of your money without a withdrawal charge.

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

Pacific Explorer is a deferred fixed annuity that guarantees an interest rate through a specific period of time, and the interest grows tax-deferred until you are ready to withdraw the money.

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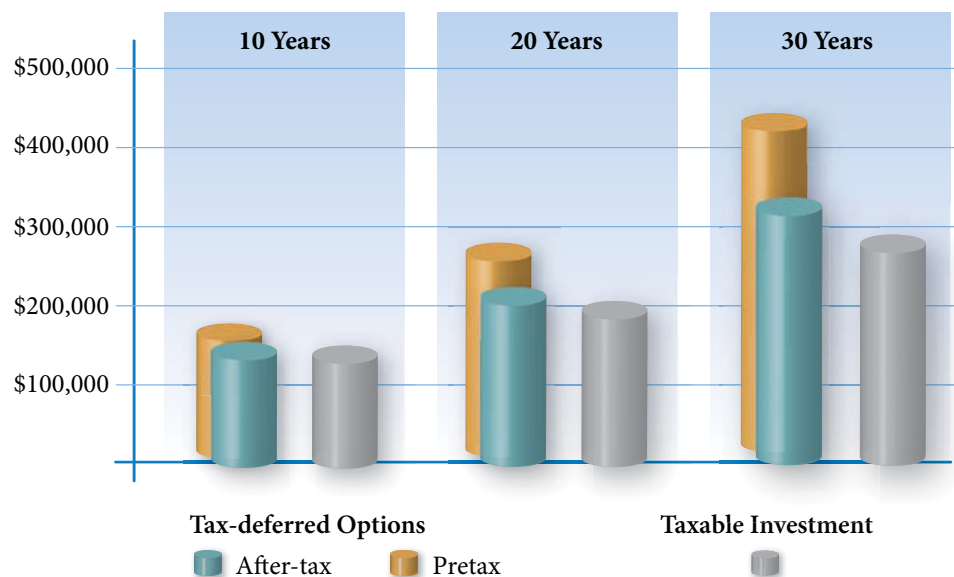
Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state.

The Power of Tax Deferral

Because an annuity is tax-deferred for individuals, interest will compound without current income tax. Your money grows faster because you don't pay taxes on interest until you actually take withdrawals or income payouts.

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

The Pacific Explorer Advantage

You may be searching for a more conservative or traditional way to save for retirement. Fixed annuities can provide the flexibility you need to access your money to help you pay for periodic expenses, such as an anticipated change in your retirement income or paying for your child's higher education.

With Pacific Explorer, you can:

- Allow your interest to grow tax-deferred.
- Help protect against the ups and downs of the market with an interest rate that is guaranteed for a specified period, and a minimum interest rate that is guaranteed for the life of the contract.
- Provide for your heirs, avoiding the costs and delays of probate if death occurs before annual payouts begin and the contract is properly structured.
- Generate a lifetime flow of steady income for yourself and your spouse.

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 the 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 payouts 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.



Tailored to Fit Your Needs



Choose from Three Guaranteed Periods (Subject to Change)

You may choose one of three different guaranteed periods—locking in a specific interest rate for the duration of the guaranteed period.

Choose from:

- 1-year
- 3-year
- 6-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 rate stated in your contract.

Additional purchase payments are permitted within the first six months after the contract is issued and will receive the interest rate in effect at the time the payment is received.

An Immediate Contract Value Increase

Depending on the period you select, a percentage of your purchase payments will be added to your contract value as an immediate credit enhancement.

The Option to Earn More

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

The three interest rate breakpoints are:

- \$10,000–\$24,999
- \$25,000–\$99,999
- \$100,000 and more

Purchase Payment Guarantee

In the event 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.

Withdrawing 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 contract issue.

You may withdraw amounts up to 10% of your purchase payments in the first contract year and 10% of your contract value in years 2 through 6 (based on the contract value from the previous year) without a withdrawal charge. In addition to being able to access the interest earned, Pacific Explorer provides the following options (which may be subject to a withdrawal charge).

- Preauthorized withdrawals: Withdraw at least \$500 either monthly, quarterly, semiannually, or annually.
- Partial withdrawals: Withdraw \$500 or more at any time.

Withdrawal charges only apply during the first six contract years.

Contract Year	1	2	3	4	5	6
Charge per Withdrawal	7%	7%	7%	6%	5%	4%

Withdrawals and other distributions of taxable amounts, including death benefit payouts, will be subject to ordinary income tax. If withdrawals and other distributions are taken prior to age 59½, a 10% federal tax penalty may apply. A withdrawal charge also may apply. If withdrawal charges are paid on partial withdrawals, the purchase payment guarantee will be decreased.



Withdrawals without Charge

In addition to the 10% annual withdrawal amount, 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 60 days, as long as you are not confined to a nursing home when the contract is issued
- Death benefit proceeds
- Annuity payouts (available after the first contract year)
- Surrenders on the maximum annuitization date

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 payout is \$240.

There are only two decisions you need to make:

1. How often do you want to be paid?

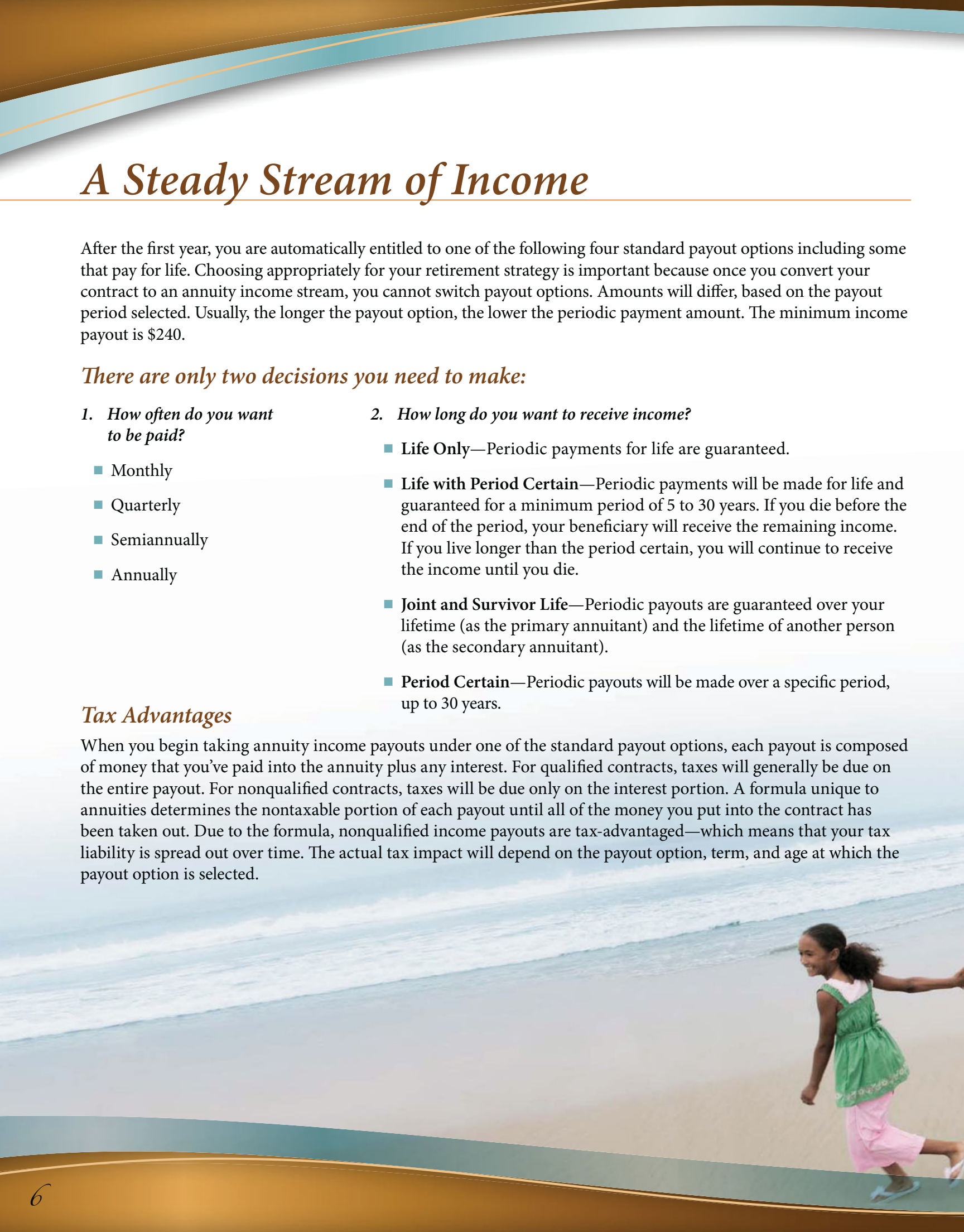
- Monthly
- Quarterly
- Semiannually
- Annually

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 until you die.
- **Joint and Survivor Life**—Periodic payouts are guaranteed over your lifetime (as the primary annuitant) and the lifetime of another person (as the secondary annuitant).
- **Period Certain**—Periodic payouts will be made over a specific period, up to 30 years.

Tax Advantages

When you begin taking annuity income payouts under one of the standard payout options, each payout 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 payout. For nonqualified contracts, taxes will be due only on the interest portion. A formula unique to annuities determines the nontaxable portion of each payout until all of the money you put into the contract has been taken out. Due to the formula, nonqualified income payouts 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 Explorer offers built-in protection and a commitment to customer service that will be there for your family when they need it the 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 annuitization option, periodic payouts 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.

Provide for Your Heirs

If death occurs before you start to take income payouts, Pacific Explorer 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.



Our Focus Is on You

Getting Started

Discuss with your financial professional whether an annuity is appropriate for you. Consider your age, annual income, financial situation and needs, investment experience, investment objectives, intended use of the annuity, investment time horizon, existing assets (including investment holdings and life insurance), liquidity needs, liquid net worth, risk tolerance, tax status, and other information used or considered to be reasonable by your financial professional in making recommendations to you.

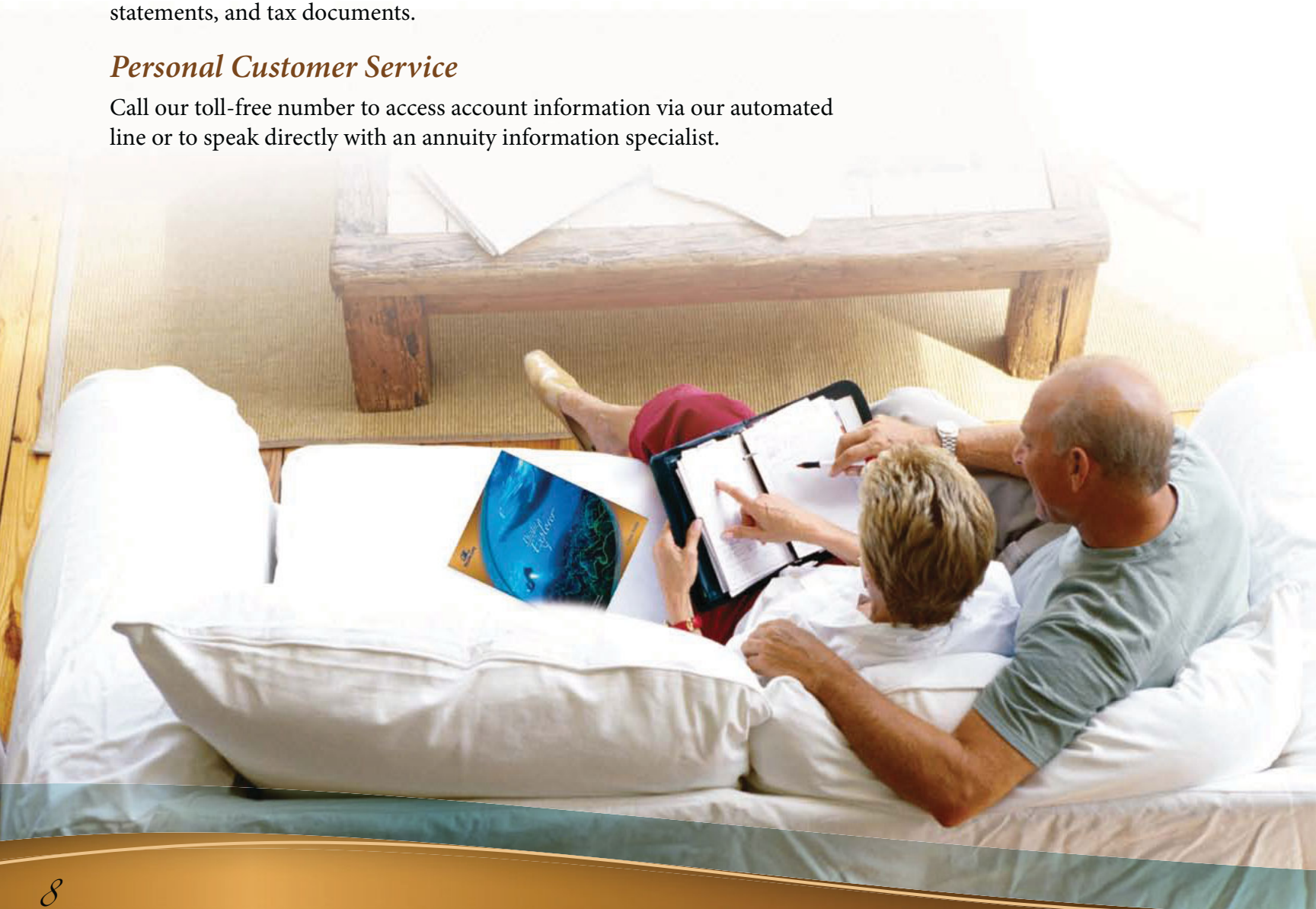
Pacific Life provides award-winning service and support to help you achieve your investment goals.

Website

Go online and select “My Account” to view your account balance, annual statements, and tax documents.

Personal Customer Service

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





PACIFIC LIFE

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The credit enhancement is not counted as a purchase payment and is treated as earnings for tax purposes. If the death benefit is payable in the first year, the credit enhancement will be recaptured on a proportional basis (except in CT and NY).

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.

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 company is solely responsible for the financial obligations accruing under the products it issues. Insurance product and guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company and do not protect the value of the variable investment options. They are not backed by the independent third-party from which this annuity is purchased, including the broker/dealer, 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 are available through licensed, independent third parties.

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