

Grow Your Assets Under Management

with Modern Advisory Annuities

Life can change quickly, and it's possible that your clients' existing annuities or insurance products may no longer serve their current needs. This could be an opportunity for you to reassess whether your clients' older products continue to align with their vision of the future. A modern advisory annuity may offer new features that are more relevant to your clients' current financial goals, including cost-conscious fee structures that can complement their existing plans. Remember, it's important to carefully compare all the costs, features, and restrictions of the older annuity against the modern annuity to help decide if the process will benefit your clients.

Annuity Modernization in Action

Margaret and Alan purchased a traditional variable annuity in 2010 while they were still working and prioritizing retirement-fund accumulation. The couple was happy with how their investment accounts performed, and their financial plan had a high probability of long-term success in all contexts. Today, Margaret is enjoying retirement, and Alan will continue to work for a few more years before his own retirement.

Could a modern advisory annuity benefit Margaret and Alan?

After careful assessment, the couple and their financial professional determine that modernizing their current annuity for one that doesn't include the now-unneeded income benefit and lowers their costs could be more appropriate. In fact, they find that the Pacific Advisory Variable Annuity offers lower overall costs in their specific circumstances. The total costs for Pacific Advisory Variable Annuity are approximately 1.30% lower than the existing annuity, and the fee difference could result in more than \$41,000 of contract-fee savings over their 10-year time frame.¹

	Current Traditional Variable Annuity	Pacific Advisory Variable Annuity
Initial Purchase Payment	\$310,000	\$310,000
Total Variable Annuity Cost	3.25% (Contract Charges: 1.50%, Income Benefit: 0.95%, Average Net Fund Expense: 0.80%)	0.96% (Contract Charges: 0.45%, Average Net Fund Expense: 0.51%)*
Advisory Fee	0%	1.00%
Investment Time Horizon	10 years	10 years
Total Contract Fees (10 Years)	\$100,750	\$60,760

This hypothetical example is for illustrative purposes only and is based on specific assumptions, including a 10-year time horizon, no surrender charges and no valuable guarantees in the existing annuity. Results will vary depending on advisory fees, investment performance, contract features, and how long the annuity is held. In some cases, an existing annuity may result in lower overall costs or provide benefits that outweigh potential cost savings. Pacific Advisory Variable Annuity expenses listed are as of June 2026. Fees may be billed directly on a client's annuity contract without creating a taxable event or reducing benefits under PLR 201946001. Advisory fees are charged in addition to contract fees and expenses and may continue regardless of annuity performance.

Source: "Variable Annuity Share Classes." Institute of Business & Finance. December 31, 2024.

¹ These results depend on the assumptions used. Different holding periods, advisory fee levels, or the presence of valuable guarantees in the existing annuity could result in equal or higher overall costs compared to retaining the current contract.

*Net fund expenses may include fee waivers and/or reimbursements which are subject to change. The gross fund expenses may be higher. Please review the fund prospectuses for additional information. Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company and in all states by Pacific Life & Annuity Company. Product/material 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

A More Intentional Action Plan

While everyone's situation is different, after analysis, you may be surprised to find how many of your clients are still holding annuities that no longer serve their needs. Annuity modernization can be an opportunity to add value to your client relationships and places those assets under your management, if they're not already. This provides a holistic view your clients' financial picture and allows you and your clients to actively manage those assets with their new goals in mind.

Could modernization have similar effects on your clients' retirement portfolios?

**For more information about how a Pacific Life advisory annuity
can fit into your clients' plans, contact us at
(866) 441-2354 or PacificLifeAdvisory@PacificLife.com.**

It is important to consider all impacts of an annuity replacement, including but not limited to, loss of any guaranteed living or death benefit.

Pacific Life, its 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.

Investors should carefully consider a variable annuity's risks, charges, limitations, and expenses, as well as the risks, charges, expenses, and investment goals of the underlying investment options. This and other information about Pacific Life are provided in the product and underlying fund prospectuses, including summary prospectuses, if available. These prospectuses should be read carefully before investing and they are available by visiting PacificLife.com/Prospectuses.

There are circumstances in which replacing your client's existing life insurance or annuity can benefit your client. As a general rule, however, replacement is not in your client's best interest. You should make a careful comparison of the costs and benefits, including any applicable surrender charges, of your client's existing policy and the proposed policy to analyze how a replacement may affect your client's plan of insurance. You should provide this detailed information to your client and discuss whether replacement is in your client's best interest.

Annuities are long-term contracts designed for retirement. Annuity 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% federal tax may apply on net investment income. If withdrawals and other distributions are taken prior to age 59½, an additional 10% federal income tax may apply. A withdrawal charge also may apply and a market value adjustment (MVA) also may apply. Withdrawals will reduce the contract value and the value of the death benefit, and also may reduce the value of any optional benefits.

Riders will likely incur additional charges and are subject to availability, restrictions and limitations. Clients should be shown product illustrations with and without riders to help show the rider's impact on the contract's values.

Insurance products and their guarantees, including optional benefits, annuity payout rates, and any crediting rates, are backed by the financial strength and claims-paying ability of the issuing insurance company, but they do not protect the value of the variable investment options. Look to the strength of the insurance company with regard to such guarantees because these guarantees are not backed by the independent broker/dealers, insurance agencies, 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 issuing company.

Pacific Life refers to Pacific Life Insurance Company and its subsidiary Pacific Life & Annuity Company. Insurance products can be issued in all states, except New York, by Pacific Life Insurance Company and in all states by Pacific Life & Annuity Company. Product/material availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues.

Variable insurance products are distributed by **Pacific Select Distributors, LLC** (member FINRA & SIPC), a subsidiary of Pacific Life Insurance Company and an affiliate of Pacific Life & Annuity Company. The home office for Pacific Life & Annuity Company is located in Phoenix, Arizona. The home office for Pacific Life Insurance Company is located in Omaha, Nebraska.

Contract Form Series: ICC20:10-1040, 10-2040

State variations to contract form series and rider series may apply.

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