PACIFIC LIFE

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.

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.

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