

PAYOUT PLUS

A Benefit Option Available with a Structured Settlements Annuity from Pacific Life



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 availability and features may vary by state.

Payment Increase Opportunities for Structured Settlements

Choosing a Pacific Life structured settlements annuity to pay out your personal injury or workers' compensation settlement creates steady, reliable payments. Adding Pacific Life's **Payout Plus benefit option** to your structured settlements annuity can help you make the most of your settlement because it **gives your payments opportunities to increase**. Payments may help cover living expenses, medical expenses, educational opportunities, and other costs, now and in the future.

Why Choose to Structure Your Settlement?

- **Tax advantages.** Settlement amounts are income-tax-free.¹
- **Guaranteed minimum payments.** You will know the minimum amount that you will receive.
- **Customized payment plans.** Multiple payment streams can be created to meet both current and future needs, or you may choose a single payment stream. You also decide when payments will start and how long they will last.

Why Add Payout Plus to Your Structured Settlement?



Provides Potential Increases to Payment Amounts

With Payout Plus, your payments may increase based on the positive performance of the S&P 500® index, subject to a cap. The index tracks the performance of the 500 largest U.S. public companies. Your money is not invested directly in the market or an index.



Protects the Minimum Payment Amount

Your payments will never fall below a guaranteed minimum amount known as the "baseline payment." However, payments may decrease due to an "adjustment rate" that is explained in more detail on page 3.



Offers Flexibility to Meet Your Needs

Because everyone's situation is different, Payout Plus payments can be tailored for your individual needs. For example, you can delay payments or split settlement dollars into two different payment streams.

All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company.

Selecting an optional index-linked benefit option will result in a lower guaranteed minimum payment amount than when selecting a traditional structured settlements annuity. The guaranteed payment also can vary based on the annuity type and period selected.

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

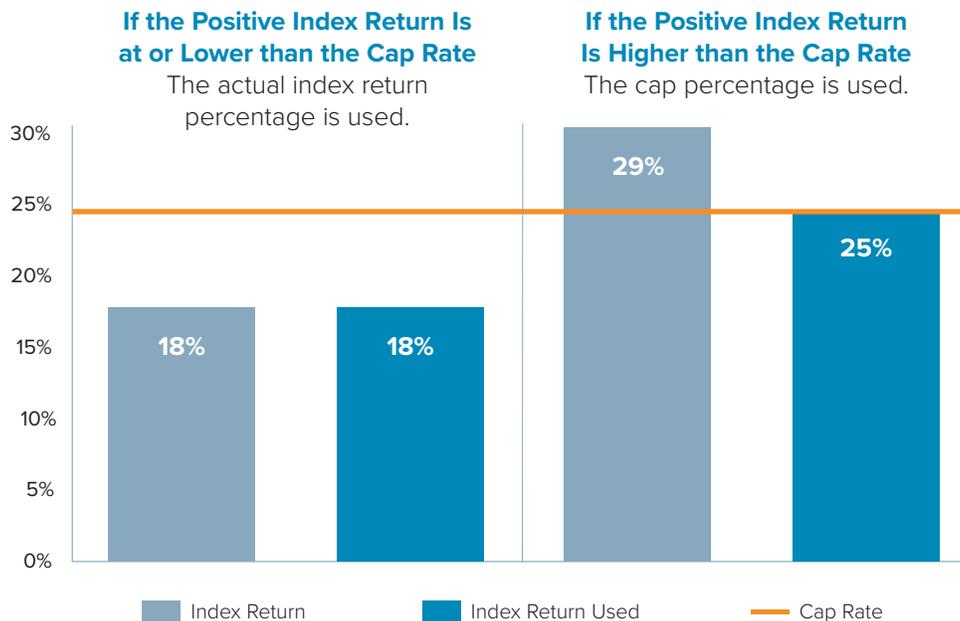
How Payout Plus Works

After the first year, payment changes are determined annually as follows:

1. The S&P 500 index return is subject to a participation rate and a cap rate. The result is called the “adjusted index performance.”
 - A **participation rate** is how much of the positive index return is used in the calculation. The minimum participation rate is 100%.
 - A **cap rate** is the maximum percentage of index return used and limits the potential positive index return that may be applied.
 - If the index return is 0% or negative, the participation rate and cap rate do not apply. A negative index return is always adjusted to 0%, but payment amounts can decrease due to an adjustment rate, which is discussed more below.
2. The **adjustment rate** is subtracted from the adjusted index performance. The higher the adjustment rate, the higher the cap rate, which may help capture more of a positive index return for payment increases. However, a higher adjustment rate causes a larger reduction when applied to the adjusted index performance and may result in a payment decrease.
 - A maximum adjustment rate is set by the company. For example, if the maximum rate is 5%, an adjustment rate between 0% and 5% may be applied.
 - The adjustment rate will never cause your payment to be below the guaranteed baseline payment, because your baseline payment is always protected.
 - If the adjusted index performance is higher than the adjustment rate, the payment will increase. If the adjusted index performance and the adjustment rate are equal, the payment stays the same. If the adjusted index performance is lower than the adjustment rate, the payment will decrease.

How the Cap Rate Works

The chart assumes a hypothetical 25% cap.



Rates are hypothetical and for illustrative purposes only.

The index measurement period is not a calendar year. It is defined according to when Pacific Life receives the funding for the annuity and always begins on the 15th of a month or previous business day.

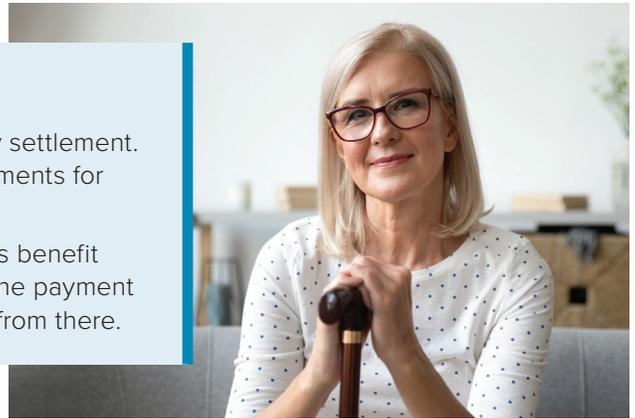
The Payout Plus benefit option is not an investment or a security and does not participate directly in the stock market or any index. It is an insurance product designed to help you prepare for your future.

Payout Plus in Action—A Hypothetical Case Study

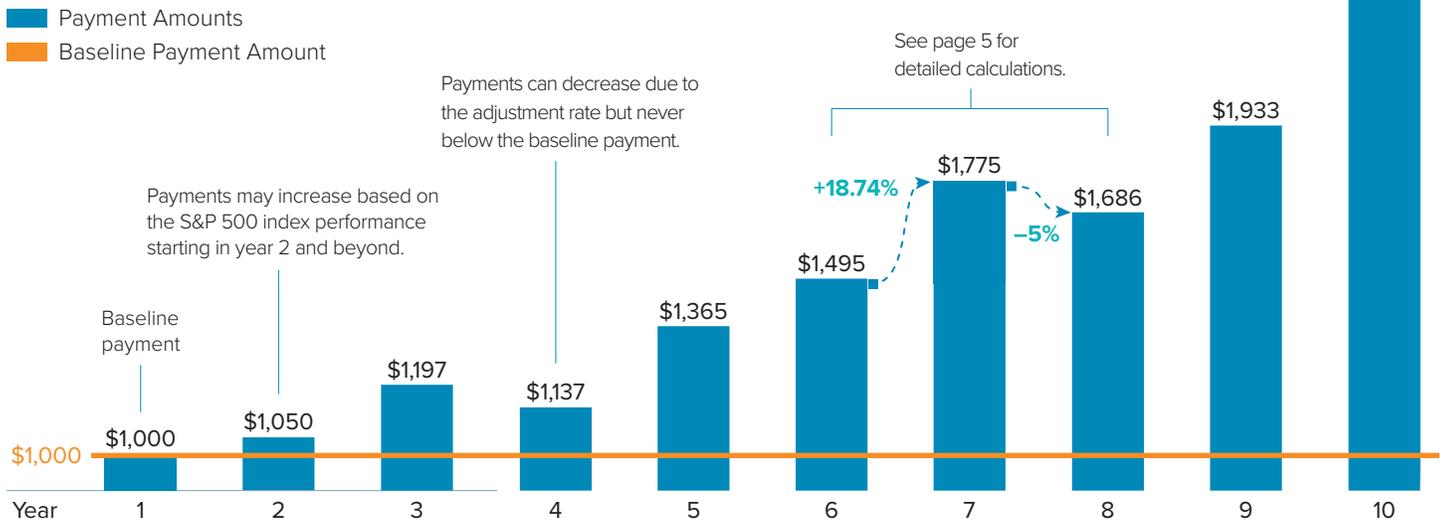
Meet Audrey

After a life-changing accident, Audrey is anticipating a personal injury settlement. At 57 years old, she wants to turn potential settlement funds into payments for 10 years until she starts drawing down from an inheritance.

Audrey chooses a structured settlements annuity with the Payout Plus benefit option. She starts her payments in year 1, receiving the \$1,000 baseline payment each month of that year. Let's see how her payments might increase from there.



Audrey's Potential Payment Increases



Hypothetical Results and Assumptions for Determining the Payment Amounts

The numbers used in the graph and table are for illustrative purposes only. Contact your structured settlements consultant for current cap and adjustment rates.

Year	1	2	3	4	5	6	7	8	9	10
Payment Amount	\$1,000	\$1,050	\$1,197	\$1,137	\$1,365	\$1,495	\$1,775	\$1,686	\$1,933	\$2,308
S&P 500 Index Return (prior year)	20.97%	22.49%	-6.31%	26.01%	14.56%	23.74%	-14.24%	19.62%	24.38%	
Cap Rate (prior year)	5%	18%	25%	25%	25%	25%	25%	25%	25%	
Adjusted Index Performance	5%	18%	0%	25%	14.56%	23.74%	0%	19.62%	24.38%	
- Adjustment Rate (prior year)	0%	4%	5%	5%	5%	5%	5%	5%	5%	
Payment Adjustment	5%	14%	-5%	20%	9.56%	18.74%	-5%	14.62%	19.38%	

Average Index Return: 14.79%

Total Payments (in 10 years): \$179,352

Internal Rate of Return: 8.39%

The participation rate and cap rate will never be lower than the minimum stated in the contract. Past performance is no guarantee of future results.

The numbers above are for illustrative purposes only and use historical annual S&P 500 index returns, without reinvestment of dividends, from April 15, 2016, to January 15, 2026. Assumes a 100% participation rate each year, an immediate 10-Year Period Certain benefit (benefits fully paid out after 10 years), premium of \$114,793, and a baseline payment amount of \$1,000.

Payout Plus in Action (continued)

Detailed Calculations for a Payment Increase and a Payment Decrease

The explanations below show in more detail how Audrey's payments can increase or decrease annually. We used the payment amounts for years 7 and 8 from the hypothetical bar chart on the previous page to show how the new payment for each of those years was determined.

Calculations to Determine Year 7 Payment Increase

1. Year 6 payment amount is **\$1,495**.
2. Year 6 S&P 500 index return is **23.74%**.
3. Adjusted index performance is **23.74%**.
The index return used is the full 23.74% return because it is less than the 25% cap.
(100% participation rate x 23.74% index return = 23.74%.)
4. Increase in the year 7 payment is **18.74%**.
The adjustment rate of 5% is subtracted from the adjusted index performance. (23.74% – 5% = 18.74%)
5. The year 7 payment amount will be **\$1,775**.
(\$1,495 x 118.74% = \$1,775)

Calculations to Determine Year 8 Payment Decrease

1. Year 7 payment amount is **\$1,775**.
2. Year 7 S&P 500 index return is **-14.24%**.
3. Adjusted index performance is **0%**.
The index return is modified to 0% because it was negative.
(The participation rate and cap rate do not apply.)
4. Decrease in the year 8 payment is **-5%**.
The adjustment rate of 5% is subtracted from the adjusted index performance. (0% – 5% = -5%)
5. The year 8 payment amount will be **\$1,686**.
(\$1,775 x 95% = \$1,686)

Note: The adjustment rate will never cause the payment to drop below Audrey's hypothetical baseline payment of \$1,000.

Guaranteed Minimum Rates

Although current rates may be higher, your contracted rates will never be lower than the guaranteed minimum rates shown in the table below. Guaranteed minimum rates remain in place for the life of your contract. Your structured settlements consultant can provide an illustration that shows what your actual contracted rates will be.

Adjustment Rate	0%	1%	2%	3%	4%	5%
Cap Rate	5%	6.25%	7.5	9%	11%	13%
Participation Rate	100%	100%	100%	100%	100%	100%

What Happens If You Choose to Delay Payments?

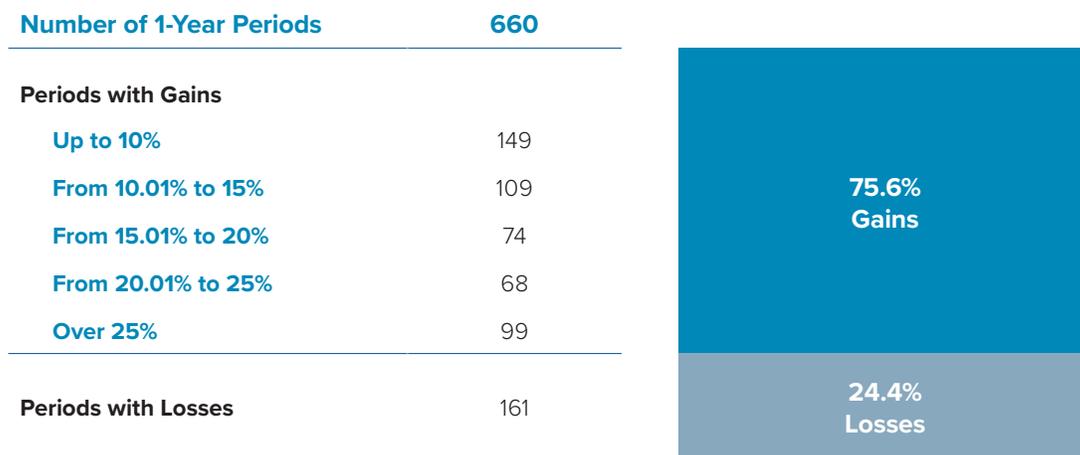
You have the flexibility to delay the start of your payments. Maybe you want to plan for future expenses such as a young child's college education. The period of time when you are not taking payments is called a deferral period, and your payment amounts can increase during that time. Payment amount calculations work the same way during a deferral period as they do when payments have already begun, starting in the first year—even though you are not yet receiving payments.

For example, referring to the bar chart on page 4, if you deferred payments for five years and took your first payment in year 6, your first payment amount would be \$1,495.

How Often Is the S&P 500 Index Return Positive?

While past performance is not an indication of future results, the S&P 500 index was chosen to link to payment increase potential because it has delivered a significant number of positive returns during annual rolling periods (January 15 to January 15, February 15 to February 15, and so on). Depending on the current cap rate, the entire index return might be used in calculations.

S&P 500 Index (rolling returns January 15, 1970, to December 15, 2025)



Returns for each year start in January and end in the following year. For example, returns for December are December 15, 2024, to December 15, 2025. Negative index returns will not cause a payment amount to go down. Source: Bloomberg Inc., as of January 20, 2026.



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 their families have relied on the strength of Pacific Life to help 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 nearly 160 years, we've remained committed to providing quality products, service, and stability to meet your needs throughout your lifetime.

Ratings may change. For more information and current financial-strength ratings, please visit [PacificLife.com](https://www.PacificLife.com).

2025 WORLD'S MOST
ETHICAL
COMPANIES[®]
ETHISPHERE

Pacific Life has been named one of the 2025 World's Most Ethical Companies[®] by the Ethisphere Institute,¹ a global leader in defining and advancing the standards of ethical business practices.

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.

¹Based on the Ethisphere Institute's Ethics Quotient[®]. "World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

**For more information, contact your structured settlements
consultant or visit our website.**

PacificLifeStructures.com

The Payout Plus benefit option is not available in New York.

Pacific Life, its affiliates, 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.

The S&P 500[®] index is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJ") and has been licensed for use by Pacific Life Insurance Company. S&P[®], S&P 500[®], SPX[®], SPY[®], US 500[™], The 500[™], iBoxx[®], iTraxx[®], and CDX[®] are trademarks of S&P Global, Inc., or its affiliates ("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 product is not sponsored or, sold 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.

Pacific Life reserves the right to change or modify any non-guaranteed or current elements. The right to modify these elements is not limited to a specific time or reason.

All individuals selling this product must be licensed insurance agents.

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. 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.

This material may not be used in Idaho, Mississippi, Nevada, Oklahoma, Oregon, or Wyoming.

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: ICCI:10-1213
Rider Series: ICC25:20-1290
State variations to contract form series and rider series may apply.



Comprehensive Structured Settlement Solutions[®]