



Spousal Continuation

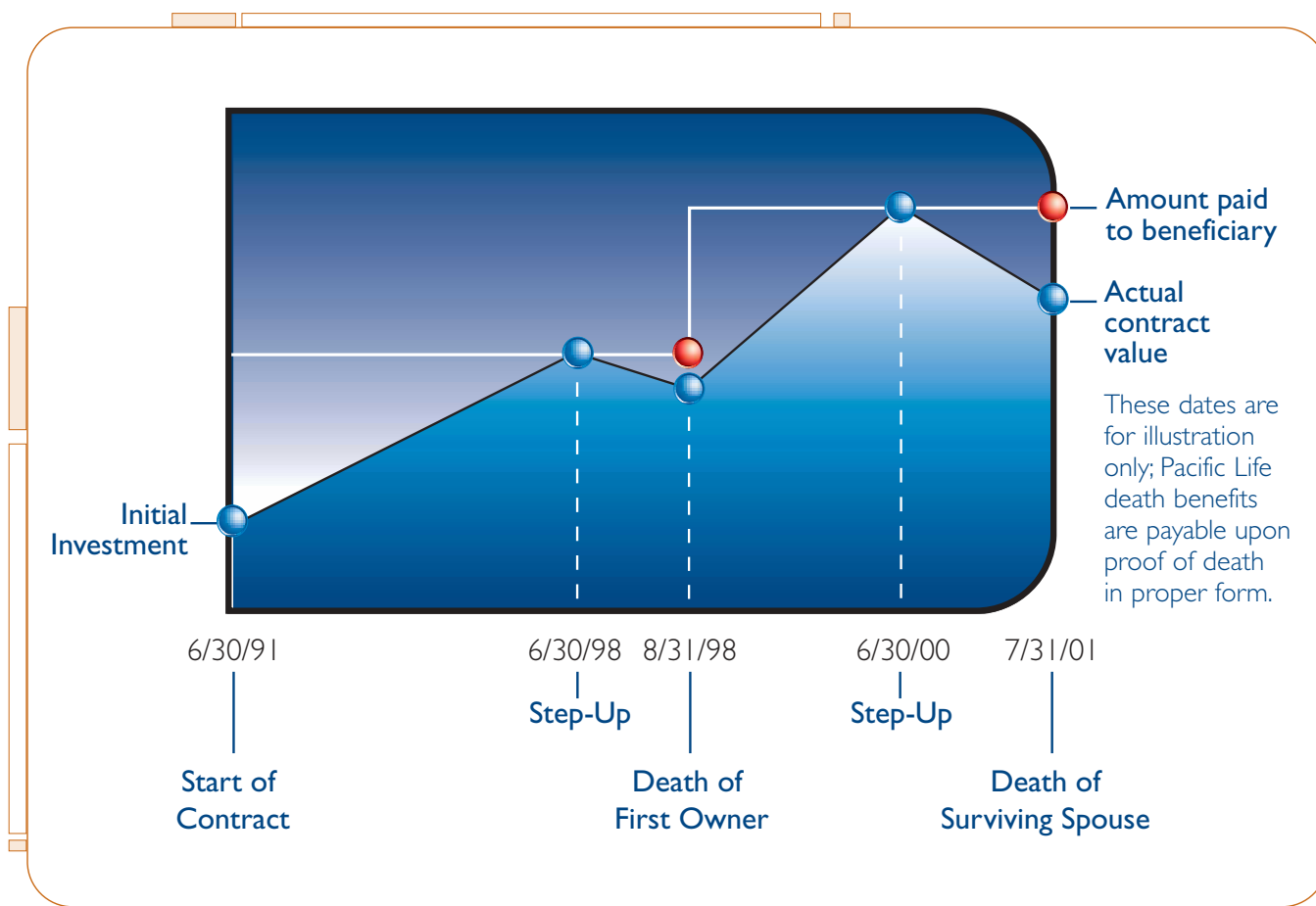
If spouses are named as joint owners and joint annuitants on a nonqualified variable annuity contract (one that's funded with after-tax dollars), a provision called Spousal Continuation could potentially allow for two death benefit step-ups.

If the owners have purchased an optional death benefit that allows for periodic step-ups (usually available for an additional charge), the contract may receive a step-up in value upon the first owner's death. A step-up occurs if the value of the contract is less than the most recent locked-in step-up amount. With spousal continuation, instead of a death benefit payout, the contract continues with the death benefit included. When the surviving spouse dies, another step-up may also apply. The death benefit proceeds are then passed on to beneficiaries.

See your investment professional for more information about Pacific Life variable annuities and how spousal continuation may be a feature for you to consider.

THE POTENTIAL FOR TWO DEATH BENEFIT STEP-UPS

Upon proof of death of the first owner, if applicable, Pacific Life will make a payment to make the contract value equal to the highest step-up. Upon proof of death of the surviving spouse, if applicable, Pacific Life will make a payment to make the contract value equal to the highest recent step-up since the first spouse's death. This amount is paid to the beneficiary.

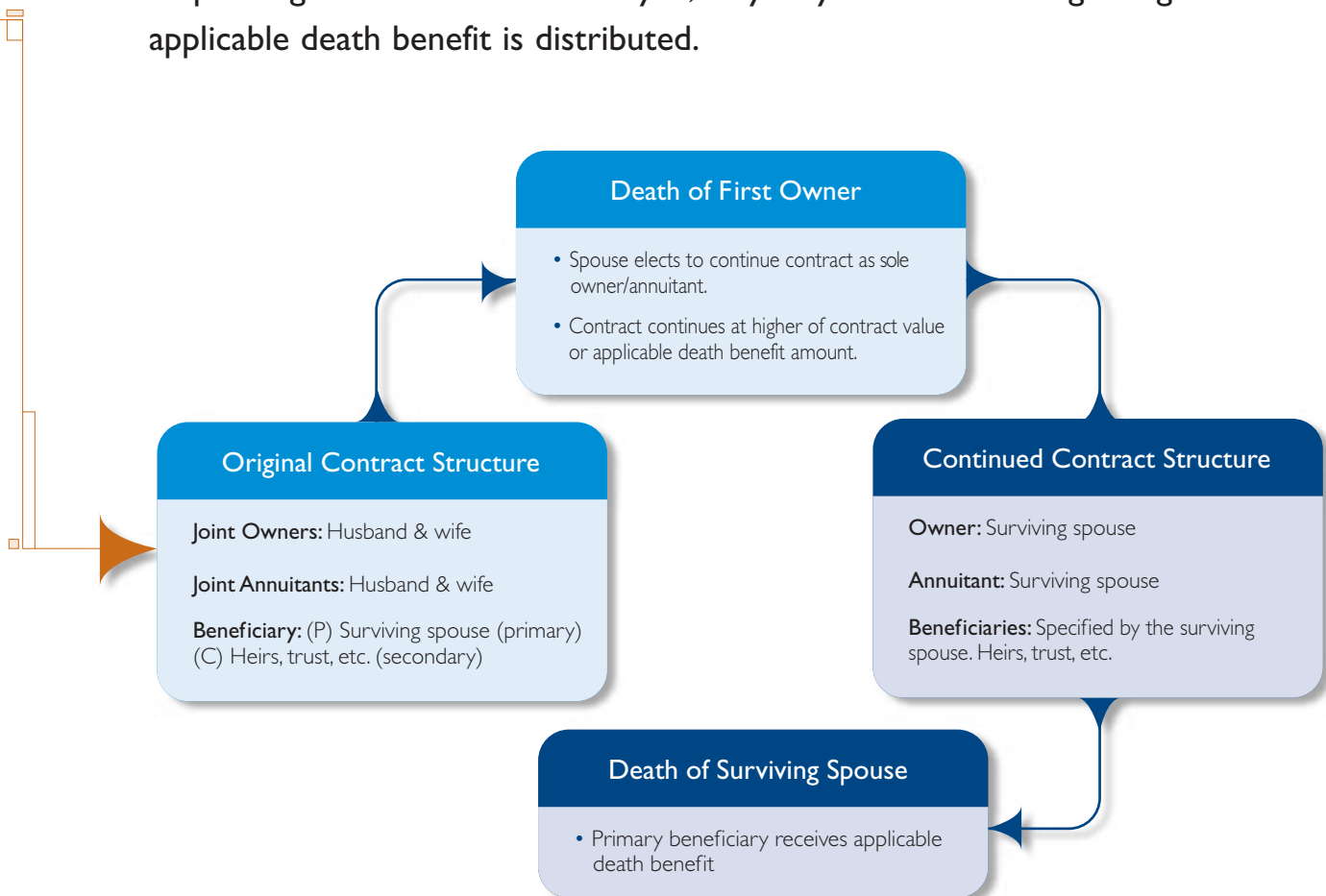


This chart illustrates how the death benefit and spousal continuation features work. Assumes initial investment into a nonqualified contract on 6/30/91 and no withdrawals. Withdrawal charges, mortality and expense risk charges, administrative fees and other contract charges were not factored into this example; values would have been lower if these fees and charges had been included. Also assumes spouses are joint owners and joint annuitants, client's contract has a quarterly or annual step-up death benefit feature (which may be an optional contract feature for an additional charge) and that both owners qualified for step-ups on date of death. A step-up may not apply depending upon the performance of the contract over time. This hypothetical example does not reflect a specific investment. Past performance does not guarantee future results, and current performance may be lower or higher than the performance quoted. The value of the variable investment options will fluctuate and when redeemed, may be worth more or less than the original cost.

HOW IT WORKS

A nonqualified Pacific Life variable annuity (funded with after-tax dollars) has the spouses named as joint owners and joint annuitants. The “surviving spouse” is the primary beneficiary, and their children are contingent beneficiaries. The couple has purchased an optional death benefit for an additional charge that allows for death benefit step-ups.

- Upon the death of the first owner, the surviving spouse continues the contract as the sole owner and annuitant. The contract is retitled in the surviving spouse’s name. If the contract value is less than the applicable death benefit amount, the contract value will “step up” to an amount equal to the deceased spouse’s death benefit. The surviving spouse then specifies new primary and contingent beneficiaries.
- When the surviving spouse dies, the contract will “step up” to an amount equal to the surviving spouse’s death benefit (if contract value is less than the applicable death benefit), and proceeds are distributed to the primary beneficiary. Therefore, there is the potential for two death benefit step-ups: the husband’s and the wife’s. Depending on who the beneficiary is, they may have choices regarding how the applicable death benefit is distributed.





This material must be preceded or accompanied by prospectuses with more complete information about Pacific Life variable annuities, including charges, limitations and expenses. Read them carefully before investing or sending money. Additional prospectuses can be obtained from your registered representative or by calling Pacific Life at (800) 722-2333. Variable annuities are long-term investments designed for retirement. Withdrawals and other distributions of taxable amounts will be subject to ordinary income tax, and if taken prior to age 59½, a 10% federal tax penalty may apply. A withdrawal charge may also apply. Withdrawals will reduce the value of the death benefit and any optional benefits. Past performance does not guarantee future results. Pacific Life Insurance Company is licensed to solicit individual life insurance and annuity products in all states except New York. Product availability and features may vary by state.

Optional death benefits and step-ups are subject to age restrictions and state availability. Death benefit will equal the contract value if the owner and annuitant are different people.

Variable annuities issued by Pacific Life Insurance Company are distributed by **Pacific Select Distributors, Inc.** (member NASD & SIPC), a subsidiary of Pacific Life, and are available through licensed third party broker/dealers.

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

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