CAPITAL MAXIMIZATION STRATEGY

Prepare for the Future and Protect Your Legacy with Life Insurance

PACIFIC LIFE

EQUITAS BROKERAGE GROUP
EQUITAS ADVISORS LLC
On Your Team, Not Your Payroll

MKTG-OC-665C

Securing Your Legacy

Once you have achieved a certain level of success, your thoughts may shift towards securing your legacy.

Life insurance is an important asset that can help protect your loved ones or business partners from the financial impact of your premature death.

Because you have more to protect, you may need more life insurance coverage. Paying the substantial premiums required for large life insurance policies may require you to sell assets such as real estate, equities, or bonds. Prevailing market conditions and tax consequences may impact the sale of these assets.

What if there was a way to get the life insurance coverage you need without sacrificing the assets you worked so hard to build?

Harness the Power of Life Insurance Without Liquidating Assets

What Is the Capital Maximization Strategy?

The Capital Maximization Strategy is an innovative premium financing strategy that provides you with the funds to pay your life insurance premiums without liquidating assets to cover the full premiums.

By Usin g Capital Maximizatio n, you borrow funds at competitive interest rates to pay your life insurance premiums. You provide collateral to secure the loan through the policy's cash value and other performing liquid assets. The policy death benefit is assigned to the lender to cover the outstanding loan balance in the event of death prior to the loan repayment. The remaining death benefit is paid to the beneficiaries.

The Capital Maximization Strategy can be used for:

- Estate Planning
- Business Continuation Planning
- Potential Asset Accumulation
- Asset Protection

When considering premium financing, success can depend on working with a team that has expertise and experience using this strategy.

Is Capital Maximization Right For You?

PACIFIC LIFE

Offering insurance since 1868, Pacific Life provides a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans. Pacific Life counts more than half of the 100 largest U.S. companies as its clients. For additional company information, including current financial strength ratings, visit www.PacificLife.com.

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Client count as of June 2016 is compiled by Pacific Life using the 2016 FORTUNE 500® list.

EQUITAS ADVISORS

Equitas Advisors and Equitas Brokerage Group is a boutique life insurance firm serving business owners and high-net worth individuals.

Their singular focus is maximizing the performance of their client's life insurance assets. They help clients realize benefits through their proprietary and nationally recognized Capital Maximization, which delivers customized solutions using the Power of Choice. While many clients understand the "traditional" way to structure and pay for permanent life insurance, Equitas Advisors can demonstrate an option to finance the premium payments. When comparing the two choices side by side, clients may gain the information necessary to make the best choice for their own, unique financial situation.

Individuals, corporations, trusts, and partnerships with a need for life insurance, $5,000,000+ in net worth and high income are eligible to apply for premium financing using the this program. Criteria and requirements vary by lender. In addition, you need to qualify both financially and medically for the life insurance policy.

How Does Capital Maximization Work?

1 You apply for life insurance from Pacific Life and for a loan from a lender approved to finance the life insurance premiums.

2 You pledge collateral and make the interest payment to your lender.

3 The lender approves the loan and pays the premiums to Pacific Life. Pacific Life puts the policy inforce.

4 At the death of the insured, the policy's beneficiaries receive the balance of the policy after repayment of the loan.

What Are Some of the Benefits and Considerations of a Capital Maximization Strategy?

BENEFITS

- Helps you increase financial flexibility by utilizing third party funding to pay your life insurance policy premiums.
- Minimizes up-front "out-of-pocket" expenses to secure life insurance coverage.
- Reduces the impact of purchasing large life insurance policies to current assets.
- May mitigate gift tax exposure for trust owned policies.

CONSIDERATIONS

- Increases in loan interest rates will result in higher interest payments.
- If the life insurance policy does not perform as anticipated, the policy owner may need to borrow additional premiums to fund the policy, increasing the loan amount and resulting in additional collateral requirements or cash payments.
- Loan default may occur if the required collateral is not maintained or other loan requirements not met.

Answers to Your Important Questions

WHAT DO YOU NEED FOR COLLATERAL?

Lenders reserve the right to change the valuation and nature of the collateral over the life of the loan. Lenders will first require you to assign the policy to secure the loan. In addition, lenders will require you to put up additional collateral in the form of liquid assets to the extent that the policy cash surrender value is insufficient. Lenders may change valuations on collateral based on market conditions or a client's particular portfolio. Also, in order to renew and/or maintain the loans over time, the client must qualify financially with the lender.

DO YOU HAVE TO QUALIFY EVERY YEAR?

Some lenders offer an extended loan commitment and a streamlined annual review process to borrowers who qualify. Lenders do perform collateral review prior to the annual funding of the life insurance premiums.

CAN YOU DEFER THE INTEREST?

No. Interest payments may not be capitalized into the loan. The interest payments must be paid out of pocket annually.

WHEN AND HOW IS THE LOAN TYPICALLY PAID BACK?

Repayment terms depend on the lender and the terms of the loan. The death benefit will be used to pay back the loan if death occurs prior to the maturity of the loan. Based on review of future additional and updated financial requirements, the lender may approve to extend the maturity of the loan over time. In addition, it may be possible and desirable, in certain situations, to pay the life insurance premiums to such an extent that you can use the policy's cash value to pay off the loan in the future.

If you have additional questions, your life insurance producer can provide you with more details.

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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. Only a life insurance producer who is also a fiduciary is required to advise if the product purchase and any subsequent action taken with regard to the product are in their client's best interest.

Life insurance is subject to underwriting and approval of the application and will incur monthly policy charges.

PACIFIC LIFE

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