3 TAX-SMART STRATEGIES TO HELP PROTECT YOUR LIFE'S WORK

PACIFIC LIFE

Pacific Life Insurance Company

! While primarily delivering death benefit protection, the versatility of life insurance extends further -- it's an overlooked tool that can help ensure the sustainability and success of your business.

60% drop in sales and 17% job cuts as a result of the loss of a key executive[1]

STRATEGY

KEY PERSON PROTECTION

Pay expenses during a transition, buy time to recruit a proper replacement, and protect the creditworthiness of your company.

61% of family businesses lack a formal succession plan[2]

STRATEGY

SUCCESSION PLANNING

Value your business accurately and help keep it running as you transition it to new ownership.

65% of small business owners worry they will not have enough retirement income[3]

STRATEGY

RETIREMENT PLANNING

Protect your loved ones while you add a potential source of supplemental retirement income to your portfolio.

It's not too late to protect your business.
These three life insurance strategies can help you defend against common financial risks!

Discover a Surprising Business-Planning Tool

Three Potential Tax-Smart Benefits of Life Insurance

1. **Tax-free death benefit proceeds at the insured's death[4]**
2. **Any tax-deferred growth of cash value becomes business asset if policy is company-owned**
3. **Tax-free income potential via distributions from the policy's cash value[5]**

Uncover more surprising ways life insurance can help you plan for business success.
Talk to your life insurance professional[6] today to uncover up to 20 tax-efficient strategies for your business!

1 (5/22/21). Becker, Sascha O. and Hvide, Hans K. Entrepreneur Death and Startup Performance. Oxford University Press on behalf of the European Finance Association.
2 Campden Wealth Limited and Brightstar Capital Partners, "The North America Family Business Report," 2023.
3 Backman, Maurie, "Small Business Owners Worry About Not Having Enough Retirement Income. Do These Things if You Feel the Same," The Ascent, July 10, 2023.
4 For federal income tax purposes, life insurance death benefits generally pay income tax-free to beneficiaries pursuant to IRC Sec. 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC Sec. 101(a)(2)(i.e. the transfer-for-value rule); arrangements that lack an insurable interest based on state law; and an employer-owned policy unless the policy qualifies for an exception under IRC Sec. 101(j).
5 For federal income tax purposes, tax-free income assumes, among other things: (1) withdrawals do not exceed tax basis (generally, premiums paid less prior withdrawals); (2) policy remains in force until death (any outstanding policy debt at time of lapse or surrender that exceeds the tax basis will be subject to tax); (3) withdrawals taken during the first 15 policy years do not cause, occur at the time of, or during the two years prior to, any reduction in benefits; and (4) the policy does not become a modified endowment contract. See IRC §§ 72, 7702(f)(7)(B), 7702A. Any policy withdrawals, loans and loan interest will reduce policy values and may reduce benefits.
6 In order to sell life insurance product, a financial professional must be a properly licensed and appointed life insurance producer.

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Pacific Life Insurance Company is licensed to issue insurance products in all states except New York.
Product/material availability and features may vary by state.

Insurance products and their guarantees, including optional benefits 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 life insurance company with regard to such guarantees as these guarantees are not backed by the broker-dealer, insurance agency, 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 life insurance company.

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

Pacific Life Insurance Company's individual life insurance products are marketed exclusively through independent third-party life insurance producers, which may include bank affiliated entities. Some of these selling entities may limit availability of some optional riders based on their client's age and other factors. Your life insurance producer can help you determine which optional riders are available and appropriate for you.

Pacific Life Insurance Company's home office is located in Omaha, NE.

Investment and Insurance Products: Not a Deposit	Not Insured by any Federal Government Agency	
Not FDIC Insured	No Bank Guarantee	May Lose Value

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