

SPECIAL REPORT



DATE: January 7, 2021

TO: Broker General Agencies, Office Administrators, and Technical Staff

SUBJECT: COVID-19 Relief Act and Life Insurance Limit Changes

Category	
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COVID Relief Act and Life Insurance Limit Changes

Included in the latest COVID relief package* signed into law by the President on December 27th are changes to the tax code that will allow increased premium on life insurance policies sold on or after January 1, 2021. These changes will impact limits related to both the definition of life insurance (IRC Section 7702, including Guideline Premium Test and the Cash Value Accumulation Test) and modified endowment contracts (IRC Section 7702A).

Pacific Life is working to update our quoting and administrative systems to implement the new limits with the goal of ensuring our new policyowners have access to these changes as soon as possible.

Look for more communications via bulletins and online at <http://producerbay.pacificlife.com> announcing future developments.

*Refers to the Consolidated Appropriations Act, 2021, H.R. 133.

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