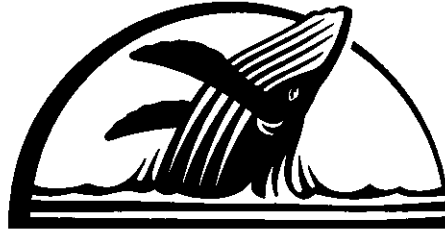




BEST'S COMPANY REPORT



PACIFIC LIFE

PACIFIC LIFE GROUP

AMB #: 069720

NAIC #: N/A

FEIN #: N/A

Phone:

Fax:

Website: N/A

PACIFIC LIFE INSURANCE COMPANY

A+

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Administrative Office: 700 Newport Center Drive, Newport Beach, California 92660 United States

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Best's Credit Rating Effective Date

September 12, 2024

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Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

Financial Data Presented

Financial data in this report: (i) includes data of affiliated entities that are not rating unit members where analytics benefit from inclusion; and/or (ii) excludes data of rating unit member entities if they operate in different segments or geographic areas than the Rating Unit generally. See [list of companies](#) for details of rating unit members and any such included and/or excluded entities.

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

Pacific Life Group

AMB #: 069720

Associated Ultimate Parent: AMB # 050799 - Pacific Mutual Holding Company

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

<p>A+</p> <p>Superior</p>
<p>Outlook: Stable</p> <p>Action: Affirmed</p>

Issuer Credit Rating (ICR)

<p>aa</p> <p>Superior</p>
<p>Outlook: Stable</p> <p>Action: Affirmed</p>

Assessment Descriptors

Balance Sheet Strength	Very Strong
Operating Performance	Strong
Business Profile	Favorable
Enterprise Risk Management	Very Strong

Rating Unit - Members

Rating Unit: Pacific Life Group | AMB #: 069720

AMB # Rating Unit Members
009156 Pacific Life & Annuity Co

AMB # Rating Unit Members
006885 Pacific Life Insurance Company

Rating Rationale

Balance Sheet Strength: **Very Strong**

- Pacific Life Group continues to maintain at least very strong levels of risk-based capital, as measured by Best's Capital Adequacy Ratio (BCAR).
- Pacific Life Group's balance sheet is driven by a robust asset/liability program, which is designed to maintain strong liquidity in stressed scenarios.
- There has been a trend of de-risking the product liability structure, which supports a more consistent use of capital.
- Relatively high allocation to mortgage loans compared to benchmarks.

Operating Performance: **Strong**

- Earnings profile that has demonstrated underwriting performance across different business segments and growth in net premium over the long term.
- Product sales growth has outpaced the overall industry in the group's core life and annuity products.
- Trend of strong GAAP adjusted operating earnings.

Business Profile: **Favorable**

- Pacific Life Group has a very strong, diversified business profile, including its Consumer Markets Division, Workforce Benefits, Institutional Division, and Global Reinsurance.
- Pacific Life Group is a market leader in numerous product lines, which are supported by a well-diversified distribution system, including independent agents, financial advisors, banks, and registered representatives.
- High persistency among policyholders provides for a more stable and long-term profile for all constituents.
- Pacific Life Group is geographically diversified with a market-leading presence in the United States, Asia-Pacific region, and the United Kingdom.

Enterprise Risk Management: **Very Strong**

- Enterprise risk management (ERM) is embedded and formalized throughout the entire organization through both quantitative and qualitative methods.
- The group utilizes economic capital modeling as a means to manage and communicate risk throughout the organization and is supported by strong and consistent quantitative modeling and monitoring for business segments, product lines and balance sheet exposures.
- The group continuously enhances its ERM program and makes appropriate changes as needed based on stated risk management preferences. Stress scenarios are regularly run and results monitored.
- Non-financial risk management is focused on cybersecurity and third-party vendor risks.

Outlook

- The stable outlooks reflect the expectation that the group will maintain a balance sheet strength assessment at least at the very strong level over the intermediate term, supported by risk-adjusted capitalization at the very strong to the strongest level, as measured by BCAR, while maintaining favorable market positions, operating profitability, and very strong ERM practices.

Rating Drivers

- Negative rating action could occur if there is a sustained decline in balance sheet strength metrics.
- Negative rating action could occur if there is a sustained decline in operating performance.
- Although unlikely, positive rating action could occur if there is a sustained improvement in balance sheet strength metrics.

Key Financial Indicators

Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	51.4	35.8	29.4	27.7

Source: Best's Capital Adequacy Ratio Model - L/H, US

Key Financial Indicators USD (000)	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Assets:							
General Account	138,981,301	130,869,811	134,440,928	125,664,657	112,218,721	100,474,762	92,710,083
Separate Accounts	72,324,103	65,310,266	68,743,622	61,545,188	73,932,560	66,482,251	60,191,610
Total	211,305,405	196,180,077	203,184,550	187,209,845	186,151,281	166,957,014	152,901,693
Liabilities:							
Net Life Reserves	79,235,021	88,113,187	78,849,289	84,918,623	80,809,628	76,006,087	72,157,293
Net Accident & Health Reserves	22,177	14,949	13,935	14,671	16,311	16,881	17,855
Liability for Deposit Contracts	26,777,939	20,939,438	23,040,618	19,521,505	12,058,189	7,142,811	4,935,528
Asset Valuation Reserve	1,775,822	1,321,031	1,424,362	1,173,206	1,203,698	473,452	746,577
Other General Account	19,344,275	8,442,947	19,320,655	8,334,958	6,777,691	5,471,338	4,343,228
Total	199,479,338	184,141,818	191,392,481	175,508,151	174,798,077	155,592,820	142,392,092
Total Capital and Surplus	11,826,067	12,038,259	11,792,069	11,701,694	11,353,204	11,364,193	10,509,601
Net Income	58,891	254,468	45,850	133,213	851,394	-131,336	1,707,647
Net Premiums Earned	6,958,023	8,235,122	5,741,735	15,497,211	14,567,265	12,212,656	14,007,173
Net Investment Income	2,155,076	2,158,015	4,135,955	3,625,240	3,434,448	3,382,222	4,004,391

Source: BestLink® - Best's Financial Suite

Key Financial Ratios (%)	6-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Operating Return on Revenue	-10.3	-5.0	-10.4	5.4	-3.8	...	4.6	0.1
Operating Return on Capital and Surplus	-16.5	-9.2	-9.7	9.5	-6.5	-0.1	8.6	0.2
Net Investment Yield	3.2	3.4	3.2	3.1	3.3	3.6	4.7	3.5
Pre-Tax Investment Total Return	5.2	4.8	4.2	2.1	5.2	3.3	5.2	3.9

Source: BestLink® - Best's Financial Suite

Leverage (%)	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
General Account Liabilities to Capital and Surplus	10.8	9.9	10.4	9.7	8.9	7.8	7.8
Higher Risk Assets to Capital and Surplus:							
Mortgages Not in Good Standing	...	...	3.4	0.3	0.2	0.2	0.2
All Other Higher Risk Assets	132.8	119.6	124.9	118.4	90.2	71.5	60.7

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Current Liquidity (%)	71.6	70.6	71.4	71.3	73.0	73.8	75.0
Net Operating Cash Flow USD (000)	-282,817	2,319,626	4,546,153	6,188,245	4,020,150	3,645,016	9,762,149

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

Pacific Life's general account cash and invested assets totaled approximately \$131 billion at year-end 2023. Invested assets are primarily comprised of public/private corporate and government bonds (65% to 70% of invested assets), commercial mortgage loans (15%), policy loans (5%), and cash and other short-term investments. Approximately 10% of the bond portfolio consisted of loan

Balance Sheet Strength (Continued...)

backed or structured securities, and Pacific Life has also allocated a portion of its surplus in equity investments, including private equity and real estate equity.

Pacific Life proactively manages its investment portfolio to maintain a favorable liquidity position. The company's strong cash flows and stable liability structure have historically provided significant liquidity benefits. Pacific Life's relatively higher proportion of policy loans results in a lower than average allocation to fixed income investments. However, the company does maintain a portfolio of short-term instruments to meet unexpected cash outflows, such as U.S. Treasuries and marketable long-term fixed maturity securities (including 144A securities). In addition to short-term liquid securities, Pacific Life retains additional backup liquidity in the form of internal funding mechanisms and third party sources which is viewed as more than adequate to fund liquidity needs in a stressed economic/liquidity scenario.

Pacific Life Insurance Company (PLIC) maintains a \$1 billion commercial paper program, utilized from time to time for short-term liquidity needs. PLIC is also a member of the Federal Home Loan Bank (FHLB) of Topeka where it has additional funding borrowing capacity against pledged collateral.

Pacific Life & Annuity Co (PL&A) has in place an Advances and Security agreement with Federal Home Loan Bank of San Francisco (FHLBSF) which expands financing availability from FHLBSF. This agreement had no amounts outstanding as part of this program at year-end.

In 2021, Pacific Life amended and extended two existing revolving credit facilities for Pacific LifeCorp and Pacific Life Insurance Company into a single unified \$1 billion, five-year, co-borrowed revolving credit facility (RCF), maturing June 2026. The unified RCF replaced standalone five-year revolving credit facilities of \$600 million and \$400 million for Pacific LifeCorp and Pacific Life Insurance Company.

Given its current composition of liabilities, A.M. Best believes the company's existing asset allocation provides strong liquidity protection under various stress scenarios to meet its cash flow needs.

Capitalization

Pacific Life's statutory capital and surplus was relatively flat at \$11.8 billion at year-end 2023 compared to \$11.7 billion at year end 2022 and \$11.4 billion at year-end 2021. PLIC's risk adjusted capitalization levels have shown modest growth over the past 4 years. A.M. Best notes that Pacific Life's risk-based capitalization ratios can exhibit some volatility due to market risk in its variable annuity business. However, over recent years, volatility has decreased due to mitigation strategies. As part of its overall Enterprise Risk Management program, PLIC runs multiple stress scenarios in which it maintains RBC well above regulatory action levels.

Pacific Life's Stockholder Equity has also grown modestly in recent years through organic earnings growth from positive statutory operations.

PLC issued \$750 million of senior notes in 2022.

Capital Generation Analysis USD (000)	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Beginning Capital and Surplus	11,792,069	11,701,694	11,701,694	11,353,204	11,364,193	10,509,601	9,691,434
Net Operating Gain	-972,199	-546,834	-1,141,224	1,099,486	-732,943	-7,930	871,468
Net Realized Capital Gains (Losses)	1,031,089	801,302	1,187,074	-966,273	1,584,336	-123,406	836,179
Net Unrealized Capital Gains (Losses)	259,104	69,803	71,966	-136,601	330,941	-171,658	-547,548
Net Change in Paid-In Capital and Surplus	83	79	-133,389	613,944	188	594,230	188
Stockholder Dividends	...	...	...	...	-450,000	...	-650,000
Other Changes in Capital and Surplus	-284,080	12,215	105,947	-262,066	-743,512	563,356	307,878
Net Change in Capital and Surplus	33,998	336,565	90,375	348,490	-10,989	854,592	818,166
Ending Capital and Surplus	11,826,067	12,038,259	11,792,069	11,701,694	11,353,204	11,364,193	10,509,601
Net Change in Capital and Surplus (%)	0.3	2.9	0.8	3.1	-0.1	8.1	8.4
Net Change in Capital and Surplus (5 yr CAGR)	...	...	4.0	...	...	...	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Strength (Continued...)

Asset Liability Management - Investments

On a statutory basis, Pacific Life's bond portfolio as of year-end 2023, included 5.2% in below investment grade securities (BIG) bonds. The overall bond portfolio has historically represented roughly 60% to 65% of general account invested assets. While the percentage invested in below investment grade bonds is below industry average, its exposure to NAIC class 2 bonds (approx 50%) is elevated relative to the industry. The corporate bond portfolio has global diversification in primarily developed economies outside of the U.S.

Pacific Life's structured security portfolio includes residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS). The vast majority of RMBS is invested in prime non-government agency backed bonds with modest amounts of sub-prime and Alt A investments.

The commercial mortgage portfolio historically represents 15% to 16% of assets and the amount of direct real estate investments is minimal. The company maintains a well-diversified mortgage loan and real estate portfolio diversified among apartment complexes, office buildings, resorts, retail properties and hotels with modest amounts of mixed use, industrial and mobile home communities.

Composition of Cash and Invested Assets	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Total Cash and Invested Assets USD (000)	134,873,322	127,138,438	130,592,259	121,888,060	108,391,609	97,293,299	90,525,964
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	1.9	0.9	2.5	1.0	1.0	2.2	4.2
Bonds	64.8	64.4	63.8	64.7	66.2	64.9	63.2
Stocks	0.1	0.1	0.1	0.1	...	...	...
Mortgage Loans	13.7	14.4	14.2	15.4	14.5	15.2	15.1
Other Invested Assets	13.8	14.8	14.0	13.5	14.2	13.7	13.8
Total Unaffiliated	94.3	94.6	94.6	94.7	95.9	96.1	96.3
Investments in Affiliates	6.0	5.8	5.7	5.8	4.4	4.2	4.0
Non-Admitted	-0.3	-0.4	-0.3	-0.4	-0.4	-0.3	-0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Bonds and Short Term Investments - Distribution by Maturity (%)	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Government Bonds	0.4	0.5	0.4	0.1	0.4	8.9
Government Agencies and Municipal Bonds	0.1	0.4	0.4	1.0	1.9	17.9
Industrial and Miscellaneous Bonds	6.8	37.0	25.0	12.0	13.6	8.7
Bank Loans	0.5	1.7	0.5	0.1	0.1	4.5
Hybrid Securities	...	...	...	...	...	19.3
Total Bonds	7.3	37.9	25.8	13.0	16.0	9.1

Source: BestLink® - Best's Financial Suite

Bonds - Distribution by Issuer	Year End - December 31				
	2023	2022	2021	2020	2019
Bonds USD (000)	83,319,096	78,878,524	71,879,806	63,259,131	57,288,605
US Government (%)	1.0	1.0	2.3	1.3	1.6
Foreign Government (%)	0.8	0.8	1.0	0.9	0.9
Foreign - All Other (%)	28.1	26.0	23.7	22.9	22.8
State, Municipal & Special Revenue (%)	3.7	3.9	3.6	4.6	3.8
Industrial & Miscellaneous (%)	66.3	68.2	69.2	70.1	70.8
Hybrid Securities (%)	...	...	0.1	...	...
Affiliated (%)	...	...	0.2	0.1	0.1
Total Bonds (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Balance Sheet Strength (Continued...)

Reserve Adequacy

Pacific Life's aggregate reserves have decreased in 2023 by approximately 9% primarily as a result of executing a reinsurance treaty related to their IUL product. Strong equity markets that increased IUL reserves, strong FA sales and reinsurance recaptures somewhat offset this decrease.

Interest sensitive liabilities have increased recently to roughly 70%, and are above annuity benchmarks.

Holding Company Assessment

Pacific Life Group has an intermediate holding company Pacific LifeCorp which is rated, with an ultimate holding company, Pacific Mutual Holding Company (PMHC, not rated). Pacific LifeCorp had \$3.6 billion of financial debt as of year-end 2023, \$1.2 billion of which was issued by PLIC in the form of surplus notes. PMHC maintained consolidated financial Leverage ratio of 19.7% at year-end 2023.

Financial Leverage Summary - Holding Company

Financial Leverage Ratio (%)	19.70
Adjusted Financial Leverage Ratio (%)	19.70
Interest Coverage (x)	7.20

Operating Performance

On a statutory basis, total net revenue declined in 2023 as a result of executing a reinsurance treaty with Hannover Life Re that ceded \$11.3B of premium. On a gross basis, premiums continued their double digit growth over the past 3 years.

Statutory net income was \$46 million in 2023. Statutory operating earnings and net income are volatile based on the impacts of economic-based hedging, Consolidated GAAP adjusted operating earnings are less volatile and have fluctuated between \$850M and \$1.3B in 4 of the last 5 years. Each of the major segments (Life Insurance, Retirement Solutions, Institutional, and Reinsurance) had positive results in 2023 and 2022. The Life Insurance and Retirement Solutions segments were subsequently combined into Pacific Life's new Consumer Markets Division in 2023.

The Consumer Markets Division (CMD) provides a broad range of life insurance products (interest sensitive and traditional) through multiple distribution channels in the upper income, broad-term and corporate markets. CMD also includes variable and fixed annuities, mutual funds, and structured settlements offered through multiple distribution channels.

The Institutional segment includes including pension risk transfer, as well as spread businesses such as stable value and funding agreement backed notes.

The Reinsurance segment consists of a global mix of business across two lines of business. The protection reinsurance business includes mortality and morbidity risks, while the savings and retirement line focuses on longevity and funded reinsurance solutions.

The group continues to grow and diversify its individual life, annuity, reinsurance and institutional businesses. Also, Pacific Life offers a wide range of individual annuities including variable annuities, fixed annuities and structured settlements. AM Best favorably views the diversified mix of product as it serves to reduce the group's earnings sensitivity to equity market fluctuations.

Net Operating Gain By LOB USD (000)	Year End - December 31				
	2023	2022	2021	2020	2019
Individual Life	-1,496,146	466,271	-1,135,519	-757,535	-585,666
Group Life	165	-10	262	184	205
Individual Annuities	111,674	494,834	155,999	552,243	235,931
Group Annuities	19,569	24,928	172,522	55,792	57,158
Accident & Health	-523	432	203	-529	-639
Other Lines of Business	181,852	136,853	157,773	191,739	1,146,648
YRT Mortality Risk Only	42,184	-23,822	-84,182	-49,824	17,832
Total	-1,141,224	1,099,486	-732,943	-7,930	871,468

Source: BestLink® - Best's Financial Suite

Operating Performance (Continued...)

Accident & Health Statistics	Year End - December 31				
	2023	2022	2021	2020	2019
Net Premiums Written USD (000)	7,639	2,023	2,491	1,333	1,564
Net Premiums Earned USD (000)	7,639	2,023	2,491	1,333	1,564
Claims and Cost Containment Ratio (%)	90.6	70.5	83.7	174.3	150.0
Expense Ratio (%)	42.4	3.7	18.0	0.2	7.3
Combined Ratio (%)	133.0	74.2	101.7	174.4	157.3
Underwriting Results USD (000)	-2,518	523	-44	-992	-897

Source: BestLink® - Best's Financial Suite

Business Profile

PLIC operates in conjunction with its subsidiary, PL&A, and is collectively referred to as Pacific Life. Pacific Life and affiliates have broad, primary business operations consisting of life insurance, reinsurance, individual annuities, mutual funds, investment related products and institutional products. PLIC is owned by Pacific LifeCorp, an intermediate holding company whose ultimate parent is Pacific Mutual Holding Company. Primary business reporting segments for Pacific LifeCorp include the Consumer Markets Division (CMD) and Retirement Solutions Division (RSD)), as well as the Institutional Division and the Reinsurance Division, which includes the international reinsurance operations of Pacific Life Re Global Limited, an affiliate of PLIC and a wholly owned subsidiary of Pacific LifeCorp and the life retrocession business. A final segment is the Corporate and Other segment. Beginning in 2020, the company established a new Institutional Division which focuses on pension risk transfer solutions as well as stable value wrap and spread lending products.

CMD's principal life products include IUL, UL, VUL, interest-sensitive whole life, survivor life, term life and corporate-owned life insurance (COLI). The company's continuing success in the individual life insurance market stems from diversified product offerings, a focus on key market segments, diversified, highly professional distribution sources, and an excellent producer and policy owner service platform. This combination has allowed the company to build a stable and profitable book of business over the years. The company's multi-channel life distribution system includes regional life offices, the M Financial producer group, independent marketing organizations, and institutional accounts. The institutional accounts distribution focuses on national and regional wirehouses, as well as banks and other joint marketing organizations. Pacific Life's strategy has been to focus on expanding its present distribution systems, continuing to address the changing needs of the high net worth and corporate markets, and broadening market share in the upper middle-income market. In June 2016, the Company acquired a term insurance technology platform from Genworth Financial Inc., which is allowing Pacific Life to expand beyond its historically affluent and corporate customer base.

CMD also develops and markets a diversified range of competitive fixed and variable annuities, mutual funds and structured settlement products, to individuals and businesses through a diverse wholesaler network consisting of regional and national wirehouses, financial institutions, independent planners and settlement firms.

A broad range of both name-brand funds and proprietary fund selections are offered through its variable annuity and mutual fund products. CMD is positioned to meet a variety of retirement needs including wealth planning, wealth accumulation, retirement and retirement income management through its ability to continue providing value-added products and services, characterized by a strong customer and producer service orientation. The variable annuity products include institutional money management, asset allocation strategies and asset-based compensation, with an emphasis on service. Variable annuity products are sold with and without riders and the company has demonstrated progress in diversifying its overall annuity product mix. Pacific Life has successfully diversified its individual annuity product offerings through the continued development and enhancement of the company's suite of fixed products, resulting in strong fixed annuity sales over the past several years. Fixed annuity products now include book value, market value adjustment, indexed and immediate annuity options.

The Institutional Division offers a competitive suite of products including pension risk transfer, as well as spread businesses such as stable value and funding agreement backed notes. Pacific Life ranked among the top ten in stable value, pension risk transfer sales and funding agreement backed note issuances.

The Reinsurance segment offers a comprehensive range of wholesale life risk management products in the United Kingdom, Ireland, Asia, Australia, and North America. The Reinsurance segment specializes in term life, critical illness, income protection, and annuity businesses. Also included in the Reinsurance segment is the international reinsurance operations of Pacific Life Re Global Limited, an affiliate of PLIC and a wholly owned subsidiary of Pacific LifeCorp. The protection business consists of mortality and morbidity risks written in North America, UK and Ireland, and Asia, as well as protection reinsurance of both retail insurance products and insurance provided through large superannuation funds (group insurance) written in Australia. The longevity business comprises both longevity swap and asset backed longevity risk transfer business, mainly in the UK.

Business Profile (Continued...)

2023 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Individual Life	4,627,432	26.5	431,809	41.8	12,388,799	97.3	-7,329,558	-99.9	-99.9
Group Life	...	...	...	...	25	...	-25	...	...
Individual Annuities	10,416,447	59.7	13,831	1.3	346,738	2.7	10,083,540	175.6	96.7
Group Annuities	2,400,377	13.8	579,762	56.1	...	...	2,980,140	51.9	100.0
Accident & Health	...	...	7,639	0.7	...	...	7,639	0.1	100.0
Total	17,444,257	100.0	1,033,041	100.0	12,735,562	100.0	5,741,735	100.0	31.1

Source: BestLink® - Best's Financial Suite

Year End - December 31

Geographic Breakdown by Direct Premiums Written and Deposit-Type Contracts USD (000)

	2023	2022	2021	2020	2019
California	2,370,809	2,785,212	1,599,861	1,427,282	1,810,231
New York	1,838,871	1,226,845	640,618	478,810	664,157
Missouri	1,702,391	1,807,459	350,861	299,508	310,443
Texas	1,540,419	1,582,138	1,101,415	891,662	1,214,305
Florida	1,418,648	1,315,837	1,040,907	861,822	1,031,530
Top 5 States	8,871,138	8,717,490	4,733,663	3,959,084	5,030,666
All Other	10,751,520	11,316,059	11,225,859	9,302,817	10,237,285
Total	19,622,658	20,033,549	15,959,522	13,261,901	15,267,950
Geographic Concentration Index	0.05	...	...	...	...

Source: BestLink® - Best's Financial Suite

Enterprise Risk Management

Pacific Life has a formalized and well-defined enterprise-level risk framework, with committees attended by senior management. Key risks managed within the ERM program include interest rate, equity, credit, insurance, liquidity, model, operational and emerging risks. The principal objective of the ERM program is to enable Pacific Life to grow and prosper, regardless of the economic environment, by ensuring that risks are identified, understood, and well managed. The ERM framework defines objectives, establishes risk appetites and tolerances, specifies practices for risk management and provides transparency of risk throughout the organization. The ERM group along with senior management monitors key risks and reports to the board of directors on a quarterly basis, or more frequently if needed. Business segments, in coordination with ERM, define and execute risk management for their operations. Equity and interest rate risks are the greatest exposures with credit risk being smaller. Pacific Life manages its significant equity market risk through a combination of product design, customer asset allocation, and hedging programs that focus on mitigating GAAP income volatility and preserving statutory capital. Interest rate risk is managed by separate product portfolios with clear duration targets and interest rate guidelines. Mortality, longevity and lapse risks are managed through product design, underwriting, monitoring and reinsurance. The company also has an information security program to protect against current and emerging risks that is linked to their business strategy, drivers, objectives, and processes.

The Company continuously monitors the results of their dynamic ERM program and makes continuous improvements relative to stated risk management preferences and risk limits based on the market and economic environment, and hedging effectiveness results as necessary. The company also employs an economic capital model to aid in understanding its risk profile, integrated into certain product pricing activity, and capital allocation. The economic capital model has been reviewed by independent consultants.

Reinsurance Summary

Pacific Life company is not overly reliant on reinsurance. Reinsurance leverage increased to 153% in 2023 from 56% in 2022 but is still well below the Strong Composite. The company utilizes highly rated reinsurers.

Enterprise Risk Management (Continued...)

Environmental, Social & Governance

Pacific Life's ESG risk is considered low. On an underwriting basis, environmental, social and governance risk is low. On the investment side, current allocation contains no large concentration in securities that are backed by assets that could have ESG risk potential. On a forward looking basis, ESG factors are unlikely to impact the credit quality of the company over the short term. ESG developments are regularly monitored by the company.

Financial Statements

	6-Months		Year End - December 31			
	2024		2023		2022	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	2,538,739	1.2	3,249,248	1.6	1,221,272	0.7
Bonds	87,371,224	41.3	83,319,096	41.0	78,878,524	42.1
Preferred and Common Stock	179,960	0.1	148,467	0.1	204,611	0.1
Other Invested Assets	44,783,399	21.2	43,875,448	21.6	41,583,653	22.2
Total Cash and Invested Assets	134,873,322	63.8	130,592,259	64.3	121,888,060	65.1
Premium Balances	112,586	0.1	131,025	0.1	193,014	0.1
Net Deferred Tax Asset	818,188	0.4	768,795	0.4	351,078	0.2
Other Assets	3,177,206	1.5	2,948,849	1.5	3,232,505	1.7
Total General Account Assets	138,981,301	65.8	134,440,928	66.2	125,664,657	67.1
Separate Account Assets	72,324,103	34.2	68,743,622	33.8	61,545,188	32.9
Total Assets	211,305,405	100.0	203,184,550	100.0	187,209,845	100.0
Net Life Reserves	79,235,021	37.5	78,849,289	38.8	84,918,623	45.4
Net Accident & Health Reserves	22,177	...	13,935	...	14,671	...
Liability for Deposit Contracts	26,777,939	12.7	23,040,618	11.3	19,521,505	10.4
Asset Valuation Reserve	1,775,822	0.8	1,424,362	0.7	1,173,206	0.6
Other Liabilities	19,344,275	9.2	19,320,655	9.5	8,334,958	4.5
Total General Account Liabilities	127,155,234	60.2	122,648,859	60.4	113,962,963	60.9
Separate Account Liabilities	72,324,103	34.2	68,743,622	33.8	61,545,188	32.9
Total Liabilities	199,479,338	94.4	191,392,481	94.2	175,508,151	93.7
Capital Stock	30,000	...	30,000	...	30,000	...
Paid-In and Contributed Surplus	2,535,789	1.2	2,535,789	1.2	2,535,789	1.4
Unassigned Surplus	7,311,034	3.5	7,457,480	3.7	7,128,009	3.8
Other Surplus	1,949,244	0.9	1,768,800	0.9	2,007,897	1.1
Total Capital and Surplus	11,826,067	5.6	11,792,069	5.8	11,701,694	6.3
Total Liabilities, Capital and Surplus	211,305,405	100.0	203,184,550	100.0	187,209,845	100.0

Source: BestLink® - Best's Financial Suite

Income Statement USD (000)	6-Months		Year End - December 31	
	2024	2023	2023	2022
Net Premiums Earned:				
Individual Life	...	...	-7,394,393	3,894,638
Group Life	...	...	-25	-24
Individual Annuities	...	...	10,083,540	9,115,309
Group Annuities	...	...	2,980,140	2,209,845
Accident & Health	...	...	7,639	2,023
YRT Mortality Risk Only	...	...	64,834	275,420
Total Net Premiums Earned	6,958,023	8,235,122	5,741,735	15,497,211
Net Investment Income	2,155,076	2,158,015	4,135,955	3,625,240
Reserve Adjustments on Reinsurance Ceded	-644,705	-286,575	-526,113	-449,801
Other Income	936,886	874,585	1,569,736	1,568,913
Total Revenue	9,405,281	10,981,146	10,921,313	20,241,563
Policy Benefits	9,427,725	10,963,541	9,857,557	16,552,170
Commissions and Expense Allowances	830,568	538,060	1,136,652	1,103,066
Insurance and Other Expense	864,144	595,453	1,219,786	1,238,211
Net Transfers to (from) Separate Accounts	-851,308	-659,434	-149,722	229,447
Dividends to Policyholders	4,287	4,483	8,009	7,753
Pre-Tax Net Operating Gain	-870,136	-460,957	-1,150,968	1,110,915
Income Taxes Incurred	102,063	85,877	-9,744	11,430
Net Operating Gain	-972,199	-546,834	-1,141,224	1,099,486
Net Realized Capital Gains	1,031,089	801,302	1,187,074	-966,273
Net Income	58,891	254,468	45,850	133,213

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)	6-Months		Year End - December 31	
	2024	2023	2023	2022
Net Premiums Collected	6,969,122	8,087,997	17,141,529	15,456,943
Net Investment Income	2,202,423	1,997,616	4,120,316	3,528,039
Other Income Received	329,336	576,804	1,188,355	1,393,621
Total Collected Operating Revenue	9,500,881	10,662,418	22,450,200	20,378,603
Net Benefits and Loss Related Payments	8,742,471	7,729,437	15,645,443	11,947,412
Commissions and Other Expenses Paid	1,853,171	1,270,128	2,394,352	2,259,817
Net Transfers to (from) Separate Accounts	-820,800	-665,900	-143,613	325,185
Dividends to Policyholders	4,378	4,482	8,126	8,289
Income Taxes Paid (Recovered)	4,479	4,645	-261	-350,345
Total Paid Expenses and Transfers	9,783,698	8,342,791	17,904,047	14,190,358
Net Operating Cash Flow	-282,817	2,319,626	4,546,153	6,188,245

Source: BestLink® - Best's Financial Suite

Last Update

September 12, 2024

Identifiers

AMB #: 069720

This company is a data record that AM Best utilizes to represent the AM Best Consolidated financials for the Life, Annuity, and Accident business of AMB#: [050799 Pacific Mutual Holding Company](#).

AMB#: [006885 Pacific Life Insurance Company](#) has been assigned as the AMB Group Lead for this consolidation and should be used to access name, address, or other contact information for this AM Best Consolidated Group.

Financial Data Presented

See [LINK](#) for details of the entities represented by the data presented in this report.

Pacific Life Group

Operations

Date Incorporated: January 02, 1868

Domiciled: Nebraska, United States

Business Type: Life, Annuity, and Accident

Organization Type: Mutual

Marketing Type: Independent Agency

Best's Credit Ratings

Rating Relationship

This group represents an AM Best Rating Unit. In our opinion, companies under this Rating Unit have a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

Best's Credit Rating Effective Date: September 12, 2024

Rating rationale and credit analysis can be found in the [Best's Credit Report for AMB# 069720 - Pacific Life Group](#).

AMB#	Rating Unit Members	Best's Credit Ratings		
		Financial Strength Rating	Long-Term Issuer Credit Rating	Short-Term Issuer Credit Rating
009156	Pacific Life & Annuity Co	A+	aa	
006885	Pacific Life Insurance Company	A+	aa	AMB-1+

Corporate Structure

Associated Ultimate Parent: AMB # 050799 - Pacific Mutual Holding Company

Based on AM Best's analysis, AMB# 050799 Pacific Mutual Holding Company is the Associated Ultimate Parent to this group. Its current data structure is based on the corporate structure for the associated ultimate parent and the non-legal entities such as data records and AM Best Groups. Access current [Data Structure](#) in BestLink.

State Rate Filings

Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 069720 - Pacific Life Group](#)

Major Line	2023	2022	2021	2020	2019
Group Health - Dental	1	...	...	...	...
Group Health - Specified Disease - Limited Benefit	1	...	...	...	...
Total	2	...	...	...	...

Source: Best's State Rate Filings

Financial Results

Financial exhibits presented in this report provide calculated ratios using the most recent AM Best consolidated statements available in BestLink - Best's Statement File – L/H, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

Currency: US Dollars

Balance Sheet Highlights

	Year End - December 31				
Ceded Reinsurance Analysis	2023	2022	2021	2020	2019
Pacific Life Group					
Face Amount Reinsurance Ceded USD (000)	307,600,982	223,754,162	220,010,948	204,288,981	196,418,205
Affiliated Reinsurance Recoverable / Capital & Surplus (%)	1.6	1.6	2.0	0.8	...
Unaffiliated Reinsurance Recoverable / Capital & Surplus (%)	4.3	3.4	4.3	3.8	3.1
Total Reinsurance Recoverable / Capital & Surplus (%)	5.9	5.0	6.3	4.6	3.1
Surplus Relief (%)	1.2	1.4	1.4	0.6	1.7
Reinsurance Leverage (%)	153.3	56.2	46.9	39.8	38.4
Individual Annuity Composite					
Total Reinsurance Recoverable / Capital & Surplus (%)	5.1	5.1	4.8	4.6	3.8
Reinsurance Leverage (%)	368.9	325.8	280.8	254.4	222.0

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Bond Portfolio							
Bonds & Short Term Investments USD (000)	87,480,466	81,962,567	83,396,409	78,911,367	72,080,684	63,267,753	59,779,965
Unaffiliated Bonds:							
US Government	...	...	1.0	1.0	2.3	1.3	1.6
Foreign Government	...	...	0.8	0.8	1.0	0.9	0.9
Foreign – All Other	...	...	28.1	26.0	23.7	22.9	22.8
State, Municipal & Special Revenue	...	...	3.7	3.9	3.6	4.6	3.8
Industrial & Miscellaneous	...	...	66.3	68.2	69.2	70.1	70.8
Hybrid Securities	...	...	...	...	0.1	...	...
Affiliated	...	...	...	...	0.2	0.1	0.1
Total Bonds	...	...	100.0	100.0	100.0	100.0	100.0
By Private vs Public (%)							
Private issues	...	...	54.4	51.8	47.4	44.0	40.4
Public issues	...	...	45.6	48.2	52.6	56.0	59.6
By Quality (%)							
Class 1	48.8	45.5	47.6	43.4	39.4	40.5	45.2
Class 2	46.2	49.4	47.3	51.0	54.2	53.3	50.6
Class 3	4.2	4.1	4.2	4.5	5.0	4.8	2.9
Class 4	0.7	0.8	0.9	0.9	1.1	1.1	0.9
Class 5	0.1	0.1	0.1	0.1	0.2	0.3	0.3
Class 6	0.1	0.1	...	...	0.2	...	0.1
Below Investment Grade (NAIC 3-6)	5.1	5.1	5.2	5.6	6.4	6.2	4.2
Below Investment Grade - % of Capital & Surplus	37.6	34.8	32.7	34.2	37.0	33.0	22.3

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Stock Portfolio							
Stocks USD(000)	179,960	209,639	148,467	204,611	170,333	140,751	272,457
By Type (%)							
Unaffiliated Common	...	...	81.7	34.4	24.5	8.1	3.5
Affiliated Common	...	...	17.4	63.7	74.6	85.2	91.9
Unaffiliated Preferred	...	...	0.9	1.9	0.9	6.6	4.6

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

	Year End - December 31				
	2023	2022	2021	2020	2019
By Line Breakdown - NPW USD (000)					
Individual Life	-7,394,393	3,894,638	3,702,441	3,233,777	3,090,786
Group Life	-25	-24	-22	-33	-32
Individual Annuities	10,083,540	9,115,309	7,284,204	6,284,413	8,560,643
Group Annuities	2,980,140	2,209,845	3,416,190	2,257,637	1,885,930
Accident & Health	7,639	2,023	2,491	1,333	1,564
YRT Mortality Risk Only	64,834	275,420	161,961	435,528	468,282
Total	5,741,735	15,497,211	14,567,265	12,212,656	14,007,173

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2023	2022	2021	2020	2019
Geographic Breakdown by Direct Premiums Written and Deposit-Type Contracts USD (000)					
California	2,370,809	2,785,212	1,599,861	1,427,282	1,810,231
New York	1,838,871	1,226,845	640,618	478,810	664,157
Missouri	1,702,391	1,807,459	350,861	299,508	310,443
Texas	1,540,419	1,582,138	1,101,415	891,662	1,214,305
Florida	1,418,648	1,315,837	1,040,907	861,822	1,031,530
Utah	871,920	2,087,609	1,646,709	88,036	189,631
Ohio	656,269	529,109	662,127	394,552	553,610
Illinois	649,898	831,021	770,109	555,055	721,105
New Jersey	594,428	540,953	315,135	394,129	374,829
Michigan	485,499	511,342	482,428	547,205	600,214
All Other	7,493,507	6,816,025	7,349,350	7,323,839	7,797,896
Total	19,622,658	20,033,549	15,959,522	13,261,901	15,267,950
Geographic Concentration Index	0.05	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2023	2022	2021	2020	2019
By Line Reserves USD (000)					
Individual Life	29,522,303	38,847,480	37,924,433	35,495,338	33,457,884
Individual Annuities	40,174,342	37,360,339	34,102,183	33,405,978	31,945,049
Group Life	11,736	11,483	14,488	14,282	14,027
Group Annuities	8,335,595	7,744,664	7,701,887	6,037,374	5,744,171
Deposit Type Contracts	23,040,618	19,521,505	12,058,189	7,142,811	4,935,528
Accident & Health	13,935	14,671	16,311	16,881	17,855
Total (including Supplemental Contracts)	101,098,530	103,500,143	91,817,492	82,112,663	76,114,514

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

	Year End - December 31				
	2023	2022	2021	2020	2019
Life Policies Statistics					
Ordinary Policies					
Issued	75,648	58,001	57,680	70,633	62,826
In Force	1,946,687	4,486,650	4,936,119	5,475,687	6,013,902
Group Policies					
In Force	6	6	6	6	6
Group Certificates					
In Force	133	134	140	146	149
Life Insurance In Force USD (000)					
Whole Life & Endowment & Additions	288,058,802	172,110,527	165,456,563	158,917,419	153,617,609
Term	258,406,363	402,503,921	395,096,764	387,129,832	360,693,124
Group	14,645	14,427	18,003	17,964	17,858
New Life Business Issued USD (000)					
Whole Life & Endowment & Additions	12,032,319	11,184,936	9,296,376	9,495,404	10,534,839
Term	61,853,145	39,635,969	36,046,245	44,674,133	35,316,987

Source: BestLink® - Best's Financial Suite

Pacific Life Insurance Company

Last Update

September 12, 2024

Identifiers

AMB #: 006885

NAIC #: 67466

FEIN #: 95-1079000

LEI #: 8WC3XYHE06SQFW7CQK10

Contact Information

Administrative Office:
700 Newport Center Drive,
Newport Beach, California 92660
United States

Domiciliary Address:
6750 Mercy Road, Omaha,
Nebraska 68106
United States

Web: www.pacificlife.com

Phone: +1-949-219-3011

Fax: +1-949-644-6417

Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Operations

Date Incorporated: January 02, 1868 | **Date Commenced:** May 01, 1868

Domiciled: Nebraska, United States

Licensed: (Current since 10/01/2001). The company is licensed in the District of Columbia, AL, AK, AZ, AR, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI and WY.

Business Type: Life, Annuity, and Accident

Organization Type: Stock

Marketing Type: Independent Agency

Best's Financial Size Category: XV (Greater than or Equal to USD 2.00 Billion)

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [069720 - Pacific Life Group](#)

Best's Credit Rating Effective Date: September 12, 2024

Refer to the [Best's Credit Report for AMB# 069720 - Pacific Life Group](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

Best's Credit Rating History

AM Best has assigned ratings on this company since 1928. In our opinion, the company has a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings			Best's Long-Term Issuer Credit Ratings		
	Rating	Outlook	Action	Rating	Outlook	Action
Current -						
Sep 12, 2024	A+	Stable	Affirmed	aa	Stable	Affirmed
Jul 21, 2023	A+	Stable	Affirmed	aa	Stable	Affirmed
Jun 24, 2022	A+	Stable	Affirmed	aa	Stable	Affirmed
Jun 4, 2021	A+	Stable	Affirmed	aa	Stable	Affirmed
May 29, 2020	A+	Stable	Affirmed	aa	Stable	Affirmed

Best's Credit Rating History (Continued...)

Effective Date	Best's Short-Term Issuer Credit Ratings	
	Rating	
Current -		
Sep 12, 2024	AMB-1+	
Jul 21, 2023	AMB-1+	
Jun 24, 2022	AMB-1+	
Jun 4, 2021	AMB-1+	
May 29, 2020	AMB-1+	

Best's Issue Credit Ratings

AM Best assigns Best's Issue Credit Ratings. Refer to the profile page to view current Issue Ratings for [Pacific Life Insurance Company \(AMB#6885\)](#).

Corporate Structure

Ultimate Parent: AMB # 050799 - Pacific Mutual Holding Company

Based on AM Best's analysis, AMB# 050799 Pacific Mutual Holding Company is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

Management

Officers

President and CEO: Darryl D. Button

SVP and Chief Accounting Officer: Joshua D. Scott

Vice President and Secretary: Jane M. Guon

Vice President and Treasurer: Craig W. Leslie

Directors

Darryl D. Button

Adrian S. Griggs

Lawrence F. Harr

James T. Morris

Jason (Jay) Orlandi

History

Originally incorporated in 1868 as The Pacific Mutual Life Insurance Company of California, the company was reincorporated in 1936 as Pacific Mutual Life Insurance Company (Pacific Mutual Life) and officially became a mutual company in 1959. Following the passage of California's mutual holding company legislation, Pacific Mutual Life converted to a mutual holding company structure in 1997 through the formation of Pacific Mutual Holding Company. Concurrently, Pacific Mutual Life converted to a California domiciled stock life insurance company, issued all of its capital stock to an intermediate stock holding company named Pacific LifeCorp and continued its corporate existence under the name Pacific Life Insurance Company (PLIC). Pacific Mutual Holding Company is controlled by members who are policyholders and currently own 100% of the voting stock of Pacific LifeCorp. Pacific Mutual Holding Company is legally required to retain not less than 51% of the voting stock of Pacific LifeCorp, and Pacific LifeCorp must hold all of the voting stock of PLIC. The remaining voting stock of Pacific LifeCorp may be sold to the public, although this is not contemplated in the foreseeable future. This structure provides the group with greater financial flexibility in its capital management, including access to additional funding from the public markets. At the time of the company's conversion to a mutual holding company, PLIC established a closed block for certain individual life policies, with related assets of \$271 million at year-end 2013.

In 1999, PM Group Life Insurance Company, a wholly-owned subsidiary of PLIC, domiciled in Arizona, secured its license to conduct business in the state of New York and changed its name to Pacific Life & Annuity Company (PL&A).

In 2005, the company sold the group insurance businesses of PLIC and PL&A to an unrelated third party. The business included medical, dental and life coverage for small and large group employers. The transaction was structured as a coinsurance arrangement and effectively eliminated the company's exposure to the group medical market.

Also in 2005, ACG, then a subsidiary of Pacific LifeCorp, acquired Seattle-based Boulliou Aviation Services from WestLB AG. The transaction effectively doubled the size of ACG's commercial aircraft leasing business, placing it among the largest operating lessors in the industry. On December 31, 2009, Pacific LifeCorp contributed its entire ownership in ACG to PLIC. In 2017, Tokyo Century Corporation (Tokyo Century) acquired a 20% membership interest in ACG, and later expanded ownership to 24.5%. In December 2019, PLIC completed the sale of its remaining ownership in ACG to Tokyo Century.

On September 1, 2005, PLIC transferred its legal domicile from the State of California to the State of Nebraska. On June 29, 2007, Pacific Mutual Holding Company transferred its legal domicile from the State of California to the State of Nebraska.

In 2005, Pacific Alliance Reinsurance Ltd. (PAR Bermuda) was formed to provide reinsurance exclusively to PLIC for no lapse guarantee benefits. PAR Bermuda is a Bermuda-based life reinsurance company 100% owned by Pacific LifeCorp. In 2007, Pacific Alliance Reinsurance Company of Vermont (PAR VT) was incorporated and is a wholly owned subsidiary of PLIC. PAR VT is licensed as a special purpose financial insurance company under the laws of the State of Vermont and was formed to reinsure certain no lapse guarantee benefits issued by the Company. Effective October 1, 2010, all the reinsurance ceded to PAR Bermuda was novated to PAR VT, consolidating the in force no lapse guarantee reinsurance into one captive entity.

In 2013, Pacific Baleine Reinsurance Company (PBRC) was incorporated and is a wholly owned subsidiary of PLIC. PBRC is licensed as a special purpose financial insurance company under the laws of the State of Vermont and was formed to reinsure certain level term insurance policies issued by the Company as well as certain no lapse guarantee rider benefits not ceded to PAR VT.

Pacific Life Re Limited (PL Re) was formed in 2008 following the acquisition by Pacific LifeCorp of the International Life Reinsurance segment of Scottish Re Group Limited. PL Re provides reinsurance to insurance and annuity providers in the United Kingdom, Ireland, and selected markets in Asia.

In August 2011, PLIC and Pacific Life Reinsurance (Barbados) Limited (PLRB), a newly formed insurer and wholly owned subsidiary of Pacific LifeCorp, acquired Manulife Financial (Manulife) domestic and international life retrocession businesses, respectively. Upon closing the transaction, PLIC retroceded to PLRB, the majority of the domestic retrocession business it assumed from Manulife. In March 2020, PLRB was redomiciled to Bermuda and changed its name to Pacific Life Re Global Limited.

In October 2012, the Company formed Pacific Annuity Reinsurance Company (PARC), a captive reinsurance company subject to regulatory supervision by the Arizona Department of Insurance and Financial Institutions. PARC was formed to reinsure benefits provided by variable annuity contracts and contract rider guarantees issued by PLIC. Base annuity contracts were reinsured on a modified coinsurance basis and the contract guarantees were reinsured on a coinsurance with funds withheld basis. In October 2020, PLIC recaptured the variable annuity business reinsured by PARC and PARC was dissolved as of December 31, 2020.

Corporate Changes

Date	Event Type	Company Name	Current Company Name	Corporate Changes Text
09/01/2005	Domiciliary Change	Pacific Life Insurance Company		This company redomesticated from California to Nebraska on September 1, 2005.
09/01/1997	Name Change	Pacific Mutual Life Insurance Company	Pacific Life Insurance Company	This company converted from a mutual to a stock life insurance company and changed its name to Pacific Life Insurance Company on September 1, 1997.
09/01/1997	Ownership	Pacific Life Insurance Company		This company converted to a mutual holding company structure and became a wholly owned subsidiary of Pacific LifeCorp, an intermediate stock holding company owned by Pacific Mutual Holding Company on September 1, 1997.
08/03/1936	Name Change	The Pacific Mutual Life Insurance Company of California	Pacific Life Insurance Company	This company changed its name to Pacific Mutual Life Insurance Company on August 03, 1936.

Search for this company in [Corporate Changes](#) in BestLink to review previous changes.

Regulatory

Auditor: Deloitte & Touche, LLP

Actuary: Kory Jon Olsen

An examination of the financial condition was made as of December 31, 2016, by the insurance department of Nebraska. The 2023 annual independent audit of the company was conducted by Deloitte & Touche, LLP. The annual statement of actuarial opinion is provided by Kory Jon Olsen, Vice President & Appointed Actuary.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- PACIFIC LIFE FUND ADVISORS LLC (Affiliated Firm)
- ABERDEEN ASSET MANAGERS LIMITED (Unaffiliated Firm)
- APOLLO CAPITAL MANAGEMENT L.P. (Unaffiliated Firm)
- ARISTOTLE PACIFIC CAPITAL LLC (Unaffiliated Firm)
- AXA EQUITABLE AGRIFINANCE, LLC - AUTHORIZED TO MAK (Unaffiliated Firm)
- BLACKROCK FINANCIAL MANAGEMENT INC. (Unaffiliated Firm)
- BROOKFIELD ASSET MANAGEMENT PRIVATE INSTITUTIONAL (Unaffiliated Firm)
- NUVEEN ALTERNATIVES ADVISORS LLC (Unaffiliated Firm)
- INVESTMENT PROFESSIONALS EMPLOYED BY PACIFIC LIFE (Internal Employee)

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – L/H, US.

Currency: US Dollars

	6-Months		Year End - December 31			
	2024		2023		2022	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	2,221,592	1.1	3,018,265	1.6	887,899	0.5
Bonds	80,761,763	40.2	76,921,429	39.8	73,844,758	41.3
Preferred and Common Stock	735,712	0.4	688,103	0.4	672,965	0.4
Other Invested Assets	44,178,763	22.0	43,290,305	22.4	41,066,812	23.0
Total Cash and Invested Assets	127,897,830	63.7	123,918,102	64.1	116,472,434	65.1
Premium Balances	112,293	0.1	131,084	0.1	192,892	0.1
Net Deferred Tax Asset	789,689	0.4	745,681	0.4	334,130	0.2
Other Assets	3,094,340	1.5	2,864,903	1.5	3,161,160	1.8
Total General Account Assets	131,894,152	65.6	127,659,769	66.1	120,160,615	67.2
Separate Account Assets	69,017,378	34.4	65,575,674	33.9	58,635,686	32.8
Total Assets	200,911,530	100.0	193,235,443	100.0	178,796,301	100.0
Net Life Reserves	73,277,036	36.5	73,125,883	37.8	80,390,222	45.0
Net Accident & Health Reserves	22,122	...	13,935	...	14,671	...
Liability for Deposit Contracts	25,678,026	12.8	22,004,605	11.4	18,585,123	10.4
Asset Valuation Reserve	1,773,763	0.9	1,422,590	0.7	1,171,012	0.7
Other Liabilities	19,317,138	9.6	19,300,687	10.0	8,297,893	4.6
Total General Account Liabilities	120,068,086	59.8	115,867,700	60.0	108,458,921	60.7
Separate Account Liabilities	69,017,378	34.4	65,575,674	33.9	58,635,686	32.8
Total Liabilities	189,085,463	94.1	181,443,374	93.9	167,094,607	93.5
Capital Stock	30,000	...	30,000	...	30,000	...
Paid-In and Contributed Surplus	2,535,789	1.3	2,535,789	1.3	2,535,789	1.4
Unassigned Surplus	7,311,034	3.6	7,457,480	3.9	7,128,009	4.0
Other Surplus	1,949,244	1.0	1,768,800	0.9	2,007,897	1.1
Total Capital and Surplus	11,826,067	5.9	11,792,069	6.1	11,701,694	6.5
Total Liabilities, Capital and Surplus	200,911,530	100.0	193,235,443	100.0	178,796,301	100.0

Source: BestLink® - Best's Financial Suite

BEST'S COMPANY REPORT

AMB #: 006885 - Pacific Life Insurance Company
Year End - December 31

Income Statement USD (000)	6-Months		Year End - December 31	
	2024	2023	2023	2022
Net Premiums Earned:				
Individual Life	...	...	-7,408,179	3,882,249
Group Life	...	...	-25	-24
Individual Annuities	...	...	8,426,599	8,018,824
Group Annuities	...	...	2,863,944	2,119,984
Accident & Health	...	...	7,639	2,023
YRT Mortality Risk Only	...	...	64,834	275,420
Total Net Premiums Earned	6,365,624	7,272,790	3,954,812	14,298,477
Net Investment Income	1,963,623	2,011,077	3,821,039	3,386,304
Reserve Adjustments on Reinsurance Ceded	-644,505	-286,467	-526,083	-449,585
Other Income	898,541	838,004	1,495,498	1,495,271
Total Revenue	8,583,283	9,835,403	8,745,266	18,730,467
Policy Benefits	8,613,867	9,834,940	7,728,694	15,112,487
Commissions and Expense Allowances	805,927	507,471	1,077,698	1,057,466
Insurance and Other Expense	846,870	577,073	1,188,042	1,212,709
Net Transfers to (from) Separate Accounts	-775,452	-618,046	-45,133	198,467
Dividends to Policyholders	4,287	4,483	8,009	7,753
Pre-Tax Net Operating Gain	-912,217	-470,519	-1,212,044	1,141,585
Income Taxes Incurred	91,450	81,996	-26,195	9,001
Net Operating Gain	-1,003,667	-552,514	-1,185,849	1,132,584
Net Realized Capital Gains	1,050,235	840,897	1,236,911	-981,283
Net Income	46,569	288,383	51,062	151,300

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)	6-Months		Year End - December 31	
	2024	2023	2023	2022
Net Premiums Collected	6,376,993	7,125,654	15,354,421	14,258,273
Net Investment Income	2,015,584	1,863,535	3,825,861	3,295,714
Other Income Received	291,285	540,566	1,114,768	1,320,788
Total Collected Operating Revenue	8,683,862	9,529,755	20,295,050	18,874,775
Net Benefits and Loss Related Payments	8,186,586	7,317,247	14,754,852	11,340,298
Commissions and Other Expenses Paid	1,810,326	1,220,759	2,303,752	2,189,696
Net Transfers to (from) Separate Accounts	-739,774	-625,241	-39,709	285,250
Dividends to Policyholders	4,378	4,482	8,126	8,289
Income Taxes Paid (Recovered)	-13,748	7,919	-3,873	-357,861
Total Paid Expenses and Transfers	9,247,768	7,925,165	17,023,148	13,465,672
Net Operating Cash Flow	-563,906	1,604,590	3,271,902	5,409,103

Source: BestLink® - Best's Financial Suite

Financial Results

Financial exhibits presented in this report provide calculated ratios using the most recent company-filed statements available in BestLink - Best's Statement File – L/H, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

Currency: US Dollars

Key Financial Indicators

Key Financial Indicators USD (000)	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Assets:							
General Account	131,894,152	124,613,887	127,659,769	120,160,615	107,624,204	96,010,134	88,394,308
Separate Accounts	69,017,378	62,224,785	65,575,674	58,635,686	70,441,999	63,283,167	57,266,846
Total	200,911,530	186,838,672	193,235,443	178,796,301	178,066,203	159,293,301	145,661,155
Liabilities:							
Net Life Reserves	73,277,036	82,888,179	73,125,883	80,390,222	77,070,991	72,397,115	68,658,950
Net Accident & Health Reserves	22,122	14,949	13,935	14,671	16,311	16,881	17,855
Liability for Deposit Contracts	25,678,026	19,963,180	22,004,605	18,585,123	11,197,544	6,280,823	4,118,556
Asset Valuation Reserve	1,773,763	1,319,483	1,422,590	1,171,012	1,200,890	468,775	727,945
Other General Account	19,317,138	8,389,837	19,300,687	8,297,893	6,785,264	5,482,347	4,361,401
Total	189,085,463	174,800,413	181,443,374	167,094,607	166,712,999	147,929,108	135,151,554
Total Capital and Surplus	11,826,067	12,038,259	11,792,069	11,701,694	11,353,204	11,364,193	10,509,601
Net Income	46,569	288,383	51,062	151,300	860,964	-98,701	1,715,880
Net Premiums Earned	6,365,624	7,272,790	3,954,812	14,298,477	13,984,256	11,759,841	13,440,678
Net Investment Income	1,963,623	2,011,077	3,821,039	3,386,304	3,252,091	3,181,766	3,829,565

Source: BestLink® - Best's Financial Suite

Key Financial Ratios (%)	6-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Operating Return on Revenue	-11.7	-5.6	-13.6	6.0	-4.1	-0.2	4.8	...
Operating Return on Capital and Surplus	-17.0	-9.3	-10.1	9.8	-6.6	-0.3	8.6	0.1
Net Investment Yield	3.1	3.4	3.2	3.0	3.3	3.5	4.7	3.5
Pre-Tax Investment Total Return	5.2	4.8	4.2	2.0	5.3	3.3	5.2	3.9
Leverage (%)								
General Account Liabilities to Capital and Surplus	10.2	9.4	9.8	9.3	8.5	7.4	7.4	...
Higher Risk Assets to Capital and Surplus:								
Mortgages Not in Good Standing	...	...	3.3	0.3	0.2	0.2	0.2	...
All Other Higher Risk Assets	132.2	118.9	124.4	117.5	89.0	69.8	59.4	...
Liquidity Analysis								
Current Liquidity (%)	70.0	69.0	69.7	69.9	71.7	72.3	73.5	...
Net Operating Cash Flow USD (000)	-563,906	1,604,590	3,271,902	5,409,103	3,848,119	3,454,923	9,436,039	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Capital Generation Analysis USD (000)	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Beginning Capital and Surplus	11,792,069	11,701,694	11,701,694	11,353,204	11,364,193	10,509,601	9,691,434
Net Operating Gain	-1,003,667	-552,514	-1,185,849	1,132,584	-750,924	-35,069	869,367
Net Realized Capital Gains (Losses)	1,050,235	840,897	1,236,911	-981,283	1,611,888	-63,632	846,512
Net Unrealized Capital Gains (Losses)	276,892	39,014	72,290	-146,188	317,597	-172,380	-547,043
Net Change in Paid-In Capital and Surplus	83	79	-133,389	613,944	188	594,230	188
Stockholder Dividends	...	...	...	...	-450,000	...	-650,000
Other Changes in Capital and Surplus	-289,546	9,089	100,411	-270,566	-739,738	531,443	299,142
Net Change in Capital and Surplus	33,998	336,565	90,375	348,490	-10,989	854,592	818,166
Ending Capital and Surplus	11,826,067	12,038,259	11,792,069	11,701,694	11,353,204	11,364,193	10,509,601
Net Change in Capital and Surplus (%)	0.3	2.9	0.8	3.1	-0.1	8.1	8.4
Net Change in Capital and Surplus (5 yr CAGR)	...	...	4.0	...	...	...	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

	Year End - December 31				
	2023	2022	2021	2020	2019
Ceded Reinsurance Analysis					
Pacific Life Insurance Company					
Face Amount Reinsurance Ceded USD (000)	306,151,382	222,211,134	218,435,214	202,705,903	194,798,537
Affiliated Reinsurance Recoverable / Capital & Surplus (%)	1.6	1.6	2.0	0.8	...
Unaffiliated Reinsurance Recoverable / Capital & Surplus (%)	4.3	3.4	4.3	3.8	3.1
Total Reinsurance Recoverable / Capital & Surplus (%)	5.8	5.0	6.3	4.6	3.1
Surplus Relief (%)	1.2	1.4	1.4	0.6	1.7
Reinsurance Leverage (%)	153.2	56.1	46.9	39.8	38.3
Individual Annuity Composite					
Total Reinsurance Recoverable / Capital & Surplus (%)	5.1	5.1	4.8	4.6	3.8
Reinsurance Leverage (%)	368.9	325.8	280.8	254.4	222.0

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Composition of Cash and Invested Assets							
Total Cash and Invested Assets USD (000)	127,897,830	120,974,658	123,918,102	116,472,434	103,873,040	92,897,147	86,274,950
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	1.7	0.8	2.4	0.8	1.0	2.2	4.3
Bonds	63.1	62.8	62.1	63.4	64.7	63.3	61.4
Stocks	0.1	0.1	0.1	0.1	...	...	...
Mortgage Loans	14.1	14.7	14.5	15.8	14.8	15.5	15.4
Other Invested Assets	14.5	15.5	14.7	14.0	14.8	14.3	14.4
Total Unaffiliated	93.6	93.9	93.9	94.0	95.3	95.3	95.5
Investments in Affiliates	6.7	6.5	6.4	6.4	5.1	5.0	4.8
Non-Admitted	-0.3	-0.4	-0.3	-0.4	-0.4	-0.3	-0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Bonds and Short Term Investments						
Distribution by Maturity (%)						
Government Bonds	0.5	0.5	0.4	0.1	0.4	8.9
Government Agencies and Municipal Bonds	0.1	0.3	0.3	0.8	1.9	18.6
Industrial and Miscellaneous Bonds	6.9	37.2	25.7	11.3	13.4	8.6
Bank Loans	0.5	1.7	0.5	0.1	0.1	4.5
Hybrid Securities	...	...	...	...	...	19.3
Total Bonds	7.4	38.0	26.5	12.3	15.8	9.0

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

	6-Months		2023	Year End - December 31			
	2024	2023		2022	2021	2020	2019
Bond Portfolio							
Bonds & Short Term Investments USD (000)	80,871,005	76,042,623	76,998,742	73,877,601	67,547,159	58,905,594	55,533,710
Unaffiliated Bonds:							
US Government	...	...	1.0	1.1	2.5	1.4	1.7
Foreign Government	...	...	0.9	0.9	1.0	1.0	0.9
Foreign – All Other	...	...	28.8	26.8	24.3	23.6	23.5
State, Municipal & Special Revenue	...	...	3.4	3.6	3.3	4.3	3.4
Industrial & Miscellaneous	...	...	65.8	67.6	68.7	69.6	70.2
Hybrid Securities	...	...	...	...	0.1	...	...
Affiliated	...	...	...	...	0.2	0.1	0.2
Total Bonds	...	...	100.0	100.0	100.0	100.0	100.0
By Private vs Public (%)							
Private issues	...	...	55.8	53.5	49.0	45.5	41.5
Public issues	...	...	44.2	46.5	51.0	54.5	58.5
By Quality (%)							
Class 1	48.0	44.8	46.7	42.7	38.7	39.7	44.3
Class 2	46.6	49.8	47.8	51.5	54.6	53.9	51.3
Class 3	4.5	4.4	4.5	4.7	5.2	4.9	3.0
Class 4	0.8	0.8	1.0	1.0	1.1	1.2	0.9
Class 5	0.1	0.1	0.1	0.1	0.2	0.3	0.3
Class 6	0.1	0.1	...	...	0.2	...	0.1
Below Investment Grade (NAIC 3-6)	5.4	5.4	5.6	5.8	6.7	6.4	4.3
Below Investment Grade - % of Capital & Surplus	37.3	34.3	32.5	33.6	36.1	31.7	21.4

Source: BestLink® - Best's Financial Suite

	6-Months		2023	Year End - December 31			
	2024	2023		2022	2021	2020	2019
Stock Portfolio							
Stocks USD(000)	735,712	667,548	688,103	672,965	696,756	689,063	811,578
By Type (%)							
Unaffiliated Common	...	...	16.9	9.6	5.5	1.0	0.6
Affiliated Common	...	...	82.9	89.8	94.3	97.9	98.1
Unaffiliated Preferred	...	...	0.2	0.6	0.2	1.1	1.3

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	Year End - December 31				
	2023	2022	2021	2020	2019
Net Operating Gain by Line of Business USD (000)					
Individual Life	-1,501,012	457,210	-1,139,205	-760,795	-571,383
Group Life	81	-86	178	170	138
Individual Annuities	70,790	531,617	101,572	488,677	204,209
Group Annuities	20,793	30,444	171,095	55,590	60,001
Accident & Health	-537	367	144	-626	-634
Other Lines of Business	181,852	136,853	199,473	231,739	1,158,950
YRT Mortality Risk Only	42,184	-23,822	-84,182	-49,824	18,086
Total	-1,185,849	1,132,584	-750,924	-35,069	869,367

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	Year End - December 31				
	2023	2022	2021	2020	2019
Accident & Health Statistics					
Net Premiums Written USD (000)	7,639	2,023	2,491	1,333	1,564
Net Premiums Earned USD (000)	7,639	2,023	2,491	1,333	1,564
Claims and Cost Containment Ratio (%)	90.6	70.5	83.7	174.3	150.0
Expense Ratio (%)	42.7	8.5	20.1	7.0	6.7
Combined Ratio (%)	133.2	79.0	103.9	181.3	156.7
Underwriting Results USD (000)	-2,537	425	-96	-1,084	-887

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention	
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%	
2023 By Line Business										
Individual Life	4,609,462	29.4	431,760	41.8	12,384,567	97.3	-7,343,345	-99.9	-99.9	
Group Life	...	...	...	...	25	...	-25	...	...
Individual Annuities	8,759,506	56.0	13,831	1.3	346,738	2.7	8,426,599	213.1	96.0	
Group Annuities	2,284,182	14.6	579,762	56.1	...	...	2,863,944	72.4	100.0
Accident & Health	...	...	7,639	0.7	...	...	7,639	0.2	100.0
Total	15,653,149	100.0	1,032,992	100.0	12,731,330	100.0	3,954,812	100.0	23.7	

Source: BestLink® - Best's Financial Suite

Historical Market Presence

	Year End - December 31				
	2023	2022	2021	2020	2019
By Line Breakdown - NPW USD (000)					
Individual Life	-7,408,179	3,882,249	3,689,005	3,219,321	3,075,297
Group Life	-25	-24	-22	-33	-32
Individual Annuities	8,426,599	8,018,824	6,861,369	5,880,439	8,009,637
Group Annuities	2,863,944	2,119,984	3,269,453	2,223,254	1,885,930
Accident & Health	7,639	2,023	2,491	1,333	1,564
YRT Mortality Risk Only	64,834	275,420	161,961	435,528	468,282
Total	3,954,812	14,298,477	13,984,256	11,759,841	13,440,678

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

Year End - December 31

Geographic Breakdown by Direct Premiums Written and Deposit-Type Contracts USD (000)

	2023	2022	2021	2020	2019
California	2,362,518	2,781,255	1,599,609	1,426,920	1,809,890
Texas	1,536,198	1,580,880	1,101,337	891,267	1,214,190
Missouri	1,490,653	1,573,176	342,227	292,835	310,132
Florida	1,408,398	1,308,338	1,022,647	856,716	1,029,128
Utah	871,726	2,087,609	1,646,709	88,017	189,611
Ohio	656,072	528,860	661,775	394,504	553,529
Illinois	648,403	831,100	766,052	553,477	720,318
New Jersey	580,129	523,151	314,169	368,792	370,492
Michigan	484,415	511,141	482,275	547,053	600,118
Minnesota	478,640	355,216	404,343	388,072	516,801
All Other	7,147,931	6,613,509	6,967,284	6,887,115	7,252,593
Total	17,665,083	18,694,235	15,308,428	12,694,769	14,566,802
Geographic Concentration Index	0.05	...	...	...	...

Source: BestLink® - Best's Financial Suite

Year End - December 31

	2023	2022	2021	2020	2019
By Line Reserves USD (000)					
Individual Life	29,433,989	38,771,932	37,849,627	35,422,261	33,386,476
Individual Annuities	34,917,098	33,174,270	30,623,013	29,910,202	28,524,467
Group Life	11,446	11,197	14,203	13,986	13,733
Group Annuities	7,969,645	7,487,063	7,525,122	6,003,990	5,744,171
Deposit Type Contracts	22,004,605	18,585,123	11,197,544	6,280,823	4,118,556
Accident & Health	13,935	14,671	16,311	16,881	17,855
Total (including Supplemental Contracts)	94,350,719	98,044,255	87,225,820	77,648,143	71,805,259

Source: BestLink® - Best's Financial Suite

Year End - December 31

	2023	2022	2021	2020	2019
Life Policies Statistics					
Ordinary Policies					
Issued	75,510	57,926	57,584	70,522	62,606
In Force	1,943,691	4,483,618	4,933,036	5,472,349	6,010,511
Group Policies					
In Force	1	1	1	1	1
Group Certificates					
In Force	18	18	20	20	20
Life Insurance In Force USD (000)					
Whole Life & Endowment & Additions	286,291,063	170,414,952	163,815,228	157,336,097	152,188,851
Term	256,137,387	400,096,834	392,557,498	384,280,246	357,684,667
Group	14,184	13,961	17,531	17,465	17,354
New Life Business Issued USD (000)					
Whole Life & Endowment & Additions	11,732,129	11,065,604	9,082,751	9,308,304	10,486,580
Term	61,853,145	39,635,969	36,046,245	44,674,133	35,060,634

Source: BestLink® - Best's Financial Suite

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

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Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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