



## OUR COMMITMENT TO YOU

Pacific Life's Strength and Reliability



# THE POWER OF PACIFIC

For more than 150 years, Pacific Life has helped millions of individuals and families with their financial needs through 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. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative products and services that provide value and financial security for current and future generations.

“ Pacific Life is well capitalized and continues to be financially strong in this market environment. We have a significant amount of capital and liquidity that will see us through even the most severe scenarios.

Pacific Life has no publicly traded stock. Our unique structure as a mutual holding company enables us to take a long-term view and make investment decisions that benefit our policyholders, clients, and the long-term strength of the company. ”

*Excerpt from Message from the Chairman, President & CEO March 17, 2020*



## **James T. Morris**

Chairman, President and Chief Executive Officer  
Pacific Life Insurance Company

Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state.

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

# OUR COMMITMENT TO YOU

At Pacific Life, we will continue to be here for you during uncertain times and beyond.

**We support our employees** by ensuring they are set up to work in a safe and effective work-from-home environment and can confirm that our workforce is fully operational in a remote capacity.

**We are delivering benefits and keeping our promises.** From a business perspective, we are ready and available to answer your questions. We continue to pay out claims to beneficiaries, and process insurance and annuity requests from policyholders and contract owners.

**We have the people, stress-tested systems, and technology in place to deliver uninterrupted service.** Our Customer Service Center is fully staffed with remote workforces, and we're expanding e-signature technology across our divisions and alternative underwriting wherever possible.

**We are serving our neighbors by responding to urgent needs.** Pacific Life and our employees are in small towns and big cities, rural communities, and college towns. The Pacific Life Foundation has set aside \$1.7 million in funding to support individuals, nonprofits, and local communities impacted by COVID-19 and the resulting economic hardships. As of March 31, 2020, \$600,000 has been donated to local food banks and United Way to help individuals who have lost income or jobs as a result of the pandemic by paying bills, rent, and other expenses. Additional funding will be distributed in the coming months.

**We are complying with state regulations and heeding regulatory guidance in providing relief for contract owners** impacted by COVID-19. For example, the Retirement Solutions Division, in CA, is extending statutory and contractual deadlines for 90 days for impacted contract holders. Similar contractual extensions are being made available in states like NY, OH, and NC that have similar regulatory requirements. The Life Insurance Division is keeping policies solvent for missed payments.

**We are part of the Critical Infrastructure Sector.** The United States Department of Homeland Security designated Pacific Life, as part of the financial services sector, part of a Critical Infrastructure Sector. As such, we have a special responsibility to maintain a normal work schedule and to continue providing our products and services to individuals and businesses. We are fully committed to providing the service you've come to expect from Pacific Life and to continue to fulfill our promises today, tomorrow, and for decades to come.

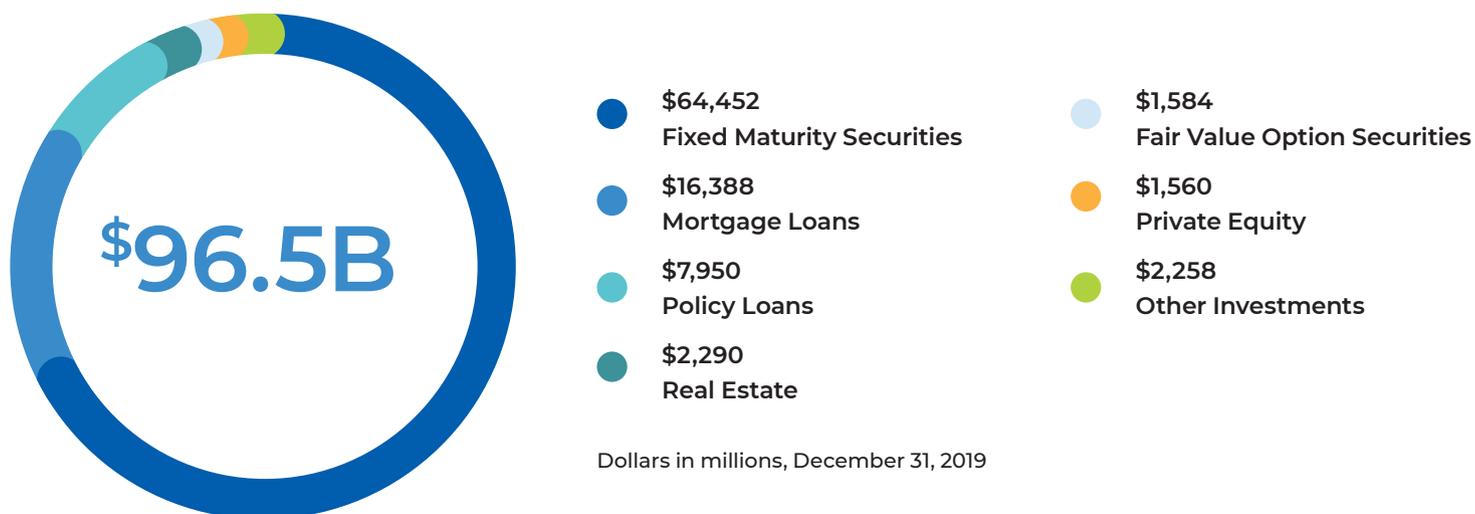
# POSITIONING THE COMPANY FOR THE LONG TERM

## Strength Through Complementary Business Divisions

Pacific Life is diversified among several business divisions that complement one another on many levels – Retirement Solutions Division, Life Insurance Division, Pacific Life Re, Pacific Global Asset Management, and Institutional Division. For example, the Life Insurance Division's mortality risks complement the Retirement Solutions Division's annuity lifetime income exposure. Also, the fixed income exposures in other divisions and in the Retirement Solutions Division's fixed-product portfolio complement potential equity-market exposures underlying variable life insurance and variable annuities. Pacific Global Asset Management offers a family of mutual funds with no insurance-related risks. For more information on Pacific Life's business divisions, visit [PacificLife.com](http://PacificLife.com).

## Strength Through Diversification of Investments

Pacific Life invests in carefully selected securities, mortgage loans, real-estate properties, and private equity. Pacific Life has an accomplished management team with experience in both positive and negative market environments. Our disciplined underwriting and diligent monitoring help ensure we maintain portfolio quality over the long horizon.



# FINANCIAL STRENGTH RATINGS

## Pacific Life Insurance Company and Pacific Life & Annuity Company Ratings

As of March 2020

| A.M. Best<br>A+ (Superior)                         | Standard & Poor's®<br>AA- (Very Strong)                               | Fitch Ratings Ltd.<br>AA- (Very Strong)                           | Moody's Investors Service<br>A1 (Good)                        |
|--|---|---|---|
| Second highest of 16 ratings                       | Fourth highest of 21 ratings  | Fourth highest of 21 ratings                                      | Fifth highest of 21 ratings                                   |
| Ratings range: A++ to S<br>(Superior to Suspended) | Ratings range: AAA to R<br>(Extremely Strong to<br>Regulatory Action) | Ratings range: AAA to C<br>(Exceptionally Strong<br>to Very Weak) | Ratings range: Aaa to C<br>(Exceptional to<br>Extremely Poor) |

These ratings reflect the claims-paying ability of Pacific Life, not the safety or performance of the separate accounts funding its variable products. For current ratings, visit [PacifcLife.com/Ratings](http://PacifcLife.com/Ratings).

## Strength Through Culture

Our values-based approach to business has been a key element of our culture and success. Our employees serve as proud stewards of the brand, preserving our integrity and reputation as an ethical company. Our values ensure the honest and fair treatment of each other, our customers, and business partners. We live our core values each and every day. They define and guide us.

PEOPLE

ACCOUNTABILITY

CUSTOMER FOCUS

INTEGRITY

FINANCIAL STRENGTH

INNOVATION

COMMUNITY



**2019 FORTUNE 500®**

Ranked 298<sup>TH</sup> out of 500 U.S. Companies by Gross Revenue<sup>1</sup>



**2020 ETHISPHERE INSTITUTE**

2020 World's Most Ethical Companies<sup>2</sup>



**2019 DALBAR**

Insurance Service Award Winner<sup>3</sup>

<sup>1</sup>Client count as of June 2019 is compiled by Pacific Life using the 2019 FORTUNE 500® list.

<sup>2</sup>Based on the Ethisphere Institute's Ethics Quotient®, "World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC. Pacific Life is unaffiliated with Ethisphere Institute.

<sup>3</sup>Refer to [www.DALBAR.com](http://www.DALBAR.com) for more information regarding awards, certifications, and rankings.

# SECURE YOUR RETIREMENT INCOME

At Pacific Life, we understand that sudden changes, such as volatility in the markets, can leave you wondering about your finances and how you might stay the course. A way to avoid that is to enhance your retirement portfolio by adding solutions, such as an annuity, that provide protection and complement your other investments.

## Annuities provide:

- **Protected monthly lifetime income** so that you have enough money for as long as you live.
- **Protection against market loss** through features that help minimize downside risk or with certain types of annuities where you are not invested in the market.
- **Tax-deferred growth** so that your money grows faster through the power of compounding.
- **Flexible access to your money** should you need it for the unexpected.
- **Protection for your loved ones** so you can be sure your family is taken care of if you pass away.



## How Does Pacific Life Fulfill the Long-Term Promises of its Annuities?

Our framework is built to prepare for and manage risk in even the most severe of scenarios.

Below are four ways Pacific Life effectively manages risk for our annuity contract owners.

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### 1. Consumer-Focused Product Design

Our annuities offer protected lifetime income and principal-protection benefits for our clients while remaining risk-effective for the company. For example, we include reasonable age limits and charge appropriate costs. Specifically with variable annuities, we offer certain investment options when selecting an optional living benefit. This offers clients diversification while limiting the overall market volatility Pacific Life must take into account when designing products.

### 2. Alliances with Other Insurance Companies (Reinsurance)

Pacific Life has shared some of its variable annuity optional living benefit risks with other highly respected and financially strong insurance companies known as “reinsurers.” These recognized global reinsurance companies based their decisions after careful scrutiny of our products (design and price), risk-management practices, administrative processes, and experience in the variable annuity business. Reinsurance helps support our overall risk-management framework.

### 3. Prudent and Disciplined Hedging

Pacific Life employs prudent hedging strategies and practices disciplined hedging execution that can offset and reduce the impact of adverse financial markets. We maintain clearly defined hedging programs for variable annuity optional living benefits and fixed indexed annuity crediting options that allow us to serve clients in many market environments. Financial resources allocated to the hedging program have been extensive, supporting multibillion-dollar levels of risk protection.

Effective risk management requires a robust organization with skilled professionals and strong collaboration across multiple disciplines. Pacific Life has a strong risk culture with a well-established risk-management organization embedded throughout the enterprise. It is governed by executive oversight committees within each business division as well as at the enterprise level.

### 4. Promises Backed by the Full Support and Credit of Pacific Life

Protected lifetime income obligations available with Pacific Life’s annuities are a “general account” liability. The general account contains the assets of the insurance company and is used to support the insurance company’s obligations. Pacific Life has a robust risk-management process that helps protect its claims-paying ability.

# 2019 BUSINESS HIGHLIGHTS

**150+**

YEAR HISTORY

A promise that we'll be there.

**\$7.0M**

DONATIONS

Annual charitable contributions making a meaningful impact in our communities.

**\$171B**

ASSETS

Financial stability you can rely on.

**\$2.7B\***

BENEFITS PAID IN 2019

Continuing to meet the needs of policyholders when they needed us most.

**853K**

IN-FORCE MEMBERS

Our structure as a mutual holding company enables us to take a long-term view and make decisions that benefit our policyholders, clients, and the long-term strength of the company.

**\$1.1T**

LIFE INSURANCE IN FORCE

Empowering consumers with confidence at life transitions and resilience when the unexpected happens.



\*Reflects the combined results of Pacific Life Insurance Company and its insurance subsidiaries on a statutory basis and primarily includes death and annuity benefits paid.

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. All Pacific Life financial data is as of December 31, 2019. Since December 31, 2019, economic and capital market fluctuations have arisen as a result of the coronavirus. The impact of the uncertain markets could have a material effect on Pacific Life's financial statements. Potential impacts are unknown as of the publication date of this brochure and will continue to be assessed by Pacific Life.

For more information, please speak with your financial professional,  
or call Pacific Life customer service at (800) 722-4448.  
PacificLife.com

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Guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company and do not protect the value of the variable investment options, which are subject to market risk.

Pacific Life, its affiliates, their distributors, and respective representatives do not provide tax, accounting, or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor or attorney.

***You should carefully consider a variable annuity's risks, charges, limitations, and expenses, as well as the risks, charges, expenses, and investment goals of the underlying investment options. This and other information about Pacific Life are provided in the product and underlying fund prospectuses. These prospectuses are available from your financial professional or at PacificLife.com. Read them carefully before investing.***

Annuity withdrawals and other distributions of taxable amounts, including death benefit payouts, will be subject to ordinary income tax. For nonqualified contracts, an additional 3.8% federal tax may apply on net investment income. If withdrawals and other distributions are taken prior to age 59½, an additional 10% federal tax may apply. A withdrawal charge and a market value adjustment (MVA) also may apply. Withdrawals will reduce the contract value and the value of the death benefits, and also may reduce the value of any optional benefits.

*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.*

Under current law, a nonqualified annuity that is owned by an individual is generally entitled to tax deferral. IRAs and qualified plans—such as 401(k)s and 403(b)s—are already tax-deferred. Therefore, a deferred annuity should be used only to fund an IRA or qualified plan to benefit from the annuity's features other than tax deferral. These include lifetime income and death benefit options.

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state. Each insurance company is solely responsible for the financial obligations accruing under the products it issues.

Insurance product and rider guarantees, including optional benefits and any fixed crediting rates or annuity payout rates, are backed by the financial strength and claims-paying ability of the issuing insurance company and do not protect the value of the variable investment options. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Variable insurance products are distributed by **Pacific Select Distributors, LLC** (member FINRA & SIPC), a subsidiary of Pacific Life Insurance Company (Newport Beach, CA) and an affiliate of Pacific Life & Annuity Company. Variable and fixed annuity products are available through licensed third parties.

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OF RETIREMENT™