



IT'S TIME TO THINK OF TOMORROW

The decision about how to receive a personal physical injury settlement often comes with many options. While it may be tempting to take an immediate, lump-sum payment and invest the settlement yourself, there are tax consequences and income needs to be considered.

A Structured Settlement from Pacific Life & Annuity is An Option That Can Offer:

- **An income-tax-free series of payments.**

A qualifying structured settlement of damages received for a personal physical injury provides you with an ongoing stream of payments that is free from federal and state income tax.¹ Because the payment is not taxed, payments from a structured settlement may be higher than if you invest your settlement money in a taxable account.

- **A guaranteed, steady stream of payments.** Structured settlements are calculated to provide a stream of payments based on the amount of the settlement, the current rate of return, and the payment schedule on which you decide. So, no matter how volatile the financial markets may be, you'll be able to plan for your needs based on a predictable, long-term stream of payments.

When discussing a payment schedule with your structured settlement consultant, consider the following:

- A Pacific Life & Annuity structured settlement provides payments that last as long as you need to help replace lost earnings, pay for ongoing medical expenses, or provide for a loved one.
- You may defer payments for specified time frames to help pay for future needs such as college education.
- A structured settlement annuity allows you to set aside lump-sum payments for large purchases such as remodeling your home or buying a car.

All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company.



¹Excludable from gross income under Internal Revenue Code (IRC) 104(a)(1) or (2).

FACTORS TO CONSIDER

WHEN SELECTING A STRUCTURED SETTLEMENT PROVIDER

- The quality and diversification of the annuity provider’s investment portfolio.
- The level of the insurer’s capital and surplus.
- Financial-strength ratings.

Financial-Strength Ratings (Ratings as of December 2025)

For Pacific Life & Annuity Company

A.M. Best A+ (Superior)	S&P Global AA– (Very Strong)	Fitch Ratings Ltd. AA– (Very Strong)	Moody’s Investors Service Aa3 (Excellent)
• Second highest of 13 ratings • Outlook: Stable	• Fourth highest of 21 ratings • Outlook: Stable	• Fourth highest of 22 ratings • Outlook: Stable	• Fourth highest of 21 ratings • Outlook: Stable
Ratings range: A++ to S (Superior to Suspended)	Ratings range: AAA to R (Extremely Strong to Regulatory Action)	Ratings range: AAA to C (Exceptionally Strong to Very Weak)	Ratings range: Aaa to C (Exceptional to Extremely Poor)

Ratings may change. While ratings can be objective indicators of an insurance company’s financial strength and can provide a relative measure to help select among insurance companies, they are not guarantees of the future financial strength and/or claims-paying ability of a company. For more information and current financial-strength ratings, please visit [PacificLife.com/Ratings](https://www.pacificlife.com/Ratings).

Financial Summary—Pacific Life & Annuity

As of December 31, 2025

Assets, Liabilities, Capital, and Surplus (\$Millions)		
Total Statutory Assets		
2023	2024	2025
\$10,493.7	\$11,345.4	\$12,758.7
General Account		\$9,109.0
Separate Account		\$3,649.7
Total Assets		\$12,758.7
Liabilities		\$12,136.7
Capital and Surplus		\$622.0
Total Liabilities, Capital, and Surplus		\$12,758.7

Statutory Capital, Surplus, and AVR (\$Millions)		
Total Statutory Capital, Surplus, and AVR		
2023	2024	2025
\$546.4	\$597.6	\$624.1
Capital and Surplus		\$622.0
Asset Valuation Reserve (AVR)		\$2.1
Total		\$624.1

We have very strong statutory capital levels.

INVESTMENT PORTFOLIO

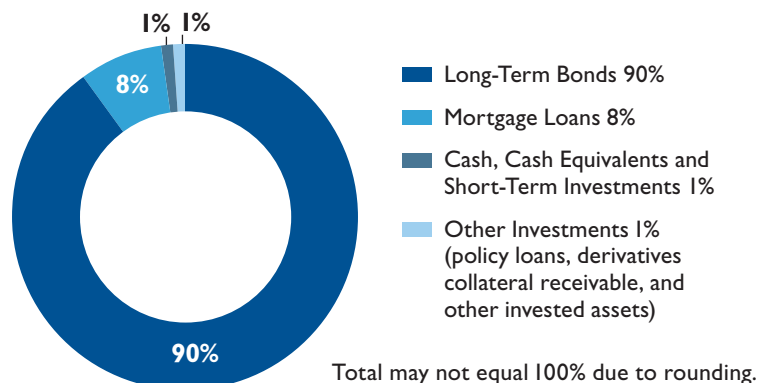
QUALITY AND DIVERSIFICATION

(Statutory Basis) As of December 31, 2025

Distribution of Invested Assets

To maintain the quality of Pacific Life & Annuity's underlying assets, we primarily invest in high-quality securities and commercial mortgage loans, and we closely monitor these investments. Pacific Life & Annuity has a seasoned management team with experience in a variety of market environments.

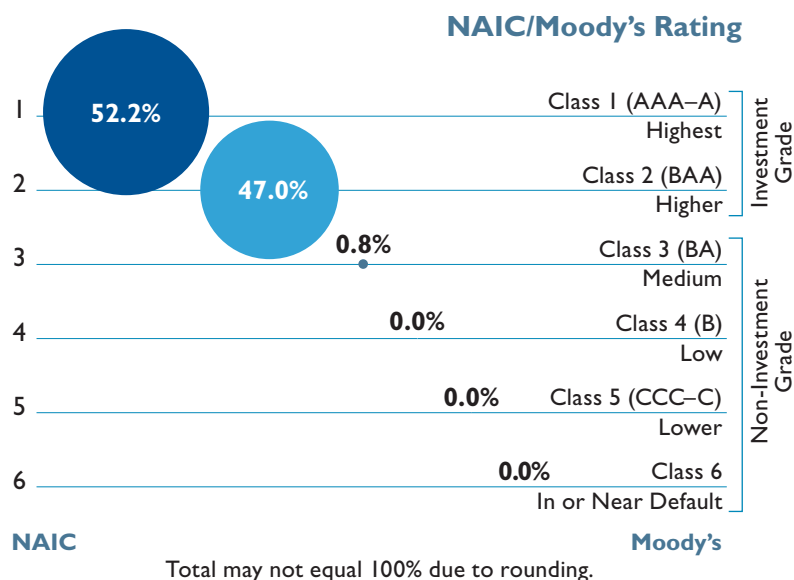
Our investment approach limits our exposure to any single industry issuer or asset type and ensures we are prepared to fulfill our commitments to our clients.



Bond¹ Quality—Percentage of Assets in Each Class

The Securities Valuation Office of the National Association of Insurance Commissioners (NAIC) assigns quality ratings (corresponding to ratings from Moody's) to bonds held by insurance companies. Pacific Life & Annuity's ratio of non-investment-grade bonds (NAIC 3–6) to total cash and invested assets of \$8,956 million is 0.7%.

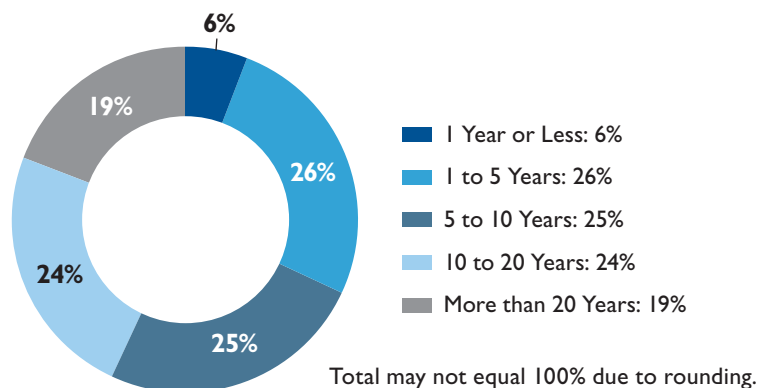
Total Bond Investments	\$8,022,620
Bond¹ Quality	
Investment Grade	99.2%
Non-Investment Grade	0.8%



Bonds¹ by Maturity

Sophisticated risk-management programs and hedging strategies are employed to maintain net income and statutory capital levels even under extreme market conditions.

Bond maturity is closely matched with projected liabilities to reduce volatility and interest-rate risk.



¹Bonds include short-term investments, unless otherwise noted.

For more information,
consult with your structured settlement consultant.
Or, call us toll-free at (877) 784-0622, option 1.
PacificLifeStructures.com

Pacific Life, its affiliates, its 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.

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.

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

The home office for Pacific Life & Annuity Company is located in Phoenix, Arizona.

Contract Form Series: 25-21694NY

Contract form series may vary by state.

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Comprehensive Structured Settlement Solutions®