

## 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 Alternative 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.<sup>1</sup> 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 replace lost earnings, pay for ongoing medical expenses, or provide for a loved one.
- You may defer payments for specified time frames to 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.

Insurance products are backed by the financial strength and claims-paying ability of Pacific Life & Annuity company.

<sup>1</sup>Excludable 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.

Ratings may change. For more information and current financial-strength ratings, please visit our website. Structured settlements annuities are issued by Pacific Life & Annuity Company in New York.

### Financial Strength Ratings

A+ A.M. Best

AA– Fitch Ratings

Aa3 Moody's

AA– Standard & Poor's®

As of July 21, 2021

### Financial Summary—Pacific Life & Annuity

As of December 31, 2020

Assets, Liabilities, Capital, and Surplus (\$Millions)		
Total Statutory Assets		
2018	2019	2020
\$7,132.8	\$7,786.1	\$8,218.5
General Account		\$5,019.4
Separate Account		3,199.1
<b>Total Assets</b>		<b>\$8,218.5</b>
Liabilities		\$7,663.7
Capital and Surplus		554.8
<b>Total Liabilities, Capital, and Surplus</b>		<b>\$8,218.5</b>

Statutory Capital, Surplus, and AVR (\$Millions)		
Total Statutory Capital, Surplus, and AVR		
2018	2019	2020
\$577.2	\$564.2	\$559.5
Capital and Surplus		\$554.8
Asset Valuation Reserve (AVR)		4.7
<b>Total</b>		<b>\$559.5</b>

**We have very strong statutory capital levels.**

# INVESTMENT PORTFOLIO

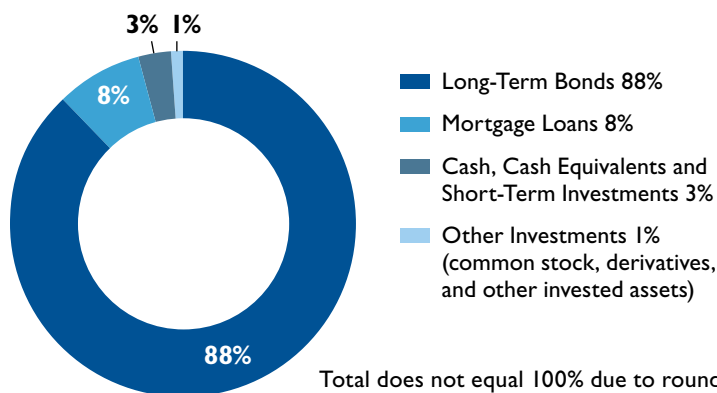
## QUALITY AND DIVERSIFICATION

(Statutory Basis) As of December 31, 2020

### 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.

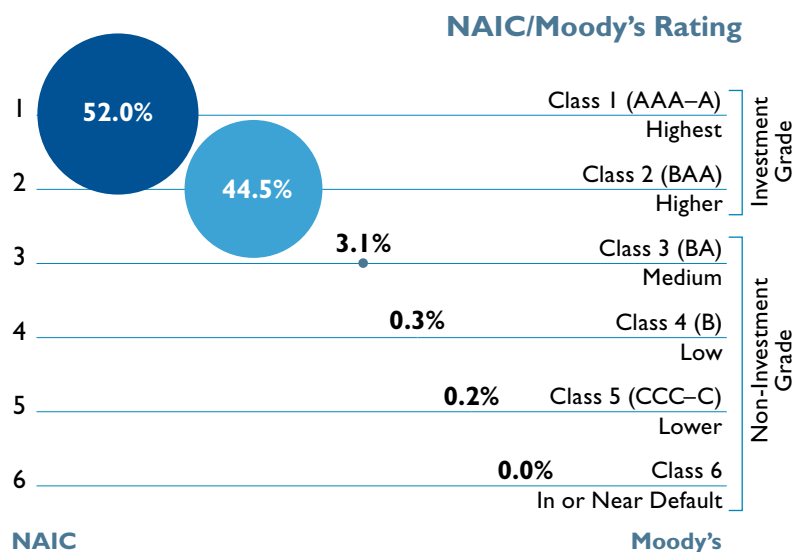
Our investment approach limits our exposure to any single industry issuer or asset type, and ensures we are prepared to fulfill our commitments to our clients.



### Bond<sup>1</sup> 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 \$4.951 million is 3.1%.

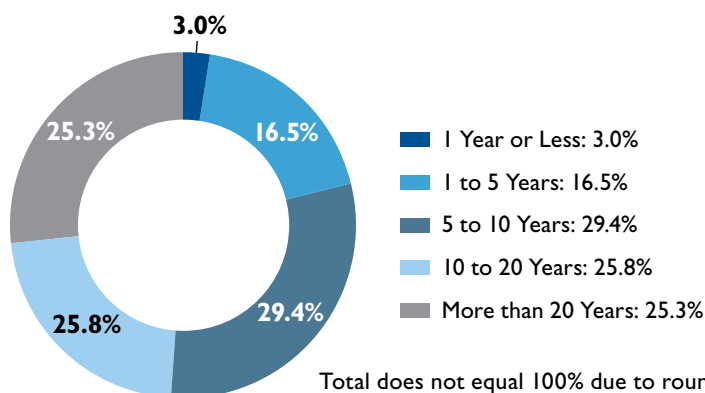
<b>Total Bond Investments</b>	<b>\$4.362 million</b>
<b>Bond<sup>1</sup> Quality</b>	
Investment Grade	96.4%
Non-Investment Grade	3.6%



### Bonds<sup>1</sup> 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.



<sup>1</sup>Bonds include short-term investments, unless otherwise noted. Standard & Poor's<sup>®</sup> is a registered trademark of Standard & Poor's Financial Services LLC ("S&P").

For more information,  
consult with your structured-settlement consultant.

Or, call us toll-free at (877) 784-0622, option 1.

[PacificLifeStructures.com](http://PacificLifeStructures.com)

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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 & Annuity Company will issue annuity policies if ANY of the following occurs inside the state of New York: solicitation, sales, negotiation of settlement, court/legal action, or claimant/payee residence.

Contract Form Series: 25-21694NY  
SSC1228-0821



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