

Selecting a Structured Settlement Provider



Why Pacific Life

Since 1868, individuals and businesses have relied on the strength of Pacific Life to protect their financial security. We have no publicly traded stock; we are an independent company that remains focused on long-term strategies, our financial strength, and on making decisions that benefit our policyholders and clients.



Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company.

Mutuality

Pacific Life Insurance Company's organization is relatively unique as we are part of a mutual holding company structure; therefore, policyholders and contract owners are members of the company, and we are not driven by stock price when making decisions. Our structure allows us to develop innovative products that evolve with the needs of the families and businesses we serve. Our support goes beyond just product innovation; we select businesses and markets that we understand well, can excel in, and can provide value to our customers.

Pacific Life has approximately \$137 billion in assets and \$9.4 billion in equity¹ as of December 31, 2015.²

- Pacific Life Insurance Company is organized under a mutual holding company structure and operates for the benefit of its policyholders and contract owners.
- We have achieved ongoing recognition³ for high-quality service standards.
- We offer solutions that help you manage risks during all market environments.
- We maintain strong financial strength ratings from major independent rating agencies.

Financial Strength Ratings

A+	A.M. Best
A+	Fitch Ratings
A1	Moody's
AA-	Standard & Poor's®

As of July 11, 2016.

Ratings may change. For more information and current financial strength ratings, please visit our [website](#).

¹Excludes accumulated other comprehensive income and noncontrolling interest.

²Based on generally accepted accounting principles (GAAP) in the United States of America.

³Recipient of multiple DALBAR Service Awards since 1997. Refer to www.DALBAR.com for more information regarding awards, certification, and rankings.

Standard & Poor's® is a registered trademark of Standard & Poor's Financial Services LLC ("S&P").

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 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.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 decided upon. 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 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 the issuing 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.
- All financial strength ratings.

Pacific Life is a highly rated and well-diversified insurance company, and an experienced and innovative annuity provider.

Financial Summary—Pacific Life Insurance Company

As of December 31, 2015.

Assets, Liabilities, Capital, and Surplus (\$B)

Assets

General Account Assets	\$58.8
Separate Account Assets	54.4
Total Assets	\$113.2

Liabilities	\$105.5
Capital and Surplus	7.7

Total Liabilities, Capital, and Surplus \$113.2

Total Statutory Assets

2013	\$109.1
2014	\$112.5
2015	\$113.2

We have very strong statutory capital levels.

Capital, Surplus, and AVR (\$B)

Capital and Surplus	\$7.7
Asset Valuation Reserve (AVR)	0.7
Total	\$8.4

Total Statutory Capital, Surplus, and AVR

2013	\$7.0
2014	\$7.8
2015	\$8.4

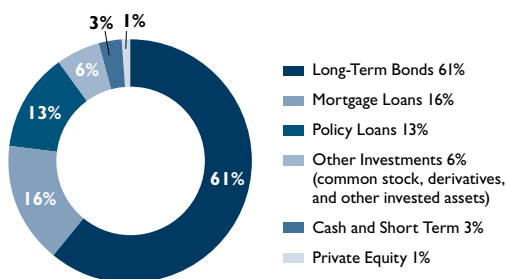
Investment Portfolio Quality and Diversification

(Statutory Basis) As of December 31, 2015.

Distribution of Invested Assets

To maintain the quality of Pacific Life Insurance Company's underlying assets, we primarily invest in high-quality securities and commercial mortgage loans, and we closely monitor these investments. Pacific Life Insurance Company (Pacific Life) 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.



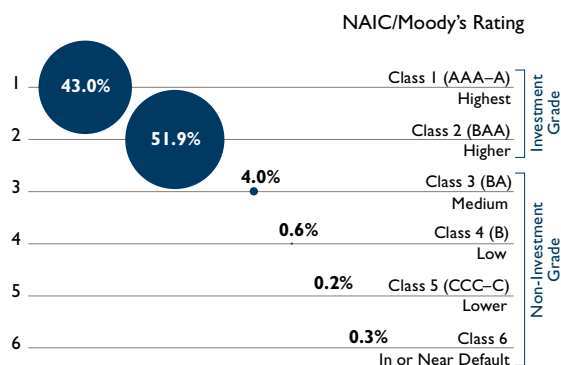
Bond¹ Quality—Percentage of Assets in Each Class

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's ratio of non-investment-grade bonds (NAIC 3–6) to total cash and invested assets of \$56.7 billion is 3.3%.

Total Bond¹ Investments **\$35.8 billion**

Bond¹ Quality

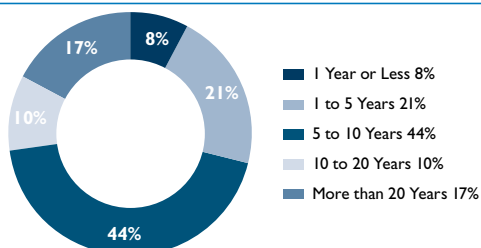
Investment Grade	94.9%
Non-Investment Grade	5.1%



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

www.PacificLifeStructures.com

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