

SELECTING AN ANNUITY PROVIDER

in Conformance with Department of Labor Interpretive Bulletin 95-1



As of December 31, 2017

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.

OUR EXPERTISE

- Financial Protection
- Wealth Preservation
- Income for Life
- Wealth Accumulation
- Retirement Income

OUR PRODUCTS

- Life Insurance
- Mutual Funds
- Annuities
- Investment Products and Services for Businesses

Mutuality

Pacific Life Insurance Company's organization is relatively unique as we are part of a mutual holding company structure; therefore, policy 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 Mutual Holding Company has approximately \$158 billion in assets and \$11.3 billion in equity¹ as of December 31, 2017.²

- 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 May 1, 2018.

Ratings may change. For more information and current financial-strength ratings, please visit our website.

¹Excludes accumulated other comprehensive income and noncontrolling interests.

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").

Pacific Life Insurance Company (Newport Beach, CA) is licensed to issue insurance products in all states except New York.

For institutional plan sponsor/financial

FACTORS TO BE CONSIDERED BY FIDUCIARIES

The selection of an annuity provider for purposes of a pension benefit distribution is a fiduciary decision governed by the Employee Retirement Income Security Act of 1974 (ERISA). The Department of Labor issued Interpretive Bulletin 95-1 (IB 95-1) (Section 2509.95-1), as amended, to provide guidance in the selection of an annuity provider. The content herein provides information from Pacific Life to respond to the criteria of IB 95-1.

In accordance with IB 95-1, plan fiduciaries must conduct an objective, thorough, and analytical search for purposes of identifying providers from which to purchase annuities. The bulletin sets forth factors that should be considered by fiduciaries in evaluating a provider's claims-paying ability and creditworthiness, including but not limited to:

- **The quality and diversification** of the annuity provider's investment portfolio.
- **The size of the insurer** relative to the proposed contract.
- **The level of the insurer's capital and surplus.**
- **The lines of business of the annuity provider** and other indications of an insurer's exposure to liability.
- **The structure of the annuity contract** and guarantees supporting the annuities, such as the use of separate accounts.

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



PORTFOLIO QUALITY AND DIVERSIFICATION

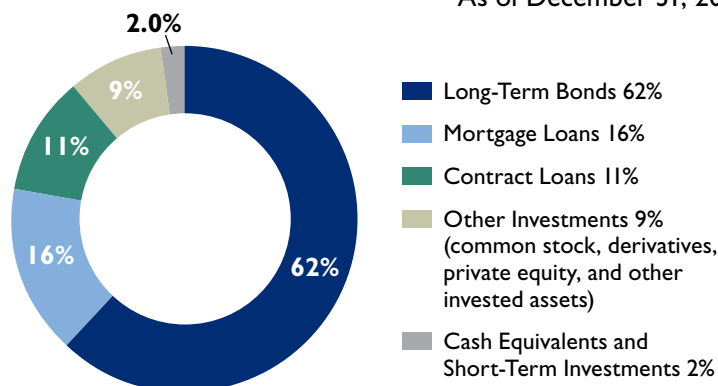
(STATUTORY BASIS)

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 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.

As of December 31, 2017.



BOND¹ QUALITY— PERCENTAGE OF ASSETS IN EACH CLASS

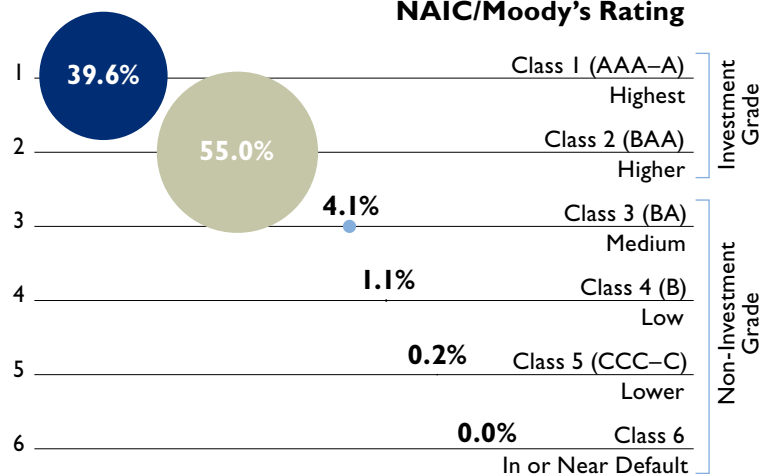
The Securities Valuation Office of the National Association of Insurance Commissioners (NAIC) assigns quality ratings (corresponding to ratings from Moody's) to bonds held by insurance companies. Pacific Life's ratio of non-investment-grade bonds (NAIC 3–6) to total cash and invested assets of \$67.6 billion was 3.3%.

Total Bond¹ Investments **\$41.7 billion**

Bond¹ Quality

Investment Grade	94.6%
Non-Investment Grade	5.4%

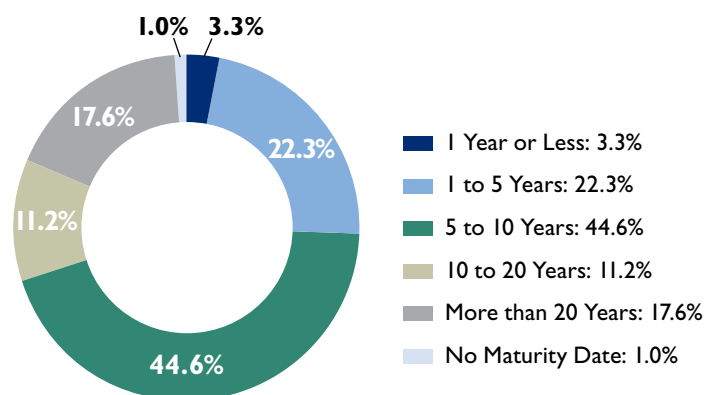
NAIC/Moody's Rating



BOND¹ 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.

FINANCIAL SUMMARY

PACIFIC LIFE INSURANCE COMPANY

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

As of December 31, 2017.

General Account	\$ 70.1
Separate Account	58.6
Total Assets	\$128.7
Liabilities	\$119.4
Capital and Surplus	9.3
Total Liabilities, Capital, and Surplus	\$128.7

Total Statutory Assets



Statutory Capital, Surplus, and AVR (\$B)

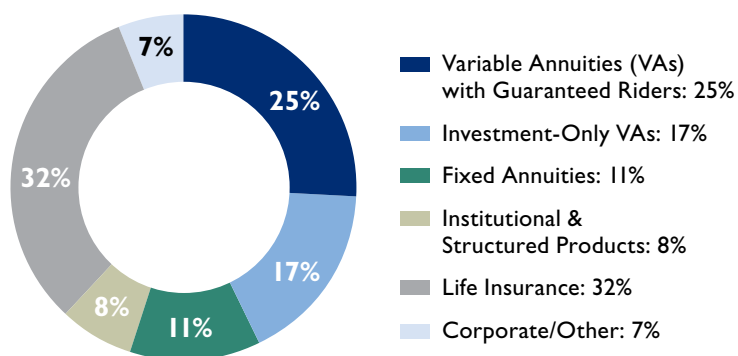
Capital and Surplus	\$9.3
Asset Valuation Reserve (AVR)	0.6
Total	\$9.9

Total Statutory Capital, Surplus, and AVR



Statutory Assets (\$B)

Variable Annuities (VAs) with Guaranteed Riders	\$32.6
Investment-Only VAs	22.2
Fixed Annuities	14.3
Institutional & Structured Products	9.9
Life Insurance	41.0
Corporate/Other	8.7
Total	\$128.7



We have very strong statutory capital levels. We manage our risk by diversifying our investments and our lines of business.

Financial information presented as dollars in billions (statutory basis).

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THE STRUCTURE OF THE ANNUITY CONTRACT

AND GUARANTEES SUPPORTING THE ANNUITIES

The structure of the annuity contract should be examined by a fiduciary to understand the guarantees supporting the annuity. The general account is supported by the creditworthiness of the company's general account. A separate account can further secure the assets by using a portfolio of separate account assets insulated from the claims of other policyholders and creditors of the insurer. Any shortfall in the separate account is supported by the assets in the general account.

Pacific Transferred Buy-Out®

Completely transfer all pension risk and benefit liability from the plan sponsor to Pacific Life on either a partial (a portion of plan participants) or full (complete termination) basis.

Pacific Secured Buy-In®

Transfer the risk of investment performance, mortality, and plan experience from the plan sponsor to Pacific Life. The contract remains an asset of the plan, and thus it does not reduce the plan's funded status or trigger settlement accounting like a buy-out. A buy-in contract can be converted to a Pacific Transferred Buy-Out contract at any time with no additional charges.

Experience and Innovation

Pacific Life has been an innovator in pension risk-transfer solutions. Few firms offer our breadth of solutions or provide the same deep level of pension risk-transfer expertise. You can rely on Pacific Life as a single, trusted source to help you de-risk your plan, reduce plan volatility and its related impact on your company's balance sheet and financial statement, and secure lifetime retirement income for your employees.

- Experienced investment and actuarial staff
- First to offer Pacific Insured LDI®, an innovative and guaranteed alternative to best-efforts liability-driven investing
- First U.S. insurer to transact all three pension de-risking solutions:
 - Pacific Insured LDI
 - Pacific Secured Buy-In
 - Pacific Transferred Buy-Out
- First U.S. insurer to convert a buy-in contract to a buy-out contract
- Consultative approach to understanding your specific needs and identifying an appropriate customized solution
- Reputation for outstanding installation and ongoing annuity servicing
- Strict standards and documented procedures to maintain data integrity and privacy



We aspire to capitalize on our investment and mortality expertise to capture a growing share of the pension de-risking market.

How to Contact Us:

Email: GroupAnnuitiesBid@PacificLife.com

Toll-Free Phone: (877) 536-4382, Option 1

Fax: (949) 219-8628

PacificLifePRT.com

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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, its distributors, and respective representatives do not provide any employer-sponsored qualified plan administrative services or impartial investment advice and do not act in a fiduciary capacity for any plan.

Pacific Life refers to Pacific Life Insurance Company (Newport Beach, CA). Insurance products are issued by Pacific Life in all states except in New York. Pacific Life is solely responsible for the financial obligations accruing under the products it issues. Guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.

Contract Form Series: 80-1188, 80-1276, 80-1291, 80-1297, GR-8134-B (and state variations)
PRC0140-0918

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Mailing address:

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Pension Risk-Transfer Products
700 Newport Center Drive, Newport Beach, CA 92660-6397



PACIFIC LIFE