

An Introduction to

# Pacific Life





## A Message from the Chairman

This is a time of opportunity in the financial services industry to provide increased financial security and value to families. Four out of 10 households have no life insurance, and those that do typically lack adequate coverage to meet the needs of their families. The retirement picture is similarly challenged. The average employee balance in a retirement account is \$50,000 and 66 percent of working families fall far short of conservative retirement savings goals. The retirement readiness gap is large, as is the gap of understanding the significant financial resources needed for retirement, which may be of a long and unpredictable length.

Pacific Life is moving forward with innovation, one of our core values, to help address the challenges and uncertainties that our customers are facing. This past year, we have actively sought out opportunities for new products, services, and creative solutions, helping us to better meet the needs of our customers and enhance the support provided to financial advisors.

The need for Pacific Life's solutions is now more evident than ever before. We are committed to creating products and services that meet the needs of current and future generations and that will stand the test of time. Thank you for trusting Pacific Life to be there for you.

James T. Morris  
Chairman, President and Chief Executive Officer

## 2015 Financial Summary

Pacific Mutual Holding Company

Dollars in Millions

December 31, 2015

<b>Company Assets</b>	\$137,279
<b>Policyholder &amp; Other Liabilities</b>	\$127,171
<b>Equity<sup>1</sup></b>	\$ 9,363
<b>Operating Revenues<sup>2</sup></b>	\$ 8,428
<b>Operating Income<sup>3</sup></b>	\$ 561

## Business Highlights

**\$2.1 billion**

paid in insurance and annuity benefits

**1<sup>st</sup>**

indexed universal life and universal life insurance sales

**148**

years

**\$800 billion**

life insurance in force

**11<sup>th</sup>**

variable annuity sales

**387<sup>th</sup>**

FORTUNE 500<sup>®</sup> company

- 1 Excludes accumulated other comprehensive income and noncontrolling interest.
- 2 Excludes net realized investment gain (loss) (NRIGL) and other than temporary impairments (OTTI).
- 3 Excludes NRIGL (net of an estimate of related amortization of deferred policy acquisition costs [DAC] for variable annuity products and stable value product income), adjustments to variable annuity DAC resulting from true-ups, assumption unlockings and modeling refinements, and OTTI, net of taxes.

Life insurance ranking is from the *2015 Confidential Annual Sales Survey of Participating Companies* by LIMRA International. Pacific Life Insurance Company sales are based on planned recurring premiums as measured against 81 participating companies. Annuity ranking is from the *Variable Annuity Sales and Assets Survey* by Morningstar, Inc., as of December 31, 2015. *FORTUNE* ranking as of June 2015 is of the top 500 U.S. firms by gross revenue.



### Pacific Mutual Holding Company

Pacific Mutual Holding Company (Pacific Mutual) is the parent company of Pacific LifeCorp, which is the parent company of Pacific Life Insurance Company. Policyholders of Pacific Life Insurance Company are members of Pacific Mutual and, as such, are invited to attend the annual meeting of Pacific Mutual and to elect its board of directors. Through its direct and indirect subsidiaries, Pacific Mutual is engaged in a wide variety of insurance, financial services, and other investment-related businesses.



### Pacific Life Insurance Company

Offering insurance since 1868, Pacific Life provides 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. Pacific Life counts more than half of the 100 largest U.S. companies as its clients.



### Pacific Life & Annuity Company

Pacific Life & Annuity Company offers a wide range of products, including life insurance, annuities, structured settlement annuities, and other investment products and services for individuals and businesses.

## Who We Are

### Mission

We provide financial security through products and services that stand the test of time.

### Vision

To be the company of choice for clients who seek asset protection and growth.

### Core Values

We live our core values each and every day. They define us and guide us.

**P**eople  
**A**ccountability  
**C**ustomer Focus  
**I**ntegrity  
**F**inancial Strength  
**I**nnovation  
**C**ommunity

## Life Insurance Division

### Expertise

- Financial protection
- Business planning and continuation strategies
- Estate planning strategies
- Supplemental retirement income

### Solutions

- Term life insurance
- Universal life insurance
- Variable universal life insurance
- Indexed universal life insurance
- Universal life insurance with long-term care benefits

### Markets

- Individuals and families
- Small businesses
- Corporations

## Retirement Solutions Division

### Expertise

- Retirement savings
- Retirement income
- Asset allocation strategies
- Investment strategies

### Solutions

- Fixed annuities
- Variable annuities
- Mutual funds
- Structured settlement annuities
- Pension risk transfer

### Markets

- Individuals
- Small businesses
- Retirement plans

# PACIFIC LIFE SUBSIDIARIES

ATA GLANCE

## Aviation Capital Group

### Expertise

- Understanding our customers and their needs
- Deep knowledge of global aircraft markets and airlines
- Strategic manufacturer and global financial institution relationships

### Markets

- Commercial airlines globally
- Aircraft manufacturers and suppliers
- Institutional investors/lenders

### Solutions

- Full-service, premier operating lease platform
- Aircraft asset investments and management
- Commercial jet aircraft trading

## Pacific Life Re

### Expertise

- Life insurance
- Longevity and annuity risk
- Critical illness insurance
- Income protection insurance
- Underwriting manuals and expert systems

### Solutions

- Reinsurance of life assurance, critical illness, and income protection businesses
- Reinsurance of annuity and longevity risk
- Life insurance retrocession
- Associated reinsurance services and technical support

### Markets

- United Kingdom
- Ireland
- Australia
- Selected markets in Asia
- United States and Canada (life insurance retrocession business only)

## Pacific Asset Management<sup>1</sup>

### Expertise

- Fixed income investment management
- Floating-rate loans
- High-yield bonds
- Investment-grade bonds

### Solutions

- Corporate debt investment strategies
- Core plus
- Strategic credit
- Short-duration credit
- Subadvisory investment management
- Institutional separate accounts

### Markets

- Institutional defined benefit plans
- Investment consultants
- Registered investment advisors
- Mutual fund investors

<sup>1</sup> Pacific Asset Management is a division of Pacific Life Fund Advisors LLC, an SEC registered investment adviser and wholly owned subsidiary of Pacific Life Insurance Company.

The Pacific Life family of companies is supported by seasoned investment teams that focus on investment strategies that provide attractive risk-adjusted returns. As an independent company with no publicly traded stock, we follow a disciplined and long-term investment philosophy that stands the test of time and serves the best interests of our policyholders and clients.

## Investment Management Expertise

- Investment-grade bonds
- High-yield public bonds
- Private placements
- Emerging market debt
- Residential mortgage-backed securities
- Hedging strategies

## Real Estate Investments Expertise

- Commercial mortgage loans
- Real estate-related debt securities
- Private real estate equity investments

## Distribution of Investments

**\$61.7 billion**



Dollars in millions

December 31, 2015

■ <b>\$40,602</b> Fixed Maturity Securities	■ <b>\$622</b> Other Investments
■ <b>\$11,092</b> Mortgage Loans	■ <b>\$536</b> Fair Value Option Securities
■ <b>\$7,331</b> Policy Loans	■ <b>\$351</b> Real Estate
■ <b>\$849</b> Private Equity	■ <b>\$228</b> Trading Securities
	■ <b>\$136</b> Equity Securities

## Contact Information

### Pacific Life Insurance Company/ Pacific Life & Annuity Company

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(949) 219-3011  
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[www.PacificLife.com](http://www.PacificLife.com)

### Investment Management

(800) 800-7646

### Real Estate Investments

(800) 800-7646, ext. 4763

### Retirement Solutions Division

(800) 722-4448

### Life Insurance Division

45 Enterprise  
Aliso Viejo, CA 92656-2601  
(800) 800-7681, ext. 6000  
(949) 420-6000

### Principal Subsidiaries

#### Aviation Capital Group Corp.

840 Newport Center Drive, Suite 300  
Newport Beach, CA 92660-6322  
(949) 219-4600  
[www.AviationCapital.com](http://www.AviationCapital.com)

#### Pacific Asset Management

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**PACIFIC LIFE**

[www.PacificLife.com](http://www.PacificLife.com)

"Pacific Life" refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Pacific Life Insurance Company, a subsidiary of Pacific Mutual Holding Company, is licensed in all states except New York. In New York, individual life insurance and annuity products are available through Pacific Life & Annuity Company, a subsidiary of Pacific Life Insurance Company. Product availability and features vary by state. Insurance product and rider guarantees are backed by the financial strength and claims-paying ability of the issuing company and do not protect the value of the variable investment options. Each company is solely responsible for the financial obligations accruing under the policies it issues. Variable products are issued by Pacific Life Insurance Company and Pacific Life & Annuity Company. These products and mutual funds are distributed by **Pacific Select Distributors, LLC** (member FINRA and SIPC), a subsidiary of Pacific Life Insurance Company and an affiliate of Pacific Life & Annuity Company, and are available through licensed third-party broker-dealers. In order to sell life insurance products, a financial professional must be a properly licensed and appointed life insurance producer. For current ratings, visit us online at [www.PacificLife.com/ratings](http://www.PacificLife.com/ratings). Client count as of June 2015 is compiled by Pacific Life using the 2015 FORTUNE 500® list.

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