

# Pacific Life

REPORT TO MEMBERS 2019



#### 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, businesses and pension plans.

For more than 150 years, Pacific Life has helped millions of individuals and families with their financial needs through 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. Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative products and services that provide value and financial security for current and future generations. Pacific Life has no publicly traded stock. We are an independent company that remains focused on financial strength and long-term strategies that benefit policyholders and clients.

Pacific Life refers to Pacific Life Insurance Company and its affiliates, including Pacific Life & Annuity Company. Client count as of June 2019 is compiled by Pacific Life using the 2019 FORTUNE 500® list.

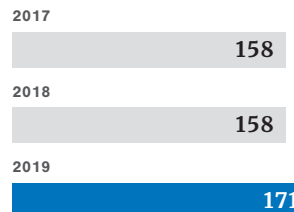
# 2019 Financial Summary

## Pacific Mutual Holding Company

DOLLARS IN MILLIONS	DEC. 31, 2019	DEC. 31, 2018	% CHANGE
Company Assets	\$171,473	\$157,699	9%
Policyholder & Other Liabilities	\$155,418	\$144,627	7%
Equity <sup>1</sup>	\$12,932	\$12,211	6%
Operating Revenues <sup>2</sup>	\$12,257	\$10,670	15%
Operating Income <sup>3</sup>	\$859	\$1,042	-18%

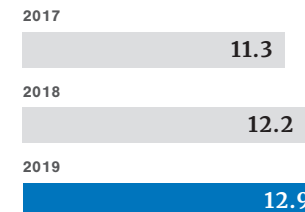
#### COMPANY ASSETS

In billions of dollars



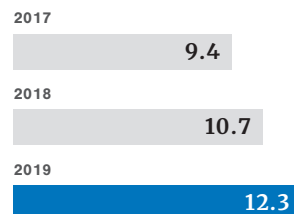
#### EQUITY

In billions of dollars



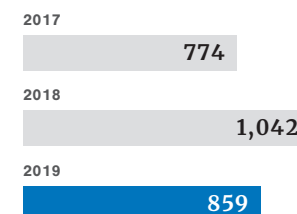
#### OPERATING REVENUES

In billions of dollars



#### OPERATING INCOME

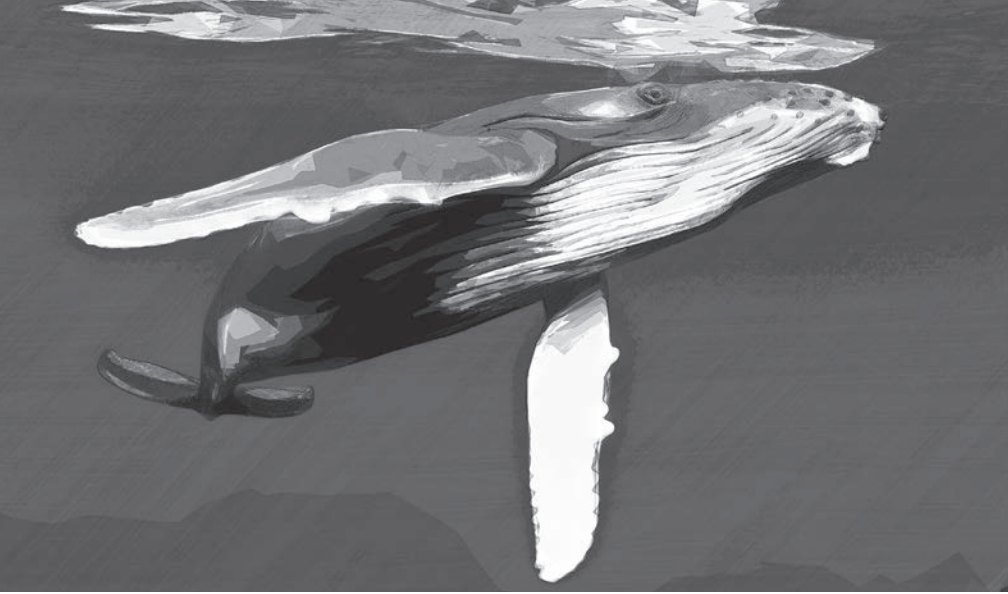
In millions of dollars



<sup>1</sup> Excludes accumulated other comprehensive income (loss) and noncontrolling interests.

<sup>2</sup> Includes discontinued operations of our aircraft leasing business and excludes net investment gain (loss) and other than temporary impairments (OTTI).

<sup>3</sup> Operating income is utilized by management to measure the profitability generated by the operations of the company. Includes discontinued operations of our aircraft leasing business and excludes net investment gain (loss), other than stable value product income. It also excludes OTTI, aircraft impairments/sales, gain on sale of our aircraft leasing business, and deferred policy acquisition cost amortization and adjustments related to variable annuity derivatives. For the year ended December 31, 2017, tax impacts related to the Tax Cuts and Jobs Act enacted on December 22, 2017 are excluded.



## Who We Are

**OUR MISSION** To provide financial security through products and services that stand the test of time.

**OUR VISION** To be the company of choice providing financial security and well-being through industry-leading innovation.

**OUR CORE VALUES** We live our core values each and every day. They define us and guide us.

**2020** WORLD'S MOST  
**ETHICAL**  
**COMPANIES**<sup>TM</sup>  
**WWW.ETHISPHERE.COM**

"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

## Core Values

**PEOPLE** We recognize our mission of helping clients achieve financial security can only be accomplished through our people. We invest in developing the talents and expertise of our employees and foster a work environment that is challenging, inclusive, collaborative, and results-oriented.

**ACCOUNTABILITY** We hold ourselves accountable by honoring our commitments, taking personal responsibility for our actions, and focusing on solutions.

**CUSTOMER FOCUS** We meet the needs of our clients by developing carefully designed products, services, and solutions, and treat each request from customers as an opportunity to meet or exceed their expectations.

**INTEGRITY** We do the right thing in all aspects of our business, demonstrating honesty, fairness, and respect.

**FINANCIAL STRENGTH** We believe financial strength is essential to fulfilling the needs of our clients. We manage our businesses with a long-term view, focusing on consistent growth, profitability, and effective capital management.

**INNOVATION** We actively seek out opportunities for new products, services, and creative solutions. We believe that innovation requires rigorous analysis, open-mindedness, and a clear understanding of the needs of our clients.

**COMMUNITY** We are active in our communities through involvement, volunteerism, and charitable giving.



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## Letter to Policyholders and Clients

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We have a lot to be proud of. We have a rich history of doing what's right for our policyholders throughout our 152-year history. We have one of the strongest reputations in the industry among financial professionals. We deliver high-quality products and service and are well positioned for a successful future.

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Pacific Life continues to evolve and position itself for the future, maintaining unquestioned financial strength in support of our financial promises. We remain steadfastly committed to understanding and serving our policyholders and clients, enabling them to be resilient in the event of the unexpected and empowering them with confidence at life's transitions. We continue to build powerful partnerships with financial professionals and distribution partners to provide access to our products in the ways they want.

Pacific Life is embracing the current environment in which consumers' preferences for how they would like to be served and how they would like to use technology are shifting. We are focusing our innovation skills on customer experiences as we work toward streamlining and enhancing our interactions with distributors and consumers.

### 2019 FINANCIAL REVIEW

Pacific Life recorded another strong financial performance in 2019, reporting a net income of \$725 million and growth in assets to \$171 billion. Results were driven by outstanding sales performance in each of our businesses and stellar investment performance. In June, Fitch Ratings upgraded Pacific Life's financial strength rating from A+ to AA-, recognizing our diversified product portfolio and strong capitalization. Pacific Life paid out more than \$2.7 billion in insurance and annuity benefits in 2019, continuing to meet the needs of policyholders when they needed us most.

The Life Insurance Division continues to have strong sales, and again finished the year ranked #1 in sales of indexed universal life insurance. While maintaining this industry-leading position in the affluent marketplace, the Life Insurance Division also accelerated its offerings within the broad market, growing distribution of its term life products through 79 distribution partners.

The Retirement Solutions Division finished with \$14 billion in sales, an increase of 10% from last year. With strong growth in all of our product lines, we also became the first carrier to offer a fixed annuity at TD Ameritrade and launched a variable annuity to independent registered investment advisors through Schwab Advisor Services.

The Institutional Division was formed at the end of the year. This new division structure allows Pacific Life to have a stronger focus and presence in the institutional markets, offering solutions for pension risk-transfer, stable value wrap, and federal home loan bank lending.

Our reinsurance subsidiary, Pacific Life Re, continued to expand its growth in the United Kingdom and its footprint throughout Asia and Australia. In 2019, Pacific Life Re partnered with Prudential Singapore to launch a digital solution, offering consumers instant underwriting decisions at the point of sale. The underwriting technology is powered by Pacific Life Re's subsidiary, UnderwriteMe.

Pacific Global Asset Management had a record year, as its fixed-income affiliate, Pacific Asset Management, crossed \$13 billion in assets under management while its investment team, Pacific Private Fund Advisors, reached \$2.9 billion in assets under management. Pacific Global launched Pacific Global US Equity Income ETF, a new actively-managed equity fund focused on income and capital appreciation.

In December, we completed the sale of Aviation Capital Group (ACG), our aircraft leasing subsidiary, to Tokyo Century Corporation. The sale of ACG allows Pacific Life to reinvest the proceeds in our core businesses and will help us provide a sharper focus on enhancing capabilities to better serve our policyholders.

## LOOKING FORWARD

The global coronavirus pandemic requires that our attention be on the here and now with a focus on the health and safety of our country, our communities, and our employees and their families, while we continue to serve our policyholders' financial security concerns which have never been more important. Know that Pacific Life has a long-term focus in all that we do, and that focus, together with our financial strength, will enable us to keep our commitments to you as policyholders.

While focusing on this current challenge, it is also a time when companies must invest significantly in their long-term futures. Pacific Life is investing in

a transformation effort called Horizon 2025 that will lay the foundation for our success in the coming years. We will build on our leading position in our chosen markets by expanding the products and services we offer. We are increasing resources in our digital capabilities to make our services state-of-the-art. This will allow streamlined interactions with financial professionals and enable customers access to our products and services in the ways that best meet their needs.

We thank you for your business and the opportunity to serve you. We hope that you and your family remain safe, healthy, and secure today and into the future.



**James T. Morris**  
*Chairman, President and Chief Executive Officer*

## NOTICE OF ANNUAL MEETING OF MEMBERS OF PACIFIC MUTUAL HOLDING COMPANY

The Pacific Mutual Holding Company Annual Meeting of Members (**Annual Meeting**) will be held on:

**Wednesday, May 20, 2020, at 11:30 a.m., Pacific Time,  
at 700 Newport Center Drive, Newport Beach, California 92660**

and is open to Pacific Life Insurance Company policyholders and contract holders as Members of Pacific Mutual Holding Company. The purpose of the Annual Meeting is the election of directors to the Pacific Mutual Holding Company Board of Directors and such other business as may properly come before the meeting.

We intend to hold the Annual Meeting in person. However, we are actively monitoring the coronavirus (COVID-19). We are sensitive to the health and well-being of our Members and the protocols that federal, state, and local governments may impose. In the event it is not possible or advisable to hold the Annual Meeting in person, we will announce alternative arrangements for the meeting. If you are planning to attend the meeting, please check our website at [www.PacificMutual.com](http://www.PacificMutual.com) ten (10) days prior to the meeting date.

**Jane M. Guon**  
*Vice President and Secretary*

# Business Highlights

**\$171B**

company assets

**1st**

indexed universal life and universal life insurance sales

**4th**

total life insurance sales

**2nd**

structured settlement sales

**390%**

increase in fixed annuity sales since 2010

**\$725M**

net income

**\$2.7B\***

insurance and annuity benefits paid in 2019

**\$1.1T**

life insurance in force

**298th**

FORTUNE 500® company by total revenue

**152**

years in business

**\$7M**

charitable contributions

\*Reflects the combined results of Pacific Life Insurance Company and its insurance subsidiaries on a statutory basis and primarily includes death and annuity benefits paid.

Life insurance rankings are from the 2019 Confidential Sales Survey of Participating Companies by LIMRA. Pacific Life Insurance Company sales are based on planned recurring premiums as measured against 77 participating companies. Annuity rankings from U.S. Individual Annuities Sales Survey by LIMRA, as of December 31, 2019. FORTUNE ranking as of June 2019 is of the top 500 U.S. firms by total revenue.

# Achievements

## SALES

- Celebrated 11<sup>th</sup> consecutive year as #1 carrier of indexed universal life insurance
- Achieved \$14 billion in retirement solutions sales, the highest in company history and more than double since 2010
- Doubled pension risk-transfer sales to over \$1.9 billion

## DISTRIBUTION

- Strengthened foothold as a top provider of term life insurance through the addition of 79 new distribution partners
- Launched fee-based advisory annuities with independent registered investment advisors (RIA) at Schwab Advisor Services, and more recently at TD Ameritrade, expanding distribution into the independent RIA market

## PRODUCTS/SERVICE

- Expanded our core market with the introduction of a new variable annuity optional benefit that offers downside protection with unlimited growth potential
- Awarded DALBAR Insurance Service Award for exemplary customer service for the 3<sup>rd</sup> consecutive year, and DALBAR Financial Intermediary Service Award for the 16<sup>th</sup> consecutive year, solidifying our commitment to providing outstanding customer service experiences



## INVESTMENTS

- Grew portfolio of fixed maturity securities to \$64.5 billion, maintaining focus on credit quality and highly competitive yields
- Continued strong performance of \$18.7 billion commercial mortgage loan and real estate equity portfolios, committing \$3.4 billion to new commercial mortgage loan and real estate equity investments



## SUBSIDIARIES

- Pacific Life Re completed the second largest longevity swap transaction in the United Kingdom, covering the longevity risk of £10 billion in pension liabilities
- Pacific Life Re's underwriting price comparison tool earned the highest automated underwriting systems satisfaction ratings awarded by United Kingdom and Ireland insurers, increasing the tool's market share to 40%
- Pacific Global Asset Management launched income-focused exchange-traded funds (ETFs) to its suite of investment strategies that deliver attractive dividend yields, capital growth, and diversification
- Completed the sale of Aviation Capital Group, Pacific Life's aircraft leasing subsidiary, to Tokyo Century Corporation, realizing significant gains from Pacific Life's initial investment in 1995

<sup>1</sup> Life & Health Reinsurance Programme 2019 by NMG Consulting

# Life Insurance Division

Our solutions for individuals, families, and businesses help them reach their goals of financial protection and supplemental retirement income through life insurance. We work with leading financial professionals to provide high-quality products and services for the diverse and evolving needs of their clients.



## EXPERTISE

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



## SOLUTIONS

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



## MARKETS

- Individuals and families
- Small businesses
- Corporations

“We aspire to be the company of choice for customers to protect their families, businesses, and financial legacies.”

**Dawn M. Trautman**  
Executive Vice President  
Life Insurance Division

# Retirement Solutions Division

We offer a broad and diversified range of products and solutions designed to help individuals and families achieve asset growth, guaranteed lifetime income, and long-term financial independence.



## EXPERTISE

- Retirement savings
- Retirement income
- Asset accumulation
- Asset allocation strategies



## SOLUTIONS

- Fixed annuities
- Variable annuities
- Structured settlement annuities
- Retirement plan annuities



## MARKETS

- Individuals
- Small businesses
- Retirement plans

“We are focused on delivering exceptional customer experiences and solutions to help ensure the financial security of our clients and fulfill their retirement goals.”

**Joseph E. Celentano**  
Executive Vice President  
Retirement Solutions Division



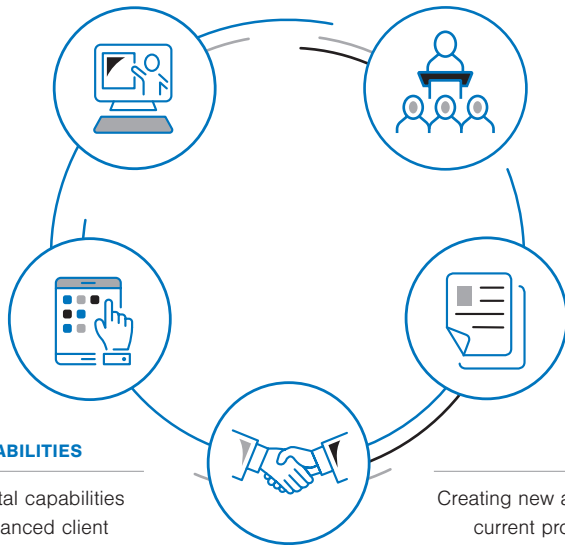
# Improving the Customer Experience

## CONSUMER EDUCATION

Founding member of the Alliance for Lifetime Income and its mission to educate Americans about the importance of protected lifetime income solutions

## TRAINING & EDUCATION

Continuous training and education to develop ourselves in order to keep up with changing market dynamics and demands



## DIGITAL CAPABILITIES

Elevating digital capabilities to deliver enhanced client experiences to our financial professionals and policyholders without sacrificing human interaction, connection and service

## PRODUCTS

Creating new and simplifying current product solutions to provide more value and flexibility to meet evolving consumer needs

## DISTRIBUTION CHANNELS

Building and strengthening powerful partnerships with financial professionals and distribution channels enabling consumers to access products in the ways they want

# Enhancing Policyholder Value



## THE PACIFIC PROMISE

A steadfast focus on our clients to provide exceptional customer service making it easy to do business with us

## 150+ YEARS OF SERVICE

Committed to creating innovative products and services that stand the test of time, providing value and financial security for current and future generations

## BENEFITS OF MUTUALITY

We exist for the benefit of our policyholders, providing value to more than

## FULFILLING OUR COMMITMENTS

In 2019, we paid a life insurance death benefit on a policy purchased in 1930, fulfilling a promise made to a customer 89 years ago. In total,

# 853,000

in-force members with a strong history of passing pricing improvements to existing policyholders

# \$2.7B

paid this year in insurance and annuity benefits





## Investments

### Positioning the company for the long term

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.

#### PRINCIPLES OF RESPONSIBLE INVESTING

Our mission is to deliver superior risk-adjusted investments that provide flexible, scalable, and value-added solutions to our clients. We strive to generate sustainable, long-term returns in a balanced, responsible manner. With this in mind, we acknowledge the evolving materiality of environmental, social, and governance factors (ESG) and are increasingly integrating them into our investment decision making. Investing responsibly ties to Pacific Life's Core Values of Accountability for our actions, Integrity to do the right thing, and making a positive impact on our Community.

As a long-term investor, we note that the success of our investments will increasingly be tied to the degree to which they reflect ESG principles. Future profitability, asset values, and creditworthiness are optimized by acting responsibly. We recognize that the integration of an ESG framework into our investment processes leads to more informed investment decisions. By doing so, we should ultimately experience higher sustainable portfolio returns in line with our responsibilities to our employees, policyowners, community, and other stakeholders.

#### DISTRIBUTION OF INVESTMENTS

Pacific Life invests in carefully selected securities, mortgage loans, real estate properties, and private equity. Pacific Life has an accomplished management team with experience in both positive and negative market environments. Our disciplined underwriting and diligent monitoring help ensure that we maintain portfolio quality over the long horizon.



Dollars in millions, December 31, 2019

- **\$64,452**  
Fixed Maturity Securities
- **\$16,388**  
Mortgage Loans
- **\$7,950**  
Policy Loans
- **\$2,290**  
Real Estate
- **\$1,584**  
Fair Value Option Securities
- **\$1,560**  
Private Equity
- **\$2,258**  
Other Investments

**QUALITY OF FIXED MATURITY SECURITIES**

Our fixed maturity portfolio holdings are very strong, with more than 96% of our fixed maturity securities rated as investment-grade by the Securities Valuation Office of the National Association of Insurance Commissioners (NAIC).



Dollars in millions, December 31, 2019

**INVESTMENT-GRADE**

**\$62,045**

- **\$29,377**  
NAIC 1  
*Highest Quality*
- **\$32,668**  
NAIC 2  
*High Quality*

**NON-INVESTMENT-GRADE**

**\$2,407**

- **\$1,759**  
NAIC 3  
*Medium Quality*
- **\$648**  
NAIC 4 – NAIC 6  
*Low Quality and Below*

**DISTRIBUTION OF REAL ESTATE INVESTMENTS**

Pacific Life emphasizes high-quality properties in select major metropolitan areas that exhibit strong economic trends.



Dollars in millions, December 31, 2019

- **\$6,210**  
Apartments
- **\$4,473**  
Office Buildings
- **\$4,282**  
Retail
- **\$1,790**  
Lodging
- **\$678**  
Credit Tenant Loans
- **\$1,245**  
Other

\*Includes variable interest entity assets of \$1.8 billion

# Corporate Social Responsibility

The power of corporate responsibility at Pacific Life allows us to make a positive contribution in the communities in which we do business, live, and grow.

**\$7M**

in cash contributions from Pacific Life and the Pacific Life Foundation, benefiting more than 470 nonprofits and schools

**\$1.7M**

in combined employee and Pacific Life Foundation contributions made through our Matching Gifts and United Way programs during 2019

**\$116M**

given to community nonprofits in the past 35 years

**75%**

of employees based in the U.S. engaged with at least one corporate responsibility program

**\$6.8B**

invested by Pacific Life in assets related to socially responsible efforts in underserved and low-income communities, as well as environmentally green efforts. We have also made commitments of an additional \$1.5 billion toward future investments. Investing responsibly ties to Pacific Life's core values of doing what's right.

Learn more at [www.PacificLife.com/ESG](http://www.PacificLife.com/ESG).



**\$15.5M**

donated to date to support the conservation of marine mammals and the health of our oceans, with \$500,000 awarded in 2019



**13,250**

total volunteer hours spent by 2,750 volunteers at 280 different community projects through our Pacific Life Good Guys employee volunteer program



**1,000**

underprivileged teens to gain financial literacy and college preparation over the next 10 years through University of California, Irvine's Pacific Life LIFEvest program

# Our Privacy Promise

## CUSTOMERS, PROSPECTIVE CUSTOMERS, AND RELATED PARTIES

We do not sell information about you.

We do not share your information with anyone for their marketing purposes.

We only use your personal information to help maintain and grow the business relationship you have with us.

## PRIVACY NOTICE TO OUR CUSTOMERS, PROSPECTIVE CUSTOMERS, AND RELATED PARTIES

As our customer or prospective customer, you have entrusted us to help you achieve your unique financial life goals. You may also be an individual designated by a customer or prospective customer as a related party, for example, a beneficiary. We are providing this privacy notice to assist you in understanding the types of personal information we may collect, where we receive it, how we use it, and how we protect the privacy of the personal information you share with us.

## WHAT PERSONAL INFORMATION DO WE COLLECT, WHERE DO WE GET IT, AND WHY DO WE COLLECT IT?

Most of the personal information we collect is obtained from you, with your consent, or from one of our customers. We collect personal information needed to service and manage your relationship with us. The type of information that we collect depends on the type of product or service you request, and includes:

- Information you provide on an application or other form (for example, name, address, social security number, or income);

- Information we get from other sources such as credit reporting agencies and information to verify employment or income;
- Information about your business relationship and history with us;
- Medical or health information you permit us to receive from doctors or other health care providers.

The primary use of your information is to confirm your identity and to underwrite policies or contracts, process claims, and service your relationship with us. Pacific Life will provide you an updated notice if the types of personal information we collect, or use, is materially different, unrelated, or incompatible with this notice.

## HOW DO WE USE AND DISCLOSE YOUR INFORMATION?

We may share information within our corporate family to service and grow the business relationship we have with you. Additionally, we may provide information to individuals and entities with whom you authorize us to share such information. If necessary, we disclose information when it is required by law, for example, a filing to the Internal Revenue Service (such as Form 1099). We may also disclose certain information to other entities to help us report or prevent fraud, including reports to regulatory or law enforcement agencies. We do not share medical or health information among our family of companies or with unrelated companies, except as needed to maintain and process your transactions.

Pacific Life may disclose your personal information to a third party for a business purpose. When we disclose personal

information for a business purpose, we require the recipient to keep that personal information confidential and not use it for any purpose except performing the service. Categories of third parties that may be given access to your personal information include:

- Consultants and contractors (e.g., external auditors)
- Financial services professionals
- Software service providers
- Attorneys and other legal professionals
- Cloud service providers
- Regulatory agencies
- Third party administrators

## HOW DO WE PROTECT THE SECURITY OF YOUR INFORMATION?

We have policies that maintain the physical, electronic, and procedural safeguards to protect the confidentiality of your personal information. Access to your personal information is limited to those who need to know it to help service our relationship with you. Should your relationship with us end, we will continue to follow the privacy policies described in this notice to the extent that we retain information about you. If we no longer need to retain that information, we will dispose of it in a secure manner.

## DO YOU NEED TO DO ANYTHING?

It is not necessary for you to take any action. This is because we do not share your information except to service and grow the business relationship you have with us. You do not need to “opt-out” or “opt-in” as you may have done with other financial companies because we do not sell your information.

## YOU MAY REQUEST YOUR INFORMATION

You may request what information Pacific Life has collected about you and its purpose. We will provide a response once we receive and confirm your request. Your request must provide sufficient information to allow us to reasonably verify your identity. You do not need to create an account to request your information.

For more information about submitting a request, please use one of the following methods:

- Call us at **877-722-7848**, or
- Visit <https://www.pacificlife.com/home/privacy-and-other-policies/your-personal-information.html>

## CONFIDENTIALITY PRACTICES FOR VICTIMS OF DOMESTIC VIOLENCE OR ABUSE

Pacific Life understands that certain personal information may require special handling. This may be especially true in instances where an individual is, or has been, a victim of domestic violence or abuse. This information may include the individual's address, telephone number, name and place of employment, and other contact or location information.

If you are a Pacific Life applicant, policyowner, insured or beneficiary, who is a victim of domestic violence or other abuse, and would like Pacific Life to take steps to further safeguard your information from others or need to remove a previously submitted request, our Customer Service Representatives are available to assist you.

- For Life Insurance policies that have policy numbers beginning with “2L”, please call **844-276-0193** from 9:00AM - 8:00PM ET
- For all other Life Insurance policies, please call **800-347-7787** from 5:00AM - 5:00PM PT
- For Annuity Contracts, please call **800-722-4448**, from 6:00AM - 5:00PM PT

Pacific Life, as referred to in this notice, means **Pacific Life Insurance Company** and its affiliates and subsidiaries, including, but not limited to, **Pacific Life & Annuity Company**, and **Pacific Select Distributors, LLC**.

## RESIDENTS OF CALIFORNIA

Please visit our Privacy Promise online at <https://www.pacificlife.com/home/privacy-and-other-policies/our-privacy-promise.html> for more information.

# Statement of Management's Responsibility

## Pacific Mutual Holding Company and Subsidiaries

The management of Pacific Mutual Holding Company and subsidiaries (the Company) assumes responsibility for the preparation of the Company's financial information. This responsibility includes maintaining the integrity and objectivity of all such information. The financial information includes amounts that are based on management's best estimates and judgments.

The Company is committed to maintaining internal controls that provide reasonable assurance that assets are safeguarded and that transactions are properly executed and recorded in accordance with management's authorization. Internal controls are supported by appropriate divisions of responsibilities and separation of duties, specified delegations of authority, established policies and procedures that are clearly communicated, including a code of business conduct to foster a strong ethical climate, and the careful selection, training, and development of employees. A website and toll free phone line administered by a third party are available to all employees to anonymously report suspected misconduct by an employee or third party. An internal audit department independently assesses the effectiveness and efficiency of risk management, internal controls and governance processes and recommends possible improvements thereto. Management considers the recommendations of the internal auditors and takes appropriate actions to respond to these recommendations.

The Board of Directors of Pacific Mutual Holding Company has an audit committee composed entirely of external, independent directors who meet regularly with management, the internal auditors, and the independent auditors. Both the internal auditors and the independent auditors have direct access to and meet with the audit committee on a regular basis, without management representatives present, to discuss the scope and results of their audits, their views on the adequacy of internal controls, and the quality of financial reporting.

Finally, management also maintains policies to encourage a climate in which the Company's affairs are conducted in accordance with the highest standards of personal and professional conduct.

**James T. Morris**  
Chairman, President and  
Chief Executive Officer

**Darryl D. Button**  
Executive Vice President and  
Chief Financial Officer

# Directors

**Darryl D. Button** <sup>2,3</sup>  
Executive Vice President and  
Chief Financial Officer  
Pacific Life Insurance Company

**Mariann Byerwalter** <sup>1</sup>  
Chairman Emeritus  
SRI International

**Sharon A. Cheever** <sup>2,3</sup>  
Senior Vice President and  
General Counsel  
Pacific Life Insurance Company

**Dwight W. Decker** <sup>1</sup>  
Retired Chairman and  
Chief Executive Officer  
Conexant Systems, Inc.

**Christopher D. Furman** <sup>1</sup>  
President and  
Chief Executive Officer  
Ventura Foods, LLC

**Julia S. Gouw** <sup>1</sup>  
Retired President and  
Chief Operating Officer  
East West Bank

**Adrian S. Griggs** <sup>2,3</sup>  
Executive Vice President and  
Chief Operating Officer  
Pacific Life Insurance Company

**Lawrence F. Harr** <sup>3</sup>  
Partner  
Lamson, Dugan & Murray, LLP

**James T. Morris** <sup>1,2,3</sup>  
Chairman, President and  
Chief Executive Officer  
Pacific Life Insurance Company

**J. Michael Shepherd** <sup>1</sup>  
Chairman  
Bank of the West

**Scott D. Stowell** <sup>1</sup>  
Chief Executive Officer  
Capital Thirteen, LLC

**Carol R. Sudbeck** <sup>2</sup>  
Executive Vice President and  
Chief Administrative Officer  
Pacific Life Insurance Company

**Peter J. Taylor** <sup>1</sup>  
President  
ECMC Foundation

**Kerry L. Williams** <sup>1</sup>  
Chief Operating Officer  
Experian

**Dean A. Yoost** <sup>1</sup>  
Retired Partner  
PricewaterhouseCoopers

<sup>1</sup> Director of Pacific Mutual Holding Company; <sup>2</sup> Director of Pacific LifeCorp; <sup>3</sup> Director of Pacific Life Insurance Company

## Leadership

### CORPORATE

**James Morris\***  
Chairman, President and  
Chief Executive Officer

**Darryl Button\***  
Executive Vice President and  
Chief Financial Officer

**Adrian Griggs\***  
Executive Vice President and  
Chief Operating Officer

**Carol Sudbeck\***  
Executive Vice President and  
Chief Administrative Officer

**Edward Byrd**  
Senior Vice President and  
Chief Accounting Officer

**Sharon Cheever\***  
Senior Vice President and  
General Counsel

**Kim Cunningham**  
Senior Vice President,  
Human Resources

**Thomas Gibbons**  
Senior Vice President,  
Corporate Strategy,  
Development, and Treasury

**Howard Hirakawa**  
Senior Vice President,  
Investment Advisor Operations

**Tod Nasser**  
Senior Vice President,  
Investment Management

**Tony Premer**  
Senior Vice President,  
Real Estate Investments

**Joshua Scott**  
Senior Vice President,  
Head of Financial  
Management

**Michael Shadler**  
Senior Vice President and  
Chief Information Officer

### LIFE INSURANCE DIVISION

**Dawn Trautman\***  
Executive Vice President

**Mary Bahna-Nolan**  
Senior Vice President,  
Head of Product Innovation  
and Strategy

**Greg Reber**  
Senior Vice President and  
Chief Distribution Officer

**John Dieck**  
Senior Vice President,  
Chief Financial Officer and  
Pacific Life Chief Risk Officer

**Tim Shaheen**  
Senior Vice President,  
Technology, Strategy and  
Innovation

### RETIREMENT SOLUTIONS DIVISION

**Joseph Celentano\***  
Executive Vice President

**Laurie Fitzgerald**  
Senior Vice President and  
Chief Financial Officer

**Lorene Gordon**  
Senior Vice President,  
Chief Operations and  
Program Management Officer

### INSTITUTIONAL DIVISION

**Brian Woolfolk**  
Senior Vice President,  
Head of Institutional Division

### PACIFIC LIFE RE

**David Howell**  
Chief Executive Officer

**Duncan Hayward**  
Chief Financial Officer

**Andrew Gill**  
Managing Director,  
Australia & Asia

**Darren Spriggs**  
Managing Director, Europe

**Robert Diefenbacher**  
Senior Vice President,  
Life Reinsurance,  
North America

### PACIFIC GLOBAL ASSET MANAGEMENT

**Kevin Byrne**  
Chief Executive Officer

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Lynchburg, VA 24504

### Pacific Life Insurance Company

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(949) 219-3011  
Email: [Info@PacificLife.com](mailto:Info@PacificLife.com)  
[www.PacificLife.com](http://www.PacificLife.com)

### Institutional Division

(877) 536-4382, option 1  
(949) 219-4487

### Life Insurance Division

(800) 347-7787, ext. 6000  
(949) 420-6000

### Retirement Solutions Division

(800) 722-4448

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#### Pacific Life Re Limited

+44 (0)20 7709 1700  
[www.PacificLifeRe.com](http://www.PacificLifeRe.com)

#### Pacific Global Asset Management LLC

(877) 655-7372  
[www.PacificGlobalAsset.com](http://www.PacificGlobalAsset.com)

\*Member of Pacific Life Management Committee

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 financial strength ratings, please visit us online at [www.PacificLife.com/ratings](http://www.PacificLife.com/ratings).

To view a copy of Pacific Mutual Holding Company's 2019 audited GAAP consolidated financial statements, please visit [www.PacificLife.com/financials](http://www.PacificLife.com/financials).



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