Life Insurer Investment Profile

Investment Exposures as of September 30, 2008 (unless otherwise indicated)

The following table offers a representative sample of life insurance companies and is based on data as of the end of the third quarter 2008. These carriers may or may not do business in all states.

Company	Investment Exposures as a Percent of Insurance Company Surplus[1]					
	Mortgage Loans	Non-Investment-Grade Bonds	Other Mortgage / Asset-Backed Securities[3]	9-Month Change In Surplus	9-Month Capital Gains (Losses) as a % of 2007 Surplus	Net Total Return on Invested Assets, 9 Months 2008
ALIRT Life Composite [2]	*118%*	*47%*	*127%*	*-10.4%*	*-21.3%*	*2.6%*
Pacific Life Insurance Company	**133%**	**27%**	**76%**	**0.4%**	**2.3%**	**7.5%**
Allianz Life of N. America	178%	26%	490%	0.9%	-43.3%	2.2%
American Gen'l Life, TX	43%	39%	29%	-16.5%	-138.4%	-20.1%
Aviva Life & Annuity Co.	121%	147%	87%	-24.4%	-28.9%	1.2%
Axa Equitable Life Ins. Co.	76%	12%	49%	-38.2%	-37.2%	0.8%
Genworth Life & Annuity	126%	45%	123%	26.4%	-10.8%	3.4%
Genworth Life Ins. Co.	135%	38%	136%	-0.5%	-13.6%	3.1%
Hartford Life & Annuity	22%	7%	95%	-1.7%	3.5%	5.8%
John Hancock Life (USA)	112%	12%	39%	12.8%	-6.6%	4.9%
Life Ins. Co. of the SW	210%	74%	23%	-3.7%	-8.0%	1.7%
Lincoln National Life	133%	56%	87%	-9.9%	-12.2%	4.2%
Mass. Mutual Life	132%	38%	69%	-3.9%	-16.3%	4.1%
MetLife Investors USA	90%	43%	74%	-33.3%	-6.4%	3.7%
Metropolitan Life Ins. Co.	266%	68%	111%	-7.5%	-9.2%	5.0%
Midland National Life	18%	91%	315%	-3.3%	-4.5%	3.1%
Minnesota Life Ins. Co.	71%	12%	109%	-12.0%	-11.0%	2.6%
National Life Ins. Co., VT	90%	22%	11%	-1.5%	-3.8%	5.3%
Nationwide Life Ins. Co.	282%	71%	92%	-21.2%	-26.4%	2.5%
New York Life Ins. & Ann.	174%	118%	289%	-2.4%	-3.7%	5.2%
Northwestern Mutual Life	147%	61%	135%	-10.1%	-17.0%	3.4%
OM Financial Life, MD	0%	42%	354%	-15.5%	-90.5%	0.5%
Penn Mutual Life	0%	13%	144%	2.3%	-1.2%	5.6%
Phoenix Life Ins. Co.	1%	99%	180%	-19.0%	-19.0%	4.3%
Principal Life Ins. Co.	225%	56%	214%	1.4%	-9.7%	4.7%
Protective Life Ins. Co.	73%	53%	90%	-0.2%	-8.8%	4.1%
Pruco Life Ins. Co., AZ	118%	73%	119%	-27.9%	-3.9%	4.7%
Prudential Ins. Co. of Amer.	299%	174%	192%	-34.7%	-28.4%	3.3%
ReliaStar Life, MN	119%	35%	119%	-13.3%	-13.3%	2.5%
Riversource Life, MN	119%	61%	105%	-30.2%	-9.9%	4.5%
Security Life of Denver	144%	45%	343%	-11.4%	-10.0%	4.0%
Sun Life of Canada (U.S.)	111%	46%	281%	-10.1%	-41.8%	-1.1%
Transamerica Life Ins. Co.	198%	91%	201%	-4.0%	-0.7%	5.1%
Transamerica Occidental	109%	25%	75%	-8.8%	2.4%	5.6%
Western Reserve Life	4%	8%	40%	7.1%	0.5%	4.8%

For Producer Use Only. Not For Use With Clients.

[1]Surplus is the difference between a company's assets and liabilities. It measures the cushion a company has in the event of a decline in asset values and is the sum of statutory surplus, Asset Valuation Reserve (AVR), and Interest Maintenance Reserve (IMR).

[2]The ALIRT Life Composite is the average of the 100 largest life insurance companies ranked by invested assets.

[3]Other Mortgage-Backed/Asset-Backed Securities as of 12/31/2007 (financials not provided quarterly).

The factors above are important components in determining the financial well-being of a life insurance company. They are, however, in and of themselves insufficient to fully evaluate the health of a company. Other factors, such as financial ratings from A.M. Best, Moody's, Standard & Poor's and Fitch should also be taken into consideration when evaluating a life insurance company.   Pacific Life is shown in bold. Producers should be aware that life insurance illustrations do not directly reflect the long term impact of these factors on policy performance.

MORTGAGE LOANS--This includes all mortgage loans on real estate held by a life insurance company, including first liens and other liens. A high percentage in this column does not necessarily reflect a higher relative level of risk, as the quality and type of mortgages can vary widely.

BELOW INVESTMENT GRADE BONDS--This includes all bonds held by a life insurance company with credit ratings below BBB-; these are classified in NAIC Classes 3, 4, 5, and 6. A higher percentage here does not necessarily reflect a higher relative level of risk, as the quality and type of these bonds can vary widely.

OTHER ASSET-BACKED / MORTGAGE BACKED SECURITIES--Companies are required to break out their bond portfolio by bond type only in the annual statutory statement, therefore such information is not available on a quarterly basis. In addition, the summary breakouts differentiate bonds into "traditional" bonds, pass through mortgage-backed securities, collateralized mortgage obligations (CMOs), and other asset-backed securities. The other asset-backed security column typically includes the majority of subprime and Alt-A Residential Mortgage-Backed Securities (RMBS) holdings, as well as Commercial Mortgage-Backed Securities (CMBS), securities backed by auto loans, student loans, credit card receivables, etc.

9-MONTH CHANGE IN SURPLUS--The percent change in surplus from the end of 2007 to the end of third quarter 2008.

9-MONTH CAPITAL GAINS (LOSSES) AS A PERCENT OF 2007 SURPLUS--This includes both realized capital gains/losses and unrealized gains/losses (calculated on a statutory basis). Realized gains and losses arise from the sale of investments. Such gains/losses flow through the insurer's income statement. Unrealized gains and losses reflect changes in the value of investments owned. These changes adjust surplus up or down every reporting period. The formula also includes the change in unrealized foreign exchange gains plus the realized capital gains transferred to IMR, all expressed as a percent of year-end 2007's surplus.

NET TOTAL RETURN ON INVESTED ASSETS, 9 MONTHS 2008--A sum of net investment income and realized and unrealized capital gains/losses (statutory) as a percent of invested assets through the end of the third quarter, 2008.

Pacific Life Insurance Company is licensed to issue individual life insurance and annuity products in all states except New York. Product availability and features may vary by state. Pacific Life Insurance Company's individual life insurance products are marketed exclusively through independent third-party producers, which may include bank-affiliated entities. Product and rider guarantees are backed by the financial strength and claims-paying ability of Pacific Life.

Pacific Life Insurance Company
Life Insurance Division Address:
45 Enterprise
Aliso Viejo, CA 92656