Pacific Life Global Funding II
$15,000,000,000
Global Debt Issuance Program

This Offering Memorandum supplement dated September 9, 2020 (this "**Supplement**") is supplemental to and must be read in conjunction with the Offering Memorandum dated June 10, 2020 (the "**Offering Memorandum**") prepared by Pacific Life Global Funding II, a special purpose statutory trust organized in series and formed under the laws of the State of Delaware (the "**Issuer**"), under the Issuer's global debt issuance program (the "**Program**") for the issuance of senior secured medium-term notes (the "**Notes**") as further described in the Offering Memorandum. Capitalized terms used herein and not otherwise defined shall have the meanings of such terms set forth in the Offering Memorandum.

This Supplement constitutes a base listing particulars supplement for the purposes of listing on Euronext Dublin's Official List and trading on the Global Exchange Market and has been approved by Euronext Dublin. References herein to this document are to this Supplement, incorporating Annex A hereto.

On August 14, 2020, Pacific Life Insurance Company, a stock life insurance company domiciled in Nebraska ("**Pacific Life**"), published its statutory unaudited financial statements as of June 30, 2020 and for the six months ended June 30, 2020 and 2019 (the "**Second Quarterly Statement**"), attached hereto as Annex A, and on September 9, 2020 made available Pacific Life's Summary Statutory Financial Information included herein (the "**Second Quarter Financial Information**").

Except as disclosed in this Supplement, no significant change and no significant new matter relating to the information included in the Offering Memorandum has arisen since the publication of the Offering Memorandum.

Where there is any inconsistency between this Supplement and the Offering Memorandum, the language used in this Supplement shall prevail.

Each of the Issuer and Pacific Life accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and Pacific Life (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Offering Memorandum Supplement dated September 9, 2020

PRESENTATION OF FINANCIAL INFORMATION

The financial information contained in this Supplement is based on the Second Quarterly Statement, attached as Annex A hereto.

The Second Quarterly Statement was prepared in conformity with the statutory accounting principles ("**NE SAP**") prescribed or permitted by the Nebraska Department of Insurance (the "**Nebraska Department**"). NE SAP differs in certain respects, which in some cases may be material, from U.S. generally accepted accounting principles ("**U.S. GAAP**"). *See* Note 1 to the Second Quarterly Statement.

NE SAP also differs in certain respects from international financial reporting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No. 1606/2002 ("**IFRS**") and there may be material differences in the financial information had IFRS been applied.

FORWARD-LOOKING STATEMENTS

This Supplement may contain information that includes or is based upon forward-looking statements that are intended to enhance the reader's ability to assess Pacific Life's future financial and business performance. These statements appear in a number of places throughout this Supplement and include statements regarding Pacific Life's intentions, beliefs, assumptions or current expectations concerning, among other things, financial position, results of operations, cash flows, prospects, growth strategies or expectations, customer retention, the potential future response or responses to the pandemic caused by the spread of the novel coronavirus COVID-19 ("**COVID-19**") and any related contagious disease or pandemic, the outcome (by judgment or settlement) and costs of legal, administrative or regulatory proceedings, investigations or inspections, including collective, representative or class action litigation, and the impact of prevailing economic conditions. Forward-looking statements are based on the beliefs and assumptions of Pacific Life's management and are subject to risks and uncertainties. Generally, statements that are not about historical facts, including statements concerning Pacific Life's possible or assumed future actions or results of operations, are forward looking statements. Forward looking statements include, but are not limited to, statements that represent Pacific Life's beliefs concerning future operations, strategies, financial results or other developments, and contain words and phrases such as "may," "believes," "intends," "anticipates," "plans," "estimates," "expects," "should" or similar expressions.

RECENT DEVELOPMENTS

Starting from early 2020 the COVID-19 pandemic has negatively impacted the United States and world economies. Uncertainty regarding the spread of COVID-19 and its impact on the United States and world economies has resulted in volatility and disruption in the financial markets, which may continue. The extent of this impact on Pacific Life is continuously evolving and will depend on future developments, including the severity, duration and frequency of any new "waves" of the pandemic or the timetable for the development and implementation, and the efficacy, of any therapeutic treatments or vaccines for COVID-19, which are highly uncertain and cannot be estimated as of the date of this Supplement. Pacific Life continues to monitor and respond to the COVID-19 pandemic and related federal, state and local governmental action and regulation, and focus its response on its first priority of the health and safety of Pacific Life's employees, business partners and the public. In response to COVID-19, Pacific Life has modified its operations and policies to implement work from home for the majority of its workforce, increased sanitization measures at facilities where a small number of its employees and third parties are working, implemented health screenings for those working in its facilities and is providing supportive health, wellness and workplace equipment benefits and programs. Pacific Life continues to plan for further impacts to its business that may arise as a result of COVID-19, as well as evaluate its operating models to adapt to the evolving environment. Additionally, Pacific Life has and seeks to continue to expand its electronic business capabilities for its policyholders and business partners. Further, Pacific Life seeks to leverage its strong risk management framework to assess potential financial impacts of COVID-19. Fluctuations in interest rates and equity markets have, to date, had the most significant effect on Pacific Life's financial condition and results of operations and have in some cases resulted in certain adjustments in its product lines. The COVID-19 pandemic has increased, and may continue to increase, claims under many of Pacific Life's policies and related expenses. However, as of the date of this Supplement, the increase in claims due to the COVID-19 pandemic has been insignificant. The indirect long-term financial impact from the COVID-19 pandemic on Pacific Life's total statutory capital is uncertain at this time. To date, there has not been any materially adverse financial impact on total statutory capital from Pacific Life's investment portfolios, including mortgage loans and mortgage backed securities. Pacific Life continues to monitor the status of its investment portfolios very closely. Interest rate changes in March 2020 due to the COVID-19 pandemic have not had a material adverse impact on Pacific Life's statutory capital to date. However, prolonged low interest rates could materially impact Pacific Life's statutory capital over time through downward pressure on investment yields. Pacific Life continues to actively monitor direct and indirect impacts of the COVID-19 pandemic on its business, especially in relation to its investment portfolio and claims activity. At this time, Pacific Life is unable to predict how long the COVID-19 pandemic and its impact will persist, what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on its business. *See* "Risk Factors—Risk Factors Related to Pacific Life—The course of the COVID-19 pandemic, and responses to it, are uncertain and difficult to predict, and could materially and adversely affect Pacific Life's business, results of operations, and financial condition" in the Offering Memorandum and Note 22 to the Second Quarterly Statement included in this Supplement.

In August 2020, Sharon A. Cheever announced her retirement effective December 31, 2020 and Pacific Life announced that Jay Orlandi will be the successor General Counsel. Mr. Orlandi has been with Transamerica for 15 years (2005 to 2020), where his current role is Executive Vice President and Chief Operating Officer.

BUSINESS

Pacific Life launched a $5 billion funding agreement-backed commercial paper ("**FABCP**") program on June 30, 2020 through a special-purpose, unaffiliated limited liability company. The limited liability company issues commercial paper from time to time and uses the net proceeds from each sale to make a deposit under the associated funding agreement from Pacific Life. As of June 30, 2020, Pacific Life's FABCP funding agreement had no deposits.

RISK FACTORS

The following Risk Factor amends and restates in its entirety the Risk Factor entitled "Changes to comply with potential laws or regulations which impose fiduciary or best interest standards similar to the now-vacated U.S. Department of Labor ("DOL") Fiduciary Rule in connection with the sale of Pacific Life's products could materially increase its costs, decrease its sales and otherwise have a material adverse effect on its business" in the Offering Memorandum.

Risk Factors Related to Pacific Life

Changes to comply with new and potential laws or regulations which impose fiduciary or best interest standards in connection with the sale of Pacific Life's products could materially increase its costs, decrease its sales and otherwise have a material adverse effect on its business.

Regulators continue to propose or adopt fiduciary rules, best interest standards and other similar laws and regulations applicable to the sale of annuity and life insurance products. These rules, standards, laws and regulations generally require financial professionals providing investment recommendations to act in the client's best interest, which generally requires the adviser to put the client's interest ahead of their own interest. Pacific Life faces uncertainty regarding the adoption of these rules and regulations, including that the Securities and Exchange Commission (the "**SEC**"), U.S. Department of Labor ("**DOL**") and securities or state insurance departments may adopt potentially conflicting or overlapping standards.

For example, on June 29, 2020, the DOL announced new regulatory action (the "**Fiduciary Advice Rule**") that will expand the scope of what constitutes fiduciary "investment advice" to plans subject to Title I of ERISA ("**ERISA Plans**") and individual retirement annuities ("**IRAs**") and provides interpretive guidance concerning the regulation. The guidance provided by the DOL broadens the circumstances under which financial institutions, including insurance companies, could be considered fiduciaries under ERISA or the Code. In particular, the DOL states that a recommendation to "rollover" assets from a qualified retirement plan to an IRA, or from an IRA to another IRA, can be considered fiduciary investment advice if provided by someone with an existing relationship with the ERISA Plan or an IRA owner (or in anticipation of establishing such a relationship). This guidance reverses an earlier

DOL interpretation suggesting that rollover advice did not constitute investment advice giving rise to a fiduciary relationship.

Under the Fiduciary Advice Rule, individuals or entities providing such advice would be considered fiduciaries under ERISA or the Code, as applicable, and would therefore be required to act in the best interest of ERISA Plan participants or IRA beneficiaries, or risk exposure to fiduciary liability with respect to their advice. They would further be prohibited from receiving compensation for this advice, unless an exemption applied.

In connection with the Fiduciary Advice Rule, the DOL also issued a proposed exemption that would allow fiduciaries to receive compensation in connection with providing investment advice, including advice about rollovers, that would otherwise be prohibited as a result of their fiduciary relationship to the ERISA Plan or IRA. In order to be eligible for the exemption, the investment advice fiduciary would be required, among other conditions, to acknowledge its fiduciary status, refrain from putting its own interests ahead of the plan beneficiaries' interests or making material misleading statements, act in accordance with ERISA's "prudent person" standard of care, and receive no more than reasonable compensation for the advice.

In addition, the DOL has issued an amendment repealing the provisions of its previous fiduciary rule, which was promulgated in 2016 and vacated in 2018. The amendment has also restored certain other prohibited transaction exemptions ("**PTEs**") to their pre-2016 forms, including PTE 84-24, which provides relief, among other things, for receipt of commissions by insurance agents, broker-dealers, and others in connection with the sale of insurance and annuity contracts. Such exemptions may provide further relief in connection with the provision of fiduciary advice in the context of sales of insurance products.

Unlike the DOL's previous fiduciary rule issued in 2016, compliance with the Fiduciary Advice Rule will not require Pacific Life or its distributors to provide the voluminous disclosures required for exemptive relief under the previous rule. However, Pacific Life continues to analyze the impact of the Fiduciary Advice Rule, and, while Pacific Life cannot predict the rule's impact, it could have an adverse effect on sales of annuity products through Pacific Life's independent distribution partners, as a significant portion of its annuity sales are to IRAs. The Fiduciary Advice Rule may also lead to changes to Pacific Life's compensation practices and product offerings and increased litigation risk, which could adversely affect its results of operations and financial condition. Pacific Life may also need to take certain additional actions in order to comply with, or assist its distributors in their compliance with, the Fiduciary Advice Rule.

On June 5, 2019, the SEC adopted a package of rules and interpretations designed to enhance the quality and transparency of the duties owed by broker-dealers to retail customers and to reaffirm, and in some cases clarify, certain aspects of an investment adviser's fiduciary duty under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Included in this package was the new Regulation Best Interest, which, as of June 30, 2020, requires broker-dealers to act in the best interest of retail customers (as defined in the rule), without placing the interests of the broker-dealer ahead of the interests of the retail customer, when making recommendations regarding securities transactions or investment strategies (including account recommendations). Investment advisors and broker-dealers serving retail customers are now also required to provide enhanced disclosures through the new Form CRS, which provides disclosures about standard of conduct and conflicts of interest. On September 10, 2019, seven states and the District of Columbia filed suit against the SEC, arguing that Regulation Best Interest should have included a full fiduciary duty standard and that the SEC exceeded its statutory authority in violation of the Administrative Procedure Act by issuing the final rule, but in June 2020, the suit was dismissed by the U.S. Second Circuit Court of Appeals and Regulation Best Interest was upheld.

Regulation Best Interest and other potential fiduciary rules may fundamentally change the way financial advisors, agents, and financial institutions do business. These rules may impact the way in which Pacific Life's products are marketed and offered by its distribution partners, which could have an impact on customer demand, impact the margins Pacific Life makes on its products or increase compliance costs and burdens.

Certain states, for example Maryland, Massachusetts, Nevada, New Jersey and New York, have proposed and/or adopted laws or regulations that would impose fiduciary duties on certain broker-dealers and investment advisers. On March 6, 2020, the Massachusetts Securities Division adopted its own fiduciary rule for broker-dealers and their agents conducting business into and/or from Massachusetts and covering recommendations concerning securities, investment strategies and account types. The Massachusetts rule does not explicitly apply to advice on commodities or insurance products. Enforcement of the new rule went into effect September 1, 2020. The Massachusetts rule applies a "fiduciary" obligation to broker-dealers rather than the "best interest" standard contained in Regulation Best Interest; the Massachusetts rule requires that certain conflicts be eliminated or mitigated which Regulation Best Interest would address through disclosure; and the Massachusetts rule exempts from its coverage "institutional investors" under definitions different from the definitions of "retail customers" and "non-retail customers" in Regulation Best Interest. Other states, including Nevada, New Jersey, and Maryland, are also considering adopting their own, different fiduciary standards for broker-dealers. On February 13, 2020, the Executive and Plenary Committees of the NAIC adopted revisions to the NAIC's Suitability in Annuity Transactions Model Regulation ("**Model Reg**") to better align the state standards governing the standard of care of annuity producers with the SEC's Regulation Best Interest. State adoption of these revisions, and any future changes in such laws and regulations, could adversely impact the way Pacific Life markets and sells its annuity products.

SEC's Regulation Best Interest may further change the way broker-dealers sell securities, such as variable annuities ("**VAs**"), to customers. Such regulations may have more expansive application than the DOL's Fiduciary Advice Rule, which is applicable to sales of annuities to ERISA Plans and IRAs only, because it would apply to non-retirement assets as well. For example, Regulation Best Interest would apply to broker-dealer sales of securities such as VAs to all retail customers. Moreover, Pacific Life believes the rule would impact sales of other annuity products that are not securities even if it is limited in application to sales of securities such as VAs because it could be difficult for distributors to segregate their sales processes (*i.e.*, apply the same policies and procedures to both fixed annuities ("**FAs**") and VAs), and because the rule applies to recommendations that an investor sell securities in order to fund the purchase of non-securities products.

These or other actions by the SEC, the DOL, state securities and insurance departments or other regulators to impose a fiduciary or best interest standard on insurance market participants may result in differing and potentially conflicting laws and regulations. While it remains uncertain what impact these rules and potential rules would have on Pacific Life's annuity products and other businesses, Pacific Life could experience a material decline in sales of products, such as VAs and fixed index annuities. Regulators in enforcement actions and plaintiffs' attorneys in litigation could also find it easier to attempt to extend fiduciary status to, or to claim fiduciary or contractual breach by, financial professionals who would not be deemed fiduciaries under current regulations. Such laws and regulations may have a material adverse impact on the industry and on Pacific Life's business.

The following Risk Factor is added at the end of the section titled "Risk Factors—Risk Factors Related to Pacific Life" in the Offering Memorandum.

Risk Factors Related to Pacific Life

Changes in the method pursuant to which LIBOR rates are determined and potential phasing out of LIBOR after 2021, or changes to other "benchmarks," may adversely affect Pacific Life's investment portfolio or other floating rate instruments, including derivative instruments, and certain liabilities.

LIBOR is deemed to be a "benchmark" and is the subject of ongoing national and international regulatory scrutiny and reform. Some of these reforms are already effective, while others are still to be implemented or formulated. For example, on July 27, 2017, the U.K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. Such announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The Alternative Reference Rate Committee of the New York office of the Board of Governors of the Federal Reserve, and the International Swaps and Derivatives Association, have taken significant steps toward the development of consensus-based fallbacks and alternatives to LIBOR. The fallback proposals are intended to minimize disruptions if LIBOR is no longer usable. In addition, the International Swaps and Derivatives Association is amending its standard documentation to implement fallbacks for certain key interbank offered rates ("**IBORs**"). The fallbacks will apply if the relevant IBOR is permanently discontinued, based on defined triggers. There can be no assurance, however, that the alternative rates and fallbacks will be effective at preventing or mitigating disruption as a result of the transition.

Additionally, the EEA has adopted and has begun to phase in the EU Benchmarks Regulation ("**BMR**") relating to the use of benchmark measures to price securities. The BMR entered into force on June 30, 2016, with most of the provisions coming into effect throughout the EU on January 1, 2018, subject to certain transitional provisions.

The BMR imposes obligations on benchmark administrators, supervised contributors and benchmark users which may have an adverse impact on "benchmarks" and their continued availability.

These reforms may cause such "benchmarks" to perform differently than they performed in the past or to be discontinued entirely and may have other consequences that cannot be predicted. Any such consequences could adversely affect any interest rates that may be payable to Pacific Life or payments Pacific Life may be required to make under floating rate debt, if any (collectively, the "**floating rate instruments**"), that refer, or are linked, to a "benchmark" to calculate interest or other payments due on such instruments. In addition, the valuation of certain liabilities based on reference to a "benchmark" may be adversely affected. Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks." To the extent interest payments are linked to a specific "benchmark" that is discontinued or is no longer quoted, the applicable floating interest rate will be determined using the alternative methods described in the relevant governing documents. Any alternative methods may result in interest payments to Pacific Life that are lower, or interest payments due from Pacific Life on its floating rate debt that are higher, than or that do not otherwise correlate over time with the payments that would have been made on such instruments if the "benchmarks" had continued to be available in their current form (and in certain circumstances, where an alternative method provides for the base rate to be determined based on the last published rate, could result in an effective fixed rate for the remaining term of such floating rate instruments). Further, the same costs and risks that may lead to the discontinuation or unavailability of a "benchmark" may make one or more of the alternative methods impossible or impracticable to determine at the relevant time. Any of the above changes or any other consequential changes to LIBOR or any other "benchmark" as a result of international, national or other proposals for reform or other initiatives or investigations may have an adverse effect on the value of and return on such floating rate instruments.

REGULATION

The following information amends and restates in its entirety the section under the heading "Regulation—Insurance Regulation—Annuity Suitability" in the Offering Memorandum.

Annuity Suitability

On June 5, 2019, the SEC adopted a package of rules and interpretations designed to enhance the quality and transparency of the duties owed by broker-dealers to retail customers and to reaffirm, and in some cases clarify, certain aspects of an investment adviser's fiduciary duty under the Exchange Act. Included in this package was the new Regulation Best Interest, which, as of June 30, 2020, requires broker-dealers to act in the best interest of retail customers, without placing the interests of the broker-dealer ahead of the interests of the retail investor, when making recommendations regarding securities transactions or investment strategies. *See* "Regulation—Securities Regulation" in the Offering Memorandum.

On June 29, 2020, the DOL announced the Fiduciary Advice Rule that will expand the scope of what constitutes fiduciary "investment advice" to ERISA Plans and IRAs and provides interpretive guidance concerning the regulation. The guidance provided by the DOL broadens the circumstances under which financial institutions, including insurance companies, could be considered fiduciaries under ERISA or the Code. *See* "Risk Factors—Risks Related to Pacific Life—Changes to comply with new and potential laws or regulations which impose fiduciary or best interest standards in connection with the sale of Pacific Life's products could materially increase its costs, decrease its sales and otherwise have a material adverse effect on its business" in this Supplement.

Certain states, for example Maryland, Massachusetts, Nevada, New Jersey and New York, have proposed and/or adopted laws or regulations that would impose fiduciary duties on certain broker-dealers and investment advisers. On March 6, 2020, the Massachusetts Securities Division adopted its own fiduciary rule for broker-dealers and their agents conducting business into and/or from Massachusetts and covering recommendations concerning securities, investment strategies and account types. The Massachusetts rule does not explicitly apply to advice on commodities or insurance products. Enforcement of the new rule went into effect September 1, 2020. The

Massachusetts rule applies a “fiduciary” obligation to broker-dealers rather than the “best interest” standard contained in Regulation Best Interest; the Massachusetts rule requires that certain conflicts be eliminated or mitigated which Regulation Best Interest would address through disclosure; and the Massachusetts rule exempts from its coverage “institutional investors” under definitions different from the definitions of “retail customers” and “non-retail customers” in Regulation Best Interest. Other states, including Nevada, New Jersey, and Maryland, are also considering adopting their own, different fiduciary standards for broker-dealers. On February 13, 2020, the Executive and Plenary Committees of the NAIC adopted revisions to the Model Reg to better align the state standards governing the standard of care of annuity producers with the SEC’s Regulation Best Interest. State adoption of these revisions, and any future changes in such laws and regulations, could adversely impact the way Pacific Life markets and sells its annuity products.

SUMMARY STATUTORY FINANCIAL INFORMATION

Pacific Life is required to prepare statutory financial statements in accordance with NE SAP, which is a comprehensive basis of accounting different from U.S. GAAP.

The summary unaudited financial information includes unaudited financial information as of June 30, 2020 and for the six months ended June 30, 2020 (the "**2020 Period**") and 2019 (the "**2019 Period**") and has been derived from the Second Quarterly Statement. The unaudited statutory statement of operations and changes in capital and surplus data and unaudited statutory assets, liabilities and surplus data of Pacific Life for the six months ended June 30, 2020 and 2019 and as of June 30, 2020, respectively, presented below should be read in conjunction with the audited statutory basis financial statements of Pacific Life as of and for the years ended December 31, 2019 and 2018, the Summary Statutory Financial Information and Management's Discussion and Analysis of Pacific Life included in the Offering Memorandum.

Subsequent to the filing of Pacific Life's 2019 Annual Statement with the Nebraska Department, Pacific Life determined the balances for other amounts receivable under reinsurance contracts included in other assets and other amounts payable on reinsurance included in other liabilities as of December 31, 2019 were not properly presented in the 2019 Annual Statement and have been corrected in the Statutory Statement of Assets, Liabilities and Surplus Data table below and the Statutory Basis Financial Statements included in the Offering Memorandum. These balances as of December 31, 2019 were not restated in the Second Quarterly Statement. *See* Note 2 to the Second Quarterly Statement, attached as Annex A hereto.

Statutory Statement of Operations and Changes in Capital and Surplus Data

	Six Months Ended June 30, 2020	2019
	(Unaudited)	
Statement of Operations Data:	*(in Millions)*	
Revenues:		
Premiums and annuity	$5,572	$7,167
Net investment	1,699	1,402
Reserve adjustments on reinsurance	(432)	(502)
Separate account	588	594
Other	165	206
Total	7,592	8,867
Benefits and expenses:		
Current and future policy	6,065	7,765
Commission	501	571
Operating	535	446
Total benefits and	7,101	8,782
Net gain from operations before federal income	491	85
Federal income tax expense	15	(1)
Net gain from	476	86
Net realized capital gains (losses), net of	(302)	482
Net income	174	568
Changes in capital and surplus:		
Change in net unrealized capital gains (losses), net of	(164)	101
Change in net deferred income	(37)	(60)
Change in nonadmitted	(46)	26
Net change in surplus	(56)	
Change in reserve on account of change in valuation basis	239	60
Change in asset valuation	142	(180)
Surplus contributed to separate	(13)	
Other changes in surplus in separate	13	
Other surplus adjustments for	(4)	(4)
Change in other surplus	1	(4)
Net change in capital and	249	507
Capital and surplus at beginning of	10,510	9,691
Capital and surplus at end of	$10,759	$10,198

Statutory Statement of Assets, Liabilities and Surplus Data

	June 30, 2020 (Unaudited)	December 31, 2019
Statements of Admitted Assets, Liabilities and Capital and Surplus:	*(in Millions)*	
Admitted assets:		
Bonds	$55,654	$53,042
Preferred	8	11
Common	790	801
Mortgage	14,640	13,685
Real	136	140
Cash, cash equivalents and short-term	2,566	3,711
Contract	7,867	7,940
Derivatives	1,342	1,085
Securities lending reinvested collateral	2,486	2,131
Other invested	4,030	3,730
Investment income due and	665	620
Net deferred tax	295	314
Other	1,192	1,271
Separate account	54,895	57,267
Total admitted	$146,566	$145,748
Liabilities and capital and surplus		
Liabilities:		
Aggregate	$69,196	$67,687
Liability for deposit-type	5,390	4,118
Transfers to separate accounts due or accrued,	(786)	(780)
Other	6,477	6,168
Borrowed	49	50
Asset valuation	586	728
Separate account	54,895	57,267
Total	135,807	135,238
Capital and surplus:		
Common	30	30
Paid-in	1,186	1,186
Other surplus	135	139
Unassigned	7,734	7,425
Surplus	1,674	1,730
Total capital and	10,759	10,510
Total liabilities and capital and	$146,566	$145,748

MANAGEMENT'S DISCUSSION AND ANALYSIS OF PACIFIC LIFE

Overview

The following discussion and analysis of Pacific Life's statutory financial condition and results of operations should be read in conjunction with the "Summary Statutory Financial Information" in this Supplement.

Pacific Life's total revenues are derived principally from premiums and annuity considerations, net investment income from its general account assets, separate account related fees and other income. Pacific Life's benefits and expenses consist principally of insurance benefits provided to policyholders and beneficiaries, increases to reserves, commissions and operating expenses.

Six Months Ended June 30, 2020 compared to Six Months Ended June 30, 2019

Results of Operations

Net income was $174 million and $568 million for the 2020 Period and 2019 Period, respectively. The change in net income is primarily the result of the impact from lower equity markets, partially due to the COVID-19 pandemic, and lower interest rates in the 2020 Period compared to the 2019 Period, which resulted in net decreases in the Retirement Solutions segment driven by derivative losses and VA reserve differences, and net decreases in the Life Insurance segment as derivative losses exceeded reserve decreases for the indexed universal life ("**IUL**") product. Additionally, operating expenses increased and net realized capital losses increased primarily due to lower gains on sales of bonds and an increase in other than temporary impairments.

Premiums and annuity considerations for the 2020 Period were $5,572 million compared to $7,167 million for the 2019 Period. The decrease is primarily due to lower pension risk transfer ("**PRT**") and FA sales in the 2020 Period, partially offset by increased IUL renewal premiums and increased term life insurance sales.

Net investment income, including amortization of the Interest Maintenance Reserve ("**IMR**") increased from $1,402 million for the 2019 Period to $1,699 million for the 2020 Period. The increase of $297 million is primarily due to higher derivative instrument income from net settlements of derivatives, an increase in bond income due to growth in the underlying portfolio despite lower portfolio yields, and an increase due to the reclassification of unrealized gains from capital and surplus to net investment income related to a distribution of earnings for affiliated other invested assets.

Reserve adjustments on reinsurance ceded decreased revenue by ($432) million for the 2020 Period and ($502) million for the 2019 Period. The decrease is due to modified coinsurance ("**Modco**") Reserve Adjustments which is driven by the difference in premiums received for Modco reinsurers over those periods as well as annuity reserves released on death, withdrawal and surrenders in the Retirement Solutions segment. This decrease was partially offset by an increase in the Life Insurance segment due primarily to higher reserve releases on reinsurance contracts as a result of higher death claims in the 2020 Period.

Separate account fees of $588 million for the 2020 Period decreased slightly from $594 million for the 2019 Period. Separate account fees are collected daily from the separate accounts. The fees declined due to market volatility driving lower average separate account assets in the 2020 Period compared to the 2019 Period for the Retirement Solutions segment. The Life Insurance segment separate account fees increased slightly due to higher average separate account balances in the 2020 Period.

Other income decreased to $165 million for the 2020 Period from $206 million for the 2019 Period, primarily due to reinsurance contract termination fees during the 2019 Period. Other income consists of commissions and expense allowances on reinsurance ceded, charges and fees for deposit-type contracts, miscellaneous fee income, other miscellaneous income and separate account net loss from operations.

Current and future policy benefits, which primarily consist of surrender benefits and withdrawals, increase in aggregate reserves, net transfers to or from the separate accounts, death and annuity benefits and dividends to policyholders were $6,065 million in the 2020 Period compared to $7,765 million in the 2019 Period. This decrease was mainly the result of lower aggregate reserve increases, primarily in PRT and FA due to lower sales, lower IUL option values in the 2020 Period, and lower VA surrender benefits and withdrawals, partially offset by VA reserve increases due primarily to decline in the equity market, lower interest rates and lower net transfers to the separate accounts in the 2020 Period.

Commission expense was $501 million for the 2020 Period as compared to $571 million for the 2019 Period. Commission expense for the Retirement Solutions segment decreased for FA commissions driven by lower sales, slightly offset by an increase for VA and structured settlement annuities ("**SSA**") commissions driven by higher VA and SSA sales. Commission expense for the Life Insurance segment increased due to an increase in premium income.

Operating expenses, which include general insurance expenses, premium taxes and other insurance taxes (excluding federal income taxes) and the change in cash surrender value from corporate-owned life insurance ("**COLI**") policies owned by Pacific Life, increased to $535 million for the 2020 Period from $446 million for the 2019 Period. The increase was primarily due to additional operating costs and a decrease in cash value surrender of the COLI policies owned by Pacific Life as equity markets decreased in the 2020 Period.

Pacific Life recorded a federal income tax expense of $15 million for the 2020 Period, as compared to a benefit of $1 million for the 2019 Period. The primary factors contributing to the $16 million increase in tax expense were larger pretax book income and smaller tax credits utilized in the 2020 Period, offset by tax benefits for change in tax reserves and dividends received deductions in the 2020 Period.

Pacific Life had net realized capital gains (losses), net of tax and transfers to the IMR of ($302) million and $482 million for the 2020 Period and 2019 Period, respectively. The decrease was primarily due to increased derivative losses in the 2020 Period on equity derivatives used to hedge the equity risk of the VA riders and fixed index annuity policyholder account balances, derivative losses on equity call options due to market declines used to hedge IUL policyholder reserve credits, and higher net realized losses from bonds due to lower gains on sales and other than temporary impairments during the 2020 Period.

Assets

As of June 30, 2020, Pacific Life had total admitted assets of $146.6 billion, an increase of $818 million from December 31, 2019. Assets excluding separate accounts increased $3.2 billion to $91.7 billion as of June 30, 2020, primarily due to growth in bonds and mortgage loans, partially offset by a decrease in cash, cash equivalents and short-term investments.

Separate account assets were $54.9 billion and $57.3 billion as of June 30, 2020 and December 31, 2019, respectively. The decrease in separate account assets of $2.4 billion was primarily driven by lower equity market values and lower net transfers to separate accounts.

Liabilities

As of June 30, 2020, Pacific Life had total liabilities of $135.8 billion, an increase of $569 million from December 31, 2019.

Pacific Life's aggregate reserves increased $1.5 billion as of June 30, 2020 primarily from an increase in FA and SSA sales in excess of benefit payments and surrenders in the 2020 Period.

The liability for deposit-type contracts of $5.4 billion as of June 30, 2020 increased $1.3 billion primarily due to the issuance of funding agreement backed notes issued by the Issuer in June 2020 and the issuance of Federal Home Loan Bank short-term advances.

Transfers to separate accounts due or accrued (net) was relatively consistent at ($786) million as of June 30, 2020 and ($780) million as of December 31, 2019.

Other liabilities of $6.5 billion as of June 30, 2020 increased $309 million from December 31, 2019 primarily due to increases in the payable for securities lending and securities, partially offset by decreases in current federal and foreign income taxes and unearned investment income.

Separate account liabilities decreased $2.4 billion from $57.3 billion as of December 31, 2019 to $54.9 billion as of June 30, 2020, consistent with the decrease in separate account assets.

Asset Valuation Reserve

As of June 30, 2020, Pacific Life had an asset valuation reserve ("**AVR**") of $586 million, as compared to $728 million as of December 31, 2019. The decrease of $142 million was primarily due to realized losses on equity derivatives and unrealized losses on other invested assets primarily as a result of reclassification of gains to net investment income related to a distribution of earnings for affiliated other invested assets.

Capital and Surplus

As of June 30, 2020, capital and surplus was $10.8 billion compared to $10.5 billion as of December 31, 2019, an increase of $249 million. The principal drivers of the increase in capital and surplus were net income of $174 million, the release of Pacific Life's VA reserves of $239 million upon adoption of VM-21 and the decrease in AVR of $142 million. Partially offsetting these increases were an increase in net unrealized capital losses of $164 million primarily due to the reclassification of gains to net investment income related to a distribution of earnings for affiliated other invested assets, an increase in non-admitted assets of $46 million in connection with a $200 million capital contribution to a captive insurance subsidiary, and repayment of the remaining $56 million principal of an internal surplus note to Pacific LifeCorp.

Liquidity and Capital Resources

Pacific Life's principal capital resources are derived from insurance premiums, deposits to policyholder account balances, investment income, sales, maturities, calls and principal repayments of investments and cash flows from other operations. The principal uses of these funds are investment purchases, payment of policy acquisition costs, payment of policyholder benefits, withdrawal of policyholder account balances, taxes, payment of current operating expenses and dividends paid to parent. Remaining funds not used as noted above are generally used to increase the asset base to provide funds to meet the need for future policy benefit payments and for writing new business.

Historically, Pacific Life has consistently generated positive cash flows from operations. Net cash flows from operating activities can vary depending on the level and type of sales, particularly those of life insurance premiums and annuity considerations. Sales of variable products result in cash flows that are predominantly reflected in separate accounts. It is Pacific Life's objective to remain fully invested in investments with maturities and yields that it believes are matched to its product liabilities. As investments mature, are redeemed or sold, Pacific Life evaluates the available investment alternatives, reinvests according to existing and expected product liabilities and seeks to ensure that sufficient marketable assets and other sources of liquidity are in place to provide for large unexpected demands for cash.

Total cash, cash equivalents, and short-term investments of $2,566 million as of June 30, 2020 decreased $1,145 million from $3,711 million as of December 31, 2019 primarily due to the investment during the 2020 Period of cash received from the sale of Aviation Capital Group, LLC ("**ACG**") in 2019 partially offset by a high volume of cash received from operations during the 2020 Period.

Net cash provided by operations was $1,893 million for the 2020 Period compared to $4,326 million for the 2019 Period. The decrease of $2,433 million was primarily the result of lower premiums collected, lower net transfers from the separate account, and higher federal and foreign income taxes paid, offset by higher net investment income and lower benefit and loss related payments.

Net cash flows used in investing activities were $4,565 million for the 2020 Period compared to $3,740 million for the 2019 Period. The increase in cash used in investing activities was primarily the result of investing cash received from the sale of ACG during the 2020 Period.

Net cash flows provided by financing and miscellaneous activities were $1,528 million for the 2020 Period compared to $496 million for the 2019 Period. The increase was primarily the result of an increase in net deposits on deposit-type contracts and increase in borrowed funds, offset by a decrease in other cash provided and the repayment of the remaining principal of an internal surplus note to Pacific LifeCorp.

The payment of dividends by Pacific Life to Pacific LifeCorp is subject to restrictions set forth in the State of Nebraska insurance laws. These laws require (1) notification to the Nebraska Department for the declaration and payment of any dividend and (2) approval by the Nebraska Department for accumulated dividends within the preceding twelve months that exceed the greater of 10% of unassigned statutory policyholder surplus as of the preceding December 31 or statutory net gain from operations for the preceding twelve months ended December 31. Based on this limitation and 2019 statutory results, Pacific Life could pay up to $869 million in dividends in 2020 to Pacific LifeCorp without prior approval from the Nebraska Department, subject to the notification requirement. No dividends were paid during the 2020 Period or the 2019 Period.

Selected Supplementary Investment Schedules

The following summarize Pacific Life's investment portfolio as of June 30, 2020 as compared to December 31, 2019.

Portfolio Composition

Pacific Life's long-term investment portfolio consists primarily of high quality public, private and 144A fixed income securities, contract loans and mortgage loans. The following table summarizes Pacific Life's general account invested assets:

General Account Invested Assets

	June 30, 2020		December 31, 2019	
	Carrying Value	% of Total	Carrying Value	% of Total
	($ in Millions)			
Bonds				
Public bonds	$30,495	34%	$29,986	35%
144A bonds	13,701	15%	12,498	15%
Private bonds	11,458	13%	10,558	12%
Total bonds	55,654	62%	53,042	62%
Preferred stocks	8	0%	11	0%
Common stocks	790	1%	801	1%
Mortgage loans	14,640	16%	13,685	16%
Real estate	136	0%	140	0%
Cash, cash equivalents and short-term investments	2,566	3%	3,711	4%
Contract loans	7,867	9%	7,940	9%
Derivatives	1,342	2%	1,085	1%
Securities lending reinvested collateral assets	2,486	3%	2,131	3%
Private equity funds	1,331	1%	1,252	1%
Other invested assets	2,699	3%	2,478	3%
Total	$89,519	100%	$86,276	100%

The following table presents the total fixed income portfolio by NAIC Designation:

Fixed Income Securities by NAIC Designation

NAIC Designation	June 30, 2020 Carrying Value	June 30, 2020 Fair Value	June 30, 2020 % of Fair Value	December 31, 2019 Carrying Value	December 31, 2019 Fair Value	December 31, 2019 % of Fair Value
			($ in Millions)			
1	$22,163	$25,009	41%	$24,627	$26,674	45%
2	30,064	33,098	54%	28,497	30,500	51%
Total investment grade	52,227	58,107	95%	53,124	57,174	96%
3	2,485	2,431	4%	1,687	1,718	3%
4	748	707	1%	495	497	1%
5	160	141	0%	194	163	0%
6	39	43	0%	34	37	0%
Total below investment grade	3,432	3,322	5%	2,410	2,415	4%
Total	$55,659	$61,429	100%	$55,534	$59,589	100%

Industry Diversification

Pacific Life has diversified its investment portfolio to limit exposure to any single industry, issuer or asset type. As a result of its diversification efforts, the risk of adverse events affecting a single industry, issuer or asset type having a material negative impact on the portfolio has been decreased. The maximum exposure to a single industry, issuer or asset type is limited to a set percentage of the securities portfolio. These limits are reviewed by the Management Investment Committee on a regular basis and modified as necessary to reflect changing market conditions for the industry, issuer or asset type. The following table sets forth the composition of Pacific Life's total fixed income portfolio by industry category:

Fixed Income Securities by Industry

	June 30, 2020			December 31, 2019		
Industry	**Carrying Value**	**Fair Value**	**% of Total Fair Value**	**Carrying Value**	**Fair Value**	**% of Total Fair Value**
			($ in Millions)			
Consumer non-cyclicals	$8,896	$10,070	16%	$8,641	$9,331	16%
Utilities	8,544	9,742	16%	8,129	8,964	15%
Financials	6,713	7,456	12%	6,322	6,831	12%
Mortgage-backed						
Residential	2,912	3,007	5%	2,914	3,001	5%
Commercial	2,023	2,005	3%	1,908	1,971	3%
Industrials	4,506	4,935	8%	4,199	4,493	8%
Energy	4,505	4,726	8%	4,385	4,665	8%
Telecommunications	4,344	4,917	8%	4,057	4,414	7%
Transportation	4,245	4,636	8%	4,006	4,320	7%
Real estate	3,101	3,395	6%	3,029	3,238	5%
Consumer cyclicals	1,839	2,015	3%	1,677	1,791	3%
Municipals	1,136	1,303	2%	1,108	1,240	2%
U.S. government	606	829	1%	3,133	3,213	5%
Foreign government	587	651	1%	498	548	1%
Other	1,702	1,742	3%	1,528	1,569	3%
Total	$55,659	$61,429	100%	$55,534	$59,589	100%

The following table summarizes Pacific Life's mortgage loans and real estate by property type:

Mortgage Loans and Real Estate by Property Type

	June 30, 2020		December 31, 2019	
	Net Carrying Value	% of Total	Net Carrying Value	% of Total
		($ in Millions)		
Apartments	$4,555	31%	$4,218	31%
Office	4,203	28%	3,998	29%
Retail	2,790	19%	2,792	20%
Lodging	1,714	12%	1,724	12%
Agriculture	643	4%	534	4%
Industrial	248	2%	—	0%
Residential	219	1%	222	2%
Mobile Home Communities	180	1%	181	1%
Golf Courses	144	1%	156	1%
Land	80	1%	—	0%
Total	$14,776	100%	$13,825	100%

A major part of Pacific Life's mortgage loan and real estate strategy is to concentrate on certain types of properties and then diversify holdings across different geographical regions. When looking at a particular region, high priority is given to the effects of demographic trends on the property types selected. The following table summarizes Pacific Life's mortgage loans and real estate by geographic region:

Mortgage Loans and Real Estate by Geographic Region

	June 30, 2020		December 31, 2019	
	Net Carrying Value	% of Total	Net Carrying Value	% of Total
	($ in Millions)			
Atlantic	$4,829	33%	$4,600	33%
Pacific	4,437	30%	4,183	30%
North Central	1,570	11%	1,520	11%
South Central	1,483	10%	1,296	10%
Mountain	1,323	9%	1,308	10%
New England	710	5%	465	3%
Canada	267	2%	284	2%
Great Britain	157	0%	169	1%
Total	$14,776	100%	$13,825	100%

ANNEX A

LIFE AND ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2020

OF THE CONDITION AND AFFAIRS OF THE

PACIFIC LIFE INSURANCE COMPANY

NAIC Group Code 0709 (Current) 0709 (Prior) NAIC Company Code 67466 Employer's ID Number 95-1079000

Organized under the Laws of NEBRASKA , State of Domicile or Port of Entry NEBRASKA

Country of Domicile UNITED STATES OF AMERICA

Licensed as business type: LIFE, ACCIDENT & HEALTH

Incorporated/Organized 01/02/1868 Commenced Business 05/01/1868

Statutory Home Office 6750 MERCY ROAD (Street and Number) , OMAHA , NE, US 68106 (City or Town, State, Country and Zip Code)

Main Administrative Office 700 NEWPORT CENTER DRIVE (Street and Number)

NEWPORT BEACH , CA, US 92660 (City or Town, State, Country and Zip Code) , 949-219-3011 (Area Code) (Telephone Number)

Mail Address 700 NEWPORT CENTER DRIVE (Street and Number or P.O. Box) , NEWPORT BEACH , CA, US 92660 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 700 NEWPORT CENTER DRIVE (Street and Number)

NEWPORT BEACH , CA, US 92660 (City or Town, State, Country and Zip Code) , 949-219-3011 (Area Code) (Telephone Number)

Internet Website Address WWW.PACIFICLIFE.COM

Statutory Statement Contact JENNIFER LYNN ST. ONGE (Name) , 949-219-3312 (Area Code) (Telephone Number)

JENNIFER.ST.ONGE @PACIFICLIFE.COM (E-mail Address) , 949-219-5246 (FAX Number)

OFFICERS

Chairman, President & Chief Executive Officer	JAMES THOMAS MORRIS	Executive Vice President & Chief Financial Officer	DARRYL DOUGLAS BUTTON
Senior Vice President & Chief Accounting Officer	JOSHUA D SCOTT #		

OTHER

JANE MARIE GUON, Vice President & Secretary	CRAIG WILSON LESLIE #, Vice President & Treasurer	

DIRECTORS OR TRUSTEES

DARRYL DOUGLAS BUTTON	SHARON ANN CHEEVER	ADRIAN SCOTT GRIGGS
LAWRENCE FRANCIS HARR	JAMES THOMAS MORRIS	

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

James T. Morris	Daryl Button	Joshua D Scott
James Thomas Morris	Darryl Douglas Button	Joshua D Scott
Chairman, President & Chief Executive Officer	Executive Vice President & Chief Financial Officer	Senior Vice President & Chief Accounting Officer

a. Is this an original filing? .... Yes [X] No [ ]

b. If no,

1. State the amendment number .....
2. Date filed ....
3. Number of pages attached ....

ASSETS

		Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1.	Bonds	55,654,004,533		55,654,004,533	53,042,350,247
2.	Stocks:				
	2.1 Preferred stocks	7,531,819		7,531,819	10,731,507
	2.2 Common stocks	1,045,580,040	255,512,553	790,067,487	800,846,496
3.	Mortgage loans on real estate:				
	3.1 First liens	14,639,919,610		14,639,919,610	13,684,963,866
	3.2 Other than first liens				
4.	Real estate:				
	4.1 Properties occupied by the company (less $ encumbrances)	106,136,511		106,136,511	109,259,198
	4.2 Properties held for the production of income (less $ encumbrances)	29,855,845		29,855,845	30,374,953
	4.3 Properties held for sale (less $ encumbrances)				
5.	Cash ($ 137,710,378), cash equivalents ($ 2,424,907,410) and short-term investments ($ 3,848,455)	2,566,466,243		2,566,466,243	3,710,559,929
6.	Contract loans (including $ premium notes)	7,868,438,098	1,550,214	7,866,887,884	7,940,193,877
7.	Derivatives	1,341,649,801		1,341,649,801	1,084,988,414
8.	Other invested assets	3,842,990,094	20,191,656	3,822,798,438	3,695,973,430
9.	Receivables for securities	206,596,601		206,596,601	23,240,171
10.	Securities lending reinvested collateral assets	2,486,201,885		2,486,201,885	2,130,824,920
11.	Aggregate write-ins for invested assets	804,888		804,888	10,642,501
12.	Subtotals, cash and invested assets (Lines 1 to 11)	89,796,175,969	277,254,423	89,518,921,546	86,274,949,509
13.	Title plants less $ charged off (for Title insurers only)				
14.	Investment income due and accrued	664,705,705		664,705,705	620,381,973
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	183,100,099	558,572	182,541,527	141,921,618
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ earned but unbilled premiums)	123,916,410		123,916,410	165,356,342
	15.3 Accrued retrospective premiums ($) and contracts subject to redetermination ($)				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	208,593,277	9,962,927	198,630,350	170,565,447
	16.2 Funds held by or deposited with reinsured companies	249,249,961		249,249,961	263,265,833
	16.3 Other amounts receivable under reinsurance contracts	84,539,922		84,539,922	132,039,731
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				1,590,939
18.2	Net deferred tax asset	578,817,865	283,268,041	295,549,824	313,708,418
19.	Guaranty funds receivable or on deposit	1,690,076		1,690,076	1,907,786
20.	Electronic data processing equipment and software	69,340,637	66,650,181	2,690,456	3,728,910
21.	Furniture and equipment, including health care delivery assets ($)	10,603,990	10,603,990		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	28,262,010		28,262,010	34,840,548
24.	Health care ($) and other amounts receivable	161,742,219	12,842,504	148,899,715	93,030,692
25.	Aggregate write-ins for other than invested assets	198,645,648	27,035,069	171,610,579	177,020,596
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	92,359,383,786	688,175,707	91,671,208,079	88,394,308,341
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	54,895,179,152		54,895,179,152	57,266,846,432
28.	Total (Lines 26 and 27)	147,254,562,939	688,175,707	146,566,387,232	145,661,154,773
	DETAILS OF WRITE-INS				
1101.	Derivatives collateral receivable	804,888		804,888	10,642,501
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	804,888		804,888	10,642,501
2501.	Prepaid pension costs	1,219,003	1,219,003		
2502.	Cash value of life insurance policies	140,743,719		140,743,719	149,501,659
2503.	Accounts and notes receivable	13,104,212		13,104,212	12,443,024
2598.	Summary of remaining write-ins for Line 25 from overflow page	43,578,714	25,816,066	17,762,648	15,075,912
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	198,645,648	27,035,069	171,610,579	177,020,596

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Aggregate reserve for life contracts $ 69,180,416,756 less $ .... included in Line 6.3 (including $ 6,027,145,338 Modco Reserve)	69,180,416,756	67,668,847,081
2.	Aggregate reserve for accident and health contracts (including $ .... Modco Reserve)	15,396,281	17,855,322
3.	Liability for deposit-type contracts (including $ .... Modco Reserve)	5,390,045,847	4,118,556,222
4.	Contract claims:		
	4.1 Life	929,967,026	990,103,048
	4.2 Accident and health		
5.	Policyholders' dividends/refunds to members $ 334,753 and coupons $ .... due and unpaid	334,753	287,166
6.	Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
	6.1 Policyholders' dividends and refunds to members apportioned for payment (including $ .... Modco)	8,504,238	8,757,577
	6.2 Policyholders' dividends and refunds to members not yet apportioned (including $ .... Modco)	969,866	991,361
	6.3 Coupons and similar benefits (including $ .... Modco)		
7.	Amount provisionally held for deferred dividend policies not included in Line 6		
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less $ .... discount; including $ .... accident and health premiums	3,920,039	2,036,637
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts		
	9.2 Provision for experience rating refunds, including the liability of $ .... accident and health experience rating refunds of which $ .... is for medical loss ratio rebate per the Public Health Service Act		
	9.3 Other amounts payable on reinsurance, including $ 80,101,528 assumed and $ 214,847,577 ceded	294,949,105	201,483,810
	9.4 Interest Maintenance Reserve	193,021,821	180,203,758
10.	Commissions to agents due or accrued-life and annuity contracts $ 19,653,330 , accident and health $ .... and deposit-type contract funds $ 1,738,369	21,391,699	40,113,776
11.	Commissions and expense allowances payable on reinsurance assumed	12,995,503	16,195,690
12.	General expenses due or accrued	175,594,412	272,806,172
13.	Transfers to Separate Accounts due or accrued (net) (including $ (701,184,795) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(785,797,758)	(779,849,491)
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes	(501,039)	7,408,206
15.1	Current federal and foreign income taxes, including $ (16,621,639) on realized capital gains (losses)	205,554,658	342,884,801
15.2	Net deferred tax liability		
16.	Unearned investment income	108,547,714	231,176,810
17.	Amounts withheld or retained by reporting entity as agent or trustee	185,911,274	213,340,166
18.	Amounts held for agents' account, including $ .... agents' credit balances		
19.	Remittances and items not allocated	58,166,837	47,649,476
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above	213,357,730	211,636,986
22.	Borrowed money $ 49,140,293 and interest thereon $ 191,864	49,332,157	49,826,132
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
	24.01 Asset valuation reserve	586,053,513	727,945,104
	24.02 Reinsurance in unauthorized and certified ($ ....) companies	3,213,548	1,323,618
	24.03 Funds held under reinsurance treaties with unauthorized and certified ($ ....) reinsurers	137,457,820	108,285,349
	24.04 Payable to parent, subsidiaries and affiliates	983,746	2,985,431
	24.05 Drafts outstanding		
	24.06 Liability for amounts held under uninsured plans		
	24.07 Funds held under coinsurance	142,079,324	124,944,273
	24.08 Derivatives	97,728,550	91,385,026
	24.09 Payable for securities	206,678,140	17,214,293
	24.10 Payable for securities lending	2,486,201,885	2,130,824,920
	24.11 Capital notes $ .... and interest thereon $		
25.	Aggregate write-ins for liabilities	989,970,149	837,488,802
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	80,912,445,593	77,884,707,522
27.	From Separate Accounts Statement	54,895,179,152	57,266,846,432
28.	Total liabilities (Lines 26 and 27)	135,807,624,746	135,151,553,954
29.	Common capital stock	30,000,000	30,000,000
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds	134,766,060	138,567,931
32.	Surplus notes	1,674,238,215	1,730,101,977
33.	Gross paid in and contributed surplus	1,185,788,610	1,185,788,610
34.	Aggregate write-ins for special surplus funds		
35.	Unassigned funds (surplus)	7,733,969,602	7,425,142,302
36.	Less treasury stock, at cost:		
	36.1 .... shares common (value included in Line 29 $ ....)		
	36.2 .... shares preferred (value included in Line 30 $ ....)		
37.	Surplus (Total Lines 31+32+33+34+35-36) (including $ .... in Separate Accounts Statement)	10,728,762,487	10,479,600,820
38.	Totals of Lines 29, 30 and 37	10,758,762,487	10,509,600,820
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	146,566,387,232	145,661,154,773
	DETAILS OF WRITE-INS		
2501.	Derivatives collateral payable and income accruals	882,214,672	760,739,726
2502.	Disbursements payable	64,049,674	39,740,956
2503.	Unclaimed accounts and uncashed checks	18,507,111	17,792,112
2598.	Summary of remaining write-ins for Line 25 from overflow page	25,198,692	19,216,007
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	989,970,149	837,488,802
3101.	Other surplus adjustments - derivatives	134,766,060	138,567,931
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page		
3199.	Totals (Lines 3101 through 3103 plus 3198)(Line 31 above)	134,766,060	138,567,931
3401.			
3402.			
3403.			
3498.	Summary of remaining write-ins for Line 34 from overflow page		
3499.	Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)		

SUMMARY OF OPERATIONS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Premiums and annuity considerations for life and accident and health contracts	5,571,632,695	7,167,090,834	13,440,677,886
2.	Considerations for supplementary contracts with life contingencies		288,983	875,617
3.	Net investment income	1,688,119,021	1,394,860,569	3,829,565,211
4.	Amortization of Interest Maintenance Reserve (IMR)	11,030,988	7,269,159	15,587,404
5.	Separate Accounts net gain from operations excluding unrealized gains or losses	(12,754,350)		
6.	Commissions and expense allowances on reinsurance ceded	63,540,484	81,516,131	178,960,324
7.	Reserve adjustments on reinsurance ceded	(431,841,314)	(501,590,970)	(931,997,371)
8.	Miscellaneous Income:			
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	588,055,479	593,976,481	1,207,775,282
	8.2 Charges and fees for deposit-type contracts	18,478,288	10,050,556	32,438,872
	8.3 Aggregate write-ins for miscellaneous income	96,001,906	113,416,419	232,563,556
9.	Totals (Lines 1 to 8.3)	7,592,263,197	8,866,878,162	18,006,446,781
10.	Death benefits	804,230,770	798,351,802	1,609,419,201
11.	Matured endowments (excluding guaranteed annual pure endowments)	671,465	(165,567)	226,339
12.	Annuity benefits	520,792,851	456,667,274	944,910,744
13.	Disability benefits and benefits under accident and health contracts	2,686,190	3,252,242	5,143,144
14.	Coupons, guaranteed annual pure endowments and similar benefits			
15.	Surrender benefits and withdrawals for life contracts	3,282,224,580	3,733,465,190	7,387,680,280
16.	Group conversions			
17.	Interest and adjustments on contract or deposit-type contract funds	72,769,379	58,686,261	122,950,642
18.	Payments on supplementary contracts with life contingencies	735,480	160,749	394,303
19.	Increase in aggregate reserves for life and accident and health contracts	1,784,805,964	4,312,582,021	7,754,644,017
20.	Totals (Lines 10 to 19)	6,468,916,680	9,362,999,972	17,825,368,670
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	496,080,693	560,757,723	1,122,715,213
22.	Commissions and expense allowances on reinsurance assumed	5,087,087	10,472,719	20,439,758
23.	General insurance expenses and fraternal expenses	452,085,043	400,006,720	861,608,693
24.	Insurance taxes, licenses and fees, excluding federal income taxes	58,741,279	58,252,699	113,278,462
25.	Increase in loading on deferred and uncollected premiums	11,693,337	59,689	1,628,948
26.	Net transfers to or (from) Separate Accounts net of reinsurance	(420,809,646)	(1,603,552,638)	(2,754,460,302)
27.	Aggregate write-ins for deductions	24,199,070	(12,117,533)	(12,089,161)
28.	Totals (Lines 20 to 27)	7,095,993,542	8,776,879,351	17,178,490,281
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	496,269,655	89,998,811	827,956,500
30.	Dividends to policyholders and refunds to members	4,898,095	5,052,461	9,088,294
31.	Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	491,371,560	84,946,351	818,868,206
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	14,572,190	(1,146,679)	(50,498,857)
33.	Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	476,799,370	86,093,030	869,367,063
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ (20,622,020) (excluding taxes of $ 4,000,381 transferred to the IMR)	(302,268,583)	481,935,397	846,512,498
35.	Net income (Line 33 plus Line 34)	174,530,787	568,028,427	1,715,879,561
	CAPITAL AND SURPLUS ACCOUNT			
36.	Capital and surplus, December 31, prior year	10,509,600,820	9,691,434,433	9,691,434,433
37.	Net income (Line 35)	174,530,787	568,028,427	1,715,879,561
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ (3,417,257)	(163,778,471)	106,054,810	(547,043,354)
39.	Change in net unrealized foreign exchange capital gain (loss)	(191,704)	(5,023,512)	(3,395,349)
40.	Change in net deferred income tax	(36,831,173)	(60,460,788)	(47,312,823)
41.	Change in nonadmitted assets	(46,489,762)	26,576,244	23,941,716
42.	Change in liability for reinsurance in unauthorized and certified companies	110,030	(4,207,226)	(912,684)
43.	Change in reserve on account of change in valuation basis, (increase) or decrease	238,524,319	59,509,614	59,509,614
44.	Change in asset valuation reserve	141,891,590	(179,793,099)	210,302,378
45.	Change in treasury stock			
46.	Surplus (contributed to) withdrawn from Separate Accounts during period	(12,754,350)		
47.	Other changes in surplus in Separate Accounts Statement	12,754,350		
48.	Change in surplus notes	(55,863,761)	94,239	188,477
49.	Cumulative effect of changes in accounting principles			64,855,334
50.	Capital changes:			
	50.1 Paid in			
	50.2 Transferred from surplus (Stock Dividend)			
	50.3 Transferred to surplus			
51.	Surplus adjustment:			
	51.1 Paid in			
	51.2 Transferred to capital (Stock Dividend)			
	51.3 Transferred from capital			
	51.4 Change in surplus as a result of reinsurance			
52.	Dividends to stockholders			(650,000,000)
53.	Aggregate write-ins for gains and losses in surplus	(2,740,188)	(3,728,418)	(7,846,483)
54.	Net change in capital and surplus for the year (Lines 37 through 53)	249,161,667	507,050,291	818,166,387
55.	Capital and surplus, as of statement date (Lines 36 + 54)	10,758,762,487	10,198,484,724	10,509,600,820
	DETAILS OF WRITE-INS			
08.301.	Fee income	84,687,543	93,030,450	179,573,030
08.302.	Miscellaneous income	11,314,363	20,385,969	52,990,526
08.303.				
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page			
08.399.	Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	96,001,906	113,416,419	232,563,556
2701.	2701 Net periodic benefit cost	3,601,207	5,036,610	12,298,875
2702.	2702 Miscellaneous disbursements	20,518,310	(14,572,972)	(21,983,255)
2703.	2703 Contingency expense	79,553	(2,581,171)	(2,404,781)
2798.	Summary of remaining write-ins for Line 27 from overflow page			
2799.	Totals (Lines 2701 through 2703 plus 2798)(Line 27 above)	24,199,070	(12,117,533)	(12,089,161)
5301.	Adjustment to retirement plans	1,061,683	(111,056)	(520,717)
5302.	Other surplus adjustments - derivatives	(3,801,871)	(3,617,362)	(7,325,766)
5303.				
5398.	Summary of remaining write-ins for Line 53 from overflow page			
5399.	Totals (Lines 5301 through 5303 plus 5398)(Line 53 above)	(2,740,188)	(3,728,418)	(7,846,483)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	5,351,462,819	7,120,516,962	13,218,335,726
2. Net investment income	1,610,677,857	1,226,714,946	3,806,317,916
3. Miscellaneous income	375,556,146	393,795,703	805,778,478
4. Total (Lines 1 to 3)	7,337,696,823	8,741,027,611	17,830,432,120
5. Benefit and loss related payments	4,657,258,255	5,012,273,100	9,880,751,998
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	(402,107,029)	(1,623,585,319)	(2,751,795,570)
7. Commissions, expenses paid and aggregate write-ins for deductions	1,152,380,400	1,105,845,546	2,075,310,977
8. Dividends paid to policyholders	5,125,342	5,280,610	8,926,716
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	32,480,561	(84,954,192)	(818,800,643)
10. Total (Lines 5 through 9)	5,445,137,528	4,414,859,745	8,394,393,477
11. Net cash from operations (Line 4 minus Line 10)	1,892,559,294	4,326,167,866	9,436,038,643
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	2,461,948,606	3,024,586,302	5,863,449,877
12.2 Stocks	51,974,132	25,083,838	40,084,234
12.3 Mortgage loans	234,769,339	448,978,864	1,252,799,112
12.4 Real estate			
12.5 Other invested assets	699,474,931	678,476,702	2,364,155,888
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(314,922)	54,093	(12,058)
12.7 Miscellaneous proceeds	726,288,022	789,284,535	1,343,034,977
12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,174,140,107	4,966,464,333	10,863,512,030
13. Cost of investments acquired (long-term only):			
13.1 Bonds	4,936,884,353	5,531,879,405	11,157,269,236
13.2 Stocks	235,781,621	94,911,620	159,071,947
13.3 Mortgage loans	1,207,334,068	1,226,722,659	2,728,251,442
13.4 Real estate	627,838	235,689	881,366
13.5 Other invested assets	910,785,167	1,109,469,934	2,161,953,793
13.6 Miscellaneous applications	1,520,695,519	862,506,215	1,431,273,484
13.7 Total investments acquired (Lines 13.1 to 13.6)	8,812,108,566	8,825,725,522	17,638,701,267
14. Net increase (or decrease) in contract loans and premium notes	(73,007,710)	(119,233,216)	(25,872,003)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(4,564,960,749)	(3,740,027,973)	(6,749,317,234)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	(55,958,000)		
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds	(493,975)	(50,469,758)	(50,951,473)
16.4 Net deposits on deposit-type contracts and other insurance liabilities	1,207,052,831	61,681,799	334,610,013
16.5 Dividends to stockholders			650,000,000
16.6 Other cash provided (applied)	377,706,912	484,533,760	820,290,961
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,528,307,768	495,745,801	453,949,502
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,144,093,686)	1,081,885,693	3,140,670,910
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	3,710,559,929	569,889,019	569,889,019
19.2 End of period (Line 18 plus Line 19.1)	2,566,466,243	1,651,774,713	3,710,559,929

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Bonds disposed and acquired	353,688,046	516,133,373	1,094,930,292
20.0002. Stocks disposed and acquired	4,696,100		25,074,500
20.0003. Bond interest in-kind received	3,622,545	3,382,448	7,250,620
20.0004. Mortgage loans disposed and acquired	11,296,490	87,468,493	87,468,493
20.0005. Other invested assets in-kind received	59,971		
20.0006. Federal tax credits received	101,208,873		
20.0007. Assets in-kind received as premiums	211,097,766		221,411,731
20.0008. Premium tax credits received	499,999		

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0009. Transfer of other invested assets between Pacific Life to an affiliated private equity fund			3,463,902

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Industrial life			
2.	Ordinary life insurance	1,850,028,290	1,748,086,664	3,878,976,632
3.	Ordinary individual annuities	3,461,481,097	4,614,328,525	8,166,993,268
4.	Credit life (group and individual)			
5.	Group life insurance			
6.	Group annuities	457,957,575	952,958,481	1,854,189,142
7.	A & H - group			
8.	A & H - credit (group and individual)			
9.	A & H - other			
10.	Aggregate of all other lines of business			
11.	Subtotal (Lines 1 through 10)	5,769,466,962	7,315,373,669	13,900,159,041
12.	Fraternal (Fraternal Benefit Societies Only)			
13.	Subtotal (Lines 11 through 12)	5,769,466,962	7,315,373,669	13,900,159,041
14.	Deposit-type contracts	367,121,028	207,472,899	691,387,881
15.	Total (Lines 13 and 14)	6,136,587,990	7,522,846,568	14,591,546,922
	DETAILS OF WRITE-INS			
1001.				
1002.				
1003.				
1098.	Summary of remaining write-ins for Line 10 from overflow page			
1099.	Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices:

Pacific Life Insurance Company (the Company or Pacific Life) prepares its financial statements based on accounting practices prescribed or permitted by the Nebraska Department of Insurance (NE DOI). The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the NE DOI. Prescribed statutory accounting practices include state laws and regulations. Additionally, the Director of the NE DOI has the right to permit other specific practices, which deviate from prescribed practices.

The following table reconciles the Company's net income for the six months ended June 30, 2020 and the year ended December 31, 2019 and statutory surplus as of June 30, 2020 and December 31, 2019, between NAIC SAP and practices prescribed and permitted by the NE DOI:

	SSAP #	F/S Page	F/S Line	June 30, 2020	December 31, 2019
NET INCOME					
1. Net Income, Nebraska Basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	$174,530,787	$1,715,879,561
2. State Prescribed Practices That Are an Increase/(Decrease) from NAIC SAP:				0	0
3. State Permitted Practices That Are an Increase/(Decrease) from NAIC SAP:				0	0
4. Net Income, NAIC SAP (1-2-3=4)	XXX	XXX	XXX	$174,530,787	$1,715,879,561
SURPLUS					
5. Statutory Surplus, Nebraska Basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	$10,758,762,487	$10,509,600,820
6. State Prescribed Practices That Are an Increase/(Decrease) from NAIC SAP:				0	0
7. State Permitted Practices That Are an Increase/(Decrease) from NAIC SAP:				0	0
8. Statutory Surplus, NAIC SAP (5-6-7=8)	XXX	XXX	XXX	$10,758,762,487	$10,509,600,820

B. No significant change

C. Accounting Policies:

1. No significant change

2. Bonds not backed by other loans are generally stated at amortized cost using the effective interest method. Bonds, including loan-backed and structured securities (LBASS), with a NAIC designation of 6 are stated at the lower of amortized cost or fair value with changes in fair value recorded in unassigned surplus as a change in net unrealized capital gains (losses) less tax.

3-5. No significant change

6. LBASS are generally stated at amortized cost using the effective interest method. Income is determined considering anticipated cash flows based on industry prepayment models and internal estimates. These assumptions are consistent with the current interest rate and economic conditions at the time of valuation. For LBASS purchased with high credit quality and fixed interest rates, the effective yield is recalculated on a retrospective basis. For all other LBASS, including those where cash flows are deemed other than temporarily impaired, effective yield is recalculated on a prospective basis.

7-13. No significant change

D. Going Concern: The Company is not aware of any current situation or event that would cause substantial doubt about its ability to continue as a going concern.

NOTES TO FINANCIAL STATEMENTS

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Effective January 1, 2017, Statement of Statutory Accounting Principles (SSAP) No. 51R, *Life Contracts*, was issued which made substantive revisions to SSAP No. 51 to reference the Valuation Manual as part of Principle-Based Reserve (PBR) implementation. For life insurance policies issued during 2017-2019, the Valuation Manual did not require companies to update their reserve methodologies during the first three years following the operative date of the Valuation Manual. The Company implemented PBR for all life insurance policies issued in 2020. The Company implemented PBR for certain life insurance policies issued in 2019 which did not have a material impact on the financial statements.

Additionally, variable annuity contracts are subject to Actuarial Guideline 43 (AG43) and the Valuation Manual section VM-21 (VM-21). As a result of updates to AG43 and VM-21, effective January 1, 2020, for all variable annuity contracts, $238.5 million of reserves were released with an offsetting adjustment in surplus, change in reserve on account of change in valuation basis, (increase) or decrease (page 4, line 43).

During the three months ended March 31, 2020, the Company determined the balances for Amounts Recoverable From Reinsurers (page 2, line 16.1) and Other Amounts Receivable Under Reinsurance Contracts (page 2, line 16.3) as well as Other Amounts Payable on Reinsurance (page 3, line 9.3) were not properly presented as of December 31, 2019, which have not been restated. This resulted in an understatement of Amounts Recoverable From Reinsurers (page 2, line 16.1) and Other Amounts Payable on Reinsurance (page 3, line 9.3) of $108 million and $87 million, respectively, and an overstatement of Other Amounts Receivable Under Reinsurance Contracts (page 2, line 16.3) of $21 million as of December 31, 2019. This also resulted in an understatement of Miscellaneous Income (page 5, line 3) and Benefit and Loss Related Payments (page 5, line 5) of $21 million in the Cash Flow statement for the year ended December 31, 2019. These lines on the Assets and Liabilities, Surplus and Other Funds statements and Cash Flow statement are properly presented as of and for the six months ended June 30, 2020. There was no impact to surplus or the Summary of Operations.

3. BUSINESS COMBINATIONS AND GOODWILL

No significant change

4. DISCONTINUED OPERATIONS

No significant change

5. INVESTMENTS

A. Mortgage Loans, Including Mezzanine Real Estate Loans

1. The maximum and minimum lending rates for new mortgage loans during 2020 were:

	Maximum	Minimum
a. Farm	4.95%	3.50%
b. Construction and Land Development	0.00%	0.00%
c. Multi-family Residential	0.00%	0.00%
d. Commercial	5.00%	2.85%

NOTES TO FINANCIAL STATEMENTS

2-3. No significant change

4. Age Analysis of Mortgage Loans and Identification of Mortgage Loans in Which the Insurer is a Participant or Co-lender in a Mortgage Loan Agreement:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investment (All)							
(a) Current	$634,145,380	$0	$217,817,350	$0	$13,671,614,375	$106,677,163	$14,630,254,268
(b) 30-59 Days Past Due	6,308,535	0	226,902	0	0	0	6,535,437
(c) 60-89 Days Past Due	2,553,723	0	576,182	0	0	0	3,129,905
(d) 90-179 Days Past Due	0	0	0	0	0	0	0
(e) 180+ Days Past Due	0	0	0	0	0	0	0
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$0	$0	$0	$0	$0	$0	$0
(b) Interest Accrued	0	0	0	0	0	0	0
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$0	$0	$0	$0	$0	$0	$0
(b) Interest Accrued	0	0	0	0	0	0	0
4. Interest Reduced							
(a) Recorded Investment	$0	$0	$0	$0	$0	$0	$0
(b) Number of Loans	0	0	0	0	0	0	0
(c) Percent Reduced	0%	0%	0%	0%	0%	0%	0%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment (1)	$0	$0	$0	$0	$1,490,710,846	$106,677,163	$1,597,388,009
b. Prior Year							
1. Recorded Investment							
(a) Current	$533,658,733	$0	$222,459,793	$0	$12,822,199,253	$106,646,087	$13,684,963,866
(b) 30-59 Days Past Due	0	0	0	0	0	0	0
(c) 60-89 Days Past Due	0	0	0	0	0	0	0
(d) 90-179 Days Past Due	0	0	0	0	0	0	0
(e) 180+ Days Past Due	0	0	0	0	0	0	0
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	$0	$0	$0	$0	$0	$0	$0
(b) Interest Accrued	0	0	0	0	0	0	0
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	$0	$0	$0	$0	$0	$0	$0
(b) Interest Accrued	0	0	0	0	0	0	0
4. Interest Reduced							
(a) Recorded Investment	$0	$0	$0	$0	$0	$0	$0
(b) Number of Loans	0	0	0	0	0	0	0
(c) Percent Reduced	0%	0%	0%	0%	0%	0%	0%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment (1)	$0	$0	$0	$0	$1,309,826,465	$106,646,087	$1,416,472,552

(1) Excluded from the Commercial All Other amounts are mortgage loan participations where the sole participants are the Company and its wholly-owned subsidiary, Pacific Life & Annuity Company (PL&A). The total amounts were $2,818 million and $2,831 million at June 30, 2020 and December 31, 2019, respectively.

5-9. No significant change

B-C. No significant change

D. Loan-backed Securities:

1. Prepayment assumptions for LBASS were obtained from industry prepayment models and internal estimates. These assumptions are consistent with the current interest rate and economic conditions at the time of valuation.

2. No other than temporary impairments (OTTIs) were recognized on LBASS due to intent to sell or inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis.

NOTES TO FINANCIAL STATEMENTS

3. The following table presents all LBASS with an OTTI recognized in the current reporting period, whereby the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost after OTTI	Fair Value at time of OTTI	Date of Financial Statement When Reported
89531GAC9	$40,584,906	$34,941,400	$5,643,506	$34,941,400	$25,231,970	6/30/2020
Total	XXX	XXX	$5,643,506	XXX	XXX	XXX

4. The unrealized losses of LBASS where fair value is less than cost or amortized cost for which an OTTI has not been recognized in earnings as of June 30, 2020 are as follows:

		June 30, 2020
a. The Aggregate Amount of Unrealized Losses:		
	1. Less than 12 Months	$109,653,165
	2. 12 Months or Longer	38,401,906
b. The Aggregate Related Fair Value of Securities with Unrealized Losses:	1. Less than 12 Months	$1,631,791,342
	2. 12 Months or Longer	240,575,422

5. Additional Information: In determining whether a decline in value is other than temporary, the Company considers several factors including, but not limited to the following: the extent and duration of the decline in value; the reasons for the decline (credit event, currency, or interest rate related including spread widening); the Company's inability or lack of intent to retain the investment for a period of time sufficient to recover the amortized cost basis; and the performance of the security's underlying collateral and projected future cash flows. In projecting future cash flows, the Company incorporates inputs from third-party sources and applies reasonable judgment in developing assumptions used to estimate the probability and timing of collecting all contractual cash flows.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

1-2. No significant change

3. Collateral Received

a. Aggregate Amount of Collateral Received

		Fair Value
1. Securities Lending		
(a)	Open	$2,486,201,885
(b)	30 Days or Less	0
(c)	31 to 60 Days	0
(d)	61 to 90 Days	0
(e)	Greater Than 90 Days	0
(f)	Sub-total	2,486,201,885
(g)	Securities Received	0
(h)	Total Collateral Received	$2,486,201,885

2. Dollar Repurchase Agreement: None

b. The Company has not sold or repledged collateral received from securities lending agreements.

c. No significant change

4. No significant change

NOTES TO FINANCIAL STATEMENTS

5. Collateral Reinvestment

a. Aggregate Amount of Collateral Reinvested

		Amortized Cost	Fair Value
1. Securities Lending			
(a)	Open	$0	$0
(b)	30 Days or Less	736,201,885	736,201,885
(c)	31 to 60 Days	1,400,000,000	1,400,000,000
(d)	61 to 90 Days	350,000,000	350,000,000
(e)	91 to 120 Days	0	0
(f)	121 to 180 Days	0	0
(g)	181 to 365 Days	0	0
(h)	1 to 2 Years	0	0
(i)	2 to 3 Years	0	0
(j)	Greater than 3 Years	0	0
(k)	Sub-total	2,486,201,885	2,486,201,885
(l)	Securities Received	0	0
(m)	Total Collateral Reinvested	$2,486,201,885	$2,486,201,885

2. Dollar Repurchase Agreement: None

b. No significant change

6-7. No significant change

F. The Company did not have any repurchase agreements transactions accounted for as secured borrowing.

G. Reverse Repurchase Agreements Transactions Accounted for as a Secured Borrowing:

1. The Company invests cash collateral received from its securities lending activity into repurchase agreements. The Company requires that all repurchase agreements must have a maximum maturity of 95 days and the interest rate must reset no more than monthly. All repurchase agreements must be collateralized by U.S. Treasury Securities, U.S. Agency Securities, U.S. Corporate bonds and/or U.S. Equities with a minimum margin of 102%. Equity repurchase agreements are only overnight and must be collateralized at 105%. Additionally, all repurchase agreements are indemnified by the Company's securities lending agent against counterparty default. When counterparty default and price movements of the collateral received present the primary risks for repurchase agreements, the Company mitigates such risks by mandating short maturities, applying proper haircuts, monitoring fair values daily, and securing indemnification from financial institutions with strong financial credit ratings.

2. Type of Repo Trades Used

	First Quarter	Second Quarter
(a) Bilateral (Yes/No)	No	No
(b) Tri-party (Yes/No)	Yes	Yes

3. Original (Flow) & Residual Maturity

		First Quarter	Second Quarter
a. Maximum Amount			
(a)	Open - No Maturity	$0	$0
(b)	Overnight	1,415,000,000	875,000,000
(c)	2 Days to 1 Week	600,000,000	300,000,000
(d)	> 1 Week to 1 Month	600,000,000	1,450,000,000
(e)	> 1 Month to 3 Months	1,855,000,000	1,750,000,000
(f)	> 3 Months to 1 Year	350,000,000	350,000,000
(g)	> 1 Year	0	0

		First Quarter	Second Quarter
b. Ending Balance			
(a)	Open - No Maturity	$0	$0
(b)	Overnight	50,000,000	575,000,000
(c)	2 Days to 1 Week	0	0
(d)	> 1 Week to 1 Month	300,000,000	0
(e)	> 1 Month to 3 Months	1,150,000,000	1,750,000,000
(f)	> 3 Months to 1 Year	350,000,000	0
(g)	> 1 Year	0	0

4. The Company has not sold or acquired any securities that resulted in default as of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

5. Fair Value of Securities Acquired Under Repo-Secured Borrowings

	First Quarter	Second Quarter
(a) Maximum Amount	$3,894,763,566	$2,825,691,067
(b) Ending Balance	2,001,592,306	2,516,348,923

6. Fair Value of Securities Acquired Under Repo-Secured Borrowings by NAIC Designation

ENDING BALANCE	None	NAIC 1	NAIC 2	NAIC 3
(a) Bonds - FV	$0	$170,549,013	$686,172,233	$1,094,959,099
(b) LBASS - FV	0	0	0	0
(c) Preferred Stock - FV	0	0	0	0
(d) Common Stock - FV	0	0	0	0
(e) Mortgage Loans - FV	0	0	0	0
(f) Real Estate - FV	0	0	0	0
(g) Derivatives - FV	0	0	0	0
(h) Other Invested Assets - FV	0	0	0	0
(i) Total Assets - FV	$0	$170,549,013	$686,172,233	$1,094,959,099

ENDING BALANCE	NAIC 4	NAIC 5	NAIC 6	Does Not Qualify as Nonadmitted
(a) Bonds - FV	$564,668,578	$0	$0	$0
(b) LBASS - FV	0	0	0	0
(c) Preferred Stock - FV	0	0	0	0
(d) Common Stock - FV	0	0	0	0
(e) Mortgage Loans - FV	0	0	0	0
(f) Real Estate - FV	0	0	0	0
(g) Derivatives - FV	0	0	0	0
(h) Other Invested Assets - FV	0	0	0	0
(i) Total Assets - FV	$564,668,578	$0	$0	$0

7. Collateral Provided - Secured Borrowing

	First Quarter	Second Quarter
a. Maximum Amount		
1. Cash	$3,620,000,000	$2,625,000,000
2. Securities - FV	0	0
3. Securities - BACV	0	0
4. Nonadmitted Subset - BACV	0	0

	First Quarter	Second Quarter
b. Ending Balance		
1. Cash	$1,850,000,000	$2,325,000,000
2. Securities - FV	0	0
3. Securities - BACV	0	0
4. Nonadmitted Subset - BACV	0	0

8. Allocation of Aggregate Collateral Pledged by Remaining Contractual Maturity

	Amortized Cost	Fair Value
(a) Overnight and Continuous	$0	$0
(b) 30 Days or Less	575,000,000	575,000,000
(c) 31- 90 Days	1,400,000,000	1,400,000,000
(d) > 90 Days	350,000,000	350,000,000

NOTES TO FINANCIAL STATEMENTS

9. Recognized Receivable for Return of Collateral - Secured Borrowings

	First Quarter	Second Quarter
a. Maximum Amount		
1. Cash	$3,620,000,000	$2,625,000,000
2. Securities - FV	0	0

	First Quarter	Second Quarter
b. Ending Balance		
1. Cash	$1,850,000,000	$2,325,000,000
2. Securities - FV	0	0

10. Recognized Liability to Return Collateral-Secured Borrowings (Total)

	First Quarter	Second Quarter
a. Maximum Amount		
1. Repo Securities Sold/Acquired with Cash Collateral	$3,620,000,000	$2,625,000,000
2. Repo Securities Sold/Acquired with Cash Collateral (FV)	0	0

	First Quarter	Second Quarter
b. Ending Balance		
1. Repo Securities Sold/Acquired with Cash Collateral	$1,850,000,000	$2,325,000,000
2. Repo Securities Sold/Acquired with Cash Collateral (FV)	0	0

H. The Company did not have any repurchase agreements transactions accounted for as a sale.

I. The Company did not have any reverse purchase agreements transactions accounted for as a sale.

J-K. No significant change

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets:

1. Restricted Assets (Including Pledged)

		Gross (Admitted & Nonadmitted) Restricted									Percentage	
		Current Year										
		1	2	3	4	5	6	7	8	9	10	11
	Restricted Asset Category	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Statement	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a.	Subject to Contractual Obligation for Which Liability is Not Shown	$0	$0	$0	$0	$0	$0	$0	$0	$0	0.000%	0.000%
b.	Collateral Held Under Security Lending Agreements	2,486,201,885	0	0	0	2,486,201,885	2,130,824,920	355,376,965	0	2,486,201,885	1.688%	1.696%
c.	Subject to Repurchase Agreements	0	0	0	0	0	0	0	0	0	0.000%	0.000%
d.	Subject to Reverse Repurchase Agreements	0	0	0	0	0	0	0	0	0	0.000%	0.000%
e.	Subject to Dollar Repurchase Agreements	0	0	0	0	0	0	0	0	0	0.000%	0.000%
f.	Subject to Dollar Reverse Repurchase Agreements	0	0	0	0	0	0	0	0	0	0.000%	0.000%
g.	Placed Under Option Contracts	0	0	0	0	0	0	0	0	0	0.000%	0.000%
h.	Letter Stock or Securities Restricted as to Sale	0	0	0	0	0	0	0	0	0	0.000%	0.000%
i.	FHLB Capital Stock	24,871,700	0	0	0	24,871,700	4,739,500	20,132,200	0	24,871,700	0.017%	0.017%
j.	On Deposit With States	6,055,633	0	0	0	6,055,633	6,059,510	(3,877)	0	6,055,633	0.004%	0.004%
k.	On Deposit With Other Regulatory Bodies	0	0	0	0	0		0	0	0	0.000%	0.000%
l.	Pledged Collateral to FHLB (Including Assets Backing Funding Agreements)	739,016,469	0	0	0	739,016,469	264,279,727	474,736,742	0	739,016,469	0.502%	0.504%
m.	Pledged as Collateral Not Captured in Other Categories	83,199,862	0	0	0	83,199,862	20,090,219	63,109,643	0	83,199,862	0.056%	0.057%
n.	Other Restricted Assets	15,134,291	0	0	0	15,134,291	0	15,134,291	0	15,134,291	0.010%	0.010%
o.	Total Restricted Assets	$3,354,479,840	$0	$0	$0	$3,354,479,840	$2,425,993,876	$928,485,964	$0	$3,354,479,840	2.277%	2.288%

(a) Subset of Column 1

(b) Subset of Column 3

(c) Column 5 Divided by Asset Page, Column 1, Line 28

(d) Column 9 Divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

	Gross (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Pledged as Collateral for Derivatives Contracts	$63,767,063	$0	$0	$0	$63,767,063	$0	$63,767,063	$63,767,063	0.043%	0.044%
Reinsurance Agreement Cash Pledged	19,432,799	0	0	0	19,432,799	20,090,219	(657,420)	19,432,799	0.013%	0.013%
Total (c)	$83,199,862	$0	$0	$0	$83,199,862	$20,090,219	$63,109,643	$83,199,862	0.056%	0.057%

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively.

3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in Aggregate)

	Gross (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Credit Risk Retention Bond	$15,134,291	$0	$0	$0	$15,134,291	$0	$15,134,291	$15,134,291	0.010%	0.010%
Total (c)	$15,134,291	$0	$0	$0	$15,134,291	$0	$15,134,291	$15,134,291	0.010%	0.010%

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively.

NOTES TO FINANCIAL STATEMENTS

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements:

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted & Nonadmitted) (*)	4 % of BACV to Total Admitted Assets (**)
General Account:				
a. Cash, Cash Equivalents and Short-Term Investments	$626,197,458	$626,197,458	0.678%	0.683%
b. Schedule D, Part 1				
c. Schedule D, Part 2, Section 1				
d. Schedule D, Part 2, Section 2				
e. Schedule B				
f. Schedule A				
g. Schedule BA, Part 1				
h. Schedule DL, Part 1	2,486,201,885	2,486,201,885	2.692%	2.712%
i. Other				
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	$3,112,399,343	$3,112,399,343	3.370%	3.395%
Separate Account:				
k. Cash, Cash Equivalents and Short-Term Investments				
l. Schedule D, Part 1				
m. Schedule D, Part 2, Section 1				
m. Schedule D, Part 2, Section 2				
o. Schedule B				
p. Schedule A				
q. Schedule BA, Part 1				
r. Schedule DL, Part 1				
s. Other				
t. Total Collateral Assets (k+l+m+n+o+p+q+r+s)	$0	$0	0.000%	0.000%

(*) j = Column 1 divided by Asset Page, Line 26, Column 1
t = Column 1 divided by Asset Page, Line 27, Column 1
(**) j = Column 1 divided by Asset Page, Line 26, Column 3
t = Column 1 divided by Asset Page, Line 27, Column 3

	1 Amount	2 % of Liability to Total Liabilities (*)
u. Recognized Obligations to Return Collateral Asset (General Account)	$3,112,399,343	3.847%
v. Recognized Obligations to Return Collateral Asset (Separate Account)	$0	0.000%

(*) u = Column 1 divided by Liability Page, Line 26, Column 1
v = Column 1 divided by Liability Page, Line 27, Column 1

M. Working Capital Finance Investments (WCFI):

1. Aggregate WCFI Book/Adjusted Carrying Value by NAIC Designation

	Gross Asset June 30, 2020	Nonadmitted Asset June 30, 2020	Net Admitted Asset June 30, 2020
a. WCFI Designation 1	$320,715,946	$0	$320,715,946
b. WCFI Designation 2	36,562,451	0	36,562,451
c. WCFI Designation 3	0	0	0
d. WCFI Designation 4	0	0	0
e. WCFI Designation 5	0	0	0
f. WCFI Designation 6	0	0	0
g. Total	$357,278,397	$0	$357,278,397

2. Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs (WCFP)

	Book/Adjusted Carrying Value
a. Up to 180 Days	$352,296,729
b. 181 to 365 Days	4,981,668
c. Total	$357,278,397

3. The Company did not have any events of default on working capital finance investments.

N. The Company did not have any offsetting and netting of assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

O-P. No significant change

Q. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
1. Number of CUSIPs	51	0
2. Aggregate Amount of Investment Income	$9,979,005	$0

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No significant change

7. INVESTMENT INCOME

No significant change

8. DERIVATIVE INSTRUMENTS

A. Derivatives Under SSAP No. 86, *Derivatives*

1-7. No significant change

8. For call options with premiums which are paid at the end of the derivative contract, summarized in the tables below are the undiscounted future settled premium commitments, call option fair value and call option fair value excluding impact of discounted future settled premiums:

Fiscal Year	Premium Payments Due
2020	$196,402,951
2021	250,074,842
2022	34,192,120
2023	20,771,381
Thereafter	32,945,554
Total Undiscounted Future Settled Premium Commitments	$534,386,848

	Undiscounted Future Premium Commitments	Derivative Fair Value (Reported on Schedule DB) (a)	Derivative Fair Value Excluding Impact of Discounted Future Settled Premiums
Prior Year - 2019	$458,014,520	$541,660,140	$781,594,142
Current Year - 2020	$534,386,848	$349,934,537	$633,232,700

(a) The derivative fair value excludes accrued premium liability of $251 million and $218 million as of June 30, 2020 and December 31, 2019, respectively.

B. The Company did not have any derivatives under SSAP No. 108, *Derivatives Hedging Variable Annuity Guarantees*.

9. INCOME TAXES

No significant change

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

A-C. Material transactions: During the second quarter of 2020, the Company made a cash contribution of $200 million to Par Vermont, a wholly-owned subsidiary of the Company and accredited authorized reinsurer in Nebraska.

D-O. No significant change

11. DEBT

A. No significant change

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the FHLB. The Company is eligible to receive advances from the FHLB based on a percentage of the Company's statutory general account assets provided it has sufficient available eligible collateral and is in compliance with the FHLB requirements, debt covenant restrictions and insurance laws and regulations. The Company's estimated maximum borrowing capacity (after taking into account required collateralization levels) was $1.3 billion and $1.2 billion as of June 30, 2020 and December 31, 2019, respectively. However, asset eligibility determination is subject to the FHLB's discretion and to the availability of qualifying assets at the Company. Interest is at variable or fixed rates.

Through its membership, the Company has issued funding agreements to the FHLB in exchange for cash advances. The Company uses these funds in an investment spread strategy, consistent with its other investment spread business. As such, the Company applies SSAP No. 52, *Deposit-Type Contracts*, accounting treatment to these funds, consistent with its other deposit-type contracts. It is not part of the Company's general strategy to utilize funds for operations, and any funds obtained from the FHLB for use in general operations would be accounted for consistent with SSAP No. 15, *Debt and Holding Company Obligations*, as borrowed money. There was no debt outstanding with the FHLB as of June 30, 2020 and December 31, 2019.

NOTES TO FINANCIAL STATEMENTS

2. FHLB Capital Stock

a. Aggregate Totals

1. Current Year

	1 Total 2+3	2 General Account	3 Separate Account
(a) Membership Stock - Class A *	$500,000	$500,000	$0
(b) Membership Stock - Class B *	22,409,500	22,409,500	0
(c) Activity Stock	0	0	0
(d) Excess Stock	1,962,200	1,962,200	0
(e) Aggregate Total	$24,871,700	$24,871,700	$0
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	$1,334,000,000	XXX	XXX

2. Prior Year

	1 Total 2+3	2 General Account	3 Separate Account
(a) Membership Stock - Class A *	$500,000	$500,000	$0
(b) Membership Stock - Class B *	4,090,000	4,090,000	0
(c) Activity Stock	0	0	0
(d) Excess Stock	149,500	149,500	0
(e) Aggregate Total	$4,739,500	$4,739,500	$0
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	$1,189,000,000	XXX	XXX

* Required stock

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

Membership Stock	Current Year Total	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A	$500,000	$500,000	$0	$0	$0	$0
2. Class B	22,409,500	22,409,500	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

3. Collateral Pledged to FHLB

a. Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2 +3)	$797,194,195	$739,016,469	$509,100,000
2. Current Year General Account Total Collateral Pledged	797,194,195	739,016,469	509,100,000
3. Current Year Separate Account Total Collateral Pledged	0	0	0
4. Prior Year-End Total General and Separate Accounts Total Collateral Pledged	277,074,707	264,279,727	102,000,000

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged (Lines 2 +3)	$926,207,727	$914,609,711	$507,500,000
2. Current Year General Account Maximum Collateral Pledged	926,207,727	914,609,711	507,500,000
3. Current Year Separate Account Maximum Collateral Pledged	0	0	0
4. Prior Year-End Total General and Separate Accounts Maximum Collateral Pledged	388,756,147	388,756,147	102,000,000

4. Borrowing from FHLB

a. Amount as of Reporting Date

	1 Total 2+3	2 General Account	3 Separate Account	4 Funding Agreements Reserves Established
1. Current Year				
(a) Debt	$0	$0	$0	XXX
(b) Funding Agreements	509,100,000	509,100,000	0	$509,100,000
(c) Other	0	0	0	XXX
(d) Aggregate Total (a+b+c)	$509,100,000	$509,100,000	$0	$509,100,000
2. Prior Year-end				
(a) Debt	$0	$0	$0	XXX
(b) Funding Agreements	102,000,000	102,000,000	0	$102,000,000
(c) Other	0	0	0	XXX
(d) Aggregate Total (a+b+c)	$102,000,000	$102,000,000	$0	$102,000,000

b. Maximum Amount During Reporting Period

	1 Total 2+3	2 General Account	3 Separate Account
1. Debt	$20,000,000	$20,000,000	$0
2. Funding Agreements	547,400,000	547,400,000	
3. Other	0	0	0
4. Aggregate Total (Lines 1+2+3)	$567,400,000	$567,400,000	$0

c. The Company had no prepayment obligations from the FHLB.

NOTES TO FINANCIAL STATEMENTS

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Retirement Plan:

1-3. No significant change

4. Components of Net Periodic Benefits

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
a. Service Cost	$2,642,798	$5,285,597	$0	$0	$0	$0
b. Interest Cost	1,490,227	2,980,454	163,000	326,000	0	0
c. Expected Return on Plan Assets	0	0	0	0	0	0
d. Transition Asset or Obligation	0	0	0	0	0	0
e. Gains and Losses	530,302	1,060,604	85,500	171,000	0	0
f. Prior Service Cost or Credit	178,776	357,552	0	0	0	0
g. Gain or Loss Recognized Due to a Settlement or Curtailment	0	2,380,346	0	0	0	0
h. Total Net Periodic Benefit Cost	$4,842,103	$12,064,553	$248,500	$497,000	$0	$0

5-18. No significant change

B-I. No significant change

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

1-10. No significant change

11. The Company issued the following surplus debentures or similar obligations:

Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Notes	Principal And/ Or Interest Paid Current Year	Total Principal And/Or Interest Paid	Unapproved Principal And/ Or Interest	Date of Maturity
12/30/1993	7.900%	$133,549,000	$133,549,000	$5,275,186	$331,074,105		12/30/2023
06/15/2009	9.250%	384,555,000	384,555,000	17,785,669	1,521,009,978		06/15/2039
03/30/2010	6.000%	0	0	57,636,740	662,576,764		02/05/2020
01/22/2013	5.125%	410,490,000	406,707,807	10,518,806	258,751,436		01/25/2043
10/24/2017	4.300%	750,000,000	749,426,408	16,125,000	80,625,000		10/24/2067
	Total	$1,678,594,000	$1,674,238,215	$107,341,401	$2,854,037,283		XXX

On February 5, 2020, with the approval of the Director of the NE DOI, the Company repaid the remaining $56 million of principal of the 2010 Surplus Note.

12-13. No significant change

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

No significant change

15. LEASES

No significant change

16. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

1. The table below summarizes the face (notional) amount of the Company's financial instruments with off-balance-sheet risk.

	Assets		Liabilities	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
a. Swaps	$4,095,328,482	$5,169,393,053		$0
b. Futures	3,882,373,525	1,766,256,571		0
c. Options	15,503,185,719	14,364,343,486		0
d. Total	$23,480,887,726	$21,299,993,110	$0	$0

See Schedule DB for additional detail.

2-4. No significant change

NOTES TO FINANCIAL STATEMENTS

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A. No significant change

B. Transfer and Servicing of Financial Assets

1. Loaned Securities:

The Company participates in a securities lending program whereby securities are loaned to third parties for the purpose of enhancing income on securities held through reinvestment of cash collateral received upon lending. For securities lending transactions, the Company requires a minimum initial collateral, usually in the form of cash, equal to 102% of the fair value of the securities loaned. The borrower of the loaned securities is permitted to sell or repledge those securities. For securities lending transactions, the carrying value of securities classified as bonds and on loan at June 30, 2020 was $2.2 billion, with fair value of $2.4 billion. The Company recorded cash collateral received under these agreements of $2.5 billion and established a corresponding liability for the same amount, which is included in payable for securities lending on Page 3 – Liabilities, Surplus and Other Funds. See Note 5.E. At June 30, 2020, there were no separate accounts securities lending arrangements.

2-3. No significant change

4. The Company did not have securitized financial asset transfers accounted for as a sale.

5-7. No significant change

C. Wash Sales:

1. In the course of the Company's asset management activities, securities are sold and reacquired within thirty days of the sale date to enhance the Company's yield on its investment portfolio.

2. There were no securities with NAIC designation of 3 or below or unrated sold during the six months ended June 30, 2020 and reacquired within 30 days of the sale date.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

No significant change

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

No significant change

20. FAIR VALUE MEASUREMENTS

A. The Company's financial assets and liabilities that are carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP No. 100R, *Fair Value*. The determination of fair value requires the use of observable market data when available. The hierarchy consists of the following three levels that are prioritized based on observable and unobservable inputs.

Level 1: Unadjusted quoted prices for identical instruments in active markets. Level 1 financial instruments include securities that are traded in an active exchange market.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; and model-derived valuations for which all significant inputs are observable market data.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not market observable.

Investments reported at Net Asset Value (NAV) are not captured within the fair value hierarchy, but are separately identified in the table below.

NOTES TO FINANCIAL STATEMENTS

1. Fair Value Measurements of Financial Assets and Liabilities Carried at Fair Value or NAV as of June 30, 2020:

Description for Each Class of Asset or Liability	Level 1		Level 2	Level 3	Net Asset Value (NAV)	Total
a. Assets at Fair Value						
Bonds						
Issuer Obligations	$0		$27,307,000	$0	$0	$27,307,000
LBASS	0		0	478,112	0	478,112
Total Bonds	0		27,307,000	478,112	0	27,785,112
Common Stocks						
Industrial and Miscellaneous	92,757		0	24,871,700	0	24,964,457
Affiliates	174,487,905	(a)	0	0	0	174,487,905
Total Common Stocks	174,580,662		0	24,871,700	0	199,452,362
Derivatives						
Foreign Currency and Interest Rate Swaps	0		467,644,474	0	0	467,644,474
Equity Derivatives	271,069,705		0	602,935,622	0	874,005,327
Total Derivatives	271,069,705		467,644,474	602,935,622	0	1,341,649,801
Separate Account Assets (b)	54,329,964,550		0	0	402,702,884	54,732,667,434
Total Assets at Fair Value/NAV	$54,775,614,917		$494,951,474	$628,285,434	$402,702,884	$56,301,554,709
b. Liabilities at Fair Value						
Derivatives						
Foreign Currency and Interest Rate Swaps	$0		$83,208,122	$0	$0	$83,208,122
Equity Derivatives	0		0	14,520,428	0	14,520,428
Total Derivatives	0		83,208,122	14,520,428	0	97,728,550
Total Liabilities at Fair Value	$0		$83,208,122	$14,520,428	$0	$97,728,550

(a) Consists of mutual funds managed by affiliated entities.
(b) Consists of separate account assets that are primarily invested in mutual funds and hedge funds. Investment performance related to separate account assets is offset by corresponding amounts credited to contract holders whose liability is recorded in the separate account liabilities. Separate account liabilities are measured to equal the fair value of separate account assets.

2. Fair Value Measurements in Level 3 of the Fair Value Hierarchy:

Description	Beginning Balance at April 1, 2020	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at June 30, 2020
Bonds										
LBASS	$11,310,041	$0	($10,435,553)	$0	$336,849	$0	$0	$0	($733,225)	$478,112
Common Stocks										
Industrial and Miscellaneous	5,568,100	0	0	238,700	0	19,064,900	0	0	0	24,871,700
Derivatives, net	202,699,192	0	0	405,816,241	32,017,227	44,532,146	0	0	(96,649,612)	588,415,194
Total	$219,577,333	$0	$(10,435,553)	$406,054,941	$32,354,076	$63,597,046	$0	$0	$(97,382,837)	$613,765,006

3. Transfers in and/or out are recognized at the end of each quarter.

4. The fair values of bonds, preferred stocks and common stocks are determined by management after considering external pricing sources and internal valuation techniques. For securities with sufficient trading volume, prices are obtained from third-party pricing services. For securities that are traded infrequently, fair values are determined after evaluating prices obtained from third-party pricing services and independent brokers, or are valued internally using various valuation techniques.

The Company's management analyzes and evaluates prices received from independent third parties and determines whether they are reasonable estimates of fair value. Management's analysis may include, but is not limited to, review of third-party pricing methodologies and inputs, analysis of recent trades, comparison to prices received from other third parties, and development of internal models utilizing observable market data of comparable securities. The Company assesses the reasonableness of valuations received from independent brokers by considering current market dynamics and current pricing for similar securities.

For prices received from independent pricing services, the Company applies a formal process to challenge any prices received that are not considered representative of fair value. If prices received from independent pricing services are not considered reflective of market activity or representative of fair value, independent non-binding broker quotations are obtained, or an internally developed valuation is prepared. Upon evaluation, the Company determines which source represents the best estimate of fair value. Overrides of third-party prices to internally developed valuations of fair value did not produce material differences in the fair values for the majority of the portfolio; accordingly, overrides were not material. In the absence of such market observable activity, management’s best estimate is used.

Fair values determined by internally derived valuation tools use market-observable data if available. Generally, this includes using an actively traded comparable security as a benchmark for pricing. These internal valuation methods primarily represent discounted cash flow models that incorporate significant assumptive inputs such as spreads, discount rates, default rates, severity, and prepayment speeds. These inputs are analyzed by the Company’s portfolio managers and analysts, investment accountants and risk managers. Internally-developed estimates may also use unobservable data, which reflect the Company’s own assumptions about the inputs market participants would use.

NOTES TO FINANCIAL STATEMENTS

Most securities priced by a major independent third-party service have been classified as Level 2, as management has verified that the significant inputs used in determining their fair values are market observable and appropriate. Externally priced securities for which fair value measurement inputs are not sufficiently transparent, such as securities valued based on broker quotations, have been classified as Level 3. Internally valued securities, including adjusted prices received from independent third parties, where significant management assumptions have been utilized in determining fair value, have been classified as Level 3. Securities categorized as Level 1 consist primarily of investments in mutual funds.

The Company applies controls over the valuation process. Prices are reviewed and approved by the Company's professional credit analysts that have industry expertise and considerable knowledge of the issuers. Management performs validation checks to determine the completeness and reasonableness of the pricing information, which include, but are not limited to, changes from identified pricing sources, significant or unusual price fluctuations above predetermined tolerance levels from the prior period, and back-testing of fair values against prices of actual trades. A group comprised of the Company's investment accountants, portfolio managers and analysts and risk managers meet to discuss any unusual items above the tolerance levels that may have been identified in the pricing review process. These items are investigated, further analysis is performed and resolutions are appropriately documented.

Derivative instruments are reported at fair value using pricing valuation models which utilize market data inputs or independent broker quotations or exchange prices for exchange-traded futures. The Company calculates the fair value of derivatives using market standard valuation methodologies for foreign currency and interest rate swaps and equity options. Internal models are used to value equity total return swaps. The derivatives are valued using mid-market inputs that are predominantly observable in the market. Inputs include, but are not limited to, interest swap rates, foreign currency forward and spot rates, credit spreads and correlations, interest volatility, equity volatility and equity index levels. On a monthly basis, the Company performs an analysis of derivative valuations which includes both quantitative and qualitative analyses. Examples of procedures performed include, but are not limited to, review of pricing statistics and trends, analysis of the impacts of changes in the market environment and review of changes in the market value for each derivative by both risk managers and investment accountants. Internally calculated fair values are reviewed and compared to external broker fair values for reasonableness.

Derivative instruments classified as Level 1 are exchange-traded. Derivative instruments classified as Level 2 primarily include foreign currency and interest rate swaps. The derivative valuations are determined using pricing models with inputs that are observable in the market or can be derived principally from or corroborated by observable market data, primarily interest swap rates, interest rate volatility and foreign currency forward and spot rates.

Derivative instruments classified as Level 3 include complex derivatives, such as equity options and total return swaps. These derivatives are valued using pricing models which utilize both observable and unobservable inputs, primarily interest rate volatility, equity volatility, equity index levels and, to a lesser extent, broker quotations. A derivative instrument containing Level 2 inputs would be classified as a Level 3 financial instrument in its entirety if it has at least one significant Level 3 input.

The fair value of separate account assets is based on the fair value or NAV of the underlying assets. Separate account assets are primarily invested in mutual funds but also include investments in hedge funds.

Level 1 separate account assets include mutual funds that are valued based on reported net asset values provided by fund managers daily and can be redeemed without restriction. Management performs validation checks to determine the reasonableness of the pricing information, which include, but are not limited to, price fluctuations above predetermined thresholds from the prior day and validation against similar funds or indices. Variances are investigated, further analysis is performed and resolutions are appropriately documented.

NAV assets include separate account assets described in Note E. below.

B. Disclosure of Fair Value of Financial Instruments:

The following methods and assumptions were used to estimate the fair value of these financial instruments as of June 30, 2020:

Mortgage Loans: The fair value of the mortgage loan portfolio is determined by discounting the estimated future cash flows, using current rates that are applicable to similar yield, credit quality, property type and average maturity of the composite portfolio.

Cash, Cash Equivalents and Short-Term Investments (including Securities Lending Reinvested Collateral Assets): For cash and cash equivalents with maturities of three months or less from date of purchase, their fair values approximate their book/adjusted carrying values due to their short maturities. For short-term investments with maturities of one year or less from date of purchase, excluding cash equivalents and money market mutual funds, their fair values are determined using similar valuation techniques as described above for bonds. Cash equivalents that are money market mutual funds have fair values that approximate their book/adjusted carrying values due to the short maturities of the underlying investments of the funds. Securities lending reinvested collateral assets that are primarily reverse purchase agreements have fair values that approximate their book/adjusted carrying values due to their short maturities.

Contract Loans: The admitted value of contract loans is a reasonable estimate of their fair value because interest rates are generally variable and based on current market rates.

Other Invested Assets: Other invested assets consist of surplus note investments held from other insurance providers, WCFIs that are NAIC rated 1 or 2 and tax credit investments. The fair values of the surplus note investments are priced by an independent pricing service as described for bonds above. The WCFIs are held at accreted book value which approximates fair value due to the short-term nature of the investment.

Liability for Deposit-Type Contracts: The primary methods used to estimate the fair value of liability for deposit-type contracts are based on the rates currently offered for deposits of similar remaining maturities, or discounted cash flow methodologies using current market risk-free interest rates and adding a spread to reflect nonperformance risk.

Borrowings: The admitted value of the commercial paper debt is a reasonable estimate of the fair value due to the short-term nature of the debt as well as interest rates are variable and based on current market conditions. The secured borrowing fair value is determined by discounting estimated future cash flows, using current rates that are applicable to similar quality, collateral type and maturity.

Separate Account Liability for Deposit-Type Contracts: The statement value of separate account liability for deposit-type contracts is reported under separate account liabilities and is a reasonable estimate of their fair value because the contractual interest rates are variable and based on current market rates.

NOTES TO FINANCIAL STATEMENTS

C. Fair Value by Financial Instrument Type:

June 30, 2020

Type of Financial Instrument (1)	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Assets:							
Bonds	$61,423,817,653	$55,654,004,533	$0	$58,613,879,206	$2,809,938,447	$0	$0
Preferred Stocks	8,169,042	7,531,819	0	8,169,042	0	0	0
Common Stocks (2)	199,452,362	199,452,362	174,580,662	0	24,871,700	0	0
Mortgage Loans	14,945,978,197	14,639,919,610	0	0	14,945,978,197	0	0
Cash, Cash Equivalents and Short-Term Investments	2,566,472,383	2,566,466,243	2,562,617,788	3,854,595	0	0	0
Contract Loans	7,866,887,884	7,866,887,884	0	0	7,866,887,884	0	0
Derivatives, net	1,243,921,251	1,243,921,251	271,069,705	384,436,352	588,415,194	0	0
Securities Lending Reinvested Collateral Assets (3)	2,486,201,885	2,486,201,885	0	2,486,201,885	0	0	0
Other Invested Assets (2)	548,077,477	523,878,626	0	538,577,477	9,500,000	0	0
Separate Account Assets	54,897,910,724	54,895,179,152	54,329,964,550	155,143,290	10,100,000	402,702,884	0
Liabilities:							
Liability for Deposit-Type Contracts (4)	6,169,105,659	5,271,545,251	0	0	6,169,105,659	0	0
Borrowings	49,197,388	49,332,157	0	0	49,197,388	0	0
Separate Account Liability for Deposit-Type Contracts	3,649,532	3,649,532	0	0	3,649,532	0	0

December 31, 2019

Type of Financial Instrument (1)	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Assets:							
Bonds	$57,097,604,028	$53,042,350,247	$0	$54,077,990,885	$3,019,613,143	$0	$0
Preferred Stocks	11,524,072	10,731,507	0	11,524,072	0	0	0
Common Stocks (2)	249,090,879	249,090,879	244,351,379	0	4,739,500	0	0
Mortgage Loans	14,625,781,749	13,684,963,866	0	0	14,625,781,749	0	0
Cash, Cash Equivalents and Short-Term Investments	3,710,486,729	3,710,559,929	1,219,269,023	2,491,217,706	0	0	0
Contract Loans	7,940,193,877	7,940,193,877	0	0	7,940,193,877	0	0
Derivatives, net	993,603,388	993,603,388	72,021,600	95,907,715	825,674,073	0	0
Securities Lending Reinvested Collateral Assets (3)	2,130,824,920	2,130,824,920	0	2,130,824,920	0	0	0
Other Invested Assets (2)	469,623,419	449,053,342	0	460,323,419	9,300,000	0	0
Separate Account Assets	57,266,846,432	57,266,846,432	56,864,801,370	0	0	402,045,062	0
Liabilities:							
Liability for Deposit-Type Contracts (4)	4,444,034,343	3,993,894,363	0	0	4,444,034,343	0	0
Borrowings	54,095,525	49,826,132	0	0	54,095,525	0	0
Separate Account Liability for Deposit-Type Contracts	4,247,830	4,247,830	0	0	4,247,830	0	0

(1) The tables above exclude the following financial instruments: investment income due and accrued and derivatives collateral receivable and payable. The fair value of these financial instruments, which are primarily classified as Level 2, approximates carrying value as they are short–term in nature such that there is minimal risk of material changes in fair value due to changes in interest rates or counterparty credit

(2) Excludes investments accounted for under the equity method

(3) Excludes payable for securities lending as it equals the securities lending reinvested collateral

(4) Excludes deposit liabilities with no defined or contractual maturities

D. The Company had no investments where it was not practicable to estimate fair value.

E. Investments Measured Using the NAV Practical Expedient:

Separate account assets include hedge funds where the fair value is based on the net asset value obtained from the fund managers. Investment strategies related to this asset class includes multi-strategy primarily invested in the U.S. and international equity, fixed income, loans, real estate, derivatives, privately held companies and private partnerships. The redemption frequency can be monthly, quarterly, semi-annually and annually. The remaining lockup period ranges from zero to four years as of June 30, 2020. There are no unfunded commitments as of June 30, 2020.

21. OTHER ITEMS

A-B. No significant change

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures

1. Ceded Affiliated Reinsurance

Pacific Life Reinsurance (Barbados) Limited (PLRB), a direct, wholly owned subsidiary of Pacific LifeCorp, was a Barbados-based life reinsurance company. Effective March 31, 2020, PLRB changed its name to Pacific Life Re Global Limited (PLRG) and was redomiciled to and licensed as a life reinsurance company in Bermuda. PLRG assumes U.S. life retrocession business through the Company, as well as other non-U.S. life retrocession business. PLRG also became a direct, wholly-owned subsidiary of Pacific Life Re Holding LLC, which is a direct, wholly-owned subsidiary of Pacific Life Re Holding LLC, which is a direct, wholly-owned subsidiary of Pacific LifeCorp, on March 31, 2020.

The Company has reinsurance agreements with PLRG. The underlying reinsurance is comprised of coinsurance and Yearly Renewable Term (YRT) treaties. The Company retroceded statutory reserves for the majority of the underlying YRT treaties on a 100% coinsurance with funds withheld basis to PLRG. The statutory accounting reserve credit is supported by a $355 million Letter of credit (LOC) issued to PLRG by a highly rated third-party bank for the benefit of Pacific Life, which expires August 2021. In connection with the LOC, Pacific LifeCorp has provided a guarantee to the bank for certain obligations under the LOC agreement. In addition, Pacific LifeCorp entered into a capital maintenance agreement with PLRG.

Pacific Alliance Reinsurance Company's (PARC) is a wholly-owned subsidiary of Pacific LifeCorp and was formed to reinsure benefits provided by variable annuity contracts and contract rider guarantees issued by the Company. In June, 2020 the Company communicated its intention to PARC to recapture the variable annuity business currently reinsured by PARC during the fourth quarter of 2020.

As part of the contractual requirements outlined in the Treaty, PARC will be required to calculate and provide an Agreement Termination Value (as defined in the Treaty) within 60 days of the agreed upon recapture date. In addition, the recapture will settle the funds withheld balance and all other insurance related balances. Once the settlement amount is agreed upon by the Company and PARC, the net settlement amount is due within 30 days immediately following the date of agreement. The Company is currently evaluating the impact of the recapture.

2. No significant change

3. Other disclosures:

The Company has ceded reinsurance contracts in place with a reinsurer whose financial stability has deteriorated. In March 2019, the reinsurer's domiciliary state regulator issued a rehabilitation and injunction order, in which the regulator shall conduct and continue business of the reinsurer. As of June 30, 2020, the Company does not expect the financial deterioration of the reinsurer to have a material adverse effect on the Company's financial statements.

In June 2020, the Company launched a $15 billion funding agreement-backed notes (FABN) program through a special-purpose, unaffiliated statutory trust. The trust issues senior secured medium-term notes and uses the net proceeds from each sale to purchase one or more funding agreements from the Company. As of June 30, 2020, the Company had $600 million of FABN funding agreements outstanding, which are recorded within Liability for Deposit-type Contracts (page 3, line 3).

In June 2020, the Company also launched a $5 billion funding agreement-backed commercial paper (FABCP) program through a special-purpose, unaffiliated limited liability company. The limited liability company issues commercial paper and uses the net proceeds from each sale to make a deposit under the associated funding agreement from the Company. As of June 30, 2020, the Company FABCP funding agreement had no deposits.

As of June 30, 2020, the Company had $739 million of outstanding contractual obligations to acquire private placement securities and outstanding mortgage loan commitments to fund $1,258 million primarily in construction loan advances.

D-I. No significant change

NOTES TO FINANCIAL STATEMENTS

22. EVENTS SUBSEQUENT

The Company has evaluated events subsequent to June 30, 2020 and through August 14, 2020, the date this Quarterly Statement was filed and has concluded that no events have occurred that required adjustments to this Quarterly Statement. The Company has not evaluated subsequent events after the filing date.

The Company is working with borrowers who are experiencing financial difficulty as a direct result of the COVID-19 pandemic. When necessary, the Company is providing temporary (six months or less) loan modifications to assist borrowers with their present circumstances. These loans are accruing interest and are classified as current when performing under the terms of the modified loan agreement. On April 7, 2020, a group of banking agencies issued an Interagency Statement that offers practical expedients for evaluating whether loan modifications that occur in response to COVID-19 are troubled debt restructures (TDR) consistent with the Coronavirus Aid, Relief and Economic Security Act (the CARES Act). The Company's loan modifications fall within the guidance of the April 7, 2020 Interagency Statement, as adopted by the NAIC under INT 20-03, and do not qualify as TDRs. As of August 14, 2020, the Company has provided modification with principal and/or interest payment relief on loans with a total book value of $963 million and these loans do not qualify as TDRs.

Beginning in the first quarter of 2020, Economic and capital market uncertainties have arisen as a result of the spread of COVID-19. The impact of COVID-19 on the Company is constantly evolving and its future effects are uncertain and cannot be reasonably estimated as of the date this report was filed. Interest rates and equity market levels have had the most significant effect on the Company's financial statements. COVID-19 related claims have been insignificant through August 14, 2020. The Company continues to actively monitor direct and indirect impacts of the pandemic on its financial statements, especially in relation to claims and the investments portfolio.

The Company has an agreement with Pacific Life Reinsurance Company II Limited (PLRC), an exempt life insurance company domiciled in Barbados and wholly owned by the Company, to guarantee the performance of reinsurance obligations of PLRC. Effective July 1, 2020, all business in PLRC has been novated out of the entity and into PLRG and the Canada branch of Pacific Life Re Limited (PLR), a wholly-owned subsidiary of Pacific LifeCorp. Consequently, management believes no obligations related to the guarantee agreement between the Company and PLRC remain and the guarantee will be terminated upon the dissolution of PLRC in December 2020.

The Company guarantees the performance of the reinsurance obligations of PLR, including the reinsurance obligations assumed by its Canada branch, which includes the business novated from PLRC. The Company also has an agreement with PLRG to guarantee the reinsurance obligations of the business novated from PLRC. Management believes that additional obligations, if any, related to the guarantee agreements are not likely to have a material adverse impact on the Company's financial statements.

23. REINSURANCE

No significant change

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

A-D. No significant change

E. The Company does not write any accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions.

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

A. As of June 30, 2020 and December 31, 2019, there were $15 million and $18 million, respectively, in aggregate reserves for accident and health contracts.

B. There were no significant changes in methodology or assumptions of the reserves.

26. INTERCOMPANY POOLING ARRANGEMENTS

No significant change

27. STRUCTURED SETTLEMENTS

No significant change

NOTES TO FINANCIAL STATEMENTS

28. HEALTH CARE RECEIVABLES

No significant change

29. PARTICIPATING POLICIES

No significant change

30. PREMIUM DEFICIENCY RESERVES

No significant change

31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

No significant change

NOTES TO FINANCIAL STATEMENTS

32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT TYPE CONTRACT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

A. INDIVIDUAL ANNUITIES

		General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1).	Subject to Discretionary Withdrawal:					
a.	With Market Value Adjustment	$14,701,592,121	$0	$0	$14,701,592,121	20%
b.	At Book Value Less Current Surrender Charge of 5% or More *	2,487,328,789	0	0	2,487,328,789	3%
c.	At Fair Value	0	0	45,351,250,449	45,351,250,449	61%
d.	Total with Market Value Adjustment or at Fair Value (Total of a Through c)	17,188,920,910	0	45,351,250,449	62,540,171,359	84%
e.	At Book Value without Adjustment (Minimal or No Charge or Adjustment)	6,075,755,028	0	0	6,075,755,028	8%
(2).	Not Subject to Discretionary Withdrawal	6,305,409,111	0	2,031,616	6,307,440,727	8%
(3).	Total (Gross: Direct + Assumed)	29,570,085,049	0	45,353,282,065	74,923,367,114	100%
(4).	Reinsurance Ceded	77,799,235	0	0	77,799,235	
(5).	Total (Net) (3) - (4)	$29,492,285,814	$0	$45,353,282,065	$74,845,567,879	
(6).	Amount Included in A(1)b Above that will Move to A(1)e in the Year After the Statement Date: **	$0	$0	$0	$0	

B. GROUP ANNUITIES

		General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1).	Subject to Discretionary Withdrawal:					
a.	With Market Value Adjustment	$14,483,010	$0	$0	$14,483,010	1%
b.	At Book Value Less Current Surrender Charge of 5% or More *	0	0	0	0	0%
c.	At Fair Value	0	0	0	0	0%
d.	Total with Market Value Adjustment or at Fair Value (Total of a Through c)	14,483,010	0	0	14,483,010	1%
e.	At Book Value without Adjustment (Minimal or No Charge or Adjustment)	0	0	0	0	0%
(2).	Not Subject to Discretionary Withdrawal	5,800,553,293	315,955,842	0	6,116,509,135	99%
(3).	Total (Gross: Direct + Assumed)	5,815,036,303	315,955,842	0	6,130,992,145	100%
(4).	Reinsurance Ceded	0	0	0	0	
(5).	Total (Net) (3) - (4)	$5,815,036,303	$315,955,842	$0	$6,130,992,145	
(6).	Amount Included in B(1)b Above that will Move to B(1)e in the Year After the Statement Date:	$0	$0	$0	$0	

C. DEPOSIT-TYPE CONTRACTS

		General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1).	Subject to Discretionary Withdrawal:					
a.	With Market Value Adjustment	$138,628,868	$0	$0	$138,628,868	3%
b.	At Book Value Less Current Surrender Charge of 5% or More *	0	0	0	0	0%
c.	At Fair Value	0	0	3,649,532	3,649,532	0%
d.	Total with Market Value Adjustment or at Fair Value (Total of a Through c)	138,628,868	0	3,649,532	142,278,400	3%
e.	At Book Value without Adjustment (Minimal or No Charge or Adjustment)	129,385,666	0	0	129,385,666	2%
(2).	Not Subject to Discretionary Withdrawal	5,127,381,438	0	0	5,127,381,438	95%
(3).	Total (Gross: Direct + Assumed)	5,395,395,972	0	3,649,532	5,399,045,504	100%
(4).	Reinsurance Ceded	0	0	0	0	
(5).	Total (Net) (3) - (4)	$5,395,395,972	$0	$3,649,532	$5,399,045,504	
(6).	Amount Included in C(1)b Above that will Move to C(1)e in the Year After the Statement Date:	$0	$0	$0	$0	

* Withdrawal characteristic categories were evaluated using effective surrender charge rates, where applicable.

** Amount is not material for the general account in the quarterly statements.

NOTES TO FINANCIAL STATEMENTS

D.	Life & Accident & Health Annual Statement:	
1.	Exhibit 5, Annuities Section, Total (net)	$35,304,496,703
2.	Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	2,825,414
3.	Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	5,395,395,972
4.	Subtotal	40,702,718,089
	Separate Accounts Annual Statement:	
5.	Exhibit 3, Line 0299999, Column 2	45,669,237,907
6.	Exhibit 3, Line 0399999, Column 2	0
7.	Policyholder dividend and coupon accumulations	0
8.	Policyholder premiums	0
9.	Guaranteed interest contracts	0
10.	Other contract deposit funds	3,649,532
11.	Subtotal	45,672,887,439
12.	Combined Total	$86,375,605,528

33. ANALYSIS OF LIFE ACTUARIAL RESERVES BY WITHDRAWAL CHARACTERISTICS

		General Account			Separate Account - Guaranteed and Nonguaranteed		
		Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
A.	Subject to Discretionary Withdrawal, Surrender Values, or Policy Loans:						
1.	Term Policies with Cash Value	$0	$0	$0	$0	$0	$0
2.	Universal Life	2,894,855,233	3,371,273,135	3,435,081,593	0	0	0
3.	Universal Life with Secondary Guarantees	5,453,888,934	5,424,041,506	8,078,385,035	0	0	0
4.	Indexed Universal Life	0	0	0	0	0	0
5.	Indexed Universal Life with Secondary Guarantees	9,982,451,746	9,080,090,677	9,650,225,024	0	0	0
6.	Indexed Life	0	0	0	0	0	0
7.	Other Permanent Cash Value Life Insurance	10,278,011,159	10,819,244,746	11,105,740,889	0	0	0
8.	Variable Life	0	0	0	0	0	0
9.	Variable Universal Life	3,495,476,774	3,470,750,625	3,552,483,405	8,464,271,739	8,370,792,143	8,364,442,276
10.	Miscellaneous Reserves	0	0	0	0	0	0
B.	Not Subject to Discretionary Withdrawal or No Cash Values						
1.	Term Policies without Cash Value	XXX	XXX	697,367,084	XXX	XXX	0
2.	Accidental Death Benefits	XXX	XXX	28,940	XXX	XXX	0
3.	Disability - Active Lives *	XXX	XXX	3,949,672	XXX	XXX	0
4.	Disability - Disabled Lives	XXX	XXX	12,993,037	XXX	XXX	0
5.	Miscellaneous Reserves	XXX	XXX	766,953,324	XXX	XXX	0
C.	Total (Gross: Direct + Assumed)	32,104,683,846	32,165,400,689	37,303,208,003	8,464,271,739	8,370,792,143	8,364,442,276
D.	Reinsurance Ceded	0	0	3,430,113,363	0	0	0
E.	Total (net) (C) - (D)	$32,104,683,846	$32,165,400,689	$33,873,094,640	$8,464,271,739	$8,370,792,143	$8,364,442,276

* Certain disability - active lives were reported in section A instead of section B.(3) since they are subject to discretionary withdrawal.

F.	Life & Accident & Health Annual Statement:	
1.	Exhibit 5, Life Insurance Section, Total (net)	$33,096,091,002
2.	Exhibit 5, Accidental Death Benefits Section, Total (net)	15,685
3.	Exhibit 5, Disability - Active Lives Section, Total (net)	581,385,632
4.	Exhibit 5, Disability - Disabled Lives Section, Total (net)	10,651,453
5.	Exhibit 5, Miscellaneous Reserves Section, Total (net)	184,950,868
6.	Subtotal	33,873,094,640
	Separate Accounts Annual Statement:	
7.	Exhibit 3, Line 0199999, Column 2	8,364,442,276
8.	Exhibit 3, Line 0499999, Column 2	0
9.	Exhibit 3, Line 0599999, Column 2	0
10.	Subtotal (Lines (7) through (9))	8,364,442,276
11.	Combined Total ((6) and (10))	$42,237,536,916

NOTES TO FINANCIAL STATEMENTS

34. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

No significant change

35. SEPARATE ACCOUNTS

A. Separate Account Activity

1. The Company utilizes separate accounts to record and account for assets and liabilities related to variable annuities, variable universal life and group annuities. The liabilities consist of reserves established to meet withdrawal and future benefit payment contractual provisions. Investment risk associated with market value changes are generally borne by the contract holders, except to the extent of the minimum guarantees made by the Company with respect to certain separate accounts.

2. In accordance with the products recorded within the separate account, some assets are considered legally insulated whereas others are not legally insulated from the general account. The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.

   As of June 30, 2020 and December 31, 2019, the Company's separate account statement included legally insulated assets of $54.9 billion and $57.3 billion, respectively. The assets legally insulated and not legally insulated from the general account as of June 30, 2020 are attributed to the following products:

Product	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
Variable Annuities	$46,080,225,307	$0
Variable Universal Life	8,484,741,783	0
Group Annuities	330,212,062	0
Total	$54,895,179,152	$0

3-4. No significant change

B. General Nature and Characteristics of Separate Accounts Business:

Information regarding the separate accounts of the company is as follows:

	Separate Accounts with Guarantees			Without Guarantees	
	(1) Indexed	(2) Nonindexed Guarantee 4% or Less	(3) Nonindexed Guarantee More than 4%	(4) Nonguaranteed Separate Accounts	(5) Total
1. Premiums, Considerations or Deposits for the Period Ended June 30, 2020	$0	$303,153,757	$0	$1,926,119,918	$2,229,273,675
2. Reserves at June 30, 2020					
For Accounts With Assets At:					
a. Fair Value	$0	$0	$0	$53,721,373,873	$53,721,373,873
b. Amortized Cost	0	315,955,842	0	0	315,955,842
c. Total Reserves *	$0	$315,955,842	$0	$53,721,373,873	$54,037,329,715
3. By Withdrawal Characteristics:					
a. Subject to Discretionary Withdrawal					
1. With Market Value Adjustment	$0	$0	$0	$0	$0
2. At Book Value Without Market Value Adjustment and With Current Surrender Charge of 5% or More	0	0	0	0	0
3. At Fair Value	0	0	0	53,719,342,257	53,719,342,257
4. At Book Value Without Market Value Adjustment and With Current Surrender Charge Less than 5%	0	0	0	0	0
5. Subtotal	0	0	0	53,719,342,257	53,719,342,257
b. Not Subject to Discretionary Withdrawal	0	315,955,842	0	2,031,616	317,987,458
c. Total	$0	$315,955,842	$0	$53,721,373,873	$54,037,329,715

* Line 2(c) should equal Line 3(c).

4. No significant change

NOTES TO FINANCIAL STATEMENTS

C. Reconciliation of Net Transfers To (or From) Separate Accounts:

1. Transfers as Reported in the Summary of Operations of the Separate Accounts Statement:	
a. Transfers to Separate Accounts (Page 4, Line 1.4)	$2,229,200,079
b. Transfers from Separate Accounts (Page 4, Line 10)	2,646,748,711
c. Net transfers to (from) Separate Accounts (a) - (b)	(417,548,632)
2. Reconciling Adjustments:	
a. Net Lag Gain/Loss for Annuities in General Account Only	(3,261,014)
3. Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)	($420,809,646)

36. LOSS/CLAIM ADJUSTMENT EXPENSES

No significant change