

# Pacific Life Promise



Partnering with Pacific Life to Reach the Mass Market



## Who are we ?

Offering insurance since 1868, Pacific Life provides a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans.

### Our Financial Ratings:

- ✓ A.M. Best A+(Superior) 2nd of 16 rankings
- ✓ Standard & Poor's AA- (Very Strong) 4th of 21 rankings
- ✓ Fitch A+ (Strong) 5th of 21 rankings
- ✓ Moody's A1 (Good) 5th of 21 rankings

### Traditional Pacific Life Strength:

- ✓ #1 in Indexed UL & UL Sales
- ✓ #2 in Hybrid Product Sales
- ✓ #4 in Total Life Insurance Sales
- ✓ Where We Choose to Play, We Play to Win

At Pacific Life, our policyowners are at the heart of the business decisions we make. As a mutual holding company, we have no publically traded stock. We operate for the benefit of our policyowners and clients.

COMDEX Score: 90



## Why we pursued and executed the transaction ?

---

The acquisition of Genworth's Life Insurance capabilities, relationships, high-volume term experience will allow Pacific Life to extend our ability to fulfill the financial protection needs of a broader, underinsured market without disruption to our existing distribution in the affluent market.

Term life currently represents about 2.5%<sup>1</sup> of Pacific Life's total life insurance business. The acquisition of Genworth's platform will allow us to:

- ✓ Accelerate growth into the protection business and more open access to the mass market
- ✓ Rapidly launch competitive product offerings
- ✓ Process large volumes of Term applications with consistency and speed

Combined capabilities create a comprehensive offering to fulfill the financial needs of a broad base of consumers

# Pacific Life's Mass Market Service Strategy

## Capabilities Designed to Service the Mass Market

<u>Repeatability</u>	<u>Relationship</u>	<u>Excellence</u>	<u>Digital Capabilities</u>
<ul style="list-style-type: none"><li>▪ No Surprises</li><li>▪ Consistent Underwriting Decisions</li><li>▪ Right Decision The First Time</li><li>▪ Data-Driven Work Management</li></ul>	<ul style="list-style-type: none"><li>▪ In-Depth Knowledge Of Our Partners</li><li>▪ Committed To Shared Success</li><li>▪ Enduring Strategy</li><li>▪ Dedicated New Business And Underwriting Teams</li></ul>	<ul style="list-style-type: none"><li>▪ Simple Products With Competitive Benefits</li><li>▪ Flexible New Business Submission</li><li>▪ Scalable Operating Platform</li><li>▪ Continuous Improvement</li></ul>	<ul style="list-style-type: none"><li>▪ App Upload, e-Delivery, e-Submission, Innovative &amp; Robust Distributor Connectivity</li><li>▪ Focused On Streamlining End To End Operation</li><li>▪ Building Online Customer Service Support</li></ul>

## Built on a Formidable Heritage

Deep History and Strength in Distribution

People

Financial Strength and Superior Ratings (AA-)

Consistently Deliver and Excel When it Matters Most

# PL Promise Term Product Features

---

- ✓ Full Suite of Term Durations: 10, 15, 20, 25, 30
- ✓ **3 Riders:** Terminal Illness (No Charge), Child Term, Waiver Of Premium
- ✓ **Monthly Mode Advantage** (0.085 vs 0.0875 )
- ✓ **Conversion Privilege:** The Earlier Of Age 70 or The End Of The Level Term Period
- ✓ **Offering In All 50 States, But Initial Launch Focused On ICC States\*\***
  - Additional States To Follow Upon Approval
- ✓ **The Same Compensation and Similar Production Bonus to prior Genworth Term**
- ✓ **Issue Ages: 18-80\***
- ✓ **6 Risk Classes:**
  - PBNN: Preferred Best No Nicotine
  - PNN: Preferred No Nicotine
  - SLNN: Select No Nicotine
  - SNN: Standard No Nicotine
  - PNU: Preferred Nicotine Use
  - SNU: Standard Nicotine Use
- ✓ **5 Premium Bands:**
  - Band 1= \$50,000 - \$99,999.99
  - Band 2 = \$100,000 - \$249,999.99
  - Band 3 = \$250,000 - \$499,999.99
  - Band 4 = \$500,000 - \$999,999.99
  - Band 5 = \$1,000,000+

\*variations by term duration

\*\*Non-ICC States: CA, CT, DE, DC, FL, ND, SD, NY

# PL Promise Term Price Positioning

\$500K, Annual Premium Mode

	<u>10</u>						<u>15</u>						<u>20</u>						<u>30</u>					
	PBNN	PNN	Select	SNN	PNU	SNU	PBNN	PNN	Select	SNN	PNU	SNU	PBNN	PNN	Select	SNN	PNU	SNU	PBNN	PNN	Select	SNN	PNU	SNU
<b>Female</b>	3.0	2.8	2.9	4.3	4.5	5.5	2.8	3.0	2.4	3.9	4.0	5.6	2.9	2.8	2.0	4.9	4.6	5.8	2.4	2.9	2.0	4.6	4.6	2.4
20	3	2	3	4	5	6	3	4	3	4	3	6	3	4	2	5	6	6	2	3	2	5	5	2
25	3	3	2	4	4	6	3	4	3	4	5	6	2	4	1	5	4	6	1	3	1	4	5	2
30	3	3	3	5	5	5	1	1	3	4	4	6	4	1	3	5	5	5	1	3	3	5	5	4
35	3	2	2	4	4	4	3	1	3	4	4	4	3	2	2	4	4	6	1	2	1	4	4	1
40	2	3	2	4	5	6	3	3	1	1	4	6	3	3	1	4	5	6	4	4	1	5	5	4
45	3	2	3	4	4	6	2	2	1	5	4	6	3	2	1	5	4	5	4	2	3	5	4	1
50	2	2	3	5	5	6	2	3	1	4	4	6	3	4	3	6	5	6	3	4	3	5	4	3
55	3	3	3	4	5	6	3	4	1	5	4	6	2	2	1	6	4	6	3	2	2	4		
60	3	3	3	5	5	6	3	3	3	4	4	6	3	3	3	5	5	7						
65	3	3	3	5	4	7	3	3	3	5	4	6	3	3	3	4	4	5						
70	4	4	4	5	4	4	5	5	4	4	4	4												
75	4	4	4	4	4	4	3	3	3	3														
80	3	3	3	3																				
<b>Male</b>	2.9	2.8	3.2	4.2	4.4	5.6	2.9	3.1	2.8	4.4	4.1	5.7	3.1	2.8	2.1	4.8	4.5	5.9	2.1	2.5	1.9	4.6	4.7	2.9
20	3	3	3	4	4	6	3	3	3	4	4	4	5	3	2	4	5	6	4	1	1	6	5	3
25	2	3	3	4	4	6	3	3	3	4	4	6	4	3	3	4	4	6	1	3	1	4	4	2
30	2	2	3	5	4	5	3	3	3	4	4	6	2	2	2	5	5	5	1	3	3	5	5	4
35	3	3	2	3	3	7	3	3	2	5	5	6	3	2	1	4	5	6	3	1	2	4	5	2
40	3	3	3	5	5	6	2	2	3	4	4	6	3	3	2	6	4	6	3	4	1	5	5	4
45	3	2	3	3	5	6	2	3	2	5	5	7	2	2	1	5	4	6	1	3	3	5	5	2
50	3	2	3	5	4	5	2	3	3	5	4	6	3	2	3	5	5	6	2	2	3	5	4	3
55	2	2	3	5	4	6	4	2	2	5	3	6	3	4	3	5	4	7	2	3	1	3		
60	3	3	3	5	6	6	2	3	2	5	4	6	4	4	3	5	5	6						
65	3	3	3	5	5	6	4	4	3	5	4	6	2	3	1	5	4	5						
70	4	4	4	4	5	4	4	5	4	4	4	4												
75	4	4	5	4	4	4	3	3	4	3														
80	3	3	3	3																				

- Benchmarked Competitors: American General, Banner, Lincoln, North American, Principal, Protective, Prudential (Essential & Elite), SBLI, Transamerica, United of Omaha, Voya
- T25 Not Shown Due to Limited Competitive Benchmarking
- Includes 8/29/16 Protective Rate Change



# PL Promise Term Price Positioning

\$500K, Monthly Premium Mode

	10						15						20						30					
	PBNN	PNN	Select	SNN	PNU	SNU	PBNN	PNN	Select	SNN	PNU	SNU	PBNN	PNN	Select	SNN	PNU	SNU	PBNN	PNN	Select	SNN	PNU	SNU
<b>Female</b>	2.1	1.8	1.6	2.7	3.2	4.0	1.8	1.4	1.5	2.4	2.3	3.8	1.7	1.5	1.2	2.2	3.0	4.8	1.1	1.1	1.1	1.8	2.7	1.7
20	2	1	1	2	4	6	1	1	1	4	2	3	1	1	1	3	2	6	2	1	2	2	3	1
25	2	2	1	2	4	6	1	1	1	4	1	1	1	1	1	3	1	6	1	1	1	2	4	1
30	2	2	2	3	5	4	1	1	1	3	1	5	1	1	2	3	4	5	1	1	1	2	3	3
35	2	2	1	4	1	1	2	1	1	2	1	1	2	1	1	2	4	6	1	1	1	1	1	1
40	2	2	1	4	3	4	2	2	1	1	4	3	3	2	1	2	3	4	1	2	1	2	3	3
45	1	1	2	2	3	3	2	1	1	2	1	5	2	1	1	2	4	4	1	1	1	2	4	1
50	1	2	1	4	2	4	2	2	1	2	4	6	2	2	1	1	4	3	1	1	1	2	1	2
55	2	1	1	3	3	3	2	1	1	4	2	6	1	2	1	2	3	6	1	1	1	1		
60	2	2	2	2	4	3	2	2	1	1	3	6	2	2	1	2	4	3						
65	2	2	2	3	3	6	2	2	2	2	2	3	2	2	2	2	1	5						
70	4	3	2	4	3	4	3	2	4	3	4	3												
75	2	2	2	1	3	4	1	1	3	1														
80	3	1	3	1																				
<b>Male</b>	2.2	2.2	1.6	2.5	1.9	4.0	1.8	1.8	1.3	2.8	2.4	4.5	1.8	1.6	1.1	2.3	2.8	4.5	1.1	1.1	1.0	2.1	1.7	1.6
20	3	3	1	3	1	4	3	2	1	2	4	2	2	1	1	2	2	4	1	1	1	3	2	1
25	2	3	2	4	1	5	3	2	1	2	4	5	2	1	2	2	2	6	1	1	1	2	1	1
30	2	2	2	4	1	5	3	2	1	2	3	5	2	1	1	4	3	5	1	1	1	4	2	2
35	2	2	1	2	1	6	2	2	1	5	2	6	2	1	1	2	2	2	1	1	1	1	2	1
40	3	2	1	4	2	5	2	2	1	4	2	4	3	2	1	4	2	4	2	2	1	2	3	3
45	2	2	1	1	1	6	1	2	1	2	2	6	2	2	1	2	3	6	1	1	1	2	1	1
50	2	1	1	3	3	3	1	1	1	2	1	6	1	2	1	2	4	4	1	1	1	1	1	2
55	1	2	2	2	1	5	1	1	1	2	2	6	1	2	1	2	4	3	1	1	1	2		
60	2	3	1	3	4	4	2	2	1	4	2	3	2	2	1	2	4	6						
65	2	1	2	2	2	2	1	1	1	2	2	4	1	2	1	1	2	5						
70	4	3	2	2	3	2	2	2	2	3	2	2												
75	2	2	2	1	3	1	1	3	3	3														
80	2	2	3	2																				

- Benchmarked Competitors: American General, Banner, Lincoln, North American, Principal, Protective, Prudential (Essential & Elite), SBLI, Transamerica, United of Omaha, Voya
- T25 Not Shown Due to Limited Competitive Benchmarking
- Includes 8/29/16 Protective Rate Change



## Conversion Product Offering

---

- ✓ Conversion Product Will Be In Place Within 1 Year Of Launching PL Promise Term
  - Interim Product Will Be Available In The Event There Is A Conversion In The 1st Year Post Launch, But At No Compensation (*only during this initial 1 year period*)
- ✓ Targeting A Conversion Product More Competitive Than Genworth's Prior Offering By Encouraging Healthy / Early Duration Conversions. Options Under Consideration To Yield A More Balanced Mix Of Conversions:
  - More Competitive Product Offering
  - Proactive Marketing Of Conversions
  - Higher Compensation In Early Durations With Policy Owner Conversion Credits
  - Lower Compensation In Later Durations With No Conversion Credits

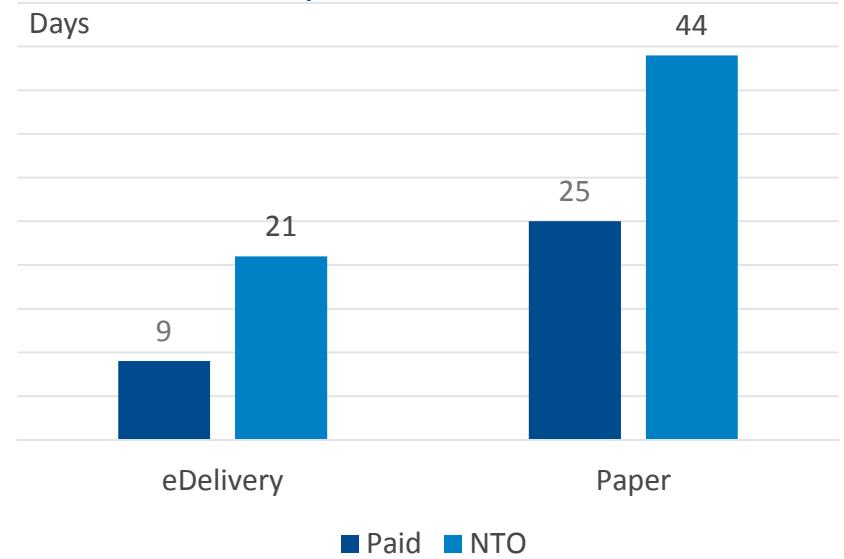
Ideal Solution Would Align Interests of the Distributor, Policy Holder & Pacific Life



# ePolicy Delivery Model

- ✓ DocFast through iPipeline
- ✓ 3 Methods of Delivery
  - Direct to Consumer
  - Through Producer for Review/Approval
  - Through Distributor for Review/Approval
- ✓ User may reject policy for reissue
- ✓ User may print or electronically save policy
- ✓ Electronic Payment Options
- ✓ Notice of final eDelivery provided to producer and distributor

### Past Genworth eDelivery vs Paper Performance



NTO: Not Taken

50-60% Faster than Paper Delivery