

2007 BEST'S KEY RATING GUIDE

PACIFIC LIFE & ANNUITY CO

700 Newport Center Drive
Newport Beach, California 92660-6397
Tel: 949-219-3011

AMB Number: 09156
Began Business: 07/01/1983
Agency Off: Richard J. Schindler

Best's Rating: A++g

FSC: XV

• NET PREMIUMS AND DEPOSITS (\$000 omitted)

Year	Individual Life	Individual & Group Annuities	Group Life & A&H	Credit Life & A&H	Individual A&H	Total
2004	9,073	237,166	734,124	...	...	980,364
2005	9,042	241,541	189,459	...	...	440,042
2006	14,036	412,256	-1,266	...	...	425,027

• NET OPERATING GAIN (\$000 omitted)

Year	Individual Life	Individual & Group Annuities	Group Life & A&H	Credit Life & A&H	Individual A&H	Total
2004	61	9,084	30,639	...	...	39,784
2005	380	3,419	31,578	...	...	35,377
2006	-1,426	9,816	-3,030	...	...	5,360

• COMPARATIVE FINANCIALS (\$000 omitted)

Year	Assets	Capital & Surplus	Net Invest Income	Benefits Paid	Realized Cap Gains	Policyholder Dividends	Contract Lns (% of assets)
2004	1,348,981	308,126	52,341	622,242	-5,131	...	0.1
2005	1,505,917	359,344	57,132	209,743	1,698	...	0.1
2006	1,851,759	364,532	63,591	153,313	402	...	0.1

• ORDINARY LIFE STATISTICS

Year	Avg. Ord. Policy Issued (\$)	Avg. Ord. Policy In Force (\$)	Avg. Prem (\$/M)	1st Yr Prem/ Total Prem	Ord. Lapse Ratio
2004	498,259	325,694	8.63	52.2	1.8
2005	1,056,667	175,973	7.62	55.1	2.7
2006	1,701,869	190,850	6.68	47.0	1.1

• NEW LIFE BUSINESS ISSUED (\$000 omitted)

Year	Whole Life	Term	Credit	Group	Industrial	Total
2004	59,129	67,927	...	166,300	...	293,356
2005	138,657	51,543	...	77,607	...	267,807
2006	183,855	684,098	...	...	...	867,953

• LIFE INSURANCE IN FORCE (\$000 omitted)

Year	Whole Life	Term	Credit	Group	Industrial	Total
2004	312,299	797,340	...	2,855,101	...	3,964,740
2005	412,627	1,008,356	...	1,056,596	...	2,477,579
2006	589,075	1,952,852	...	646	...	2,542,573

BEST'S RATINGS AND FINANCIAL PERFORMANCE RATINGS (FPR)

A.M. Best assigns to insurance related organizations one of two types of rating opinions, a Best's Rating (A++ to F) or a Financial Performance Rating (9 to 1). The Best's Rating represents an opinion based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength and operating performance. The FPR represents an opinion based primarily on a quantitative evaluation of a company's financial strength and operating performance for companies that do not meet the minimum size and/or operating experience requirements for a Best's Rating.

Secure Best's Ratings

A++ and A+ Superior
A and A- Excellent
B++ and B+ Very Good

Vulnerable Best's Ratings

B and B- Fair
C++ and C+ Marginal
C and C- Weak
D Poor

FINANCIAL SIZE CATEGORIES (FSC)

Assigned to all insurance companies and reflects their size based on their capital, surplus and conditional reserve funds in millions of U.S. dollars, using the scale below. For additional information, refer to the Preface.

FSC I less than 1	FSC V 10 to 25	FSC IX 250 to 500	FSC XIII 1,250 to 1,500
FSC II 1 to 2	FSC VI 25 to 50	FSC X 500 to 750	FSC XIV 1,500 to 2,000
FSC III 2 to 5	FSC VII 50 to 100	FSC XI 750 to 1,000	FSC XV greater than 2,000
FSC IV 5 to 10	FSC VIII 100 to 250	FSC XII 1,000 to 1,250	