

REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("**Agreement**") is entered into by and between Pacific Life Insurance Company and Pacific Life and Annuity Company and each of their predecessors, successors, and assigns and subsidiaries (collectively referred to herein as the "**Company**" or "**Pacific Life**"); the California Department of Insurance, Florida Office of Insurance Regulation, Illinois Department of Insurance, New Hampshire Insurance Department, North Dakota Insurance Department, and Pennsylvania Insurance Department as Lead States ("**Lead States**") in the multistate targeted market conduct examination of the Company called on November 28, 2012 (the "**Multi-State Examination**"); and the insurance departments executing a Participating State Adoption in the form set forth on Schedule B (the "**Participating States**") (the **Lead States** and **Participating States** are collectively referred to herein as the "**Departments**") (the "**Departments**" and **Company** are collectively referred to herein as the "**Parties**").

RECITALS

WHEREAS, the Departments have regulatory jurisdiction over the business of insurance conducted in their respective jurisdictions, including the authority to conduct market conduct examinations;

WHEREAS, the Departments are the Lead and Participating States in the Multi-State Examination, that was called to assess the Company's settlement practices, procedures and policy administration relating to claims, and the use of the Social Security Death Master File or similar database or service, including the Company's efforts to identify the owners and beneficiaries of unclaimed Proceeds;

WHEREAS, based upon the information gathered to date, the Departments have identified concerns regarding the adequacy of the Company's policies and procedures to ensure that life insurance policies, annuities, Retained Asset Accounts and other funds are timely paid out to Beneficiaries, and are timely reported or remitted in accordance with the Unclaimed Property Laws and the Insurance Laws;

WHEREAS, the Company denies any wrongdoing or activities that violate any Insurance Laws in the jurisdiction of each Department or any other applicable laws, but in view of the complex issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the Parties hereto, the Company and the Departments desire to resolve the differences between the Parties as to the interpretation and enforcement of Insurance Laws and all claims that the Departments have asserted or may assert with respect to the Company's claim settlement practices;

WHEREAS, the Company has cooperated with the Departments and its examiners in the course of the Multi-State Examination by making its books and records available for examination, and its personnel and agents available to assist as requested by the Departments and the Company represents that at all times relevant to this Agreement, the Company and its officers, directors, employees, agents, and representatives acted in good faith;

WHEREAS, beginning January 1, 2012, the Company represents that it has initiated a voluntary program to run Insured information against the DMF that includes a good faith effort to locate Insureds and Beneficiaries; and

WHEREAS, the Company represents that it is willing to agree to certain voluntary additional policies and procedures at the request of the Departments.

NOW, THEREFORE, the Parties agree as follows:

1. **Defined Terms.** Those capitalized terms in this Agreement not otherwise defined in the text shall have the following meanings:
 - a. **"Accountholder"** means the owner of a "Retained Asset Account."
 - b. **"Annuity Contract"** means a fixed or variable annuity contract issued or assumed by Company, other than a fixed or variable annuity contract issued (1) in connection with an employment-based plan subject to the Employee Retirement Income Security Act of 1974, (2) to fund an employment-based retirement plan, including any deferred compensation plans or (3) any deferred compensation plans.
 - c. **"Annuity Contract Owner"** means the owner of an Annuity Contract.
 - d. **"Beneficiary"** or **"Beneficiaries"** means the party or parties entitled or contingently entitled to receive the benefits from a Policy, an Annuity Contract, or the proceeds of a Retained Asset Account.
 - e. **"Company Records"** means in-force and lapsed Policy, Annuity Contract and Retained Asset Account information maintained on the Company's administrative systems or the administrative systems of any third-party retained by the Company, as opposed to such information being maintained by a group life insurance customer or some other third party retained by the group customer. Company Records does not include lapsed Policies that have been compared against the DMF for eighteen (18) months following the lapse of the applicable Policy.
 - f. **"Date of Death"** means the date on which an Insured has died.
 - g. **"Date of Death Notice"** means the date the Company first has notice of the Date of Death of an Insured. For purposes of this Agreement notice shall include, but not be limited to, information provided in the DMF or any other source or record maintained or located in Company Records.
 - h. **"DMF"** means a version of the United States Social Security Administration's Death Master File or any other database or service, including those of a third

party vendor with comparable services, that is at least as comprehensive as the United States Social Security Administration's Death Master File for determining that a person has reportedly died.

- i. **"DMF Match"** means a match of an Insured contained in the Company Records to a unique biological individual listed in the DMF under the criteria provided in the attached Schedule A.
- j. **"Dormancy Period"** means the three (3) year, five (5) year, or other period of time during which an Account Holder, Annuity Contract Owner, Policy owner, or Beneficiary, does not take action on their account, contract, policy, or Proceeds as defined by a jurisdiction's Unclaimed Property laws or regulations.
- k. **"Effective Date"** means the date this Agreement has been executed by the Company and the Departments of at least twenty (20) Participating States.
- l. **"Exception"** means a fact situation described in subparagraphs i. – iii. below which serves to exclude the Proceeds from payment to a beneficiary or escheatment to a state as a result of a DMF Match:
 - i. for death benefits under a Policy, Annuity Contract and Retained Asset Account: (a) the individual identified in the Date of Death Notice as the Insured is either alive or not the Insured; (b) the Policy was not in force at the Date of Death; (c) there is no death benefit due and payable upon death due to, among other things: (i) the application of a contestability period provision, (ii) the existence of an exclusionary event, or (iii) pending litigation; (d) the beneficiary is a minor and unable to accept payment of the death benefit under the applicable Uniform Transfer to Minors Act, or the minor's legal guardian, custodian or other representative of the minor is either unwilling or unable to comply with that jurisdiction's laws necessary for Company to process a payment and under the applicable jurisdiction's laws, the Proceeds are therefore not escheatable; (e) if an Annuity Contract's Beneficiary has re-registered or recorded the contract with the Company as a beneficial owner and any contractually permitted five-year period under Section 72(s)(1)(B) of the Internal Revenue Code (including the special rule for surviving spouse), if applicable, or any contractually permitted period under the five year rule of Section 401(a)(9)(B) of the Internal Revenue Code (including the special rule for a surviving spouse), if applicable, has not expired, or the benefits are being paid over the life of the beneficiary under Section 72(s)(2) or 401(a)(9)(B) of the Internal Revenue Code; (f) the death indicated was the first of two Insureds or Annuity Contract Owners to die under a second-to-die policy; (g) the Dormancy Period has not expired; (h) claims received under non-Recordkeeper group life insurance or

annuity contracts (including group life insurance or annuity certificates issued where the Company lacks and/or is unable to obtain sufficient information necessary to determine that a life insurance or annuity benefit is due or is unable to determine the benefit amount without contacting a third party); (i) the full value of any benefits due and payable upon death has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s); (j) all benefits payable upon death are due under a participating group life insurance policy subject to retrospective experience rating, so long as any related premium stabilization reserve shall upon termination of such group insurance policy be payable by the Company to (1) the group customer for the benefit of the participants or (2) the plan; (k) private placement variable universal life products and private placement variable annuities where the Company is only in contact with the policy owner or Annuity Contract Owner and not an Insured or Beneficiary;

- ii. for Annuities that have reached their Maturity Date: (a) there is no benefit due and payable on the Maturity Date; (b) documented contact has occurred with the Annuity Contract Owner within the Dormancy Period including, but not limited to, (1) administrative actions such as a request by the Annuity Contract Owner, Beneficiary, annuitant, or legal representative thereof, to change the designation of a Beneficiary, Annuity Contract Owner or annuitant or a change of address or contact information, or (2) financial transactions such as a non-automated withdrawal (including, without limitation, election of a guaranteed minimum withdrawal or accumulation benefit(s), refusing rider fee change increases, commencing or altering a required minimum distribution pursuant to the Internal Revenue Code and/or existing any premature withdrawal privileges; additions to premium; non-automated request to transfer funds, or reallocate the value of the Annuity Contract among variable investment options; or a non-automated request to renew or change a fixed interest guarantee period under the Annuity contract; (c) the Annuity Contract Owner has taken action which is inconsistent with a desire to annuitize; (d) the value of the Proceeds payable upon Maturity Date is the subject of pending litigation; (e) the full value of any benefits due and payable upon the Maturity Date has in fact been remitted to the Annuity Contract Owner or Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s); (f) the terms of the Annuity Contract provide for an immediate forced annuitization at the Maturity Date and the Annuity Contract has been annuitized or is in the process of being annuitized;
- iii. for Retained Asset Accounts: (a) the Accountholder has taken

affirmative action in respect to the Retained Asset Account that is inconsistent with abandonment (automatic financial or administrative transactions, including automated deposits or withdrawals prearranged by the account owner, and/or the non-receipt by the Company of returned mail shall not constitute "affirmative action" for this purpose, except to the extent where the affected jurisdiction specifically recognizes that such activity is sufficient to prevent property from being presumed abandoned); or (b) the full value of the Retained Asset Account has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s).

- m. **"Future Settlement Agreement"** means any agreement entered into by any other insurer and the Departments concerning the subject matter of this Agreement.
- n. **"Insurance Laws"** means the insurance laws, rules and regulations in effect in each of the Department's jurisdictions and any official guidance issued by one or more of the Departments under such laws, rules and regulations.
- o. **"Insured"** means an individual identified in a Policy, Retained Asset Account or Annuity Contract whose death obligates the Company to pay "Proceeds."
- p. **"Maturity Date"** means the date in an Annuity Contract that annuity payments are scheduled to begin, unless the records of the Company indicate that the Maturity Date has been extended with documented contact with the Annuity Contract Owner or authorized representative, or the Annuity Contract Owner has taken action with respect to the Annuity Contract that is inconsistent with a desire to annuitize. For purposes hereof, "action in respect to the Annuity Contract that is inconsistent with a desire to annuitize" shall mean a partial annuitization, a partial withdrawal of contract value (including required minimum distributions or systematic withdrawals, or payments of guaranteed minimum withdrawal or accumulation benefit(s), unless such distributions, withdrawals or payments remain uncashed, and partial exchanges of the Annuity Contract for another annuity contract), termination or surrender of the Annuity Contract, payment of all Proceeds due, fund transfers, beneficiary changes, or payment of additional annuity considerations.
- q. **"Policy"** means any individual life insurance policy, endowment policy, group life insurance policy or certificate of life insurance issued or assumed by the Company for which the Company performs "Recordkeeping" services, and provides a death benefit. The term "Policy" shall not include credit or mortgage life insurance policies or certificates issued thereunder, Corporate, Bank, and Institutional Owned policies for which the beneficiary is the policy owner and there are no other known individual beneficiaries, other group life insurance policies or certificates issued thereunder where the Company does not perform Recordkeeping functions; or any benefits payable under accidental death or

health coverages including but not limited to disability and long term care arising from the reported death of a person insured under such coverages.

- r. **"Proceeds"** means the benefits payable under a Policy, Annuity Contract or Retained Asset Account of the Company.
- s. **"Recordkeeping"** means the information contained in the Company's records necessary to process a claim, including without limitation, the Insured's full name, address, date of birth, telephone number, Social Security Number, coverage eligibility, premium payment status, benefit amount and Beneficiary's information, including without limitation, the Beneficiary's full name, address, date of birth, telephone number and Social Security Number.
- t. **"Retained Asset Account"** means any mechanism whereby the settlement of proceeds payable under a Policy or individual Annuity Contract, including, but not limited to, the payment of a death benefit or cash surrender value, is accomplished by the Company or an entity acting on behalf of the Company establishing an account with check or draft writing privileges, where those proceeds are credited to the account, pursuant to a supplementary contract not involving annuity benefits.
- u. **"Thorough Search"** means the minimum Company efforts to identify, locate and contact the Beneficiaries of a Policy, Retained Asset Account, or Annuity Contract after receiving a Date of Death Notice or as that term is used for other locating purposes throughout this Agreement that indicates that the Insured has been reported as dead.
 - i. Once a Date of Death Notice has been received, the Company shall attempt to identify the Beneficiaries and determine contact information for each Beneficiary by:
 - a. searching all Company Records;
 - b. searching online search and locator tools, such as Lexis Nexis, Accurint or other comparable databases;
 - c. searching other sources which may include, without limitation, the following:
 - i. records of any agent/producer still appointed to the Company who is associated with the Policy;
 - ii. the death certificate; and
 - iii. funeral home records.

For the avoidance of doubt, the order in which the foregoing resources are listed does not require that the Company consult those resources in the same order. Once the Company secures reasonably current contact information through one of these resources, it is not obligated to continue searches in other resources.

- ii. Using the most current contact information found pursuant to (i) above, the Company shall attempt to contact Beneficiaries by making:
 - a. At least two (2) attempts by mail; provided that, if such mail is returned as undeliverable, the Company will not be required to send any additional mailings to that address;
 - b. At least two (2) attempts to contact the Beneficiary by telephone;
 - c. An attempt to contact the Beneficiary by email; and
 - d. The Company shall utilize a nationally recognized database service to update addresses in order to check for a more current address for the Beneficiary and send a third and final letter to the Beneficiary at the address found by that database service by first class mail.
- iii. For the avoidance of doubt, the Company is not required to attempt to contact the Beneficiaries at the same mailing addresses, telephone numbers or email addresses that it has already confirmed are not current. Furthermore, if the Company obtains multiple addresses for a beneficiary because the beneficiary has a common name, it is only required to attempt to contact the beneficiary at the most probable addresses, telephone numbers or email addresses found.
- iv. The Company shall maintain documentation of all its Thorough Search efforts.

If the value of a policy, contract, or account is *de minimis* (defined as \$100 or less), the Company may satisfy its obligations to conduct a Thorough Search by making at least one (1) attempt to contact the Beneficiary or Beneficiaries by mail at the address indicated in the Company Records, or, if the Company Records do not identify a Beneficiary and address, may report and remit the funds to the affected jurisdiction(s) in accordance with the Unclaimed Property Laws.

Notwithstanding the foregoing, the Company's obligation to conduct a Thorough Search shall cease upon documented contact with a Beneficiary. In the event the Company fails to locate a Beneficiary, including through the efforts

described above, the Company shall report and remit the policy proceeds in accordance with the applicable jurisdiction's Unclaimed Property Laws.

- v. **"Unclaimed Property"** means property subject to state Unclaimed Property Laws.
- w. **"Unclaimed Property Audit Agreements"** means (i) the Global Resolution Agreements between the Company, Unclaimed Property regulators, and Verus Financial LLC, Xerox State and Local Solutions, Inc. d/b/a Xerox Unclaimed Property Clearinghouse or Kelmar Associates, LLC and (ii) the agreement between the Company and the Florida Department of Financial Services.
- x. **"Unclaimed Property Laws"** means the Laws, Rules and Regulations regulating unclaimed property in each of the Departments' jurisdictions that apply to insurance companies as holders of Unclaimed Property.

2. **Specific Business Practices and Reforms.** The Company will hereby institute the following policies and procedures:

- a. The Company will continue to compare all Insureds in its Company Records against the complete DMF. The Company shall compare all Insureds in its Company Records against any updates to the DMF at least monthly. The Company shall have no responsibility for errors, omissions or delays in information contained in the DMF or any update files. The Company shall use the comparison criteria specified in Schedule A.
- b. If the Company is not contacted by a Beneficiary within one hundred twenty (120) days from its receipt of the Date of Death Notice, the Company shall commence a Thorough Search, which shall be completed within one (1) year from the Date of Death Notice. If (i) the Beneficiary cannot be located by a Thorough Search and (ii) the Company is unable to establish an Exception, it shall report and remit the Proceeds as Unclaimed Property to the affected jurisdiction(s) within the Dormancy Period, as applicable, from the Date of Death.
- c. For the sole purpose of this Agreement, the Company shall implement policies and procedures to establish that a DMF Match shall require the Company to initiate its death claims process and conduct a Thorough Search for Beneficiaries in accordance with Section 2(b) of this Agreement. Nothing herein is intended nor shall be deemed to waive or determine the requirements for establishing proof of death for any other purpose, or to impose any requirements for DMF searches or any requirements for following up on DMF searches for any purpose other than this Agreement, or to confer any rights on any person or entity other than the Company and the Departments.

- d. In the event that one of the Company's line of business conducts a search for matches of its Insureds against the DMF at intervals more frequent than those provided for in this Agreement and such DMF Match results in action being taken with respect to a Policy, Annuity Contract, or Retained Asset Account, then that line of business shall share the relevant Insured information among other lines of business.
- e. In the event that the Company locates the Beneficiary following a Thorough Search, the Company shall provide the appropriate claim forms or instructions, if required, to the Beneficiary to make a claim, including instructions as to the need to provide an official death certificate if consistent with applicable law and the Policy, Annuity Contract, or Retained Asset Account. The Company reserves the right to require satisfactory confirmation of death, including a death certificate, as due proof of death, before Proceeds are paid to a Beneficiary or a Beneficiary's legal representative if consistent with applicable law and the Policy, Annuity Contract, or Retained Asset Account. Nothing in this Agreement shall be construed to supersede the Company's right to maintain effective procedures and resources to deter and investigate fraudulent insurance acts as required by applicable law.
- f. The Company, shall modify any nonconforming policies and procedures for conducting a Thorough Search in a manner consistent with this Agreement. The obligation to conduct a Thorough Search under the terms of this Agreement shall not abrogate the right of the Company to complete any due diligence within the timeframe required by any applicable law. The Company is required to implement the procedures as soon as possible and in coordination with the Unclaimed Property Audit Agreements, but in no event more than 12 months from the Effective Date.
- g. To the extent permitted under applicable law, the Company may disclose the minimum necessary personal information about an Insured or Beneficiary to a person whom the Company reasonably believes may be able to assist the Company to locate the Insured or Beneficiary or a person otherwise entitled to payment of the claims Proceeds, provided however, the Company shall not implement policies or practices that will or may diminish the rights of, or amounts of Proceeds due to, Beneficiaries under its Policies, Annuity Contracts, or Retained Asset Accounts.
- h. The Company shall conduct a Thorough Search for group life insurance policies, including group life insurance certificates issued thereunder, where a group life insurance claim is received for which the Company, from information in its administrative systems and/or the group policy claim form, is able to determine that a benefit is due and is able to determine the benefit amount, but the beneficiary cannot be identified and/or located.

- i. Within twelve (12) months after the Effective Date of this Agreement the Company shall revise its policies and procedures so that:
 - i. commencing no later than forty-five (45) days prior to the Maturity Date of an Annuity Contract for which the Company is unable to establish an Exception, at least two (2) letters are sent to an Annuity Contract Owner notifying the owner of the upcoming Maturity Date, stating that the Contract will be annuitized following the Maturity Date if no response is received, and identifying the options available to the Beneficiary (e.g., annuitization, extension of the Maturity Date, surrender of the Contract);
 - ii. the Company shall immediately commence a Thorough Search for the Annuity Contract Owner if the letters described in subparagraph (i) hereof are returned as undeliverable;
 - iii. an affirmative request by an Annuity Contract Owner or authorized representative shall be required by the Company before a Maturity Date is extended, and such request will be recorded in the Company's books and records;
 - iv. the Annuity Contract is annuitized as soon as practicable, but in no event more than forty-five (45) days following the Maturity Date, if the Company has a valid address for the Annuity Contract Owner and no response is received to the letters described in subparagraph (i) hereof;
 - v. if a Thorough Search for the Annuity Contract Owner is unsuccessful, or if none of the annuity payments for a contract that has been annuitized under subparagraph (iv) hereof are not deposited, the Proceeds shall be reported and remitted as Unclaimed Property to the affected jurisdiction(s) within the Dormancy Period, from the Maturity Date or date of annuitization payment.
 - vi. The provisions described in (i)-(v) above will apply to Maturity Dates following the Effective Date of this Agreement, and will take effect one year from the Effective Date of the Agreement. The provisions described in (i)-(v) will not apply to Annuity Contracts held within ERISA or other tax-qualified plans, Individual Retirement Annuities, or Annuity Contracts held in Individual Retirement Accounts.
- j. The Company shall ensure that all Retained Asset Accounts are monitored for inactivity and each Accountholder is notified that the failure to make a withdrawal from the account or to respond to communications from the Company may cause the account to be declared dormant and subject to escheat

based on the last documented contact with the Accountholder or the Accountholder's authorized representative. The value of a Retained Asset Account shall be the value of the account as of the date the property is paid from the Retained Asset Account to Accountholder. The Company is required to implement the procedures as soon as possible and in coordination with the Unclaimed Property Audit Agreements, but in no event more than 12 months from the Effective Date.

- k. A Thorough Search for a Beneficiary of a Retained Asset Account or an Accountholder, as appropriate, shall commence following the Dormancy Period, after: (i) the date that the Accountholder last initiated a financial or administrative transaction or (ii) the last Accountholder-authenticated response to the Company that is documented on the Company's books and records. In the event that the Company is unable to locate a Beneficiary or Accountholder and is unable to establish an Exception within one (1) year after the commencement of the Thorough Search, it shall report and remit the Proceeds of the Retained Asset Account as Unclaimed Property to the affected jurisdiction(s) within the Dormancy Period, after: (i) the date that the Accountholder last initiated a financial or administrative transaction or (ii) the last Accountholder-authenticated response to the Company that is documented on the Company's books and records.
 - l. Within twelve (12) months after the Effective Date of this Agreement, the Company shall establish policies and procedures to ensure that prior to the delivery of a Policy or Annuity Contract or establishment of a Retained Asset Account, and upon any change of a Beneficiary, the Company shall, having made all appropriate filings in a timely manner and obtained approvals where necessary, request information sufficient to facilitate the (i) payment of all Proceeds to Beneficiaries upon the death of the Insured and (ii) perfection of a claim, including, at a minimum, the name, address, date of birth, social security number, and telephone number of every Insured and Beneficiary of such Policy, Annuity Contract or Retained Asset Account, as applicable.
3. **Regulatory Oversight.** Each of the Departments shall maintain independent regulatory oversight over the Company's compliance with the terms of this Agreement and in furtherance thereof, the Company agrees to the following:
- a. For a period of thirty-six (36) months following the Effective Date, the Company shall provide to the Lead States quarterly reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to each of the Lead States within forty-five (45) days following the end of the applicable reporting period. Copies of these reports will also be made available to a Department's designated examiner, upon reasonable request, to allow it to assist the Departments in monitoring

compliance with the requirements of this Agreement.

- b. Thirty-nine (39) months following the Effective Date the Lead States shall conduct a Multi-State Examination on their own behalf and that of the Departments of Company's compliance with the requirements of this Agreement. The Lead States shall provide a report summarizing the results of that examination to Company and Departments. The examination shall be performed with the verifiable actual cost of the examination to be borne by Company in accordance with the Lead States' respective laws.
- c. The Company may petition a Department to terminate or modify this Agreement in that jurisdiction. Such petition may include, but not be limited to the following grounds: (i) the Agreement's terms, in whole or in part, are inconsistent with the statutes, rules, or regulations then in effect in that jurisdiction; (ii) that a Future Settlement Agreement with a company possessing substantial market share is more favorable than this Agreement; or (iii) by three (3) years from the Effective Date of this Agreement, Future Settlement Agreements have not been entered into with companies possessing substantial market share. A Department shall not unreasonably withhold its consent to the relief requested by the Company in its petition. Once made by the Company, the Multi-State Examination Payment, as allocated to each Department, is final and non-recoverable under any circumstances including termination of this Agreement.
- d. In addition to the payments set forth in Paragraph 5, the verifiable and actual reasonable costs and expenses of the Departments related to the monitoring of the Company's compliance with the Agreement, including the verifiable and actual costs and expenses of conducting any reviews or examinations permitted by the Agreement, as well as participating in any meetings, presentations or discussions with the Company, shall be borne by the Company as costs of the Multi-State Examination.
- e. If the jurisdiction of any Department adopts any Insurance Law addressing insurance companies' use of the DMF (or its equivalent) in connection with insurance companies' procedures concerning the payment of Proceeds to Beneficiaries, then the Company's compliance with the terms of such Insurance Law of that jurisdiction after the Effective Date of this Agreement shall be deemed to comply with those terms of this Agreement (i) which relate solely to the use of the DMF; and (ii) for the purposes of compliance herewith for that jurisdiction alone.
- f. The monitoring of the Company for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Departments in accordance with the laws of its jurisdiction. Consistent with applicable law, each Department shall accord confidential treatment to the work papers,

recorded information, data, documents, copies of work papers, and documents produced by, obtained by or disclosed by Company and to the information contained therein.

- g. No later than five (5) years following the Effective Date, the Lead States will complete the Multi-State Examination with a final review concerning the Company's compliance with the Agreement. If that review confirms that the Company has fulfilled its obligations under the Agreement, the Multi-State Examination will be closed. The Agreement will terminate eight (8) years following the Effective Date (the "**Termination Date**"), contingent upon closure of the Multi-State Examination and the Company's submission of its prospective policies and procedures for DMF matching and Beneficiary outreach to be used thereafter. This submission shall be made to the Lead States six (6) calendar months prior to the Termination Date.

4. **Company Covenants.** The Company covenants and agrees with each of the Departments as follows:

- a. Proceeds under a Policy shall be determined in accordance with the Policy terms.
- b. Proceeds under Annuity Contracts shall be determined in accordance with the contract terms.
- c. The value of a Retained Asset Account shall be the value of the account as of the date the Proceeds are removed from the Retained Asset Account to be paid to the Beneficiary.
- d. Beneficiaries shall not be charged for any fees or costs associated with a search or verification conducted pursuant to this Agreement.
- e. The Company shall comply with the Unclaimed Property Audit Agreement.

5. **Multi-State Examination Payment.** Without admitting any liability whatsoever, the Company agrees to pay the Departments the sum of \$2,450,000 (the "Payment") for the examination, compliance and monitoring costs incurred by the Departments associated with the Multi-State Examination; provided, that in no event shall this payment be considered an admission of liability or wrongdoing. The Lead States shall be responsible for allocating the Payment among the Departments. To be eligible to participate in the Payment allocation, a Department must sign the Agreement by April 3, 2015. The Company agrees to remit the Payment within ten (10) business days after the later of the Effective Date or the receipt of the allocation from the Lead Departments. Upon the receipt of the Payment, as allocated by each of the Departments, the Company's financial obligations incurred by the Departments arising out of the Multi-State Examination will be fully satisfied, except as set forth in Paragraph 3d. The Payment shall be in addition to the Company's obligation to pay the New Hampshire Insurance Department's consultant and Verus for reasonable examination related

expenses incurred on or before the effective date of this Agreement in connection with the Lead States' role in the Multi-State Examination.

6. Miscellaneous.

- a. This Agreement is an agreement solely between the named Parties as defined above, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the Company as a third party beneficiary or otherwise as a result of this Agreement. The Parties agree that this Agreement is not intended to and shall not confer any rights upon any other person or entity and shall not be used for any other purpose. Nothing in this Agreement shall be construed to provide for a private right of action to any person or entity not a Party to this Agreement. Nor shall the Agreement be deemed to create any intended or incidental third party beneficiaries, and the matters herein shall remain within the sole and exclusive jurisdiction of the Departments.
- b. This Agreement does not impair, restrict, suspend, or disqualify the Company from engaging in any lawful business in any jurisdiction, based upon, or arising out of, the Multi-State Examination regarding any alleged act or omission of the Company; provided that all matters set forth in this Agreement shall remain with the sole and exclusive jurisdiction of the Departments.
- c. This Agreement contains the entire agreement between the Parties regarding the Company's claims settlement practices, procedures, policy administration relating to the matching of Insureds against the DMF or any similar database and that there are no other understandings or agreements, verbal or otherwise, between the Parties, except as set forth herein. In entering into this Agreement, no Party has relied on a representation not set forth herein.
- d. This Agreement represents a compromise of disputed matters between the parties. Neither this Agreement, nor any of the communications or negotiations leading up to this Agreement, nor any actions taken or documents executed in connection with this Agreement, is now or may be deemed in the future to be an admission or evidence of any liability or wrongdoing by the Company or any of its current or former affiliates, subsidiaries, officers, directors, employees, agents, or representatives with respect to the subject matter of the Multi-State Examination.
- e. Subject to the Company's performance of and compliance with the terms and conditions in this Agreement and Schedules each Department hereby releases the Company from any and all claims, demands, interest, penalties, actions or causes of action that each Department may have or could have alleged by reason of any matter, cause or thing whatsoever, regarding or relating to the subject matter of the Multi-State Examination; provided, however, that nothing

herein shall preclude the Lead States from conducting subsequent Multi-State Examinations to assess the Company's compliance with this Agreement.

- f. In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Department's jurisdiction, such enjoined or invalid portion shall be deemed to be severed only for the duration of the injunction, if applicable, and only with respect to that Department and its jurisdiction, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.
- g. Nothing in this Agreement shall be construed as an admission of any party's position as to the preemptive effect of the Employee Retirement Income Security Act of 1974, as periodically amended, or the law of the jurisdiction as applied to employment based plans.
- h. This Agreement shall not be construed to allow or require the Company to implement policies or practices that will or may diminish the rights or the Proceeds due to Beneficiaries under the terms of its Policies, Annuity Contracts, or Retained Asset Accounts.
- i. To the extent that any laws, rules, or regulations are enacted in the State of a Department's jurisdiction or are adopted by any Department, or a regulatory agency of a Department that conflict with any of the terms and conditions of this Agreement, then the application of those affected terms and conditions shall be superseded by such laws, rules or regulations as it applies to that Department, provided that all other unaffected terms and conditions of the Agreement shall remain in full force and effect.
- j. Nothing in this Agreement shall abrogate the obligation of the Company under the Unclaimed Property Audit Agreements.
- k. The Parties represent and warrant that the person executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.
- l. This Agreement may be executed in counterparts. A true and correct copy of the Agreement shall be enforceable the same as an original.
- m. All legal notices and demands to the Company under this Agreement shall be in writing and shall be addressed to:

Pacific Life Insurance Company, 700 Newport Center Drive, Newport Beach, CA 92660, Attn: General Counsel

- 7. Enforcement.** The failure to comply with any provision of this Agreement shall constitute a breach of the Agreement, a violation of an Order of the Departments and a

violation of Company's Agreement with the Departments, and shall subject Company to such administrative and enforcement actions and penalties as each Department deems appropriate, consistent with each Department's respective laws, except to the extent that the non-compliance is a result of performance or non-performance on the part of regulatory bodies which have not acted on filings necessary for compliance with the terms of this Agreement.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT
AS OF THE DATE SET FORTH AFTER EACH OF THEIR NAMES.

[SIGNATURE PAGES IMMEDIATELY FOLLOW]

COMPANIES SIGNATURE PAGE

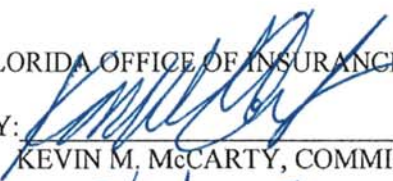
PACIFIC LIFE INSURANCE COMPANY
PACIFIC LIFE & ANNUITY COMPANY

By 
James T. Morris
Its: Chairman and CEO

Dated: March 5, 2015

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: 

KEVIN M. McCARTY, COMMISSIONER

DATE 3/11/2015

NORTH DAKOTA INSURANCE DEPARTMENT

BY: _____

ADAM HAMM, COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: _____

DAVE JONES, COMMISSIONER

DATE _____

PENNSYLVANIA INSURANCE DEPARTMENT

BY: _____

MICHAEL F. CONSEDINE, COMMISSIONER

DATE _____

ILLINOIS DEPARTMENT OF INSURANCE

BY: _____

ANDREW BORON, DIRECTOR

DATE _____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: _____

ROGER A. SEVIGNY, COMMISSIONER

DATE _____

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: _____
KEVIN M. McCARTY, COMMISSIONER

DATE _____

NORTH DAKOTA INSURANCE DEPARTMENT

BY: _____
ADAM HAMM, COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY:  _____
DAVE JONES, COMMISSIONER

DATE 3-9-15

PENNSYLVANIA INSURANCE DEPARTMENT

BY: _____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE _____

ILLINOIS DEPARTMENT OF INSURANCE

BY: _____
ANDREW BORON, DIRECTOR

DATE _____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: _____
ROGER A. SEVIGNY, COMMISSIONER

DATE _____

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION NORTH DAKOTA INSURANCE DEPARTMENT

BY: _____
KEVIN M. McCARTY, COMMISSIONER

DATE _____

BY: _____
ADAM HAMM, COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: _____
DAVE JONES, COMMISSIONER

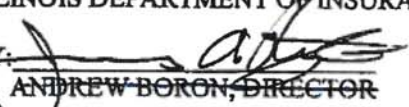
DATE _____

PENNSYLVANIA INSURANCE DEPARTMENT

BY: _____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE _____

ILLINOIS DEPARTMENT OF INSURANCE

BY: 
ANDREW BORON, DIRECTOR

DATE _____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: _____
ROGER A. SEVIGNY, COMMISSIONER

DATE _____

James A. Stephens, Acting Director

Date: 3/10/2015

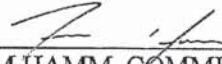
Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: _____
KEVIN M. McCARTY, COMMISSIONER

DATE _____

NORTH DAKOTA INSURANCE DEPARTMENT

BY:  _____
ADAM HAMM, COMMISSIONER

DATE / 3-10-15 _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: _____
DAVE JONES, COMMISSIONER

DATE _____

PENNSYLVANIA INSURANCE DEPARTMENT

BY: _____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE _____

ILLINOIS DEPARTMENT OF INSURANCE

BY: _____
ANDREW BORON, DIRECTOR

DATE _____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: _____
ROGER A. SEVIGNY, COMMISSIONER

DATE _____

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: _____
KEVIN M. McCARTY, COMMISSIONER

DATE _____

NORTH DAKOTA INSURANCE DEPARTMENT

BY: _____
ADAM HAMM, COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: _____
DAVE JONES, COMMISSIONER

DATE _____

PENNSYLVANIA INSURANCE DEPARTMENT

BY:  _____
TERESA D. MILLER, COMMISSIONER

DATE 3/12/15

ILLINOIS DEPARTMENT OF INSURANCE

BY: _____
ANDREW BORON, DIRECTOR

DATE _____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: _____
ROGER A. SEVIGNY, COMMISSIONER

DATE _____

Lead States Signature Page

FLORIDA OFFICE OF INSURANCE REGULATION

BY: _____
KEVIN M. McCARTY, COMMISSIONER

DATE _____

NORTH DAKOTA INSURANCE DEPARTMENT

BY: _____
ADAM HAMM, COMMISSIONER

DATE _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: _____
DAVE JONES, COMMISSIONER

DATE _____

PENNSYLVANIA INSURANCE DEPARTMENT

BY: _____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE _____

ILLINOIS DEPARTMENT OF INSURANCE

BY: _____
ANDREW BORON, DIRECTOR

DATE _____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY:  _____
ROGER A. SEVIGNY, COMMISSIONER

DATE 3-10-15

SCHEDULE A

RULES FOR IDENTIFYING DEATH MATCHES

In comparing Company's records of its insured's, annuitants, Annuity Contract owners, and retained asset account owners against the DMF and any updates thereto, the governing principle to be followed shall be establishing whether or not a unique biological individual identified within the Company's data is the same as a unique biological individual identified on the DMF in a case where a benefit is due and payable. In comparing the Company's records of its insured's, annuitants, Annuity Contract owners, and retained asset account holders against the DMF, the Company shall utilize the following set forth below, or any other mutually agreeable algorithm, as the minimum standard for determining what constitutes a match.

Category 1: Exact Social Security Number Match occurs when the Social Security Number contained in the data found in the Company's records matches exactly to the Social Security Number contained in the DMF.

Category 2: Non-Social Security Number Match occurs in any of the following circumstances:

1. The Social Security Number contained in the data found in the Company's records matches in accordance with the Fuzzy Match Criteria listed below to the Social Security Number contained in the DMF, the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly.
2. The Company's records do not include a Social Security Number or where the Social Security Number is incomplete (less than 7 digits) or otherwise invalid (e.g., 111111111, 999999999, 123456789), and there is a First Name, Last Name, and Date of Birth combination in the data produced by the Company that is a match against the data contained in the DMF where the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly, subject to paragraph 3 immediately below.
3. If there is more than one potentially matched individual returned as a result of the process described in paragraphs 1 and 2 immediately above, or if both the Social Security Number and Date of Birth found in the Company's Records match in accordance with the Fuzzy Match Criteria listed below, then the Company shall run the Social Security Numbers obtained from the DMF for the potential matched individuals against Accurint for Insurance or an equivalent database. If a search of those databases shows that the Social Security Number is listed at the address in the Company's records for the insured, then a Category 2 Match will be considered to have been made only for individuals with a matching address.
4. If the Company's systems do not contain a complete "Date of Birth," then a "Date of

Birth” exact match will be found to exist where the data that is available on the Company’s systems does not conflict with the data contained in the DMF. By way of example, if the Company’s systems only contain a month and year of birth, an exact “Date of Birth” match will exist if the DMF record contains the same month and year of birth.

Fuzzy Match Criteria:

1. A First Name fuzzy match includes one or more of the following:
 - a. “First Name” “Nick Names:” “JIM” and “JAMES.” The Company shall utilize a Nickname database, such as the pd Nickname database from Peacock Data, Inc. or an equivalent database, as well as publicly available lists of names and nicknames to identify matching First Names where a nickname is used on one or both sides of the match.
 - b. “Initial” instead of full first name: “J FOX” and “JAMES FOX.”
 - c. “Metaphone” (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): “BUDDY” and “BUDDIE.”
 - d. Data entry mistakes with a maximum difference of one character for a First Name at least five characters in length: “HARRIETTA” and “HARRIETA.”
 - e. If First Name is provided together with Last Name in a “Full Name” format and “First Name” and “Last Name” cannot be reliably distinguished from one another: “ROBERT JOSEPH,” Both “JOSEPH ROBERT” and “ROBERT JOSEPH.”
 - f. Use of interchanged “First Name” and “Middle Name:”. “ALBERT E GILBERT” and “EARL A GILBERT.”
 - g. Compound “First Name:” “SARAH JANE” and “SARAH,” or “MARY ANN” and “MARY.”
 - h. Use of “MRS.” + “HUSBAND’S First Name + Last Name:” “MRS. DAVID KOOPER” and “BERTHA KOOPER” where the “Date of Birth” and “Social Security Number” match exactly and the Last Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.
2. A “Last Name” fuzzy match includes one or more of the following:

- a. "Anglicized" forms of last names: "MACDONALD" and "MCDONALD."
 - b. Compound last name: "SMITH" and "SMITH-JONES."
 - c. Blank spaces in last name: "VON HAUSEN" and "VONHAUSEN."
 - d. "Metaphone" (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): "GONZALEZ" and "GONZALES."
 - e. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" cannot be reliably distinguished from one another: "ROBERT JOSEPH," Both "JOSEPH ROBERT" and "ROBERT."
 - f. Use of apostrophe or other punctuation characters in "Last Name:" "O'NEAL" and "ONEAL."
 - g. Data entry mistakes with a maximum difference of one (1) character for Last Name with at least eight (8) characters in length: "MACHIAVELLI" and "MACHIAVELI."
 - h. Last Name Cut-off: A match will be considered to have been made where due to the length of the Last Name, some of the last letters were not saved in the database. Examples include: "Brezzinnows" and "Brezzinnowski" and "Tohightower" and "Tohightowers."
 - i. Married Female "Last Name" Variations: A fuzzy "Last Name" match will be considered to have been made even though the data does not match on the last name of a female, if the "Date of Birth" and "Social Security Number" match exactly and the First Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.
3. "Social Security Number" fuzzy match includes one of the following:
 - a. Two (2) Social Security Numbers with a maximum of two (2) digits in difference, any number position: "123456789" and "123466781."
 - b. Two (2) consecutive numbers are transposed: "123456789" and "123457689"
 - c. If a Social Security Number is less than nine (9) digits in length (with a

minimum of seven (7) digits) and is entirely embedded within the other Social Security Number: "12345678" and "012345678."

Other Matches and Mismatches

Notwithstanding the fact that a policy is listed as a match in accordance with the foregoing rules, there will not be a reportable match if the Company is able to produce competent evidence to establish that the unique biological individual identified in the Company's data is not the same as a unique biological individual identified on the DMF or such individual is not dead.

Raquel Cano, Assistant to the General Counsel
Legal Division Office
California Department of Insurance
45 Fremont Street, 23rd Floor
San Francisco, California 94105
Phone: 415-538-4372
Fax: 415-904-5889
Email: Raquel.Cano@insurance.ca.gov