





## **How We Are Organized**

Pacific Life was established on January 2, 1868 under the name, Pacific Mutual Life Insurance Company of California. It was reincorporated as Pacific Mutual Life Insurance Company on July 22, 1936. On September 1, 1997, Pacific Life converted from a mutual life insurance company to a stock life insurance company. Pacific Life redomesticated to Nebraska on September 1, 2005. Pacific Life is a subsidiary of Pacific LifeCorp, a holding company, which in turn is a subsidiary of Pacific Mutual Holding Company, a mutual holding company.

## **Modified Endowment Contract**

A life insurance policy will become a Modified Endowment Contract if the sum of premium payments made during the first seven contract years, less a portion of withdrawals, exceeds the seven-pay limit defined in Section 7702A of the Internal Revenue Code. You will find a detailed discussion of Modified Endowment Contracts in **VARIABLE LIFE INSURANCE AND YOUR TAXES** in the prospectus.

Unless you have told us in writing that you want your Policy to become a Modified Endowment Contract, we will remove all or part of the premium payment from your Policy as of the day we applied it and return it to you. We will also adjust the Death Benefit retroactively to that date to reflect the reduction in premium payments. If we receive such a premium within 30 days before your Policy Anniversary, we will hold it and apply it to your Policy on the Policy Anniversary.

- € there is no more Accumulated Value in the Investment Option you are transferring from
- € your Policy enters the Grace Period and is in danger of lapsing
- € we receive your Written Request to cancel the service
- € we discontinue the service.

### **Portfolio Rebalancing**

The portfolio rebalancing service automatically transfers your Policy's Accumulated Value among the Variable Investment Options according to your original percentage allocations. Here is how the service works:

- € You can set up this service at any time while your Policy is In Force.
- € You enroll in the service by completing a request form to enroll in the service.
- € Unless you choose a different start date, your first rebalancing will take place at the end of the Business Day we receive your request. Subsequent rebalancing will take place at the end of the Business Day on

## Fixed Option Interest Sweep

The Fixed Option interest sweep service allows you to make scheduled transfers of the accumulated interest earnings from any available Fixed Options to the Variable Investment Options. Here is how the service works:

- € You can set up this service at any time while your Policy is In Force.
- € You enroll in the service by sending us a Written Request.
- € You may enroll by telephone or electronically if we have your completed telephone and electronic authorization on file.
- € If you cancel this service, you must wait 30 days to begin it again.
- € We do not charge for the Fixed Option interest sweep service, and we do not currently charge for transfers made under this service.
- € We can discontinue, suspend or change the service at any time.
- € Interest earnings transferred from any available Fixed Options to the Variable Investment Options are excluded from the transfer limitations.

## Automated Income Option

Our automated income option (“AIO”) program allows you to make scheduled withdrawals or loans (Standard Loan or an Alternate Loan). With this program, you may only elect a Standard loan or an Alternate Loan, not both. Only one loan type is available for this program. You may switch between loan types, as long as the new election is 100% to the new loan type (for example, switch from a Standard Loan to an Alternate Loan must be 100%). Here is how the program works:

- € You can set up the income stream from your Policy on either a monthly or annual basis. Each scheduled income payment must be at least \$500 if you choose to receive monthly payments, or \$1,000 if you choose annual payments.
- € You may choose to receive either a fixed amount of income or an amount based on a fixed duration. Depending upon your objectives, you may wish to reduce your Face Amount or change your Policy’s Death Benefit Option in order to maximize your income.
- € You can choose the scheduled income payment date. You may elect to have your income payments sent either by check or by electronic deposit to a bank account. The effective date of the withdrawal or loan will be the Business Day before any income payment date.
- € If the scheduled income payment date falls on a weekend or holiday, the actual income payment date will be the Business Day before the scheduled income payment date.
- € The withdrawal or loan will be taken from your Policy’s Investment Options in proportion to the Accumulated Value in each Investment Option.

Upon our receipt of your AIO request form, we will run a hypothetical Illustration to determine if your request can be fulfilled, or if any adjustments will be necessary. We use the Illustration to test your Policy for the minimum Net Cash Surrender Value requirement. Your Policy must continue to have an illustrated Net Cash Surrender Value at the maturity date sufficient to meet the minimum Accumulated Value required to allow for payment of Policy charges, including Policy loan interest.

Illustrations generally will be run at an annual gross earnings rate chosen by you, not to exceed 12%. No earnings rate used is a guarantee or indication of actual earnings.

We will complete an AIO agreement form, and send it and the Illustration to your life insurance producer for delivery to you. The AIO agreement form will confirm your income payment amount, frequency and duration, and







## **Mortality and Expense Charges**

any distributions of qualifying dividends in order to obtain the benefit of the lower tax rate. Earnings from non-qualifying dividends, interest income, other types of ordinary income and short-term capital gains will be taxed at the ordinary income tax rate applicable to the taxpayer.

These rules mean that for policyholders who are individuals the tax-related advantage of life insurance compared to certain taxable investments is reduced because the tax burden applicable to long-term capital gains and from certain “qualifying dividends” on corporate stock may be less than the individual’s ordinary income tax rate which is applied to taxable distributions from a life insurance Policy.

### **Distribution Arrangements**

Pacific Select Distributors, LLC (PSD), our subsidiary, acts as the distributor of the Policies. PSD is located at 700 Newport Center Drive, Newport Beach, California 92660. PSD is registered as a broker-dealer with the SEC and is a member of FINRA. We pay PSD for acting as distributor under a distribution agreement. We and PSD enter into selling agreements with broker-dealers whose life insurance producers are authorized by state insurance departments to sell the Policies.

The aggregate amount of underwriting commissions paid to PSD with regard to 2022, 2021 and 2020 was \$43,106,194.53, \$34,292,793.08 and \$121,475.30 respectively, of which \$0 was retained.

We and/or an affiliate may pay additional cash compensation from their own resources in connection with the promotion and solicitation of applications for the Policies by some, but not all, broker-dealers.

As of December 31, 2022, the following firms have arrangements in effect with PSD pursuant to which the firms are entitled to receive a revenue sharing payment: AIG, Equitable Advisors LLC, Benefit Funding, CBIZ, Cadaret Grant & Co Inc, Cambridge Inv Research Inc, Capital Investment Group, Cetera Advisors LLC, Cetera Advisors Networks LLC, Cetera Financial Specialists4(r th)6cialahgs

Fund pays for the expenses of the meetings of its Board of Trustees, including the pro rata share of expenses for attendance by the Trustees at the concurrent conferences or meetings sponsored by Pacific Life or PSD. Additional expenses and promotional items may be paid for by Pacific Life and/or portfolio managers. PSD serves as the Pacific Select Fund's distributor.

## **Performance**

811-05563 filed with the SEC on April 12, 2023. Pacific Life's statutory basis financial statements as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 are incorporated by reference to the Variable Account's Form N-VPFS/A, File No. 811-05563 filed with the SEC on April 12, 2023. These financial statements should be considered only as bearing on the ability of Pacific Life to meet its obligations under the Policies and not as a bearing on the investment performance of the assets held in the Separate Account.

### **Independent Registered Public Accounting Firm and Independent Auditors**

The financial statements of Pacific Select Exec Separate Account of Pacific Life Insurance Company as of December 31, 2022 and for each of the periods presented have been audited by Deloitte & Touche LLP, independent registered public accounting firm, as stated in their report, incorporated into the Statement of Additional Information by reference to the Variable Account's Form N-VPFS/A, File No. 811-05563 filed with the SEC on April 12, 2023, and is included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The statutory basis financial statements of Pacific Life Insurance Company as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, incorporated into the Statement of Additional Information by reference to the Variable Account's Form N-VPFS/A, File No. 811-05563 filed with the SEC on April 12, 2023, and is included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The business address of Deloitte & Touche LLP is 695 Town Center Drive, Costa Mesa, CA 92626.

