STATEMENT OF ADDITIONAL INFORMATION

May 1, 2019

PACIFIC VALUE®

SEPARATE ACCOUNT A

Pacific Value (the "Contract") is a variable annuity contract offered by Pacific Life Insurance Company ("Pacific Life").

This Statement of Additional Information ("SAI") is not a Prospectus and should be read in conjunction with the Contract's Prospectus, dated May 1, 2019, and any supplement thereto, which is available without charge upon written or telephone request to Pacific Life or by visiting our website at www.pacificlife.com. Terms used in this SAI have the same meanings as in the Prospectus, and some additional terms are defined particularly for this SAI. This SAI is incorporated by reference into the Contract's Prospectus.

The Fixed Option is only available on Contracts issued before July 1, 2003. Accordingly, all references to the Fixed Option throughout this SAI are subject to these disclosures.

Pacific Life Insurance Company

Mailing address: P.O. Box 2378

Omaha, Nebraska 68103-2378

(800) 722-4448 - Contract Owners

(800) 722-2333 - Financial Professionals

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PERFORMANCE

From time to time, our reports or other communications to current or prospective Contract Owners or our advertising or other promotional material may quote the performance (yield and total return) of a Subaccount. Quoted results are based on past performance and reflect the performance of all assets held in that Subaccount for the stated time period. **Quoted results are neither an estimate nor a guarantee of future investment performance, and do not represent the actual experience of amounts invested by any particular Contract Owner.**

Total Returns

A Subaccount may advertise its “average annual total return” over various periods of time. “Total return” represents the average percentage change in value of an investment in the Subaccount from the beginning of a measuring period to the end of that measuring period. “Annualized” total return assumes that the total return achieved for the measuring period is achieved for each full year period. “Average annual” total return is computed in accordance with a standard method prescribed by the SEC, and is also referred to as “standardized return.”

Average Annual Total Return

To calculate a Subaccount’s average annual total return for a specific measuring period, we first take a hypothetical $1,000 investment in that Subaccount, at its applicable Subaccount Unit Value (the “initial payment”) and we compute the ending redeemable value of that initial payment at the end of the measuring period based on the investment experience of that Subaccount (“full withdrawal value”). The full withdrawal value reflects the effect of all recurring fees and charges applicable to a Contract Owner under the Contract, including the Risk Charge, the asset-based Administrative Fee and the deduction of the applicable withdrawal charge, but does not reflect any charges for applicable premium taxes and/or any other taxes, non-recurring fees or charges, any increase in the Risk Charge for an optional Death Benefit Rider, or any optional Rider charge. The redeemable value is then divided by the initial payment and this quotient is raised to the 365/N power (N represents the number of days in the measuring period), and 1 is subtracted from this result. Average annual total return is expressed as a percentage.

$$T = (ERV/P)^{(365/N)} - 1$$

where T = average annual total return

ERV = ending redeemable value

P = hypothetical initial payment of $1,000

N = number of days

Average annual total return figures will be given for recent 1-, 3-, 5- and 10-year periods (if applicable), and may be given for other periods as well (such as from commencement of the Subaccount’s operations, or on a year-by-year basis).

When considering “average” total return figures for periods longer than one year, it is important to note that the relevant Subaccount’s annual total return for any one year in the period might have been greater or less than the average for the entire period.

Aggregate Total Return

A Subaccount may use “aggregate” total return figures along with its “average annual” total return figures for various periods; these figures represent the cumulative change in value of an investment in the Subaccount for a specific period. Aggregate total returns may be shown by means of schedules, charts or graphs and may indicate subtotals of the various components of total return. The SEC has not prescribed standard formulas for calculating aggregate total return.

Total returns may also be shown for the same periods that do not take into account the withdrawal charge.

Non-Standardized Total Returns

We may also calculate non-standardized total returns which may or may not reflect any Credit Enhancement, withdrawal charges, increases in Risk Charge for an optional Death Benefit Rider, charges for premium taxes and/or any other taxes, any optional Rider charge, or any non-recurring fees or charges.

Standardized return figures will always accompany any non-standardized returns shown.

Yields

Fidelity® VIP Government Money Market Subaccount

The "yield" (also called "current yield") of the Fidelity® VIP Government Money Market Subaccount is computed in accordance with a standard method prescribed by the SEC. The net change in the Subaccount's Unit Value during a seven-day period is divided by the Unit Value at the beginning of the period to obtain a base rate of return. The current yield is generated when the base rate is "annualized" by multiplying it by the fraction 365/7; that is, the base rate of return is assumed to be generated each week over a 365-day period and is shown as a percentage of the investment. The "effective yield" of the Fidelity® VIP Government Money Market Subaccount is calculated similarly but, when annualized, the base rate of return is assumed to be reinvested. The effective yield will be slightly higher than the current yield because of the compounding effect of this assumed reinvestment.

The formula for effective yield is: [(Base Period Return + 1) (To the power of 365/7)] - 1.

Realized capital gains or losses and unrealized appreciation or depreciation of the assets of the underlying Fidelity® VIP Government Money Market Portfolio are not included in the yield calculation. Current yield and effective yield do not reflect any Credit Enhancement, the deduction of charges for any applicable premium taxes and/or any other taxes, any increase in the Risk Charge for an optional Death Benefit Rider, any optional Rider charge or any non-recurring fees or charges, but do reflect a deduction for the Risk Charge and the asset-based Administrative Fee.

Other Subaccounts

"Yield" of the other Subaccounts is computed in accordance with a different standard method prescribed by the SEC. The net investment income (investment income less expenses) per Subaccount Unit earned during a specified one-month or 30-day period is divided by the Subaccount Unit Value on the last day of the specified period. This result is then annualized (that is, the yield is assumed to be generated each month or each 30-day period for a year), according to the following formula, which assumes semi-annual compounding:

$$\text{YIELD} = 2*[(\frac{a-b}{c*d} + 1)^6 - 1]$$

where: a = net investment income earned during the period by the Portfolio attributable to the Subaccount.

b = expenses accrued for the period (net of reimbursements).

c = the average daily number of Subaccount Units outstanding during the period that were entitled to receive dividends.

d = the Unit Value of the Subaccount Units on the last day of the period.

The yield of each Subaccount reflects the deduction of all recurring fees and charges applicable to the Subaccount, such as the Risk Charge, and the asset-based Administrative Fee, but does not reflect any Credit Enhancement, withdrawal charge, charge for applicable premium taxes and/or any other taxes, increase in the Risk Charge for an optional Death Benefit Rider, any optional Rider charge, or any non-recurring fees or charges.

The Subaccounts' yields will vary from time to time depending upon market conditions, the composition of each Portfolio and operating expenses of the Fund allocated to each Portfolio. Consequently, any given performance quotation should not be considered representative of the Subaccount's performance in the future. Yield should also be considered relative to changes in Subaccount Unit Values and to the relative risks associated with the investment policies and objectives of the various Portfolios. In addition, because performance will fluctuate, it may not provide a basis for comparing the yield of a Subaccount with certain bank deposits or other investments that pay a fixed yield or return for a stated period of time.

Performance Comparisons and Benchmarks

In advertisements and sales literature, we may compare the performance of some or all of the Subaccounts to the performance of other variable annuity issuers in general and to the performance of particular types of variable annuities investing in mutual funds, or series of mutual funds, with investment objectives similar to each of the Subaccounts. This performance may be presented as averages or rankings compiled by Lipper Analytical Services, Inc. ("Lipper"), or Morningstar, Inc. ("Morningstar"), which are independent services that monitor and rank the performance of variable annuity issuers and mutual funds in each of the major categories of investment objectives on an industry-wide basis. Lipper's rankings include variable life issuers as well as variable annuity issuers. The performance analyses prepared by Lipper and Morningstar rank such issuers on the basis of total return, assuming reinvestment of dividends and distributions, but do not take sales charges, redemption fees or certain expense deductions at the separate account level into consideration. In addition, Morningstar prepares risk adjusted rankings, which consider the effects of market risk on total return performance. We may also compare the performance of the Subaccounts with performance information included in other publications and services that monitor the performance of insurance company separate accounts or other investment vehicles. These other services or publications may be general interest business publications such as *The Wall Street Journal, Barron's, Business Week, Forbes, Fortune, and Money.*

In addition, our reports and communications to Contract Owners, advertisements, or sales literature may compare a Subaccount's performance to various benchmarks that measure the performance of a pertinent group of securities widely regarded by investors as being representative of the securities markets in general or as being representative of a particular type of security. We may also compare the performance of the Subaccounts with that of other appropriate indices of investment securities and averages for peer universes of funds or data developed by us derived from such indices or averages. Unmanaged indices generally assume the reinvestment of dividends or interest but do not generally reflect deductions for investment management or administrative costs and expenses.

Tax Deferred Accumulation

In reports or other communications to you or in advertising or sales materials, we may also describe the effects of tax-deferred compounding on the Separate Account's investment returns or upon returns in general. These effects may be illustrated in charts or graphs and may include comparisons at various points in time of returns under the Contract or in general on a tax-deferred basis with the returns on a taxable basis. Different tax rates may be assumed.

In general, individuals who own annuity contracts are not taxed on increases in the value under the annuity contract until some form of distribution is made from the contract (Non-Natural Persons as Owners may not receive tax deferred accumulation). Thus, the annuity contract will benefit from tax deferral during the accumulation period, which generally will have the effect of permitting an investment in an annuity contract to grow more rapidly than a comparable investment under which increases in value are taxed on a current basis. The following chart illustrates this benefit by comparing accumulation under a variable annuity contract with accumulations from an investment on which gains are taxed on a current ordinary income basis.

The chart shows a single Purchase Payment of $10,000, assuming hypothetical annual returns of 0%, 4% and 8%, compounded annually, and a tax rate of 32%. The values shown for the taxable investment do not include any deduction for management fees or other expenses but assume that taxes are deducted annually from investment returns. The values shown for the variable annuity do not reflect the Risk Charge, and the asset-based Administrative Fee, any Credit Enhancement, withdrawal charge, charge for applicable premium taxes and/or any other taxes, increase in the Risk Charge for an optional Death Benefit Rider, any optional Rider charge, or any underlying Fund expenses.

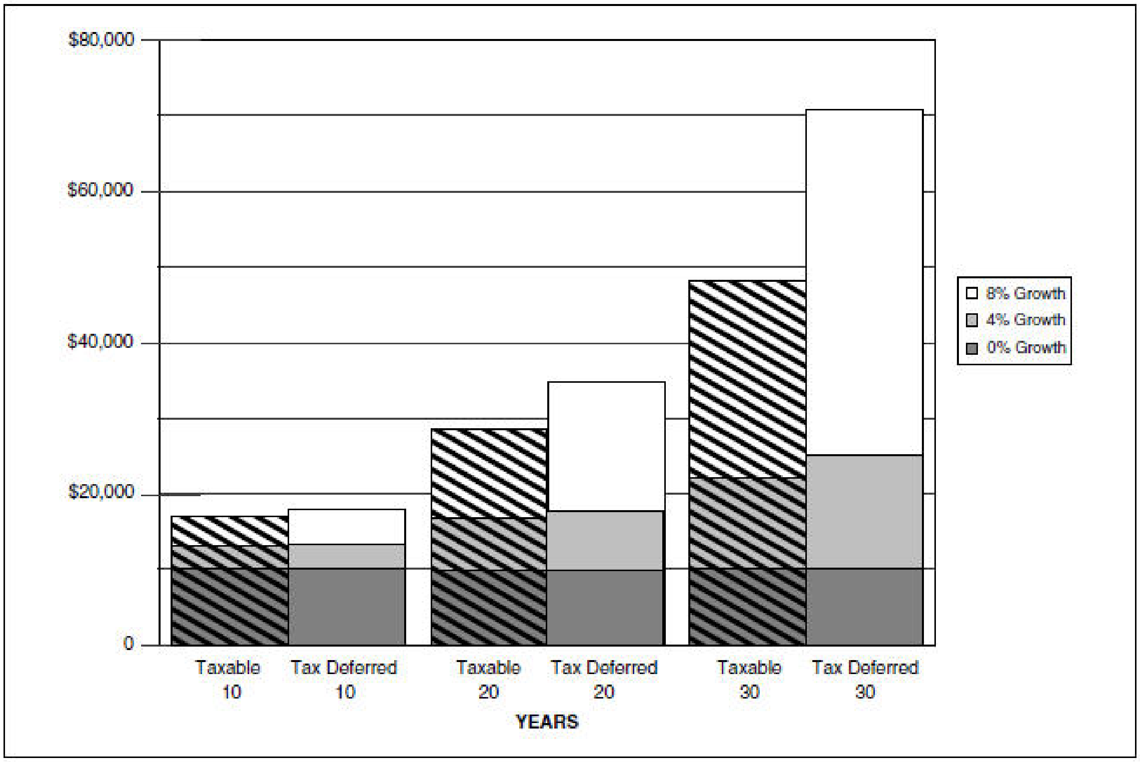
If above expenses and fees were taken into account, they would reduce the investment return shown for both the taxable investment and the hypothetical variable annuity contract. In addition, these values assume that you do not surrender the Contract or make any withdrawals until the end of the period shown. The chart assumes a full withdrawal, at the end of the period shown, of all Contract Value and the payment of taxes at the 32% rate on the amount in excess of the Purchase Payment.

The rates of return illustrated are hypothetical and are not an estimate or guarantee of performance. Actual tax rates may vary for different assets (*e.g.* capital gains and qualifying dividend income) and taxpayers from that illustrated.

Withdrawals by and distributions to Contract Owners who have not reached age 59½ may be subject to a tax penalty of 10%.

Power of Tax Deferral

$10,000 investment at annual rates of return of 0%, 4% and 8%, taxed @ 32%



DISTRIBUTION OF THE CONTRACTS

Pacific Select Distributors, LLC (PSD)

Pacific Select Distributors, LLC, our subsidiary, acts as the distributor of the Contracts and offers the Contracts on a continuous basis. 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 financial professionals are authorized by state insurance departments to solicit applications for the Contracts. The aggregate amount of underwriting commissions paid to PSD for 2018, 2017 and 2016 with regard to this Contract was $26,857,521, $28,716,458, and $29,921,684 respectively, of which $0 was retained.

PSD or an affiliate pays various sales compensation to broker-dealers that solicit applications for the Contracts. PSD or an affiliate also may provide reimbursement for other expenses associated with the promotion and solicitation of applications for the Contracts. Your financial professional typically receives a portion of the compensation that is payable to his or her broker-dealer in connection with the Contract, depending on the agreement between your financial professional and his or her firm. Pacific Life is not involved in determining that compensation arrangement, which may present its own incentives or conflicts. You may ask your financial professional how he/she will personally be compensated for the transaction.

Under certain circumstances where PSD pays lower initial commissions, certain broker-dealers that solicit applications for Contracts may be paid an ongoing persistency trail commission (sometimes called a residual). The mix of Purchase Payment-based versus trail commissions varies depending upon our agreement with the selling broker-dealer and the commission option selected by your financial professional or broker-dealer.

In addition to the Purchase Payment-based and trail commissions described above, we and/or an affiliate may pay additional cash compensation from our own resources in connection with the promotion and solicitation of applications for the Contracts by some, but not all, broker-dealers. The range of additional cash compensation based on Purchase Payments generally does not exceed 0.40% and trailing compensation based on Account Value generally does not exceed 0.15% on an annual basis. Such additional compensation may give Pacific Life greater access to financial professionals of the broker-dealers that receive such compensation. While this greater access provides the opportunity for training and other educational programs so that your financial professional may serve you better, this additional compensation also may afford Pacific Life a “preferred” status at the recipient broker-dealer and provide some other marketing benefit such as website placement, access to financial professional lists, extra marketing assistance or other heightened visibility and access to the broker-dealer’s sales force that otherwise influences the way that the broker-dealer and the financial professional market the Contracts.

As of December 31, 2018, the following firms have arrangements in effect with the Distributor pursuant to which the firm is entitled to receive a revenue sharing payment:

American Portfolios Financial Services Inc., Ameriprise Financial Services Inc., Bancwest Investment Services Inc., Bok Financial Securities Inc, Caderet, Grant & Co., Cambridge Investment Research Inc, Citizens Securities Inc, C U N A Brokerage Services Inc., C U S O Financial Services LP, Capital One Investing, Cetera Advisors LLC, Cetera Advisors Network LLC, Cetera Financial Institutions, Cetera Financial Specialists, Citigroup Global Markets Inc., CMS Investment Resources LLC, Commonwealth Financial Network, B B V A Securities Inc., Edward D. Jones & Co., LP, Ensemble Financial Services Inc., The Enterprise Securities Co., Essex Financial Services Inc., F S C Securities Corporation, Fifth Third Securities Inc., Financial Advisors, First Allied Securities Inc., First Citizens Investor, First Heartland Capital Inc., FTB Advisors Inc., Geneos Wealth Management Inc., Girard Securities, Hancock Investment Services, H.Beck Inc., Horan Securities Inc., Independent Financial Group, Infinex Investments Inc., Investacorp Inc., Investment Professionals Inc., J J B Hilliard, Jacques Financial LLC, Janney Montgomery Scott Inc., Key Investment Services LLC, Kestra Investment Services, KMS Financial Service, L P L Financial LLC, Lincoln Financial Advisors Corp., Lincoln Financial Securities Corp., M Holdings Securities Inc., M M L Investors Services Inc., Meridian Financial Group Inc., Morgan Stanley & Co. Incorporated, Mutual Of Omaha Investor Services Inc., Navy Federal Brokerage, NEXT Financial Group Inc., Oppenheimer & CO. Inc, Park Avenue Securities LLC.,PNC Investments Inc., ProEquities Inc., Questar Capital Corporation, R B C Capital Markets Corporation, Raymond James & Associates Inc., Raymond James Financial Services Inc., Robert W Baird & Company Inc., Royal Alliance Associates Inc., Sagepoint Financial Inc., Santander Securities LLC, Securian Financial Services Inc., Securities America Inc., Securities Service Network, Signator Investors Inc., Sorrento Pacific Financial LLC, Stephens Inc., Stifel Nicolaus & Company Inc., Summit Brokerage Services Inc., The Huntington Bank, The Huntington Investment, Transamerica Financial Advisors Inc., Triad Advisors Inc., U B S Financial Services Inc., U S Bancorp Investments Inc., Unionbanc Investment Services LLC, United Planners’ Financial Services of America, VOYA Financial Advisors, W L Lyons Inc., Wells Fargo Advisors LLC, Wells Fargo Investments LLC, Wescom Financial Services LLC, Woodbury Financial Services Inc.

We or our affiliates may also pay override payments, expense allowances and reimbursements, bonuses, wholesaler fees, and training and marketing allowances. Such payments may offset the broker-dealer’s expenses in connection with activities that it is required to perform, such as educating personnel and maintaining records. Financial professionals may also receive non-cash compensation, such as expense-paid educational or training seminars involving travel within and outside the U.S. or promotional merchandise.

All of the compensation described in this section, and other compensation or benefits provided by us or our affiliates, may be more or less than the overall compensation on similar or other products and may influence your financial professional or broker-dealer to present this Contract over other investment options. You may ask your financial professional about these potential conflicts of interest and how he/she and his/her broker-dealer are compensated for selling the Contract.

Portfolio Managers of the underlying Portfolios available under this Contract may from time to time bear all or a portion of the expenses of conferences or meetings sponsored by Pacific Life or PSD that are attended by, among others, representatives of PSD, who would receive information and/or training regarding the Fund’s Portfolios and their management by the Portfolio Managers in addition to information regarding the variable annuity and/or life insurance products issued by Pacific Life and its affiliates. Other persons may also attend all or a portion of any such conferences or meetings, including directors, officers and employees of Pacific Life, officers and trustees of Pacific Select Fund, and spouses/guests of the foregoing. The Pacific Select Fund Board of Trustees may hold meetings concurrently with such a conference or meeting. The Pacific Select 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 Distributor.

THE CONTRACTS AND THE SEPARATE ACCOUNT

Pursuant to Commodity Futures Trading Commission Rule 4.5, Pacific Life has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act. Therefore, it is not subject to registration or regulation as a commodity pool operator under the Commodity Exchange Act.

Calculating Subaccount Unit Values

The Unit Value of the Subaccount Units in each Variable Investment Option is computed at the close of the New York Stock Exchange, which is usually 4:00 p.m. Eastern time on each Business Day. The initial Unit Value of each Subaccount was $10 on the Business Day the Subaccount began operations. At the end of each Business Day, the Unit Value for a Subaccount is equal to:

$$Y \times Z$$

where (Y) = the Unit Value for that Subaccount as of the end of the preceding Business Day; and

(Z) = the Net Investment Factor for that Subaccount for the period (a "valuation period") between that Business Day and the immediately preceding Business Day.

The "Net Investment Factor" for a Subaccount for any valuation period is equal to:

$$(A \div B) - C$$

where (A) = the "per share value of the assets" of that Subaccount as of the end of that valuation period, which is equal to: a+b+c

where (a) = the net asset value per share of the corresponding Portfolio shares held by that Subaccount as of the end of that valuation period;

(b) = the per share amount of any dividend or capital gain distributions made by the Fund for that Portfolio during that valuation period; and

(c) = any per share charge (a negative number) or credit (a positive number) for any income taxes or other amounts set aside during that valuation period as a reserve for any income and/or any other taxes which we determine to have resulted from the operations of the Subaccount or Contract, and/or any taxes attributable, directly or indirectly, to Investments;

(B) = the net asset value per share of the corresponding Portfolio shares held by the Subaccount as of the end of the preceding valuation period; and

(C) = a factor that assesses against the Subaccount net assets for each calendar day in the valuation period, the basic Risk Charge plus the Administrative Fee and any applicable increase in the Risk Charge (see the **CHARGES, FEES AND DEDUCTIONS** section in the Prospectus).

Variable Annuity Payment Amounts

The following steps show how we determine the amount of each variable annuity payment under your Contract.

First: Pay Applicable Premium Taxes

When you convert any portion of your Net Contract Value into annuity payments, you must pay any applicable charge for premium taxes and/or other taxes on your Contract Value (unless applicable law requires those taxes to be paid at a later time). We assess this charge by reducing your Account Value proportionately, relative to your Account Value in each Subaccount and in any fixed option, in an amount equal to the aggregate amount of the charges. The remaining amount of your available Net Contract Value may be used to provide variable annuity payments. Alternatively, your remaining available Net Contract Value may be used to provide fixed annuity payments, or it may be divided to provide both fixed and variable annuity payments. You may also choose to withdraw some or all of your remaining Net Contract Value, less any applicable optional Rider charge, withdrawal charge, and any charges for premium taxes and/or other taxes without converting this amount into annuity payments.

Second: The First Variable Payment

We begin by referring to your Contract's Option Table for your Annuity Option (the "Annuity Option Table"). The Annuity Option Table allows us to calculate the dollar amount of the first variable annuity payment under your Contract, based on the amount applied toward the variable annuity. The number that the Annuity Option Table yields will be based on the Annuitant's age (and, in certain cases, sex) and assumes a 5% rate of return, as described in more detail below.

Example: Assume a man is 65 years of age at his Annuity Date and has selected a lifetime annuity with monthly payments guaranteed for 10 years. According to the Annuity Option Table, this man should receive an initial monthly payment of $5.79 for every $1,000 of his Contract Value (reduced by applicable charges) that he will be using to provide variable payments. Therefore, if his Contract Value after deducting applicable fees and charges is $100,000 on his Annuity Date and he applies this entire amount toward his variable annuity, his first monthly payment will be $579.00.

You may choose any other Annuity Option Table that assumes a different rate of return which we offer at the time your Annuity Option is effective.

Third: Subaccount Annuity Units

For each Subaccount, we use the amount of the first variable annuity payment under your Contract attributed to each Subaccount to determine the number of Subaccount Annuity Units that will form the basis of subsequent payment amounts. First, we use the Annuity Option Table to determine the amount of that first variable payment for each Subaccount. Then, for each Subaccount, we divide that amount of the first variable annuity payment by the value of one Subaccount Annuity Unit (the "Subaccount Annuity Unit Value") as of the end of the Annuity Date to obtain the number of Subaccount Annuity Units for that particular Subaccount. The number of Subaccount Annuity Units used to calculate subsequent payments under your Contract will not change unless exchanges of Annuity Units are made, (or if the Joint and Survivor Annuity Option is elected and the Primary Annuitant dies first) but the value of those Annuity Units will change daily, as described below.

Fourth: The Subsequent Variable Payments

The amount of each subsequent variable annuity payment will be the sum of the amounts payable based on each Subaccount. The amount payable based on each Subaccount is equal to the number of Subaccount Annuity Units for that Subaccount multiplied by their Subaccount Annuity Unit Value at the end of the Business Day in each payment period you elected that corresponds to the Annuity Date.

Each Subaccount's Subaccount Annuity Unit Value, like its Subaccount Unit Value, changes each day to reflect the net investment results of the underlying investment vehicle, as well as the assessment of the Risk Charge at an annual rate of 1.25% and the Administrative Fee at an annual rate of 0.15%. In addition, the calculation of Subaccount Annuity Unit Value incorporates an additional factor; as discussed in more detail below, this additional factor adjusts Subaccount Annuity Unit Values to correct for the Option Table's implicit assumed annual investment return on amounts applied but not yet used to furnish annuity benefits. Any increase in your Risk Charge for an optional death benefit rider is not charged after the Annuity Date.

Different Subaccounts may be selected for your Contract before and after your Annuity Date, subject to any restrictions we may establish. Currently, you may exchange Subaccount Annuity Units in any Subaccount for Subaccount Annuity Units in any other Subaccount(s) up to four times in any twelve month period after your Annuity Date. The number of Subaccount Annuity Units in any Subaccount may change due to such exchanges. Exchanges following your Annuity Date will be made by exchanging Subaccount Annuity Units of equivalent aggregate value, based on their relative Subaccount Annuity Unit Values.

Understanding the "Assumed Investment Return" Factors

The Annuity Option Table incorporates a number of implicit assumptions in determining the amount of your first variable annuity payment. As noted above, the numbers in the Annuity Option Table reflect certain actuarial assumptions based on the Annuitant's age, and, in some cases, the Annuitant's sex. In addition, these numbers assume that the amount of your Contract Value that you convert to a variable annuity will have a positive net investment return of 5% each year during the payout of your annuity; thus 5% is referred to as an "assumed investment return."

The Subaccount Annuity Unit Value for a Subaccount will increase only to the extent that the investment performance of that Subaccount exceeds the Risk Charge, the Administrative Fee, and the assumed investment return. The Subaccount Annuity Unit Value for any Subaccount will generally be less than the Subaccount Unit Value for that same Subaccount, and the difference will be the amount of the assumed investment return factor.

Example: Assume the net investment performance of a Subaccount is at a rate of 5.00% per year (after deduction of the 1.25% Risk Charge and the 0.15% Administrative Fee). The Subaccount Unit Value for that Subaccount would increase at a rate of 5.00% per year, but the Subaccount Annuity Unit Value would not increase (or decrease) at all. The net investment factor for that 5% return [1.05] is then divided by the factor for the 5% assumed investment return [1.05] and 1 is subtracted from the result to determine the adjusted rate of change in Subaccount Annuity Unit Value:

$$\frac{1.05}{1.05} = 1;\ 1 - 1 = 0;\ 0 \text{ x } 100\% = 0\%.$$

If the net investment performance of a Subaccount's assets is at a rate less than 5.00% per year, the Subaccount Annuity Unit Value will decrease, even if the Subaccount Unit Value is increasing.

Example: Assume the net investment performance of a Subaccount is at a rate of 2.60% per year (after deduction of the 1.25% Risk Charge and the 0.15% Administrative Fee). The Subaccount Unit Value for that Subaccount would increase at a rate of 2.60% per year, but the Subaccount Annuity Unit Value would decrease at a rate of 2.29% per year. The net investment factor for that 2.6% return [1.026] is then divided by the factor for the 5% assumed investment return [1.05] and 1 is subtracted from the result to determine the adjusted rate of change in Subaccount Annuity Unit Value:

$$\frac{1.026}{1.05} = 0.9771;\ 0.9771 - 1 = -0.0229;\ -0.0229 \times 100\% = -2.29\%.$$

The assumed investment return will always cause increases in Subaccount Annuity Unit Values to be somewhat less than if the assumption had not been made, will cause decreases in Subaccount Annuity Unit Values to be somewhat greater than if the assumption had not been made, and will (as shown in the example above) sometimes cause a decrease in Subaccount Annuity Unit Values to take place when an increase would have occurred if the assumption had not been made. If we had assumed a higher investment return in our Annuity Option tables, it would produce annuities with larger first payments, but the increases in subaccount annuity payments would be smaller and the decreases in subsequent annuity payments would be greater; a lower assumed investment return would produce annuities with smaller first payments, and the increases in subsequent annuity payments would be greater and the decreases in subsequent annuity payments would be smaller.

Redemptions of Remaining Guaranteed Variable Payments Under Options 2 and 4

If variable payments are elected under Annuity Options 2 and 4 (Life with Period Certain and Period Certain Only, respectively), you may redeem all remaining guaranteed variable payments after the Annuity Date. Also, under Option 4, partial redemptions of remaining guaranteed variable payments after the Annuity Date are available. **If you elect to redeem all remaining guaranteed variable payments in a single sum, we will not make any additional variable annuity payments during the remaining guaranteed period after the redemption.** If Annuity Option 2 was elected and the Annuitant is alive at the end of the guaranteed period, annuity payments will resume until the Annuitant's death. The amount available upon full redemption would be the present value of any remaining guaranteed variable payments at the assumed investment return. Any applicable withdrawal charge will be deducted from the present value as if you made a full withdrawal, or if applicable, a partial withdrawal. For purposes of calculating the withdrawal charge and Free Withdrawal amount, it will be assumed that the Contract was never converted to provide annuity payments and any prior variable annuity payments in that Contract Year will be treated as if they were partial withdrawals from the Contract (see the **CHARGES, FEES AND**

DEDUCTIONS—Withdrawal Charge section in the Prospectus). **If you have a Qualified Contract, there may be adverse tax implications if you elect to redeem any remaining variable payments in a single sum. Work with your tax advisor before making such an election.** For example, assume that a Contract was issued with a single investment of $10,000 and in Contract Year 2 the Owner elects to receive variable annuity payments under Annuity Option 4. In Contract Year 3, the Owner elects to make a partial redemption of $5,000. The withdrawal charge as a percentage of the Purchase Payments with an age of 3 years is 7%. Assuming the Free Withdrawal amount immediately prior to the partial redemption is $200, the withdrawal charge for the partial redemption will be $336 (($5,000 - $200) * 7%). No withdrawal charge will be imposed on a redemption if:

- the Annuity Option is elected as the form of payments of death benefit proceeds, or
- the Annuitant dies before the period certain has ended and the Beneficiary requests a redemption of the variable annuity payments.

The variable payment amount we use in calculating the present value is determined by summing an amount for each Subaccount, which we calculate by multiplying your Subaccount Annuity Units by the Annuity Unit Value next computed after we receive your redemption request. This variable payment amount is then discounted at the assumed investment return from each future Annuity Payment date that falls within the payment guaranteed period. The sum of these discounted remaining variable payment amounts is the present value of remaining guaranteed variable payments.

If you elect to redeem all remaining guaranteed variable payments in a single sum, we will not make any additional variable annuity payments during the remaining guaranteed period after the redemption.

If you elect to redeem a portion of the remaining guaranteed variable payments in a single sum, we will reduce the number of Annuity Units for each Subaccount by the same percentage as the partial redemption value bears to the amount available upon a full redemption.

Redemption of remaining guaranteed variable payments will not affect the amount of any fixed annuity payments.

Corresponding Dates

If any transaction or event under your Contract is scheduled to occur on a “corresponding date” that does not exist in a given calendar period, the transaction or event will be deemed to occur on the following Business Day. In addition, as stated in the Prospectus, any event scheduled to occur on a day that is not a Business Day will occur on the next succeeding Business Day.

Example: If your Contract is issued on February 29 in year 1 (a leap year), your Contract Anniversary in years 2, 3 and 4 will be on March 1.

Example: If your Annuity Date is July 31, and you select monthly annuity payments, the payments received will be based on valuations made on July 31, August 31, October 1 (for September), October 31, December 1 (for November), December 31, January 31, March 1 (for February), March 31, May 1 (for April), May 31 and July 1 (for June).

Age and Sex of Annuitant

The Contracts generally provide for sex-distinct annuity income factors in the case of life annuities. Statistically, females tend to have longer life expectancies than males; consequently, if the amount of annuity payments is based on life expectancy, they will ordinarily be higher if an annuitant is male than if an annuitant is female. Certain states’ regulations prohibit sex-distinct annuity income factors, and Contracts issued in those states will use unisex factors. In addition, Contracts issued in connection with certain Qualified Plans are required to use unisex factors.

We may require proof of your Annuitant’s age and/or sex before or after commencing annuity payments. If the age or sex (or both) of your Annuitant are incorrectly stated in your Contract, we will correct the amount payable to equal the amount that the annuitized portion of the Contract Value under that Contract would have purchased for your Annuitant’s correct age and sex. If we make the correction after annuity payments have started, and we have made overpayments based on the incorrect information, we will deduct the amount of the overpayment, with interest as stated in your Contract, from any payments due then or later; if we have made underpayments, we will add the amount, with interest as stated in your Contract, of the underpayments to the next payment we make after we receive proof of the correct age and/or sex.

Additionally, we may require proof of the Annuitant's or Owner's age before any payments associated with the Death Benefit provisions of your Contract are made. If the age or sex of the Annuitant is incorrectly stated in your Contract, we will base any payment associated with the Death Benefit provisions on your Contract on the Annuitant's or Owner's correct age or sex.

Systematic Transfer Programs

The fixed option(s) are not available in connection with portfolio rebalancing. If you are using the earnings sweep, you may also use portfolio rebalancing only if you selected the Fidelity® VIP Government Money Market Subaccount, or, for Contracts issued before July 1, 2003, the Fixed Option as your sweep option. You may not use dollar cost averaging, DCA Plus, and the earnings sweep at the same time. In addition, no fixed option(s) may be used as the target Investment Option under any systematic transfer program.

Dollar Cost Averaging

When you request dollar cost averaging, you are authorizing us to make periodic reallocations of your Contract Value without waiting for any further instruction from you. You may request to begin or stop dollar cost averaging at any time prior to your Annuity Date; the effective date of your request will be the day we receive notice from you In Proper Form. Your request may specify the date on which you want your first transfer to be made. Your first transfer may not be made until 30 days after your Contract Date, and if you specify an earlier date, your first transfer will be delayed until one calendar month after the date you specify. If you request dollar cost averaging on your application for your Contract and you fail to specify a date for your first transfer, your first transfer will be made one period after your Contract Date (that is, if you specify monthly transfers, the first transfer will occur 30 days after your Contract Date; quarterly transfers, 90 days after your Contract Date; semi-annual transfers, 180 days after your Contract Date; and if you specify annual transfers, the first transfer will occur on your Contract Anniversary). If you stop dollar cost averaging, you must wait 30 days before you may begin this option again. Currently, we are not enforcing the 30 day waiting periods but we reserve the right to enforce such waiting periods in the future. We will provide at least a 30 day prior notice before we enforce the 30 day waiting periods.

Your request to begin dollar cost averaging must specify the Investment Option you wish to transfer money from (your "source account"). You may choose any one Investment Option as your source account. The Account Value of your source account must be at least $5,000 for you to begin dollar cost averaging. Currently, we are not enforcing the minimum Account Value but we reserve the right to enforce such minimum amounts in the future. We will provide at least a 30 day prior notice before we enforce the minimum Account Value requirement.

Your request to begin dollar cost averaging must also specify the amount and frequency of your transfers. You may choose monthly, quarterly, semiannual or annual transfers. The amount of your transfers may be specified as a dollar amount or a percentage of your source Account Value; however, each transfer must be at least $250. Currently, we are not enforcing the minimum transfer amount but we reserve the right to enforce such minimum amounts in the future. We will provide at least a 30 day prior notice before we enforce the minimum transfer amount. Dollar cost averaging transfers are not subject to the same requirements and limitations as other transfers.

Finally, your request must specify the Variable Investment Option(s) you wish to transfer amounts to (your "target account(s)"). If you select more than one target account, your dollar cost averaging request must specify how transferred amounts should be allocated among the target accounts. Your source account may not also be a target account.

Your dollar cost averaging transfers will continue until the earlier of:

- your request to stop dollar cost averaging is effective,
- your source Account Value is zero,
- your transfer amount is greater than the source Account Value, or
- your Annuity Date.

If, as a result of a dollar cost averaging transfer, your source Account Value falls below any minimum Account Value we may establish, we have the right, at our option, to transfer that remaining Account Value to your target account(s) on a proportionate basis relative to your most recent allocation instructions. We may change, terminate or suspend the dollar cost averaging option at any time.

Portfolio Rebalancing

Portfolio rebalancing allows you to maintain the percentage of your Contract Value allocated to each Variable Investment Option at a pre-set level prior to annuitization.

For example, you could specify that 30% of your Contract Value should be in Subaccount A, 40% in Subaccount B, and 30% in Subaccount C.

Over time, the variations in each Subaccount's investment results will shift this balance of these Subaccount Value allocations. If you elect the portfolio rebalancing feature, we will automatically transfer your Subaccount Value back to the percentages you specify.

You may choose to have rebalances made quarterly, semi-annually or annually. Any Investment Options not selected for portfolio rebalancing will not be rebalanced.

Procedures for selecting portfolio rebalancing are generally the same as those discussed in detail above for selecting dollar cost averaging: You may make your request at any time prior to your Annuity Date and it will be effective when we receive it In Proper Form. If you stop portfolio rebalancing, you must wait 30 days to begin again. Currently, we are not enforcing the 30-day waiting period but we reserve the right to enforce such waiting period in the future. If you request rebalancing on your application but do not specify a date for the first rebalance, it will occur one period after your Contract Date, as described above under Dollar Cost Averaging. We may change, terminate or suspend the portfolio rebalancing feature at any time. Portfolio rebalancing will stop on the Annuity Date.

Earnings Sweep

An earnings sweep automatically transfers the earnings from the Fixed Option (if available) or the Fidelity® VIP Government Money Market Subaccount (the "sweep option") to one or more other Variable Investment Options (your "target option(s)"). The Account Value of your sweep option will be required to be at least $5,000 when you elect the earnings sweep. Currently, we are not enforcing the minimum Account Value but we reserve the right to enforce such minimum amounts in the future. We will provide at least a 30 day prior notice before we enforce the minimum Account Value requirement.

You may choose to have earnings sweeps occur monthly, quarterly, semi-annually or annually until you annuitize. At each earnings sweep, we will automatically transfer your accumulated earnings attributable to your sweep option for the previous period proportionately to your target option(s). That is, if you select a monthly earnings sweep, we will transfer the sweep option earnings from the preceding month; if you select a semi-annual earnings sweep, we will transfer the sweep option earnings accumulated over the preceding 6 months. Earnings sweep transfers are not subject to the same requirements and limitations as other transfers.

To determine the earnings, we take the change in the sweep option's Account Value during the sweep period, add any withdrawals or transfers out of the sweep option Account that occurred during the sweep period, and subtract any allocations, including Credit Enhancements, to the sweep option Account during the sweep period. The result of this calculation represents the "total earnings" for the sweep period.

If, during the sweep period, you withdraw or transfer amounts from the sweep option Account, we assume that earnings are withdrawn or transferred before any other Account Value. Therefore, your "total earnings" for the sweep period will be reduced by any amounts withdrawn or transferred during the sweep option period. The remaining earnings are eligible for the sweep transfer.

Procedures for selecting the earnings sweep are generally the same as those discussed in detail above for selecting dollar cost averaging and portfolio rebalancing: You may make your request at any time and it will be effective when we receive In Proper Form. If you stop the earnings sweep, you must wait 30 days to begin again. Currently, we are not enforcing the 30 day waiting period but we reserve the right to enforce such waiting period in the future. We will provide at least a 30 day prior notice before we enforce the 30 day waiting period. If you request the earnings sweep on your application but do not specify a date for the first sweep, it will occur one period after your Contract Date, as described above under Dollar Cost Averaging.

If, as a result of an earnings sweep transfer, your source Account Value falls below $500, we have the right, at our option, to transfer that remaining Account Value to your target account(s) on a proportionate basis relative to your most recent allocation instructions. We may change, terminate or suspend the earnings sweep option at any time.

Pre-Authorized Withdrawals

You may specify a dollar amount for your pre-authorized withdrawals, or you may specify a percentage of your Contract Value or living benefit rider, if applicable. You may direct us to make your pre-authorized withdrawals from one or more specific Investment Options. If you do not give us these specific instructions, amounts will be deducted proportionately from your Account Value in each Investment Option.

Procedures for selecting pre-authorized withdrawals are generally the same as those discussed in detail above for selecting dollar cost averaging, portfolio rebalancing, and earnings sweeps: You may make your request at any time and it will be effective when we receive it In Proper Form. If you stop the pre-authorized withdrawals, you must wait 30 days to begin again. Currently, we are not enforcing the 30-day waiting period but we reserve the right to enforce such waiting period in the future. We will provide at least a 30 day prior notice before we enforce the 30-day waiting period.

Pre-authorized withdrawals are subject to the same withdrawal charges as are other withdrawals and each withdrawal is subject to any applicable charge for premium taxes and/or other taxes, to federal income tax on its taxable portion, and, if you have not reached age 59½, may be subject to a 10% federal tax penalty.

More on Federal Tax Issues

Section 817(h) of the Code provides that the investments underlying a variable annuity must satisfy certain diversification requirements. Details on these diversification requirements generally appear in the Fund SAIs. We believe the underlying Variable Investment Options for the Contract meet these requirements. On March 7, 2008, the Treasury Department issued Final Regulations under Section 817(h). These Final Regulations do not provide guidance concerning the extent to which you may direct your investments to particular divisions of a separate account. Such guidance may be included in regulations or revenue rulings under Section 817(d) relating to the definition of a variable contract. We reserve the right to make such changes as we deem necessary or appropriate to ensure that your Contract continues to qualify as an annuity for tax purposes. Any such changes will apply uniformly to affected Contract Owners and will be made with such notice to affected Contract Owners as is feasible under the circumstances.

For a variable life insurance contract or a variable annuity contract to qualify for tax deferral, assets in the separate accounts supporting the contract must be considered to be owned by the insurance company and not by the contract owner. Under current U.S. tax law, if a contract owner has excessive control over the investments made by a separate account, or the underlying fund, the contract owner will be taxed currently on income and gains from the account or fund. In other words, in such a case of "investor control" the contract owner would not derive the tax benefits normally associated with variable life insurance or variable annuities.

Generally, according to the IRS, there are two ways that impermissible investor control may exist. The first relates to the design of the contract or the relationship between the contract and a separate account or underlying fund. For example, at various times, the IRS has focused on, among other factors, the number and type of investment choices available pursuant to a given variable contract, whether the contract offers access to funds that are available to the general public, the number of transfers that a contract owner may make from one investment option to another, and the degree to which a contract owner may select or control particular investments.

With respect to this first aspect of investor control, we believe that the design of our contracts and the relationship between our contracts and the Portfolios satisfy the current view of the IRS on this subject, such that the investor control doctrine should not apply. However, because of some uncertainty with respect to this subject and because the IRS may issue further guidance on this subject, we reserve the right to make such changes as we deem necessary or appropriate to reduce the risk that your contract might not qualify as a life insurance contract or as an annuity for tax purposes.

The second way that impermissible investor control might exist concerns your actions. Under case law and IRS guidance, you may not select or control particular investments, other than choosing among broad investment choices such as selecting a particular Portfolio. You may not select or direct the purchase or sale of a particular investment of a Separate Account, a Subaccount (or Variable Investment Option), or a Portfolio. All investment decisions concerning the Separate Accounts and the Subaccounts must be made by us, and all investment decisions concerning the underlying Portfolios must be made by the portfolio manager for such Portfolio in his or her sole and absolute discretion, and not by the contract owner. Furthermore, you may not enter into an agreement or arrangement with a portfolio manager of a Portfolio or communicate directly or indirectly with such a portfolio manager or any related investment officers concerning the selection, quality, or rate of return of any specific investment or group of investments held by a Portfolio, and you may not enter into any such agreement or arrangement or have any such communication with us or the investment advisor of a Portfolio.

Finally, the IRS may issue additional guidance on the investor control doctrine, which might further restrict your actions or features of the variable contract. Such guidance could be applied retroactively. If any of the rules outlined above are not complied with, the IRS may seek to tax you currently on income and gains from a Portfolio such that you would not derive the tax benefits normally associated with variable life insurance or variable annuities. Although highly unlikely, such an event may have an adverse impact on the fund and other variable contracts. We urge you to consult your own tax advisor with respect to the application of the investor control doctrine.

Loans

Certain Owners of Qualified Contracts may borrow against their Contracts. Otherwise loans from us are not permitted. You may request a loan from us, using your Contract Value as your only security if your Qualified Contract:

- is not subject to Title 1 of ERISA,
- is issued under Section 403(b) of the Code, and
- permits loans under its terms (a "Loan Eligible Plan").

You will be charged interest on your Contract Debt at a fixed annual rate equal to 5%. The amount held in the Loan Account to secure your loan will earn a return equal to an annual rate of 3%. The net amount of interest you pay on your loan will be 2% annually. This loan rate may vary by state.

Interest charges accrue on your Contract Debt daily, beginning on the effective date of your loan. Interest earned on the Loan Account Value accrue daily beginning on the day following the effective date of the loan, and those earnings will be transferred once a year to your Investment Options in accordance with your most recent allocation instructions.

We may change these loan provisions to reflect changes in the Code or interpretations thereof. **We urge you to consult with a qualified tax advisor prior to effecting any loan transaction under your Contract.**

If you purchase any optional living benefit rider (including any and all previous, current, and future versions), taking a loan while an optional living benefit rider is in effect will terminate your Rider (except for GIA II and GIA). If you have an existing loan on your Contract, you should carefully consider whether an optional living benefit rider is appropriate for you.

Tax and Legal Matters

The tax and ERISA rules relating to Contract loans are complex and in many cases unclear. For these reasons, and because the rules vary depending on the individual circumstances, these loans are processed by your Plan Administrator. **We urge you to consult with a qualified tax advisor prior to effecting any loan transaction under your Contract.**

Generally, interest paid on your loan under a 403(b) tax-sheltered annuity will be considered non-deductible "personal interest" under Section 163(h) of the Code, to the extent the loan comes from and is secured by your pre-tax contributions, even if the proceeds of your loan are used to acquire your principal residence.

Loan Procedures

Your loan request must be submitted on the appropriate request form. You may submit a loan request 30 days after your Contract Date and before your Annuity Date. However, before requesting a new loan, you must wait 30 days after the last payment of a previous loan. If approved, your loan will usually be effective as of the end of the Business Day on which we receive all necessary documentation In Proper Form. We will normally forward proceeds of your loan to you within 7 calendar days after the effective date of your loan.

In order to secure your loan, on the effective date of your loan, we will transfer an amount equal to the principal amount of your loan into an account called the "Loan Account." The Loan Account is held under the General Account. To make this transfer, we will transfer amounts proportionately from your Investment Options based on your Account Value in each Investment Option.

As your loan is repaid, a portion, corresponding to the amount of the repayment of any amount then held as security for your loan, will be transferred from the Loan Account back into your Investment Options relative to your most recent allocation instructions.

A transfer from the Loan Account back into your Investment Options following a loan repayment is not considered a transfer under the transfer limitations as stated in the **HOW YOUR PURCHASE PAYMENTS ARE ALLOCA-TED – Transfers and Market-timing Restrictions** section in the Prospectus.

Loan Terms

You may have only one loan outstanding at any time. The minimum loan amount is $1,000, subject to certain state limitations. Your Contract Debt at the effective date of your loan may not exceed the *lesser* of:

- 50% of the amount available for withdrawal under this Contract (see the **WITHDRAWALS – Optional Withdrawals** – *Amount Available for Withdrawal* section in the Prospectus), or
- $50,000 less your highest outstanding Contract Debt during the 12-month period immediately preceding the effective date of your loan.

You should refer to the terms of your particular Loan Eligible Plan for any additional loan restrictions. If you have other loans outstanding pursuant to other Loan Eligible Plans, the amount you may borrow may be further restricted. We are not responsible for making any determination (including loan amounts permitted) or any interpretation with respect to your Loan Eligible Plan.

Repayment Terms

Your loan, including principal and accrued interest, generally must be repaid in quarterly installments. An installment will be due in each quarter on the date corresponding to the effective date of your loan, beginning with the first such date following the effective date of your loan. See the **FEDERAL TAX ISSUES – Qualified Contracts –** *Loans* section in the Prospectus.

Example: On May 1, we receive your loan request, and your loan is effective. Your first quarterly payment will be due on August 1.

Adverse tax consequences may result if you fail to meet the repayment requirements for your loan. You must repay principal and interest of any loan in substantially equal payments over the term of the loan. Generally, the term of the loan will be 5 years from the effective date of the loan. However, if you have certified to us that your loan proceeds are to be used to acquire a principal residence for yourself, you may request a loan term of 30 years. In either case, however, you must repay your loan prior to your Annuity Date. If you elect to annuitize (or withdraw) your Net Contract Value while you have an outstanding loan, we will deduct any Contract Debt from your Contract Value at the time of the annuitization (or withdrawal) to repay the Contract Debt.

You may prepay your entire loan at any time. If you do so, we will bill you for any unpaid interest that has accrued through the date of payoff. Your loan will be considered repaid only when the interest due has been paid. Subject to any necessary approval of state insurance authorities, while you have Contract Debt outstanding, we will treat all payments you send us as Investments unless you specifically indicate that your payment is a loan repayment or include your loan payment notice with your payment. To the extent allowed by law, any loan repayments in excess of the amount then due will be applied to the principal balance of your loan. Such repayments will not change the due dates or the periodic repayment amount due for future periods. If a loan repayment is in excess of the principal balance of your loan, any excess repayment will be refunded to you. Repayments we receive that are less than the amount then due will be returned to you, unless otherwise required by law.

If we have not received your full payment by its due date, we will declare the entire remaining loan balance in default. At that time, we will send written notification of the amount needed to bring the loan back to a current status. You will have 60 days from the date on which the loan was declared in default (the "grace period") to make the required payment.

If the required payment is not received by the end of the grace period, the defaulted loan balance plus accrued interest and any withdrawal charge will be withdrawn from your Contract Value, *if amounts under your Contract are eligible for distribution*. In order for an amount to be eligible for distribution from a TSA funded by salary reductions you must meet one of five triggering events. The triggering events are:

- attainment of age 59½,
- severance from employment,
- death,
- disability, and
- financial hardship (with respect to contributions only, not income or earnings on these contributions).

If those amounts are not eligible for distribution, the defaulted loan balance plus accrued interest and any withdrawal charge will be considered a Deemed Distribution and will be withdrawn when such Contract Values become eligible. In either case, the Distribution or the Deemed Distribution will be considered a *currently taxable event*, and may be subject to the withdrawal charge and a 10% federal tax penalty.

If there is a Deemed Distribution under your Contract and to the extent allowed by law, any future withdrawals will first be applied as repayment of the defaulted Contract Debt, including accrued interest and charges for applicable taxes. Any amounts withdrawn and applied as repayment of Contract Debt will first be withdrawn from your Loan Account, and then from your Investment Options on a proportionate basis relative to the Account Value in each Investment Option. If you have an outstanding loan that is in default, the defaulted Contract Debt will be considered a withdrawal for the purpose of calculating any Death Benefit Amount and/or Guaranteed Minimum Death Benefit.

The terms of any such loan are intended to qualify for the exception in Code Section 72(p)(2) so that the distribution of the loan proceeds will not constitute a distribution that is taxable to you. To that end, these loan provisions will be interpreted to ensure and maintain such tax qualification, despite any other provisions to the contrary. Subject to any regulatory approval, we reserve the right to amend your Contract to reflect any clarifications that may be needed or are appropriate to maintain such tax qualification or to conform any terms of our loan arrangement with you to any applicable changes in the tax qualification requirements. We will send you a copy of any such amendment. If you refuse such an amendment, it may result in adverse tax consequences to you.

Safekeeping of Assets

We are responsible for the safekeeping of the assets of the Separate Account. These assets are held separate and apart from the assets of our General Account and our other separate accounts.

FINANCIAL STATEMENTS

The financial statements of Separate Account A of Pacific Life as of December 31, 2018 and for each of the periods presented are included in this SAI. Pacific Life's consolidated financial statements as of December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018 are included in this SAI. These financial statements should be considered only as bearing on the ability of Pacific Life to meet its obligations under the Contracts and not as 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 Separate Account A of Pacific Life Insurance Company as of December 31, 2018 and for each of the periods presented have been audited by Deloitte & Touche LLP, independent registered public accounting firm, as stated in their report appearing herein, and is included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Pacific Life Insurance Company and Subsidiaries as of December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein, 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.

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SEPARATE ACCOUNT A

SEPARATE ACCOUNT A
INVESTMENTS
DECEMBER 31, 2018

Each variable account invests in shares of the corresponding portfolio or fund (with the same name). The shares owned and value of investments as of December 31, 2018; and the cost of purchases and proceeds from sales of investments for the year or period ended December 31, 2018, were as follows:

Variable Accounts	Shares Owned	Value	Cost of Purchases	Proceeds from Sales
Core Income *	1,106,891	$11,582,209	$5,027,415	$2,709,714
Diversified Bond *	14,863,258	145,115,280	31,243,915	30,667,088
Floating Rate Income *	5,572,483	64,894,197	39,522,301	19,560,621
Floating Rate Loan *	19,464,180	135,649,900	52,927,963	39,647,326
High Yield Bond *	20,150,686	156,836,196	36,008,008	58,795,569
Inflation Managed *	17,096,179	176,496,829	16,033,208	39,407,648
Inflation Strategy *	1,441,760	14,470,310	3,443,408	3,457,724
Managed Bond *	28,725,967	364,847,418	32,638,812	67,563,995
Short Duration Bond *	31,316,131	311,505,188	54,957,914	66,786,325
Emerging Markets Debt *	1,627,870	18,952,683	8,008,133	10,673,939
Comstock *	12,461,344	172,696,097	17,055,549	30,177,534
Developing Growth *	6,155,843	98,637,368	35,621,776	38,420,367
Dividend Growth *	13,870,571	274,421,278	30,059,461	51,658,147
Equity Index *	12,851,398	770,008,042	164,323,298	129,538,677
Focused Growth *	4,720,061	132,603,746	30,859,207	34,090,545
Growth *	8,236,198	238,325,235	35,737,052	45,541,363
Large-Cap Growth *	14,600,010	163,352,061	55,589,426	48,409,814
Large-Cap Value *	8,809,930	176,674,778	16,466,557	36,199,338
Main Street® Core *	7,101,893	253,539,911	37,838,064	52,872,745
Mid-Cap Equity *	9,888,391	188,421,768	26,208,105	39,310,847
Mid-Cap Growth *	15,018,463	198,480,541	32,579,438	43,459,591
Mid-Cap Value *	4,891,941	76,990,094	14,378,861	19,752,320
Small-Cap Equity *	2,447,966	44,748,211	11,245,597	11,325,255
Small-Cap Index *	9,040,593	187,507,984	41,671,921	40,660,729
Small-Cap Value *	5,514,864	98,854,861	14,019,766	25,381,772
Value Advantage *	1,934,006	29,759,727	10,572,402	8,116,612
Emerging Markets *	10,921,377	178,866,945	36,197,256	43,477,275
International Large-Cap *	27,394,995	231,936,955	22,167,078	34,075,862
International Small-Cap *	4,141,607	37,107,511	9,800,860	10,328,700
International Value *	9,479,146	103,781,837	13,533,068	18,524,765
Health Sciences *	6,984,903	269,298,176	32,986,821	50,540,015
Real Estate *	5,415,878	121,396,303	9,089,923	31,120,854
Technology *	15,071,435	109,015,700	41,344,986	35,130,207
Currency Strategies *	303,437	3,497,703	1,045,771	1,210,552
Diversified Alternatives *	203,730	2,160,955	1,948,110	1,559,871
Equity Long/Short *	1,224,692	15,295,712	7,094,876	4,933,205
Global Absolute Return *	928,836	10,074,599	1,913,980	2,657,054
Pacific Dynamix - Conservative Growth *	30,422,373	457,604,081	62,942,005	78,642,179
Pacific Dynamix - Moderate Growth *	111,177,362	2,056,344,050	205,076,871	242,227,253
Pacific Dynamix - Growth *	30,738,306	622,883,760	102,336,985	112,012,733
Portfolio Optimization Conservative *	112,673,645	1,394,997,074	161,493,518	399,764,459
Portfolio Optimization Moderate-Conservative *	167,276,669	2,208,195,222	58,104,870	469,790,043
Portfolio Optimization Moderate *	645,452,127	8,963,314,941	130,310,093	1,679,427,443
Portfolio Optimization Growth *	512,407,235	7,468,416,926	55,582,116	1,389,409,097
Portfolio Optimization Aggressive-Growth *	106,476,235	1,580,119,037	49,244,980	301,633,442
PSF DFA Balanced Allocation *	13,447,130	150,673,892	78,509,983	12,678,438
Invesco V.I. Balanced-Risk Allocation Series II	34,494,332	322,177,060	62,036,673	79,377,201
Invesco V.I. Equity and Income Series II	2,576,961	41,334,458	14,938,761	7,496,152
Invesco V.I. Global Real Estate Series II	416,366	6,257,979	3,317,758	2,247,796
American Century VP Mid Cap Value Class II	3,782,318	69,292,067	19,869,390	13,022,911
American Funds IS Asset Allocation Class 4	133,881,753	2,810,177,987	523,017,366	317,062,675
American Funds IS Blue Chip Income and Growth Class 4	7,032,515	85,726,358	41,071,411	14,383,397
American Funds IS Bond Class 4	4,503,268	46,518,759	23,795,538	7,334,833

SEPARATE ACCOUNT A
INVESTMENTS (Continued)
DECEMBER 31, 2018

Variable Accounts	Shares Owned	Value	Cost of Purchases	Proceeds from Sales
American Funds IS Capital Income Builder® Class 4	9,130,706	$85,372,099	$21,986,574	$10,556,723
American Funds IS Global Balanced Class 4	4,153,090	47,968,193	26,365,010	13,429,264
American Funds IS Global Bond Class 4	1,140,795	12,822,535	7,132,640	2,539,735
American Funds IS Global Growth and Income Class 4	2,199,687	28,177,993	16,918,789	4,888,429
American Funds IS Global Growth Class 4	3,109,272	78,944,409	36,205,425	13,183,357
American Funds IS Global Small Capitalization Class 4	753,985	16,044,792	11,784,679	1,643,524
American Funds IS Growth Class 4	5,137,502	352,638,129	116,507,853	70,419,867
American Funds IS Growth-Income Class 4	7,278,008	323,653,004	80,171,930	54,165,110
American Funds IS High-Income Bond Class 4	2,022,682	20,145,910	11,145,132	8,268,989
American Funds IS International Class 4	3,479,154	60,537,278	30,545,408	9,562,736
American Funds IS International Growth and Income Class 4	2,825,471	43,003,665	15,008,031	9,171,966
American Funds IS Managed Risk Asset Allocation Class P2	9,411,784	115,012,002	38,281,014	23,471,339
American Funds IS New World Fund® Class 4	2,082,705	43,132,827	18,221,236	9,190,924
American Funds IS U.S. Government/AAA-Rated Securities Class 4	3,607,322	42,710,689	16,863,095	13,175,775
BlackRock® Capital Appreciation V.I. Class III	4,599,696	32,795,833	11,984,711	7,800,917
BlackRock Global Allocation V.I. Class III	121,660,988	1,575,509,795	143,946,227	329,708,087
BlackRock iShares® Dynamic Allocation V.I. Class I	2,161,543	22,307,120	8,607,605	6,399,012
Fidelity® VIP Contrafund® Service Class 2	5,806,363	181,797,240	61,973,758	33,761,872
Fidelity VIP FundsManager® 60% Service Class 2	25,341,248	258,480,725	99,904,025	39,724,422
Fidelity VIP Government Money Market Service Class	298,394,463	298,394,463	383,187,513	322,307,079
Fidelity VIP Strategic Income Service Class 2	5,396,671	57,474,545	22,304,698	13,114,437
First Trust Dorsey Wright Tactical Core Class I	2,601,714	27,161,891	19,458,902	4,097,001
First Trust/Dow Jones Dividend & Income Allocation Class I	41,764,905	535,426,088	113,987,172	94,958,129
First Trust Multi Income Allocation Class I	1,294,253	13,162,551	7,463,371	2,651,512
Franklin Founding Funds Allocation VIP Class 2	3,120,692	19,722,771	3,523,074	2,136,991
Franklin Founding Funds Allocation VIP Class 4	39,431,831	254,729,625	24,034,712	66,422,669
Franklin Income VIP Class 2	2,615,306	38,549,610	13,909,300	9,507,127
Franklin Mutual Global Discovery VIP Class 2	10,978,185	186,080,229	19,042,134	22,245,976
Franklin Rising Dividends VIP Class 2	6,185,901	154,894,963	39,146,905	31,324,947
Templeton Global Bond VIP Class 2 *	5,653,145	95,142,438	21,056,431	21,231,539
Ivy VIP Asset Strategy Class II	1,651,821	13,696,566	2,922,560	3,074,605
Ivy VIP Energy Class II *	3,861,885	14,927,732	9,912,828	7,749,775
Janus Henderson Balanced Service Shares	60,522,808	2,154,006,723	606,237,491	130,982,528
Janus Henderson Flexible Bond Service Shares	2,097,436	25,651,640	5,172,029	6,791,948
JPMorgan Insurance Trust Core Bond Class 1	16,436	175,204	5,470	196,589
JPMorgan Insurance Trust Global Allocation Class 2	684,358	10,545,956	3,805,415	1,113,534
JPMorgan Insurance Trust Income Builder Class 2	899,368	9,065,634	2,931,329	1,777,476
JPMorgan Insurance Trust Mid Cap Value Class 1	8,259	83,916	2,467	1,613
JPMorgan Insurance Trust U.S. Equity Class 1	583	15,533	2,234	49,491
ClearBridge Variable Aggressive Growth - Class II	304,593	6,923,407	5,280,261	3,714,248
Lord Abbett Bond Debenture Class VC	8,261,918	91,542,055	32,539,563	19,809,772
Lord Abbett International Equity Class VC	3,932,097	57,329,980	9,859,094	4,836,538
Lord Abbett Total Return Class VC	18,026,950	287,710,129	31,250,738	28,021,650
MFS® Total Return Series - Service Class	17,412,626	372,281,950	67,359,090	84,799,849
MFS Utilities Series - Service Class	1,578,224	45,547,552	13,813,089	9,622,993
MFS Value Series - Service Class	4,253,249	72,135,109	10,566,850	6,954,156
MFS Massachusetts Investors Growth Stock - Service Class	3,861,926	67,120,274	5,748,609	11,774,209
Neuberger Berman U.S. Equity Index PutWrite Strategy Class S	104,894	938,798	607,886	221,494
Oppenheimer Global Fund/VA Service Shares	408,221	15,320,540	14,253,941	12,559,283
Oppenheimer International Growth Fund/VA Service Shares	5,512,083	11,685,615	7,399,998	3,265,311
PIMCO All Asset All Authority - Advisor Class	364,401	2,918,852	273,567	1,262,565
PIMCO CommodityRealReturn® Strategy - Advisor Class	1,112,802	6,776,963	3,734,228	2,777,418
Jennison Class II *	1,045	61,301	128	112,354
SP International Growth Class II *	6,552	44,356	-	5,700
SP Prudential U.S. Emerging Growth Class II *	7,127	91,294	-	11,096
Value Class II *	3,830	107,516	-	9,457
Schwab Government Money Market	-	-	337,699	337,699

Variable Accounts	Shares Owned	Value	Cost of Purchases	Proceeds from Sales
Schwab VIT Balanced	4,978,406	$58,844,756	$11,289,400	$7,494,936
Schwab VIT Balanced with Growth	10,021,323	126,869,954	13,077,573	11,892,213
Schwab VIT Growth	9,630,781	132,423,240	16,329,155	13,255,405
State Street Total Return V.I.S. Class 3	28,847,050	404,147,170	132,572,772	79,194,969
VanEck VIP Global Hard Assets Class S *	717,881	11,751,720	4,851,079	5,628,524

* The variable account did not receive any dividend or capital gain distributions from its underlying portfolio/fund during the reporting period.

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 2018

	Variable Accounts					
	Core Income	**Diversified Bond**	**Floating Rate Income**	**Floating Rate Loan**	**High Yield Bond**	**Inflation Managed**
ASSETS						
Investments in mutual funds, at value	$11,582,209	$145,115,280	$64,894,197	$135,649,900	$156,836,196	$176,496,829
Receivables:						
Due from Pacific Life Insurance Company	3,787	-	-	-	-	-
Investments sold	-	114,765	14,859	122,876	163,857	314,685
Total Assets	11,585,996	145,230,045	64,909,056	135,772,776	157,000,053	176,811,514
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	115,107	17,376	123,020	161,079	311,276
Investments purchased	4,273	-	-	-	-	-
Total Liabilities	4,273	115,107	17,376	123,020	161,079	311,276
NET ASSETS	$11,581,723	$145,114,938	$64,891,680	$135,649,756	$156,838,974	$176,500,238
NET ASSETS CONSIST OF:						
Accumulation units	11,569,083	145,102,403	64,891,680	135,640,579	156,625,699	176,346,351
Contracts in payout (annuitization) period	12,640	12,535	-	9,177	213,275	153,887
NET ASSETS	$11,581,723	$145,114,938	$64,891,680	$135,649,756	$156,838,974	$176,500,238
Units Outstanding	1,148,625	11,784,263	6,020,102	12,790,715	9,511,531	11,247,518
Accumulation Unit Value	$9.78 - $10.38	$10.03 - $15.75	$10.02 - $11.38	$9.67 - $13.04	$9.91 - $24.79	$8.66 - $22.39
Cost of Investments	$11,251,340	$123,991,640	$60,021,465	$118,633,631	$95,597,001	$170,040,676

	Inflation Strategy	**Managed Bond**	**Short Duration Bond**	**Emerging Markets Debt**	**Comstock**	**Developing Growth**
ASSETS						
Investments in mutual funds, at value	$14,470,310	$364,847,418	$311,505,188	$18,952,683	$172,696,097	$98,637,368
Receivables:						
Due from Pacific Life Insurance Company	-	-	-	-	442,755	399,876
Investments sold	9,847	812,631	642,455	58,317	-	-
Total Assets	14,480,157	365,660,049	312,147,643	19,011,000	173,138,852	99,037,244
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	10,025	808,262	642,937	59,084	-	-
Investments purchased	-	-	-	-	440,181	398,531
Total Liabilities	10,025	808,262	642,937	59,084	440,181	398,531
NET ASSETS	$14,470,132	$364,851,787	$311,504,706	$18,951,916	$172,698,671	$98,638,713
NET ASSETS CONSIST OF:						
Accumulation units	14,470,132	364,307,427	311,429,218	18,934,625	172,642,868	98,470,134
Contracts in payout (annuitization) period	-	544,360	75,488	17,291	55,803	168,579
NET ASSETS	$14,470,132	$364,851,787	$311,504,706	$18,951,916	$172,698,671	$98,638,713
Units Outstanding	1,570,921	21,835,220	30,236,850	1,797,712	9,819,439	5,514,620
Accumulation Unit Value	$8.32 - $10.26	$9.76 - $25.29	$9.49 - $12.44	$9.63 - $11.59	$9.91 - $22.29	$13.62 - $22.19
Cost of Investments	$14,321,761	$297,535,010	$287,894,529	$16,507,494	$74,328,741	$39,249,547

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	Dividend Growth	Equity Index	Focused Growth	Growth	Large-Cap Growth	Large-Cap Value
ASSETS						
Investments in mutual funds, at value	$274,421,278	$770,008,042	$132,603,746	$238,325,235	$163,352,061	$176,674,778
Receivables:						
Due from Pacific Life Insurance Company	-	684,088	125,839	140,191	-	-
Investments sold	2,956	-	-	-	1,201,968	60,569
Total Assets	274,424,234	770,692,130	132,729,585	238,465,426	164,554,029	176,735,347
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	1,006	-	-	-	1,199,454	57,448
Investments purchased	-	684,075	125,953	139,086	-	-
Total Liabilities	1,006	684,075	125,953	139,086	1,199,454	57,448
NET ASSETS	$274,423,228	$770,008,055	$132,603,632	$238,326,340	$163,354,575	$176,677,899
NET ASSETS CONSIST OF:						
Accumulation units	274,273,619	769,737,014	132,543,833	238,162,359	163,188,855	176,555,740
Contracts in payout (annuitization) period	149,609	271,041	59,799	163,981	165,720	122,159
NET ASSETS	$274,423,228	$770,008,055	$132,603,632	$238,326,340	$163,354,575	$176,677,899
Units Outstanding	14,056,494	39,266,074	5,377,847	7,589,376	9,251,139	9,256,573
Accumulation Unit Value	$10.94 - $25.09	$10.69 - $42.36	$13.73 - $46.90	$11.98 - $50.93	$12.05 - $27.69	$9.74 - $23.93
Cost of Investments	$108,821,739	$401,029,140	$27,603,934	$101,821,239	$61,212,961	$69,378,415

	Main Street Core	Mid-Cap Equity	Mid-Cap Growth	Mid-Cap Value	Small-Cap Equity	Small-Cap Index
ASSETS						
Investments in mutual funds, at value	$253,539,911	$188,421,768	$198,480,541	$76,990,094	$44,748,211	$187,507,984
Receivables:						
Due from Pacific Life Insurance Company	36,719	115,977	175,269	87,572	15,171	191,824
Investments sold	-	-	-	-	-	-
Total Assets	253,576,630	188,537,745	198,655,810	77,077,666	44,763,382	187,699,808
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	-	-	-	-	-
Investments purchased	33,866	113,324	174,340	87,344	15,493	190,882
Total Liabilities	33,866	113,324	174,340	87,344	15,493	190,882
NET ASSETS	$253,542,764	$188,424,421	$198,481,470	$76,990,322	$44,747,889	$187,508,926
NET ASSETS CONSIST OF:						
Accumulation units	253,054,576	188,227,197	198,334,982	76,900,607	44,727,166	187,431,926
Contracts in payout (annuitization) period	488,188	197,224	146,488	89,715	20,723	77,000
NET ASSETS	$253,542,764	$188,424,421	$198,481,470	$76,990,322	$44,747,889	$187,508,926
Units Outstanding	10,633,140	7,287,312	11,170,460	4,398,530	2,597,583	9,742,504
Accumulation Unit Value	$10.93 - $32.91	$10.43 - $38.98	$11.76 - $22.54	$9.87 - $26.85	$9.68 - $27.88	$9.71 - $29.43
Cost of Investments	$91,167,367	$79,434,490	$66,595,197	$47,659,881	$23,626,860	$73,295,913

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	Small-Cap Value	**Value Advantage**	**Emerging Markets**	**International Large-Cap**	**International Small-Cap**	**International Value**
ASSETS						
Investments in mutual funds, at value	$98,854,861	$29,759,727	$178,866,945	$231,936,955	$37,107,511	$103,781,837
Receivables:						
Due from Pacific Life Insurance Company	170,873	52,314	-	144,771	52,830	46,633
Investments sold	-	-	29,228	-	-	-
Total Assets	99,025,734	29,812,041	178,896,173	232,081,726	37,160,341	103,828,470
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	-	27,559	-	-	-
Investments purchased	169,638	53,209	-	142,020	51,792	45,226
Total Liabilities	169,638	53,209	27,559	142,020	51,792	45,226
NET ASSETS	$98,856,096	$29,758,832	$178,868,614	$231,939,706	$37,108,549	$103,783,244
NET ASSETS CONSIST OF:						
Accumulation units	98,710,258	29,757,020	178,729,821	231,817,451	37,055,843	103,675,353
Contracts in payout (annuitization) period	145,838	1,812	138,793	122,255	52,706	107,891
NET ASSETS	$98,856,096	$29,758,832	$178,868,614	$231,939,706	$37,108,549	$103,783,244
Units Outstanding	4,539,485	2,092,943	9,588,606	16,898,528	3,211,173	9,595,349
Accumulation Unit Value	$9.00 - $42.72	$10.51 - $15.04	$9.86 - $63.42	$10.16 - $22.92	$9.23 - $16.74	$6.61 - $12.68
Cost of Investments	$47,349,846	$25,417,219	$61,024,774	$118,583,293	$19,790,223	$69,348,132

	Health Sciences	**Real Estate**	**Technology**	**Currency Strategies**	**Diversified Alternatives**	**Equity Long/Short**
ASSETS						
Investments in mutual funds, at value	$269,298,176	$121,396,303	$109,015,700	$3,497,703	$2,160,955	$15,295,712
Receivables:						
Due from Pacific Life Insurance Company	67,978	-	41,835	-	4,739	8,876
Investments sold	-	121,275	-	6,530	-	-
Total Assets	269,366,154	121,517,578	109,057,535	3,504,233	2,165,694	15,304,588
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	118,842	-	6,582	-	-
Investments purchased	64,924	-	42,969	-	4,870	9,580
Total Liabilities	64,924	118,842	42,969	6,582	4,870	9,580
NET ASSETS	$269,301,230	$121,398,736	$109,014,566	$3,497,651	$2,160,824	$15,295,008
NET ASSETS CONSIST OF:						
Accumulation units	269,168,439	121,244,157	109,000,127	3,497,651	2,160,824	15,295,008
Contracts in payout (annuitization) period	132,791	154,579	14,439	-	-	-
NET ASSETS	$269,301,230	$121,398,736	$109,014,566	$3,497,651	$2,160,824	$15,295,008
Units Outstanding	8,381,895	5,741,006	7,966,233	331,932	211,771	1,286,947
Accumulation Unit Value	$11.79 - $60.44	$9.98 - $48.75	$8.80 - $18.15	$10.15 - $11.24	$9.96 - $10.47	$9.80 - $12.35
Cost of Investments	$55,039,619	$38,849,868	$57,859,793	$3,084,899	$2,175,196	$14,404,047

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	Global Absolute Return	Pacific Dynamix - Conservative Growth	Pacific Dynamix - Moderate Growth	Pacific Dynamix - Growth	Portfolio Optimization Conservative	Portfolio Optimization Moderate-Conservative
ASSETS						
Investments in mutual funds, at value	$10,074,599	$457,604,081	$2,056,344,050	$622,883,760	$1,394,997,074	$2,208,195,222
Receivables:						
Due from Pacific Life Insurance Company	1,483	-	69,628	279,565	-	-
Investments sold	-	775,761	-	-	1,468,727	1,408,250
Total Assets	10,076,082	458,379,842	2,056,413,678	623,163,325	1,396,465,801	2,209,603,472
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	777,088	-	-	1,465,099	1,401,035
Investments purchased	3,842	-	68,480	281,414	-	-
Total Liabilities	3,842	777,088	68,480	281,414	1,465,099	1,401,035
NET ASSETS	$10,072,240	$457,602,754	$2,056,345,198	$622,881,911	$1,395,000,702	$2,208,202,437
NET ASSETS CONSIST OF:						
Accumulation units	10,072,240	457,455,161	2,056,142,207	622,715,934	1,394,642,621	2,207,122,460
Contracts in payout (annuitization) period	-	147,593	202,991	165,977	358,081	1,079,977
NET ASSETS	$10,072,240	$457,602,754	$2,056,345,198	$622,881,911	$1,395,000,702	$2,208,202,437
Units Outstanding	1,014,795	34,320,308	144,819,535	37,185,605	122,666,989	182,298,210
Accumulation Unit Value	$9.56 - $10.58	$10.05 - $17.60	$10.04 - $20.07	$10.14 - $22.71	$9.89 - $12.42	$9.95 - $13.22
Cost of Investments	$9,292,972	$362,136,369	$1,587,304,614	$432,095,354	$1,107,025,563	$1,626,334,016

	Portfolio Optimization Moderate	Portfolio Optimization Growth	Portfolio Optimization Aggressive-Growth	PSF DFA Balanced Allocation	Invesco V.I. Balanced-Risk Allocation Series II	Invesco V.I. Equity and Income Series II
ASSETS						
Investments in mutual funds, at value	$8,963,314,941	$7,468,416,926	$1,580,119,037	$150,673,892	$322,177,060	$41,334,458
Receivables:						
Due from Pacific Life Insurance Company	-	-	-	199,054	-	-
Investments sold	5,134,577	4,719,588	142,074	-	195,588	4,973
Total Assets	8,968,449,518	7,473,136,514	1,580,261,111	150,872,946	322,372,648	41,339,431
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	5,129,183	4,711,308	137,569	-	193,003	7,228
Investments purchased	-	-	-	202,049	-	-
Total Liabilities	5,129,183	4,711,308	137,569	202,049	193,003	7,228
NET ASSETS	$8,963,320,335	$7,468,425,206	$1,580,123,542	$150,670,897	$322,179,645	$41,332,203
NET ASSETS CONSIST OF:						
Accumulation units	8,959,539,282	7,466,202,055	1,579,162,837	150,618,843	322,164,554	41,322,412
Contracts in payout (annuitization) period	3,781,053	2,223,151	960,705	52,054	15,091	9,791
NET ASSETS	$8,963,320,335	$7,468,425,206	$1,580,123,542	$150,670,897	$322,179,645	$41,332,203
Units Outstanding	705,768,256	563,059,591	117,617,743	13,984,638	22,504,624	3,724,610
Accumulation Unit Value	$9.87 - $14.23	$10.77 - $15.27	$9.97 - $15.95	$9.95 - $11.05	$9.74 - $19.24	$9.54 - $11.67
Cost of Investments	$6,191,723,944	$4,849,733,263	$994,516,626	$151,891,541	$362,854,801	$44,554,148

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	Invesco V.I. Global Real Estate Series II	American Century VP Mid Cap Value Class II	American Funds IS Asset Allocation Class 4	American Funds IS Blue Chip Income and Growth Class 4	American Funds IS Bond Class 4	American Funds IS Capital Income Builder Class 4
ASSETS						
Investments in mutual funds, at value	$6,257,979	$69,292,067	$2,810,177,987	$85,726,358	$46,518,759	$85,372,099
Receivables:						
Due from Pacific Life Insurance Company	-	30,183	-	194,911	-	-
Investments sold	74,959	-	670,993	-	24,773	5,991
Total Assets	6,332,938	69,322,250	2,810,848,980	85,921,269	46,543,532	85,378,090
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	75,351	-	672,342	-	26,592	9,129
Investments purchased	-	31,900	-	198,402	-	-
Total Liabilities	75,351	31,900	672,342	198,402	26,592	9,129
NET ASSETS	$6,257,587	$69,290,350	$2,810,176,638	$85,722,867	$46,516,940	$85,368,961
NET ASSETS CONSIST OF:						
Accumulation units	6,257,587	69,240,177	2,809,944,398	85,581,520	46,516,940	85,368,961
Contracts in payout (annuitization) period	-	50,173	232,240	141,347	-	-
NET ASSETS	$6,257,587	$69,290,350	$2,810,176,638	$85,722,867	$46,516,940	$85,368,961
Units Outstanding	643,423	4,648,111	246,768,480	7,269,940	4,611,732	8,466,870
Accumulation Unit Value	$9.44 - $10.87	$9.19 - $16.93	$10.19 - $12.25	$9.96 - $12.17	$9.80 - $10.31	$9.68 - $10.60
Cost of Investments	$6,669,443	$70,976,786	$2,835,883,829	$93,212,026	$47,720,358	$88,804,742

	American Funds IS Global Balanced Class 4	American Funds IS Global Bond Class 4	American Funds IS Global Growth and Income Class 4	American Funds IS Global Growth Class 4	American Funds IS Global Small Capitalization Class 4	American Funds IS Growth Class 4
ASSETS						
Investments in mutual funds, at value	$47,968,193	$12,822,535	$28,177,993	$78,944,409	$16,044,792	$352,638,129
Receivables:						
Due from Pacific Life Insurance Company	115,743	-	63,063	101,686	18,450	-
Investments sold	-	10,292	-	-	-	933,787
Total Assets	48,083,936	12,832,827	28,241,056	79,046,095	16,063,242	353,571,916
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	10,865	-	-	-	937,341
Investments purchased	117,641	-	64,150	103,325	19,113	-
Total Liabilities	117,641	10,865	64,150	103,325	19,113	937,341
NET ASSETS	$47,966,295	$12,821,962	$28,176,906	$78,942,770	$16,044,129	$352,634,575
NET ASSETS CONSIST OF:						
Accumulation units	47,966,295	12,806,358	28,140,019	78,825,031	16,044,129	352,525,625
Contracts in payout (annuitization) period	-	15,604	36,887	117,739	-	108,950
NET ASSETS	$47,966,295	$12,821,962	$28,176,906	$78,942,770	$16,044,129	$352,634,575
Units Outstanding	4,336,770	1,258,572	2,456,273	6,148,518	1,471,715	26,297,274
Accumulation Unit Value	$10.76 - $11.32	$9.90 - $10.45	$10.31 - $11.75	$10.59 - $13.51	$10.15 - $11.19	$11.37 - $15.55
Cost of Investments	$50,186,247	$13,042,721	$30,948,366	$83,558,294	$17,716,225	$350,347,861

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	American Funds IS Growth-Income Class 4	American Funds IS High-Income Bond Class 4	American Funds IS International Class 4	American Funds IS International Growth and Income Class 4	American Funds IS Managed Risk Asset Allocation Class P2	American Funds IS New World Fund Class 4
ASSETS						
Investments in mutual funds, at value	$323,653,004	$20,145,910	$60,537,278	$43,003,665	$115,012,002	$43,132,827
Receivables:						
Due from Pacific Life Insurance Company	195,748	24,424	74,879	45,417	-	4,083
Investments sold	-	-	-	-	22,960	-
Total Assets	323,848,752	20,170,334	60,612,157	43,049,082	115,034,962	43,136,910
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	-	-	-	26,375	-
Investments purchased	198,463	25,315	77,334	47,146	-	5,726
Total Liabilities	198,463	25,315	77,334	47,146	26,375	5,726
NET ASSETS	$323,650,289	$20,145,019	$60,534,823	$43,001,936	$115,008,587	$43,131,184
NET ASSETS CONSIST OF:						
Accumulation units	323,340,385	20,145,019	60,534,823	42,995,135	114,986,019	43,131,184
Contracts in payout (annuitization) period	309,904	-	-	6,801	22,568	-
NET ASSETS	$323,650,289	$20,145,019	$60,534,823	$43,001,936	$115,008,587	$43,131,184
Units Outstanding	25,499,425	1,818,203	5,877,732	4,409,965	10,040,824	4,358,296
Accumulation Unit Value	$10.95 - $14.12	$9.88 - $11.41	$9.86 - $11.38	$9.18 - $11.23	$10.12 - $12.05	$9.48 - $11.14
Cost of Investments	$329,605,109	$21,424,543	$67,043,137	$45,264,608	$113,892,698	$43,994,216

	American Funds IS U.S. Government/ AAA-Rated Securities Class 4	BlackRock Capital Appreciation V.I. Class III	BlackRock Global Allocation V.I. Class III	BlackRock iShares Dynamic Allocation V.I. Class I	Fidelity VIP Contrafund Service Class 2	Fidelity VIP FundsManager 60% Service Class 2
ASSETS						
Investments in mutual funds, at value	$42,710,689	$32,795,833	$1,575,509,795	$22,307,120	$181,797,240	$258,480,725
Receivables:						
Due from Pacific Life Insurance Company	-	92,884	-	145,469	172,419	475,527
Investments sold	27,767	-	1,107,450	-	-	-
Total Assets	42,738,456	32,888,717	1,576,617,245	22,452,589	181,969,659	258,956,252
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	30,323	-	1,100,388	-	-	-
Investments purchased	-	92,352	-	146,539	175,748	477,219
Total Liabilities	30,323	92,352	1,100,388	146,539	175,748	477,219
NET ASSETS	$42,708,133	$32,796,365	$1,575,516,857	$22,306,050	$181,793,911	$258,479,033
NET ASSETS CONSIST OF:						
Accumulation units	42,708,133	32,762,820	1,575,474,444	22,306,050	181,788,846	258,377,235
Contracts in payout (annuitization) period	-	33,545	42,413	-	5,065	101,798
NET ASSETS	$42,708,133	$32,796,365	$1,575,516,857	$22,306,050	$181,793,911	$258,479,033
Units Outstanding	4,222,318	1,475,578	132,460,071	2,089,209	11,658,277	20,000,705
Accumulation Unit Value	$9.72 - $10.55	$18.76 - $25.16	$9.79 - $13.54	$10.25 - $11.12	$10.30 - $17.08	$10.16 - $14.33
Cost of Investments	$43,248,225	$36,635,311	$1,480,826,638	$21,689,217	$187,153,745	$279,263,213

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	Fidelity VIP Government Money Market Service Class	**Fidelity VIP Strategic Income Service Class 2**	**First Trust Dorsey Wright Tactical Core Class I**	**First Trust/Dow Jones Dividend & Income Allocation Class I**	**First Trust Multi Income Allocation Class I**	**Franklin Founding Funds Allocation VIP Class 2**
ASSETS						
Investments in mutual funds, at value	$298,394,463	$57,474,545	$27,161,891	$535,426,088	$13,162,551	$19,722,771
Receivables:						
Due from Pacific Life Insurance Company	2,711,926	105,583	42,063	125,934	24,608	-
Investments sold	-	-	-	-	-	76,454
Total Assets	301,106,389	57,580,128	27,203,954	535,552,022	13,187,159	19,799,225
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	-	-	-	-	76,868
Investments purchased	2,718,841	107,708	43,372	129,461	25,252	-
Total Liabilities	2,718,841	107,708	43,372	129,461	25,252	76,868
NET ASSETS	$298,387,548	$57,472,420	$27,160,582	$535,422,561	$13,161,907	$19,722,357
NET ASSETS CONSIST OF:						
Accumulation units	297,940,943	57,472,420	27,160,582	535,308,616	13,146,743	19,717,701
Contracts in payout (annuitization) period	446,605	-	-	113,945	15,164	4,656
NET ASSETS	$298,387,548	$57,472,420	$27,160,582	$535,422,561	$13,161,907	$19,722,357
Units Outstanding	31,093,930	5,371,527	2,604,023	38,964,983	1,249,607	1,325,154
Accumulation Unit Value	$9.31 - $10.15	$9.97 - $11.20	$10.08 - $10.94	$10.19 - $15.22	$9.59 - $11.00	$13.63 - $15.76
Cost of Investments	$298,394,463	$60,001,505	$28,434,037	$506,369,043	$13,467,161	$21,655,109

	Franklin Founding Funds Allocation VIP Class 4	**Franklin Income VIP Class 2**	**Franklin Mutual Global Discovery VIP Class 2**	**Franklin Rising Dividends VIP Class 2**	**Templeton Global Bond VIP Class 2**	**Ivy VIP Asset Strategy Class II**
ASSETS						
Investments in mutual funds, at value	$254,729,625	$38,549,610	$186,080,229	$154,894,963	$95,142,438	$13,696,566
Receivables:						
Due from Pacific Life Insurance Company	-	-	283,471	-	-	3,592
Investments sold	37,764	5,875	-	22,191	210,283	-
Total Assets	254,767,389	38,555,485	186,363,700	154,917,154	95,352,721	13,700,158
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	33,997	7,777	-	22,616	212,091	-
Investments purchased	-	-	285,096	-	-	3,953
Total Liabilities	33,997	7,777	285,096	22,616	212,091	3,953
NET ASSETS	$254,733,392	$38,547,708	$186,078,604	$154,894,538	$95,140,630	$13,696,205
NET ASSETS CONSIST OF:						
Accumulation units	254,733,392	38,547,708	185,992,284	154,851,338	95,134,803	13,696,205
Contracts in payout (annuitization) period	-	-	86,320	43,200	5,827	-
NET ASSETS	$254,733,392	$38,547,708	$186,078,604	$154,894,538	$95,140,630	$13,696,205
Units Outstanding	20,456,672	3,727,163	13,449,622	9,931,707	9,627,263	1,483,636
Accumulation Unit Value	$10.27 - $14.73	$10.05 - $10.72	$9.83 - $16.49	$10.67 - $17.24	$9.26 - $12.52	$8.91 - $11.25
Cost of Investments	$242,283,485	$39,377,123	$220,327,284	$154,115,796	$92,450,913	$14,403,639

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	Ivy VIP Energy Class II	Janus Henderson Balanced Service Shares	Janus Henderson Flexible Bond Service Shares	JPMorgan Insurance Trust Core Bond Class 1	JPMorgan Insurance Trust Global Allocation Class 2	JPMorgan Insurance Trust Income Builder Class 2
ASSETS						
Investments in mutual funds, at value	$14,927,732	$2,154,006,723	$25,651,640	$175,204	$10,545,956	$9,065,634
Receivables:						
Due from Pacific Life Insurance Company	171,905	-	-	-	-	-
Investments sold	-	195,785	11,086	20	9,408	1,160
Total Assets	15,099,637	2,154,202,508	25,662,726	175,224	10,555,364	9,066,794
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	198,705	12,109	3	9,837	1,613
Investments purchased	172,830	-	-	-	-	-
Total Liabilities	172,830	198,705	12,109	3	9,837	1,613
NET ASSETS	$14,926,807	$2,154,003,803	$25,650,617	$175,221	$10,545,527	$9,065,181
NET ASSETS CONSIST OF:						
Accumulation units	14,926,807	2,153,961,633	25,638,291	174,992	10,545,527	9,065,181
Contracts in payout (annuitization) period	-	42,170	12,326	229	-	-
NET ASSETS	$14,926,807	$2,154,003,803	$25,650,617	$175,221	$10,545,527	$9,065,181
Units Outstanding	2,874,689	151,998,954	2,570,835	11,899	993,900	874,702
Accumulation Unit Value	$5.06 - $5.61	$11.05 - $15.53	$9.66 - $10.41	$14.31 - $14.74	$10.21 - $11.08	$10.06 - $10.76
Cost of Investments	$19,571,607	$2,005,612,092	$26,653,198	$171,683	$10,761,441	$8,984,257

	JPMorgan Insurance Trust Mid Cap Value Class 1	JPMorgan Insurance Trust U.S. Equity Class 1	ClearBridge Variable Aggressive Growth - Class II	Lord Abbett Bond Debenture Class VC	Lord Abbett International Equity Class VC	Lord Abbett Total Return Class VC
ASSETS						
Investments in mutual funds, at value	$83,916	$15,533	$6,923,407	$91,542,055	$57,329,980	$287,710,129
Receivables:						
Due from Pacific Life Insurance Company	-	-	19,045	-	126,034	-
Investments sold	10	2	-	72,180	-	1,290,739
Total Assets	83,926	15,535	6,942,452	91,614,235	57,456,014	289,000,868
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	9	88	-	74,408	-	1,291,662
Investments purchased	-	-	19,330	-	126,519	-
Total Liabilities	9	88	19,330	74,408	126,519	1,291,662
NET ASSETS	$83,917	$15,447	$6,923,122	$91,539,827	$57,329,495	$287,709,206
NET ASSETS CONSIST OF:						
Accumulation units	83,917	15,447	6,923,122	91,524,527	57,326,837	287,688,460
Contracts in payout (annuitization) period	-	-	-	15,300	2,658	20,746
NET ASSETS	$83,917	$15,447	$6,923,122	$91,539,827	$57,329,495	$287,709,206
Units Outstanding	3,373	588	678,630	7,732,403	5,019,994	25,481,194
Accumulation Unit Value	$24.31 - $25.03	$26.25 - $26.25	$9.60 - $10.62	$9.94 - $12.70	$8.26 - $12.58	$9.91 - $12.65
Cost of Investments	$58,143	$5,957	$7,763,987	$98,534,616	$62,922,493	$298,127,950

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	MFS Total Return Series - Service Class	MFS Utilities Series - Service Class	MFS Value Series - Service Class	MFS Massachusetts Investors Growth Stock - Service Class	Neuberger Berman U.S. Equity Index PutWrite Strategy Class S	Oppenheimer Global Fund/VA Service Shares
ASSETS						
Investments in mutual funds, at value	$372,281,950	$45,547,552	$72,135,109	$67,120,274	$938,798	$15,320,540
Receivables:						
Due from Pacific Life Insurance Company	142,773	-	119,571	158,802	1,563	-
Investments sold	-	78,025	-	-	-	16,668
Total Assets	372,424,723	45,625,577	72,254,680	67,279,076	940,361	15,337,208
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	79,129	-	-	-	17,288
Investments purchased	143,391	-	119,387	158,068	1,602	-
Total Liabilities	143,391	79,129	119,387	158,068	1,602	17,288
NET ASSETS	$372,281,332	$45,546,448	$72,135,293	$67,121,008	$938,759	$15,319,920
NET ASSETS CONSIST OF:						
Accumulation units	372,186,109	45,528,914	72,131,556	67,113,353	938,759	15,319,920
Contracts in payout (annuitization) period	95,223	17,534	3,737	7,655	-	-
NET ASSETS	$372,281,332	$45,546,448	$72,135,293	$67,121,008	$938,759	$15,319,920
Units Outstanding	27,386,021	3,586,304	3,700,200	5,156,328	100,732	1,385,063
Accumulation Unit Value	$9.95 - $15.28	$11.75 - $14.20	$17.95 - $22.29	$12.68 - $13.04	$9.15 - $9.90	$10.50 - $11.85
Cost of Investments	$380,072,234	$42,527,816	$69,137,603	$65,911,272	$995,041	$16,411,111

	Oppenheimer International Growth Fund/VA Service Shares	PIMCO All Asset All Authority - Advisor Class	PIMCO Commodity-RealReturn Strategy - Advisor Class	Jennison Class II	SP International Growth Class II	SP Prudential U.S. Emerging Growth Class II
ASSETS						
Investments in mutual funds, at value	$11,685,615	$2,918,852	$6,776,963	$61,301	$44,356	$91,294
Receivables:						
Due from Pacific Life Insurance Company	45,126	-	2,227	-	-	-
Investments sold	-	3,356	-	25	6	26
Total Assets	11,730,741	2,922,208	6,779,190	61,326	44,362	91,320
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	-	3,542	-	46	32	32
Investments purchased	45,662	-	2,639	-	-	-
Total Liabilities	45,662	3,542	2,639	46	32	32
NET ASSETS	$11,685,079	$2,918,666	$6,776,551	$61,280	$44,330	$91,288
NET ASSETS CONSIST OF:						
Accumulation units	11,685,079	2,918,666	6,776,551	61,280	44,330	91,288
Contracts in payout (annuitization) period	-	-	-	-	-	-
NET ASSETS	$11,685,079	$2,918,666	$6,776,551	$61,280	$44,330	$91,288
Units Outstanding	1,233,981	320,055	1,366,854	2,270	2,732	3,261
Accumulation Unit Value	$9.17 - $10.40	$8.89 - $9.52	$4.59 - $8.77	$26.36 - $27.29	$15.79 - $16.82	$27.69 - $29.42
Cost of Investments	$13,271,109	$2,891,683	$7,894,824	$12,585	$23,349	$41,081

SEPARATE ACCOUNT A
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2018

	Variable Accounts					
	Value Class II	Schwab Government Money Market (1)	Schwab VIT Balanced	Schwab VIT Balanced with Growth	Schwab VIT Growth	State Street Total Return V.I.S. Class 3
ASSETS						
Investments in mutual funds, at value	$107,516	$-	$58,844,756	$126,869,954	$132,423,240	$404,147,170
Receivables:						
Due from Pacific Life Insurance Company	-	-	-	-	-	-
Investments sold	14	-	9,869	25,325	26,522	102,864
Total Assets	107,530	-	58,854,625	126,895,279	132,449,762	404,250,034
LIABILITIES						
Payables:						
Due to Pacific Life Insurance Company	103	-	10,181	26,040	26,773	101,055
Investments purchased	-	-	-	-	-	-
Total Liabilities	103	-	10,181	26,040	26,773	101,055
NET ASSETS	$107,427	$-	$58,844,444	$126,869,239	$132,422,989	$404,148,979
NET ASSETS CONSIST OF:						
Accumulation units	107,427	-	58,844,444	126,869,239	132,422,989	404,148,979
Contracts in payout (annuitization) period	-	-	-	-	-	-
NET ASSETS	$107,427	$-	$58,844,444	$126,869,239	$132,422,989	$404,148,979
Units Outstanding	5,417	-	4,934,852	10,008,190	9,611,058	26,335,073
Accumulation Unit Value	$19.16 - $20.35	See Note (1)	$10.51 - $11.95	$10.79 - $12.83	$11.08 - $13.87	$10.05 - $19.66
Cost of Investments	$49,056	$-	$55,784,475	$116,586,314	$117,950,475	$446,856,288

	VanEck VIP Global Hard Assets Class S
ASSETS	
Investments in mutual funds, at value	$11,751,720
Receivables:	
Due from Pacific Life Insurance Company	147,411
Investments sold	-
Total Assets	11,899,131
LIABILITIES	
Payables:	
Due to Pacific Life Insurance Company	-
Investments purchased	147,825
Total Liabilities	147,825
NET ASSETS	$11,751,306
NET ASSETS CONSIST OF:	
Accumulation units	11,750,409
Contracts in payout (annuitization) period	897
NET ASSETS	$11,751,306
Units Outstanding	2,121,470
Accumulation Unit Value	$5.15 - $6.78
Cost of Investments	$13,065,879

(1) Operations commenced or resumed during 2018 and all units were fully redeemed or transferred prior to December 31, 2018 (See Financial Highlights for commencement date of operations and date of full redemption).

SEPARATE ACCOUNT A
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Variable Accounts					
	Core Income	**Diversified Bond**	**Floating Rate Income**	**Floating Rate Loan**	**High Yield Bond**	**Inflation Managed**
INVESTMENT INCOME						
Dividends	$-	$-	$-	$-	$-	$-
EXPENSES						
Mortality and expense risk	99,863	1,571,990	615,185	1,549,673	2,159,142	2,407,650
Administrative fees	21,884	297,821	122,386	274,647	348,951	361,461
Total Expenses	121,747	1,869,811	737,571	1,824,320	2,508,093	2,769,111
Net Investment Income (Loss)	(121,747)	(1,869,811)	(737,571)	(1,824,320)	(2,508,093)	(2,769,111)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(28,798)	(107,930)	(78,394)	48,786	8,540,632	543,077
Capital gain distributions	-	-	-	-	-	-
Realized Gain (Loss) on Investments	(28,798)	(107,930)	(78,394)	48,786	8,540,632	543,077
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(167,836)	(1,849,142)	(400,325)	(222,253)	(13,952,500)	(4,751,778)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($318,381)	($3,826,883)	($1,216,290)	($1,997,787)	($7,919,961)	($6,977,812)
	Inflation Strategy	**Managed Bond**	**Short Duration Bond**	**Emerging Markets Debt**	**Comstock**	**Developing Growth**
INVESTMENT INCOME						
Dividends	$-	$-	$-	$-	$-	$-
EXPENSES						
Mortality and expense risk	172,070	4,611,964	2,744,328	235,401	1,875,173	1,164,910
Administrative fees	31,075	717,749	559,560	42,580	349,534	196,198
Total Expenses	203,145	5,329,713	3,303,888	277,981	2,224,707	1,361,108
Net Investment Income (Loss)	(203,145)	(5,329,713)	(3,303,888)	(277,981)	(2,224,707)	(1,361,108)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(6,890)	6,085,724	80,588	(116,086)	6,032,840	2,795,460
Capital gain distributions	-	-	-	-	-	-
Realized Gain (Loss) on Investments	(6,890)	6,085,724	80,588	(116,086)	6,032,840	2,795,460
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(218,752)	(8,838,521)	3,465,660	(1,091,680)	(29,955,964)	1,857,247
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($428,787)	($8,082,510)	$242,360	($1,485,747)	($26,147,831)	$3,291,599
	Dividend Growth	**Equity Index**	**Focused Growth**	**Growth**	**Large-Cap Growth**	**Large-Cap Value**
INVESTMENT INCOME						
Dividends	$-	$-	$-	$-	$-	$-
EXPENSES						
Mortality and expense risk	3,132,729	8,825,592	1,754,393	3,156,497	2,192,711	2,478,039
Administrative fees	553,940	1,670,553	283,826	457,657	356,074	391,108
Total Expenses	3,686,669	10,496,145	2,038,219	3,614,154	2,548,785	2,869,147
Net Investment Income (Loss)	(3,686,669)	(10,496,145)	(2,038,219)	(3,614,154)	(2,548,785)	(2,869,147)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	7,872,122	(1,558,090)	669,663	5,815,717	(1,055,518)	12,519,767
Capital gain distributions	-	-	-	-	-	-
Realized Gain (Loss) on Investments	7,872,122	(1,558,090)	669,663	5,815,717	(1,055,518)	12,519,767
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(10,759,389)	(37,762,356)	5,586,820	518,898	2,898,436	(30,608,747)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($6,573,936)	($49,816,591)	$4,218,264	$2,720,461	($705,867)	($20,958,127)

SEPARATE ACCOUNT A
STATEMENTS OF OPERATIONS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Variable Accounts					
	Main Street Core	**Mid-Cap Equity**	**Mid-Cap Growth**	**Mid-Cap Value**	**Small-Cap Equity**	**Small-Cap Index**
INVESTMENT INCOME						
Dividends	$-	$-	$-	$-	$-	$-
EXPENSES						
Mortality and expense risk	3,508,724	2,689,675	2,421,380	1,022,153	572,215	2,577,678
Administrative fees	500,790	405,111	413,483	187,070	102,606	428,231
Total Expenses	4,009,514	3,094,786	2,834,863	1,209,223	674,821	3,005,909
Net Investment Income (Loss)	(4,009,514)	(3,094,786)	(2,834,863)	(1,209,223)	(674,821)	(3,005,909)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	11,974,983	7,940,208	6,247,268	1,985,335	61,670	(447,458)
Capital gain distributions	-	-	-	-	-	-
Realized Gain (Loss) on Investments	11,974,983	7,940,208	6,247,268	1,985,335	61,670	(447,458)
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(32,344,918)	(27,954,620)	(5,276,148)	(15,374,912)	(6,696,153)	(24,216,135)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($24,379,449)	($23,109,198)	($1,863,743)	($14,598,800)	($7,309,304)	($27,669,502)
	Small-Cap Value	**Value Advantage**	**Emerging Markets**	**International Large-Cap**	**International Small-Cap**	**International Value**
INVESTMENT INCOME						
Dividends	$-	$-	$-	$-	$-	$-
EXPENSES						
Mortality and expense risk	1,450,110	304,928	2,384,697	2,729,132	531,573	1,435,813
Administrative fees	242,100	63,453	396,202	471,310	94,351	222,925
Total Expenses	1,692,210	368,381	2,780,899	3,200,442	625,924	1,658,738
Net Investment Income (Loss)	(1,692,210)	(368,381)	(2,780,899)	(3,200,442)	(625,924)	(1,658,738)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	6,800,968	(83,042)	3,202,426	6,200,133	177,110	1,937,037
Capital gain distributions	-	-	-	-	-	-
Realized Gain (Loss) on Investments	6,800,968	(83,042)	3,202,426	6,200,133	177,110	1,937,037
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(25,843,530)	(2,870,684)	(28,074,978)	(37,328,123)	(10,756,046)	(20,144,821)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($20,734,772)	($3,322,107)	($27,653,451)	($34,328,432)	($11,204,860)	($19,866,522)
	Health Sciences	**Real Estate**	**Technology**	**Currency Strategies**	**Diversified Alternatives**	**Equity Long/Short**
INVESTMENT INCOME						
Dividends	$-	$-	$-	$-	$-	$-
EXPENSES						
Mortality and expense risk	3,382,038	1,671,445	1,444,689	39,421	20,607	174,807
Administrative fees	564,689	267,807	238,932	7,349	4,363	37,092
Total Expenses	3,946,727	1,939,252	1,683,621	46,770	24,970	211,899
Net Investment Income (Loss)	(3,946,727)	(1,939,252)	(1,683,621)	(46,770)	(24,970)	(211,899)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	13,190,764	14,425,762	(932,822)	3,693	(34,333)	(468,575)
Capital gain distributions	-	-	-	-	-	-
Realized Gain (Loss) on Investments	13,190,764	14,425,762	(932,822)	3,693	(34,333)	(468,575)
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	7,800,564	(24,945,078)	1,643,648	189,064	(111,801)	(2,784,189)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$17,044,601	($12,458,568)	($972,795)	$145,987	($171,104)	($3,464,663)

SEPARATE ACCOUNT A
STATEMENTS OF OPERATIONS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Variable Accounts					
	Global Absolute Return	Pacific Dynamix - Conservative Growth	Pacific Dynamix - Moderate Growth	Pacific Dynamix - Growth	Portfolio Optimization Conservative	Portfolio Optimization Moderate-Conservative
INVESTMENT INCOME						
Dividends	$-	$-	$-	$-	$-	$-
EXPENSES						
Mortality and expense risk	116,445	5,156,413	23,170,981	7,639,878	19,813,008	31,462,139
Administrative fees	24,445	977,145	4,565,743	1,381,515	3,018,326	4,806,431
Total Expenses	140,890	6,133,558	27,736,724	9,021,393	22,831,334	36,268,570
Net Investment Income (Loss)	(140,890)	(6,133,558)	(27,736,724)	(9,021,393)	(22,831,334)	(36,268,570)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(41,178)	2,014,270	333,893	396,455	55,016,232	120,688,530
Capital gain distributions	-	-	-	-	-	-
Realized Gain (Loss) on Investments	(41,178)	2,014,270	333,893	396,455	55,016,232	120,688,530
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(1,033,024)	(20,315,596)	(121,158,997)	(49,582,072)	(106,031,729)	(239,686,795)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($1,215,092)	($24,434,884)	($148,561,828)	($58,207,010)	($73,846,831)	($155,266,835)

	Portfolio Optimization Moderate	Portfolio Optimization Growth	Portfolio Optimization Aggressive-Growth	PSF DFA Balanced Allocation	Invesco V.I. Balanced-Risk Allocation Series II	Invesco V.I. Equity and Income Series II
INVESTMENT INCOME						
Dividends	$-	$-	$-	$-	$4,651,905	$900,735
EXPENSES						
Mortality and expense risk	131,420,968	116,183,823	24,912,285	1,299,220	4,377,419	402,195
Administrative fees	19,881,098	17,070,894	3,692,651	288,038	762,053	84,376
Total Expenses	151,302,066	133,254,717	28,604,936	1,587,258	5,139,472	486,571
Net Investment Income (Loss)	(151,302,066)	(133,254,717)	(28,604,936)	(1,587,258)	(487,567)	414,164
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	540,970,528	535,987,677	108,293,314	(259,191)	(5,738,582)	(246,819)
Capital gain distributions	-	-	-	-	32,253,424	2,001,289
Realized Gain (Loss) on Investments	540,970,528	535,987,677	108,293,314	(259,191)	26,514,842	1,754,470
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(1,179,021,772)	(1,204,332,714)	(271,861,407)	(9,671,029)	(55,592,327)	(7,156,139)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($789,353,310)	($801,599,754)	($192,173,029)	($11,517,478)	($29,565,052)	($4,987,505)

	Invesco V.I. Global Real Estate Series II	American Century VP Mid Cap Value Class II	American Funds IS Asset Allocation Class 4	American Funds IS Blue Chip Income and Growth Class 4	American Funds IS Bond Class 4	American Funds IS Capital Income Builder Class 4
INVESTMENT INCOME						
Dividends	$247,601	$984,790	$43,577,777	$1,670,722	$998,261	$2,344,866
EXPENSES						
Mortality and expense risk	69,851	823,991	33,282,517	848,066	326,176	821,193
Administrative fees	14,255	166,355	6,274,256	178,442	72,809	168,653
Total Expenses	84,106	990,346	39,556,773	1,026,508	398,985	989,846
Net Investment Income (Loss)	163,495	(5,556)	4,021,004	644,214	599,276	1,355,020
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(59,877)	(118,214)	(6,211,038)	(753,024)	(334,003)	(300,726)
Capital gain distributions	82,560	4,713,173	130,410,580	6,409,321	52,130	189,707
Realized Gain (Loss) on Investments	22,683	4,594,959	124,199,542	5,656,297	(281,873)	(111,019)
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(695,637)	(15,777,015)	(311,779,162)	(15,911,752)	(824,334)	(8,693,071)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($509,459)	($11,187,612)	($183,558,616)	($9,611,241)	($506,931)	($7,449,070)

SEPARATE ACCOUNT A
STATEMENTS OF OPERATIONS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

Variable Accounts

	American Funds IS Global Balanced Class 4	American Funds IS Global Bond Class 4	American Funds IS Global Growth and Income Class 4	American Funds IS Global Growth Class 4	American Funds IS Global Small Capitalization Class 4	American Funds IS Growth Class 4
INVESTMENT INCOME						
Dividends	$554,744	$252,616	$453,836	$448,655	$2,849	$973,711
EXPENSES						
Mortality and expense risk	447,551	108,653	247,284	782,838	116,322	4,190,742
Administrative fees	96,194	23,178	55,163	170,886	25,787	779,041
Total Expenses	543,745	131,831	302,447	953,724	142,109	4,969,783
Net Investment Income (Loss)	10,999	120,785	151,389	(505,069)	(139,260)	(3,996,072)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(379,982)	(88,304)	(389,104)	(947,992)	(103,950)	(1,759,234)
Capital gain distributions	581,161	41,098	2,036,885	5,600,711	570,870	37,943,711
Realized Gain (Loss) on Investments	201,179	(47,206)	1,647,781	4,652,719	466,920	36,184,477
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(4,109,663)	(422,122)	(5,250,773)	(13,865,532)	(2,715,678)	(39,704,843)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($3,897,485)	($348,543)	($3,451,603)	($9,717,882)	($2,388,018)	($7,516,438)

	American Funds IS Growth-Income Class 4	American Funds IS High-Income Bond Class 4	American Funds IS International Class 4	American Funds IS International Growth and Income Class 4	American Funds IS Managed Risk Asset Allocation Class P2	American Funds IS New World Fund Class 4
INVESTMENT INCOME						
Dividends	$4,368,305	$1,133,916	$1,021,278	$989,299	$1,621,473	$325,483
EXPENSES						
Mortality and expense risk	3,833,524	196,680	594,040	449,914	1,338,942	447,872
Administrative fees	697,647	43,154	128,806	97,478	261,665	94,525
Total Expenses	4,531,171	239,834	722,846	547,392	1,600,607	542,397
Net Investment Income (Loss)	(162,866)	894,082	298,432	441,907	20,866	(216,914)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(688,683)	(269,906)	(945,156)	(578,876)	(562,425)	(728,755)
Capital gain distributions	23,945,869	-	3,025,220	-	4,702,694	1,275,298
Realized Gain (Loss) on Investments	23,257,186	(269,906)	2,080,064	(578,876)	4,140,269	546,543
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(34,546,280)	(1,455,410)	(12,606,620)	(6,298,802)	(11,695,514)	(7,921,252)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($11,451,960)	($831,234)	($10,228,124)	($6,435,771)	($7,534,379)	($7,591,623)

	American Funds IS U.S. Government/ AAA-Rated Securities Class 4	BlackRock Capital Appreciation V.I. Class III	BlackRock Global Allocation V.I. Class III	BlackRock iShares Dynamic Allocation V.I. Class I	Fidelity VIP Contrafund Service Class 2	Fidelity VIP FundsManager 60% Service Class 2
INVESTMENT INCOME						
Dividends	$646,964	$-	$14,914,687	$229,648	$874,165	$3,092,474
EXPENSES						
Mortality and expense risk	344,258	257,795	21,458,500	252,484	2,063,779	2,950,176
Administrative fees	77,932	56,903	3,694,926	50,740	422,779	569,681
Total Expenses	422,190	314,698	25,153,426	303,224	2,486,558	3,519,857
Net Investment Income (Loss)	224,774	(314,698)	(10,238,739)	(73,576)	(1,612,393)	(427,383)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(570,559)	735,617	12,791,059	(92,002)	(1,652,280)	(3,043,195)
Capital gain distributions	-	10,548,784	75,989,594	314,482	16,442,296	29,682,917
Realized Gain (Loss) on Investments	(570,559)	11,284,401	88,780,653	222,480	14,790,016	26,639,722
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	176,677	(9,890,211)	(236,905,872)	(1,667,454)	(29,217,715)	(48,045,506)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($169,108)	$1,079,492	($158,363,958)	($1,518,550)	($16,040,092)	($21,833,167)

SEPARATE ACCOUNT A
STATEMENTS OF OPERATIONS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Variable Accounts					
	Fidelity VIP Government Money Market Service Class	Fidelity VIP Strategic Income Service Class 2	First Trust Dorsey Wright Tactical Core Class I	First Trust/Dow Jones Dividend & Income Allocation Class I	First Trust Multi Income Allocation Class I	Franklin Founding Funds Allocation VIP Class 2
INVESTMENT INCOME						
Dividends	$3,868,123	$2,107,947	$84,739	$8,520,778	$260,648	$668,129
EXPENSES						
Mortality and expense risk	2,972,835	552,045	215,592	6,336,117	109,430	150,052
Administrative fees	490,632	121,996	45,501	1,156,540	23,702	32,966
Total Expenses	3,463,467	674,041	261,093	7,492,657	133,132	183,018
Net Investment Income (Loss)	404,656	1,433,906	(176,354)	1,028,121	127,516	485,111
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	-	(318,468)	(196,366)	(1,290,008)	(42,040)	(134,114)
Capital gain distributions	-	106,505	23,208	1,083,882	-	523,223
Realized Gain (Loss) on Investments	-	(211,963)	(173,158)	(206,126)	(42,040)	389,109
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	-	(3,568,659)	(3,028,636)	(36,964,955)	(807,561)	(3,161,488)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$404,656	($2,346,716)	($3,378,148)	($36,142,960)	($722,085)	($2,287,268)

	Franklin Founding Funds Allocation VIP Class 4	Franklin Income VIP Class 2	Franklin Mutual Global Discovery VIP Class 2	Franklin Rising Dividends VIP Class 2	Templeton Global Bond VIP Class 2	Ivy VIP Asset Strategy Class II
INVESTMENT INCOME						
Dividends	$8,856,666	$1,919,173	$5,014,511	$2,113,491	$-	$282,403
EXPENSES						
Mortality and expense risk	3,847,049	408,244	1,802,426	1,711,565	973,642	162,910
Administrative fees	618,964	86,694	376,305	348,135	204,593	34,037
Total Expenses	4,466,013	494,938	2,178,731	2,059,700	1,178,235	196,947
Net Investment Income (Loss)	4,390,653	1,424,235	2,835,780	53,791	(1,178,235)	85,456
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	2,541,629	(229,780)	(3,315,611)	37,488	(1,792,592)	(325,805)
Capital gain distributions	7,248,252	-	2,656,751	10,236,677	-	616,508
Realized Gain (Loss) on Investments	9,789,881	(229,780)	(658,860)	10,274,165	(1,792,592)	290,703
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(45,872,051)	(3,447,417)	(27,816,027)	(20,599,217)	3,568,743	(1,355,533)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($31,691,517)	($2,252,962)	($25,639,107)	($10,271,261)	$597,916	($979,374)

	Ivy VIP Energy Class II	Janus Henderson Balanced Service Shares	Janus Henderson Flexible Bond Service Shares	JPMorgan Insurance Trust Core Bond Class 1	JPMorgan Insurance Trust Global Allocation Class 2	JPMorgan Insurance Trust Income Builder Class 2
INVESTMENT INCOME						
Dividends	$-	$35,852,658	$695,073	$5,121	$-	$-
EXPENSES						
Mortality and expense risk	242,264	21,984,301	284,352	2,641	87,078	89,148
Administrative fees	42,167	4,407,104	58,487	316	19,853	17,972
Total Expenses	284,431	26,391,405	342,839	2,957	106,931	107,120
Net Investment Income (Loss)	(284,431)	9,461,253	352,234	2,164	(106,931)	(107,120)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(525,271)	(3,329,323)	(279,985)	(116)	(64,107)	(24,655)
Capital gain distributions	-	49,153,791	-	349	60,926	14,828
Realized Gain (Loss) on Investments	(525,271)	45,824,468	(279,985)	233	(3,181)	(9,827)
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(7,152,769)	(88,894,046)	(794,036)	(8,686)	(721,564)	(444,781)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($7,962,471)	($33,608,325)	($721,787)	($6,289)	($831,676)	($561,728)

SEPARATE ACCOUNT A
STATEMENTS OF OPERATIONS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Variable Accounts					
	JPMorgan Insurance Trust Mid Cap Value Class 1	JPMorgan Insurance Trust U.S. Equity Class 1	ClearBridge Variable Aggressive Growth - Class II	Lord Abbett Bond Debenture Class VC	Lord Abbett International Equity Class VC	Lord Abbett Total Return Class VC
INVESTMENT INCOME						
Dividends	$924	$147	$29,690	$4,147,204	$1,084,503	$9,289,088
EXPENSES						
Mortality and expense risk	1,241	301	70,070	918,560	449,659	2,046,204
Administrative fees	144	36	15,692	186,834	100,639	464,885
Total Expenses	1,385	337	85,762	1,105,394	550,298	2,511,089
Net Investment Income (Loss)	(461)	(190)	(56,072)	3,041,810	534,205	6,777,999
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	45	32,435	(97,302)	(402,882)	(156,994)	(1,173,584)
Capital gain distributions	1,544	2,087	521,703	2,078,005	-	-
Realized Gain (Loss) on Investments	1,589	34,522	424,401	1,675,123	(156,994)	(1,173,584)
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(13,789)	(35,819)	(1,134,394)	(9,660,061)	(13,398,288)	(11,258,780)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($12,661)	($1,487)	($766,065)	($4,943,128)	($13,021,077)	($5,654,365)

	MFS Total Return Series - Service Class	MFS Utilities Series - Service Class	MFS Value Series - Service Class	MFS Massachusetts Investors Growth Stock - Service Class	Neuberger Berman U.S. Equity Index PutWrite Strategy Class S	Oppenheimer Global Fund/VA Service Shares
INVESTMENT INCOME						
Dividends	$8,075,224	$350,330	$1,075,986	$250,493	$-	$178,644
EXPENSES						
Mortality and expense risk	4,431,480	440,781	553,956	489,711	8,445	231,709
Administrative fees	847,501	88,240	122,601	113,515	1,739	46,908
Total Expenses	5,278,981	529,021	676,557	603,226	10,184	278,617
Net Investment Income (Loss)	2,796,243	(178,691)	399,429	(352,733)	(10,184)	(99,973)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(189,481)	(37,303)	40,038	569,879	(7,124)	(1,069,183)
Capital gain distributions	18,594,642	160,159	5,603,009	4,426,781	29,680	1,666,198
Realized Gain (Loss) on Investments	18,405,161	122,856	5,643,047	4,996,660	22,556	597,015
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(50,110,539)	(249,497)	(14,957,399)	(4,163,847)	(93,230)	(3,471,821)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($28,909,135)	($305,332)	($8,914,923)	$480,080	($80,858)	($2,974,779)

	Oppenheimer International Growth Fund/VA Service Shares	PIMCO All Asset All Authority - Advisor Class	PIMCO Commodity-RealReturn Strategy - Advisor Class	Jennison Class II	SP International Growth Class II	SP Prudential U.S. Emerging Growth Class II
INVESTMENT INCOME						
Dividends	$79,279	$103,925	$151,632	$-	$-	$-
EXPENSES						
Mortality and expense risk	127,098	37,475	83,732	1,248	826	1,758
Administrative fees	27,541	7,547	16,067	136	85	171
Total Expenses	154,639	45,022	99,799	1,384	911	1,929
Net Investment Income (Loss)	(75,360)	58,903	51,833	(1,384)	(911)	(1,929)
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	(279,587)	59,323	(296,952)	90,207	2,571	5,920
Capital gain distributions	251,279	-	-	-	-	-
Realized Gain (Loss) on Investments	(28,308)	59,323	(296,952)	90,207	2,571	5,920
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(2,877,335)	(393,984)	(1,004,090)	(86,940)	(10,061)	(14,901)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($2,981,003)	($275,758)	($1,249,209)	$1,883	($8,401)	($10,910)

SEPARATE ACCOUNT A
STATEMENTS OF OPERATIONS (Continued)
FOR THE YEAR OR PERIOD ENDED DECEMBER 31, 2018

	Variable Accounts					
	Value Class II	Schwab Government Money Market (1)	Schwab VIT Balanced	Schwab VIT Balanced with Growth	Schwab VIT Growth	State Street Total Return V.I.S. Class 3
INVESTMENT INCOME						
Dividends	$-	$431	$799,101	$2,106,548	$2,146,946	$8,551,384
EXPENSES						
Mortality and expense risk	1,800	97	215,224	517,861	519,775	5,071,196
Administrative fees	193	69	151,244	344,558	362,756	849,335
Total Expenses	1,993	166	366,468	862,419	882,531	5,920,531
Net Investment Income (Loss)	(1,993)	265	432,633	1,244,129	1,264,415	2,630,853
REALIZED GAIN (LOSS) ON INVESTMENTS						
Realized gain (loss) on sale of investments	5,144	-	(85,282)	(142,576)	(99,766)	2,271,557
Capital gain distributions	-	-	85,276	189,959	497,510	90,257,582
Realized Gain (Loss) on Investments	5,144	-	(6)	47,383	397,744	92,529,139
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(18,009)	-	(3,641,779)	(11,366,313)	(14,431,331)	(129,776,341)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($14,858)	$265	($3,209,152)	($10,074,801)	($12,769,172)	($34,616,349)

	VanEck VIP Global Hard Assets Class S
INVESTMENT INCOME	
Dividends	$-
EXPENSES	
Mortality and expense risk	166,289
Administrative fees	34,540
Total Expenses	200,829
Net Investment Income (Loss)	(200,829)
REALIZED GAIN (LOSS) ON INVESTMENTS	
Realized gain (loss) on sale of investments	(56,603)
Capital gain distributions	-
Realized Gain (Loss) on Investments	(56,603)
CHANGE IN NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	(4,624,902)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	($4,882,334)

(1) Operations commenced or resumed during 2018 and all units were fully redeemed or transferred prior to December 31, 2018 (See Financial Highlights for commencement date of operations and date of full redemption).

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Core Income		Diversified Bond		Floating Rate Income	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($121,747)	($86,156)	($1,869,811)	($1,837,312)	($737,571)	($594,421)
Realized gain (loss) on investments	(28,798)	(3,477)	(107,930)	39,317	(78,394)	46,993
Change in net unrealized appreciation (depreciation) on investments	(167,836)	345,447	(1,849,142)	9,027,412	(400,325)	1,579,307
Net Increase (Decrease) in Net Assets Resulting from Operations	(318,381)	255,814	(3,826,883)	7,229,417	(1,216,290)	1,031,879
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	2,477,723	2,570,451	17,217,718	15,960,903	10,042,474	8,084,157
Transfers between variable and fixed accounts, net	1,302,999	2,239,509	1,809,230	6,623,541	20,693,741	(46,219)
Contract benefits and terminations	(1,336,626)	(990,373)	(16,310,663)	(14,728,530)	(10,012,801)	(5,749,116)
Contract charges and deductions	(2,798)	(1,307)	(261,260)	(274,246)	(24,230)	(17,565)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(1,825)	-	(709)	260	-	-
Other	(112)	137	(6,527)	960	(1,142)	(190)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	2,439,361	3,818,417	2,447,789	7,582,888	20,698,042	2,271,067
NET INCREASE (DECREASE) IN NET ASSETS	2,120,980	4,074,231	(1,379,094)	14,812,305	19,481,752	3,302,946
NET ASSETS						
Beginning of Year	9,460,743	5,386,512	146,494,032	131,681,727	45,409,928	42,106,982
End of Year	$11,581,723	$9,460,743	$145,114,938	$146,494,032	$64,891,680	$45,409,928
	Floating Rate Loan		High Yield Bond		Inflation Managed	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($1,824,320)	($1,756,263)	($2,508,093)	($2,735,002)	($2,769,111)	($3,079,839)
Realized gain (loss) on investments	48,786	223,034	8,540,632	5,348,427	543,077	368,282
Change in net unrealized appreciation (depreciation) on investments	(222,253)	4,614,713	(13,952,500)	8,946,095	(4,751,778)	7,276,488
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,997,787)	3,081,484	(7,919,961)	11,559,520	(6,977,812)	4,564,931
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	9,189,775	8,157,173	8,221,411	10,616,178	6,238,880	7,224,852
Transfers between variable and fixed accounts, net	31,149,430	16,971,633	(5,262,029)	(5,346,875)	3,470,169	8,042,905
Contract benefits and terminations	(25,004,797)	(23,973,621)	(22,847,796)	(25,102,710)	(29,897,686)	(32,306,587)
Contract charges and deductions	(229,352)	(230,969)	(404,077)	(429,179)	(321,326)	(339,134)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(214)	114	(2,359)	(1,794)	(86,543)	7,849
Other	(600)	(2,613)	15,883	30,586	(8,537)	3,541
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	15,104,242	921,717	(20,278,967)	(20,233,794)	(20,605,043)	(17,366,574)
NET INCREASE (DECREASE) IN NET ASSETS	13,106,455	4,003,201	(28,198,928)	(8,674,274)	(27,582,855)	(12,801,643)
NET ASSETS						
Beginning of Year	122,543,301	118,540,100	185,037,902	193,712,176	204,083,093	216,884,736
End of Year	$135,649,756	$122,543,301	$156,838,974	$185,037,902	$176,500,238	$204,083,093

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Inflation Strategy		Managed Bond		Short Duration Bond	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($203,145)	($196,991)	($5,329,713)	($5,774,471)	($3,303,888)	($3,262,935)
Realized gain (loss) on investments	(6,890)	(11,483)	6,085,724	5,462,832	80,588	71,579
Change in net unrealized appreciation (depreciation) on investments	(218,752)	455,492	(8,838,521)	13,463,307	3,465,660	3,761,955
Net Increase (Decrease) in Net Assets Resulting from Operations	(428,787)	247,018	(8,082,510)	13,151,668	242,360	570,599
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	1,037,773	1,356,210	22,428,815	24,389,274	16,852,742	14,935,569
Transfers between variable and fixed accounts, net	1,204,080	904,870	5,065,881	12,842,022	14,998,351	38,511,741
Contract benefits and terminations	(2,015,249)	(1,758,894)	(56,416,438)	(63,194,963)	(38,582,644)	(39,793,592)
Contract charges and deductions	(37,660)	(41,264)	(633,345)	(638,526)	(1,791,157)	(1,802,730)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	(11,157)	(20,290)	(1,159)	1,331
Other	(93)	(40)	(27,318)	(31,549)	(373)	1,744
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	188,851	460,882	(29,593,562)	(26,654,032)	(8,524,240)	11,854,063
NET INCREASE (DECREASE) IN NET ASSETS	(239,936)	707,900	(37,676,072)	(13,502,364)	(8,281,880)	12,424,662
NET ASSETS						
Beginning of Year	14,710,068	14,002,168	402,527,859	416,030,223	319,786,586	307,361,924
End of Year	$14,470,132	$14,710,068	$364,851,787	$402,527,859	$311,504,706	$319,786,586
	Emerging Markets Debt		Comstock		Developing Growth	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($277,981)	($250,460)	($2,224,707)	($2,182,760)	($1,361,108)	($1,099,696)
Realized gain (loss) on investments	(116,086)	7,988	6,032,840	6,166,423	2,795,460	3,233,508
Change in net unrealized appreciation (depreciation) on investments	(1,091,680)	2,142,046	(29,955,964)	26,827,699	1,857,247	20,716,927
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,485,747)	1,899,574	(26,147,831)	30,811,362	3,291,599	22,850,739
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	1,822,292	2,334,541	7,519,923	8,045,503	4,857,679	2,581,284
Transfers between variable and fixed accounts, net	(1,744,898)	6,014,119	(643,421)	(7,343,943)	5,525,026	(3,659,691)
Contract benefits and terminations	(2,428,114)	(1,738,091)	(16,774,224)	(17,542,635)	(11,424,752)	(8,965,890)
Contract charges and deductions	(37,547)	(35,360)	(1,001,789)	(1,021,196)	(397,772)	(390,499)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	4,731	(5,405)	4,637	(10,952)
Other	648	(637)	(2,307)	261	(2,484)	1,791
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(2,387,619)	6,574,572	(10,897,087)	(17,867,415)	(1,437,666)	(10,443,957)
NET INCREASE (DECREASE) IN NET ASSETS	(3,873,366)	8,474,146	(37,044,918)	12,943,947	1,853,933	12,406,782
NET ASSETS						
Beginning of Year	22,825,282	14,351,136	209,743,589	196,799,642	96,784,780	84,377,998
End of Year	$18,951,916	$22,825,282	$172,698,671	$209,743,589	$98,638,713	$96,784,780

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Dividend Growth		Equity Index		Focused Growth	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($3,686,669)	($3,521,727)	($10,496,145)	($8,774,228)	($2,038,219)	($1,670,691)
Realized gain (loss) on investments	7,872,122	2,725,467	(1,558,090)	(187,424)	669,663	579,034
Change in net unrealized appreciation (depreciation) on investments	(10,759,389)	46,410,534	(37,762,356)	130,405,208	5,586,820	28,867,859
Net Increase (Decrease) in Net Assets Resulting from Operations	(6,573,936)	45,614,274	(49,816,591)	121,443,556	4,218,264	27,776,202
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	19,476,709	15,936,456	127,539,155	111,859,110	10,514,022	6,400,095
Transfers between variable and fixed accounts, net	(6,098,324)	(795,240)	(2,468,564)	26,568,849	4,243,093	8,688,199
Contract benefits and terminations	(30,460,101)	(26,304,782)	(79,271,813)	(51,789,917)	(15,768,856)	(13,539,539)
Contract charges and deductions	(848,646)	(860,219)	(495,742)	(454,300)	(175,938)	(168,831)
Adjustments to net assets allocated to contracts in payout (annuitization) period	713	(8,672)	8,868	(10,740)	1,669	(2,839)
Other	18,490	1,139	(29,921)	(2,963)	(6,762)	(1,881)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(17,911,159)	(12,031,318)	45,281,983	86,170,039	(1,192,772)	1,375,204
NET INCREASE (DECREASE) IN NET ASSETS	(24,485,095)	33,582,956	(4,534,608)	207,613,595	3,025,492	29,151,406
NET ASSETS						
Beginning of Year	298,908,323	265,325,367	774,542,663	566,929,068	129,578,140	100,426,734
End of Year	$274,423,228	$298,908,323	$770,008,055	$774,542,663	$132,603,632	$129,578,140
	Growth		Large-Cap Growth		Large-Cap Value	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($3,614,154)	($3,104,179)	($2,548,785)	($1,958,380)	($2,869,147)	($2,993,365)
Realized gain (loss) on investments	5,815,717	4,850,612	(1,055,518)	877,649	12,519,767	12,298,148
Change in net unrealized appreciation (depreciation) on investments	518,898	54,745,187	2,898,436	37,665,511	(30,608,747)	15,231,511
Net Increase (Decrease) in Net Assets Resulting from Operations	2,720,461	56,491,620	(705,867)	36,584,780	(20,958,127)	24,536,294
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	17,194,662	13,253,278	19,587,487	11,017,992	8,881,508	8,353,036
Transfers between variable and fixed accounts, net	3,879,629	4,029,960	10,849,835	9,469,259	(1,476,192)	484,079
Contract benefits and terminations	(27,041,873)	(24,432,906)	(20,533,532)	(14,859,280)	(24,049,553)	(26,158,868)
Contract charges and deductions	(272,429)	(219,219)	(204,511)	(176,972)	(219,486)	(245,263)
Adjustments to net assets allocated to contracts in payout (annuitization) period	15,240	(12,317)	18,206	(19,063)	453	(1,839)
Other	36,060	(4,971)	12,048	(925)	(658)	429
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(6,188,711)	(7,386,175)	9,729,533	5,431,011	(16,863,928)	(17,568,426)
NET INCREASE (DECREASE) IN NET ASSETS	(3,468,250)	49,105,445	9,023,666	42,015,791	(37,822,055)	6,967,868
NET ASSETS						
Beginning of Year	241,794,590	192,689,145	154,330,909	112,315,118	214,499,954	207,532,086
End of Year	$238,326,340	$241,794,590	$163,354,575	$154,330,909	$176,677,899	$214,499,954

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Main Street Core		Mid-Cap Equity		Mid-Cap Growth	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($4,009,514)	($4,095,034)	($3,094,786)	($2,950,175)	($2,834,863)	($2,430,756)
Realized gain (loss) on investments	11,974,983	22,489,870	7,940,208	7,546,639	6,247,268	4,376,616
Change in net unrealized appreciation (depreciation) on investments	(32,344,918)	23,214,788	(27,954,620)	36,967,824	(5,276,148)	41,819,490
Net Increase (Decrease) in Net Assets Resulting from Operations	(24,379,449)	41,609,624	(23,109,198)	41,564,288	(1,863,743)	43,765,350
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	6,616,451	8,717,510	14,291,092	11,571,719	13,242,402	10,117,833
Transfers between variable and fixed accounts, net	17,860,486	(6,842,613)	713,066	1,673,483	1,036,800	(398,136)
Contract benefits and terminations	(35,060,877)	(34,069,531)	(24,761,567)	(24,493,834)	(21,719,500)	(17,596,845)
Contract charges and deductions	(470,747)	(487,216)	(257,693)	(247,426)	(617,985)	(602,951)
Adjustments to net assets allocated to contracts in payout (annuitization) period	20,265	(63,113)	12,334	(15,372)	(397)	(9,660)
Other	10,051	(237)	(4,630)	11,188	12,840	4,070
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(11,024,371)	(32,745,200)	(10,007,398)	(11,500,242)	(8,045,840)	(8,485,689)
NET INCREASE (DECREASE) IN NET ASSETS	(35,403,820)	8,864,424	(33,116,596)	30,064,046	(9,909,583)	35,279,661
NET ASSETS						
Beginning of Year	288,946,584	280,082,160	221,541,017	191,476,971	208,391,053	173,111,392
End of Year	$253,542,764	$288,946,584	$188,424,421	$221,541,017	$198,481,470	$208,391,053
	Mid-Cap Value		Small-Cap Equity		Small-Cap Index	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($1,209,223)	($1,201,988)	($674,821)	($665,730)	($3,005,909)	($2,709,793)
Realized gain (loss) on investments	1,985,335	266,827	61,670	431,835	(447,458)	(65,391)
Change in net unrealized appreciation (depreciation) on investments	(15,374,912)	12,605,702	(6,696,153)	3,666,612	(24,216,135)	25,742,600
Net Increase (Decrease) in Net Assets Resulting from Operations	(14,598,800)	11,670,541	(7,309,304)	3,432,717	(27,669,502)	22,967,416
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	8,153,632	9,405,169	5,582,255	5,588,414	24,540,101	19,500,323
Transfers between variable and fixed accounts, net	(3,101,342)	(235,696)	906,410	(5,046,238)	6,088,846	9,991,629
Contract benefits and terminations	(9,058,161)	(9,341,957)	(5,801,495)	(5,378,766)	(26,405,877)	(22,404,734)
Contract charges and deductions	(150,377)	(162,567)	(92,396)	(89,012)	(216,380)	(209,392)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(8,628)	(680)	91	(13)	6,375	(5,622)
Other	931	470	372	639	3,905	(4,048)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(4,163,945)	(335,261)	595,237	(4,924,976)	4,016,970	6,868,156
NET INCREASE (DECREASE) IN NET ASSETS	(18,762,745)	11,335,280	(6,714,067)	(1,492,259)	(23,652,532)	29,835,572
NET ASSETS						
Beginning of Year	95,753,067	84,417,787	51,461,956	52,954,215	211,161,458	181,325,886
End of Year	$76,990,322	$95,753,067	$44,747,889	$51,461,956	$187,508,926	$211,161,458

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Small-Cap Value		Value Advantage		Emerging Markets	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($1,692,210)	($1,764,674)	($368,381)	($320,124)	($2,780,899)	($2,561,519)
Realized gain (loss) on investments	6,800,968	4,342,050	(83,042)	(10,484)	3,202,426	1,384,399
Change in net unrealized appreciation (depreciation) on investments	(25,843,530)	6,170,863	(2,870,684)	3,553,675	(28,074,978)	52,517,177
Net Increase (Decrease) in Net Assets Resulting from Operations	(20,734,772)	8,748,239	(3,322,107)	3,223,067	(27,653,451)	51,340,057
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	6,628,345	8,876,110	5,518,106	5,171,255	14,421,194	12,337,184
Transfers between variable and fixed accounts, net	(1,829,963)	(5,612,578)	(183,200)	(560,983)	4,417,908	11,937,593
Contract benefits and terminations	(14,275,013)	(14,019,564)	(2,477,977)	(2,151,122)	(22,918,478)	(21,506,382)
Contract charges and deductions	(198,115)	(224,617)	(33,033)	(25,665)	(422,929)	(421,665)
Adjustments to net assets allocated to contracts in payout (annuitization) period	4,532	(4,279)	-	-	10,217	(12,777)
Other	794	6,041	279	(226)	(6,683)	2,094
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(9,669,420)	(10,978,887)	2,824,175	2,433,259	(4,498,771)	2,336,047
NET INCREASE (DECREASE) IN NET ASSETS	(30,404,192)	(2,230,648)	(497,932)	5,656,326	(32,152,222)	53,676,104
NET ASSETS						
Beginning of Year	129,260,288	131,490,936	30,256,764	24,600,438	211,020,836	157,344,732
End of Year	$98,856,096	$129,260,288	$29,758,832	$30,256,764	$178,868,614	$211,020,836
	International Large-Cap		International Small-Cap		International Value	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($3,200,442)	($3,251,578)	($625,924)	($598,898)	($1,658,738)	($1,705,904)
Realized gain (loss) on investments	6,200,133	7,245,934	177,110	1,197,593	1,937,037	4,361,519
Change in net unrealized appreciation (depreciation) on investments	(37,328,123)	56,338,843	(10,756,046)	10,655,558	(20,144,821)	19,489,476
Net Increase (Decrease) in Net Assets Resulting from Operations	(34,328,432)	60,333,199	(11,204,860)	11,254,253	(19,866,522)	22,145,091
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	12,402,189	10,018,511	3,543,824	2,790,869	6,450,123	6,288,453
Transfers between variable and fixed accounts, net	4,358,074	(10,161,014)	782,689	120,288	3,993,150	(1,906,524)
Contract benefits and terminations	(24,378,565)	(26,512,094)	(4,099,328)	(4,593,446)	(13,544,823)	(15,989,219)
Contract charges and deductions	(1,097,021)	(1,164,077)	(132,783)	(141,090)	(241,934)	(254,778)
Adjustments to net assets allocated to contracts in payout (annuitization) period	9,730	(11,699)	531	(1,645)	6,976	(8,467)
Other	(2,530)	4,700	3,087	1,489	3,578	(4,107)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(8,708,123)	(27,825,673)	98,020	(1,823,535)	(3,332,930)	(11,874,642)
NET INCREASE (DECREASE) IN NET ASSETS	(43,036,555)	32,507,526	(11,106,840)	9,430,718	(23,199,452)	10,270,449
NET ASSETS						
Beginning of Year	274,976,261	242,468,735	48,215,389	38,784,671	126,982,696	116,712,247
End of Year	$231,939,706	$274,976,261	$37,108,549	$48,215,389	$103,783,244	$126,982,696

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Health Sciences		Real Estate		Technology	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($3,946,727)	($3,660,280)	($1,939,252)	($2,199,423)	($1,683,621)	($1,229,128)
Realized gain (loss) on investments	13,190,764	11,144,399	14,425,762	10,135,321	(932,822)	(19,820)
Change in net unrealized appreciation (depreciation) on investments	7,800,564	42,305,550	(24,945,078)	(5,279,196)	1,643,648	26,696,240
Net Increase (Decrease) in Net Assets Resulting from Operations	17,044,601	49,789,669	(12,458,568)	2,656,702	(972,795)	25,447,292
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	16,268,494	16,197,505	3,823,488	5,238,422	12,846,915	6,737,293
Transfers between variable and fixed accounts, net	1,545,146	(4,637,424)	(6,906,664)	(509,059)	8,996,338	11,891,664
Contract benefits and terminations	(31,071,279)	(26,514,184)	(16,753,468)	(17,871,173)	(13,795,059)	(8,350,984)
Contract charges and deductions	(355,923)	(363,335)	(262,366)	(301,479)	(178,029)	(168,901)
Adjustments to net assets allocated to contracts in payout (annuitization) period	2,158	(3,252)	2,680	(24,706)	2,694	(3,424)
Other	6,793	17,346	4,637	1,735	25,287	1,761
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(13,604,611)	(15,303,344)	(20,091,693)	(13,466,260)	7,898,146	10,107,409
NET INCREASE (DECREASE) IN NET ASSETS	3,439,990	34,486,325	(32,550,261)	(10,809,558)	6,925,351	35,554,701
NET ASSETS						
Beginning of Year	265,861,240	231,374,915	153,948,997	164,758,555	102,089,215	66,534,514
End of Year	$269,301,230	$265,861,240	$121,398,736	$153,948,997	$109,014,566	$102,089,215

	Currency Strategies		Diversified Alternatives		Equity Long/Short	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($46,770)	($51,487)	($24,970)	($14,070)	($211,899)	($178,231)
Realized gain (loss) on investments	3,693	13,758	(34,333)	1,037	(468,575)	11,677
Change in net unrealized appreciation (depreciation) on investments	189,064	(134,085)	(111,801)	74,437	(2,784,189)	2,195,550
Net Increase (Decrease) in Net Assets Resulting from Operations	145,987	(171,814)	(171,104)	61,404	(3,464,663)	2,028,996
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	269,005	301,427	893,547	334,912	2,943,877	2,600,716
Transfers between variable and fixed accounts, net	13,814	(420,223)	(374,215)	801,524	1,003,620	1,834,414
Contract benefits and terminations	(400,144)	(422,899)	(106,009)	(74,279)	(1,570,021)	(1,932,468)
Contract charges and deductions	(966)	(1,310)	(270)	(474)	(2,606)	(1,792)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	-	-
Other	286	36	138	(86)	(1,206)	(206)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(118,005)	(542,969)	413,191	1,061,597	2,373,664	2,500,664
NET INCREASE (DECREASE) IN NET ASSETS	27,982	(714,783)	242,087	1,123,001	(1,090,999)	4,529,660
NET ASSETS						
Beginning of Year	3,469,669	4,184,452	1,918,737	795,736	16,386,007	11,856,347
End of Year	$3,497,651	$3,469,669	$2,160,824	$1,918,737	$15,295,008	$16,386,007

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Global Absolute Return		Pacific Dynamix - Conservative Growth		Pacific Dynamix - Moderate Growth	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($140,890)	($145,539)	($6,133,558)	($6,108,247)	($27,736,724)	($25,615,953)
Realized gain (loss) on investments	(41,178)	3,111	2,014,270	997,784	333,893	(84,359)
Change in net unrealized appreciation (depreciation) on investments	(1,033,024)	682,189	(20,315,596)	44,003,836	(121,158,997)	262,232,968
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,215,092)	539,761	(24,434,884)	38,893,373	(148,561,828)	236,532,656
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	690,596	731,397	41,978,984	38,053,659	212,339,704	218,858,706
Transfers between variable and fixed accounts, net	224,347	1,799,068	9,463,177	594,961	6,114,317	75,255,275
Contract benefits and terminations	(1,517,572)	(1,298,628)	(58,251,339)	(47,446,990)	(211,558,737)	(159,289,621)
Contract charges and deductions	(1,809)	(2,124)	(2,756,937)	(2,839,677)	(16,353,038)	(15,390,501)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(1)	-	(2,525)	(3,710)	(14,203)	-
Other	263	(116)	1,440	1,611	59,058	(16,956)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(604,176)	1,229,597	(9,567,200)	(11,640,146)	(9,412,899)	119,416,903
NET INCREASE (DECREASE) IN NET ASSETS	(1,819,268)	1,769,358	(34,002,084)	27,253,227	(157,974,727)	355,949,559
NET ASSETS						
Beginning of Year	11,891,508	10,122,150	491,604,838	464,351,611	2,214,319,925	1,858,370,366
End of Year	$10,072,240	$11,891,508	$457,602,754	$491,604,838	$2,056,345,198	$2,214,319,925

	Pacific Dynamix - Growth		Portfolio Optimization Conservative		Portfolio Optimization Moderate-Conservative	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($9,021,393)	($8,228,676)	($22,831,334)	($25,980,096)	($36,268,570)	($40,257,513)
Realized gain (loss) on investments	396,455	374,785	55,016,232	64,032,488	120,688,530	102,439,447
Change in net unrealized appreciation (depreciation) on investments	(49,582,072)	100,309,319	(106,031,729)	63,072,137	(239,686,795)	184,904,355
Net Increase (Decrease) in Net Assets Resulting from Operations	(58,207,010)	92,455,428	(73,846,831)	101,124,529	(155,266,835)	247,086,289
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	41,245,030	48,353,403	21,605,032	24,271,633	33,385,496	44,859,161
Transfers between variable and fixed accounts, net	38,460,964	52,323,722	51,219,276	(10,105,276)	(36,660,389)	(19,434,571)
Contract benefits and terminations	(76,811,060)	(67,210,076)	(277,056,858)	(292,475,509)	(355,919,113)	(355,427,597)
Contract charges and deductions	(3,530,892)	(3,282,846)	(11,191,973)	(12,247,150)	(16,307,781)	(17,802,391)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(398)	-	(46,073)	(9,615)	19,354	(42,023)
Other	(18,012)	(2,302)	29,606	31,951	68,244	(8,098)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(654,368)	30,181,901	(215,440,990)	(290,533,966)	(375,414,189)	(347,855,519)
NET INCREASE (DECREASE) IN NET ASSETS	(58,861,378)	122,637,329	(289,287,821)	(189,409,437)	(530,681,024)	(100,769,230)
NET ASSETS						
Beginning of Year	681,743,289	559,105,960	1,684,288,523	1,873,697,960	2,738,883,461	2,839,652,691
End of Year	$622,881,911	$681,743,289	$1,395,000,702	$1,684,288,523	$2,208,202,437	$2,738,883,461

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

Variable Accounts

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Portfolio Optimization Moderate		Portfolio Optimization Growth		Portfolio Optimization Aggressive-Growth	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($151,302,066)	($164,384,430)	($133,254,717)	($142,803,064)	($28,604,936)	($30,014,194)
Realized gain (loss) on investments	540,970,528	482,415,246	535,987,677	477,454,210	108,293,314	104,680,700
Change in net unrealized appreciation (depreciation) on investments	(1,179,021,772)	919,205,399	(1,204,332,714)	959,763,716	(271,861,407)	231,682,023
Net Increase (Decrease) in Net Assets Resulting from Operations	(789,353,310)	1,237,236,215	(801,599,754)	1,294,414,862	(192,173,029)	306,348,529
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	161,967,781	159,711,168	76,234,833	87,261,468	24,368,260	24,624,165
Transfers between variable and fixed accounts, net	(127,991,671)	(69,433,577)	(110,500,360)	(76,810,926)	(13,420,203)	(23,815,694)
Contract benefits and terminations	(1,358,336,884)	(1,375,630,082)	(1,103,143,705)	(1,129,773,893)	(223,247,370)	(233,985,444)
Contract charges and deductions	(73,512,460)	(78,328,635)	(63,291,134)	(66,806,196)	(11,628,886)	(12,152,811)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(12,160)	(306,590)	102,689	(91,254)	74,425	(338,411)
Other	68,268	86,658	26,447	146,604	70,367	48,912
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(1,397,817,126)	(1,363,901,058)	(1,200,571,230)	(1,186,074,197)	(223,783,407)	(245,619,283)
NET INCREASE (DECREASE) IN NET ASSETS	(2,187,170,436)	(126,664,843)	(2,002,170,984)	108,340,665	(415,956,436)	60,729,246
NET ASSETS						
Beginning of Year	11,150,490,771	11,277,155,614	9,470,596,190	9,362,255,525	1,996,079,978	1,935,350,732
End of Year	$8,963,320,335	$11,150,490,771	$7,468,425,206	$9,470,596,190	$1,580,123,542	$1,996,079,978

	PSF DFA Balanced Allocation		Invesco V.I. Balanced-Risk Allocation Series II		Invesco V.I. Equity and Income Series II	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($1,587,258)	($809,692)	($487,567)	$9,558,657	$414,164	$92,175
Realized gain (loss) on investments	(259,191)	(14,138)	26,514,842	19,773,662	1,754,470	360,144
Change in net unrealized appreciation (depreciation) on investments	(9,671,029)	7,663,835	(55,592,327)	2,902,417	(7,156,139)	2,990,909
Net Increase (Decrease) in Net Assets Resulting from Operations	(11,517,478)	6,840,005	(29,565,052)	32,234,736	(4,987,505)	3,443,228
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	58,283,202	40,816,064	20,980,467	26,124,570	7,759,402	6,620,096
Transfers between variable and fixed accounts, net	17,738,205	18,593,628	(23,109,493)	(17,363,273)	2,414,972	1,834,768
Contract benefits and terminations	(7,833,156)	(2,930,572)	(43,827,649)	(48,149,415)	(5,080,329)	(5,072,643)
Contract charges and deductions	(757,592)	(369,826)	(3,153,181)	(3,437,918)	(67,081)	(52,955)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(8,044)	-	-	180	201	(74)
Other	(3,703)	(2,160)	3,344	3,710	159	(396)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	67,418,912	56,107,134	(49,106,512)	(42,822,146)	5,027,324	3,328,796
NET INCREASE (DECREASE) IN NET ASSETS	55,901,434	62,947,139	(78,671,564)	(10,587,410)	39,819	6,772,024
NET ASSETS						
Beginning of Year	94,769,463	31,822,324	400,851,209	411,438,619	41,292,384	34,520,360
End of Year	$150,670,897	$94,769,463	$322,179,645	$400,851,209	$41,332,203	$41,292,384

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Invesco V.I. Global Real Estate Series II		American Century VP Mid Cap Value Class II		American Funds IS Asset Allocation Class 4	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$163,495	$97,442	($5,556)	$53,881	$4,021,004	$881,871
Realized gain (loss) on investments	22,683	53,088	4,594,959	1,509,292	124,199,542	123,440,339
Change in net unrealized appreciation (depreciation) on investments	(695,637)	351,469	(15,777,015)	5,644,395	(311,779,162)	235,684,740
Net Increase (Decrease) in Net Assets Resulting from Operations	(509,459)	501,999	(11,187,612)	7,207,568	(183,558,616)	360,006,950
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	1,032,155	1,064,546	9,716,191	14,006,370	332,266,500	291,785,754
Transfers between variable and fixed accounts, net	269,931	885,182	(700,689)	(8,832,973)	78,829,339	78,274,213
Contract benefits and terminations	(476,709)	(241,937)	(6,850,299)	(6,626,281)	(315,801,273)	(243,499,797)
Contract charges and deductions	(1,502)	(1,169)	(32,119)	(29,457)	(23,731,599)	(21,756,518)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	20	(24)	(18,187)	(659)
Other	22	(35)	6,042	(260)	(16,279)	(36,978)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	823,897	1,706,587	2,139,146	(1,482,625)	71,528,501	104,766,015
NET INCREASE (DECREASE) IN NET ASSETS	314,438	2,208,586	(9,048,466)	5,724,943	(112,030,115)	464,772,965
NET ASSETS						
Beginning of Year	5,943,149	3,734,563	78,338,816	72,613,873	2,922,206,753	2,457,433,788
End of Year	$6,257,587	$5,943,149	$69,290,350	$78,338,816	$2,810,176,638	$2,922,206,753
	American Funds IS Blue Chip Income and Growth Class 4		American Funds IS Bond Class 4		American Funds IS Capital Income Builder Class 4	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$644,214	$501,304	$599,276	$302,499	$1,355,020	$1,040,108
Realized gain (loss) on investments	5,656,297	2,225,319	(281,873)	167,812	(111,019)	(123,859)
Change in net unrealized appreciation (depreciation) on investments	(15,911,752)	6,524,661	(824,334)	(93,563)	(8,693,071)	6,827,127
Net Increase (Decrease) in Net Assets Resulting from Operations	(9,611,241)	9,251,284	(506,931)	376,748	(7,449,070)	7,743,376
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	22,780,538	20,984,404	11,154,316	12,113,982	12,440,353	10,451,388
Transfers between variable and fixed accounts, net	3,636,078	80,505	6,628,997	4,834,216	3,117,873	5,312,229
Contract benefits and terminations	(6,717,023)	(6,214,900)	(1,931,691)	(1,039,430)	(5,547,539)	(4,847,880)
Contract charges and deductions	(64,836)	(46,704)	(56,316)	(30,635)	(126,845)	(108,608)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(5,277)	(353)	-	-	-	-
Other	4,467	(630)	13,388	(1,879)	1,055	(234)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	19,633,947	14,802,322	15,808,694	15,876,254	9,884,897	10,806,895
NET INCREASE (DECREASE) IN NET ASSETS	10,022,706	24,053,606	15,301,763	16,253,002	2,435,827	18,550,271
NET ASSETS						
Beginning of Year	75,700,161	51,646,555	31,215,177	14,962,175	82,933,134	64,382,863
End of Year	$85,722,867	$75,700,161	$46,516,940	$31,215,177	$85,368,961	$82,933,134

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	American Funds IS Global Balanced Class 4		American Funds IS Global Bond Class 4		American Funds IS Global Growth and Income Class 4	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$10,999	$88,328	$120,785	($37,574)	$151,389	$258,481
Realized gain (loss) on investments	201,179	1,044,089	(47,206)	6,133	1,647,781	217,594
Change in net unrealized appreciation (depreciation) on investments	(4,109,663)	1,862,873	(422,122)	294,962	(5,250,773)	2,262,351
Net Increase (Decrease) in Net Assets Resulting from Operations	(3,897,485)	2,995,290	(348,543)	263,521	(3,451,603)	2,738,426
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	13,920,141	11,713,478	3,564,365	2,626,922	9,978,430	7,305,573
Transfers between variable and fixed accounts, net	1,979,569	17,340,080	1,656,697	2,135,061	1,339,791	4,565,031
Contract benefits and terminations	(3,507,933)	(1,759,400)	(777,711)	(573,770)	(1,451,798)	(655,718)
Contract charges and deductions	(50,614)	(20,709)	(12,402)	(6,238)	(24,699)	(13,293)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	-	-
Other	2,355	(1,373)	(89)	(230)	167	(481)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	12,343,518	27,272,076	4,430,860	4,181,745	9,841,891	11,201,112
NET INCREASE (DECREASE) IN NET ASSETS	8,446,033	30,267,366	4,082,317	4,445,266	6,390,288	13,939,538
NET ASSETS						
Beginning of Year	39,520,262	9,252,896	8,739,645	4,294,379	21,786,618	7,847,080
End of Year	$47,966,295	$39,520,262	$12,821,962	$8,739,645	$28,176,906	$21,786,618

	American Funds IS Global Growth Class 4		American Funds IS Global Small Capitalization Class 4		American Funds IS Growth Class 4	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($505,069)	($272,718)	($139,260)	($33,149)	($3,996,072)	($2,678,357)
Realized gain (loss) on investments	4,652,719	1,348,869	466,920	(31,146)	36,184,477	28,836,291
Change in net unrealized appreciation (depreciation) on investments	(13,865,532)	12,093,786	(2,715,678)	1,118,972	(39,704,843)	43,842,093
Net Increase (Decrease) in Net Assets Resulting from Operations	(9,717,882)	13,169,937	(2,388,018)	1,054,677	(7,516,438)	70,000,027
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	17,735,775	11,785,937	6,655,155	3,556,606	46,059,853	33,430,060
Transfers between variable and fixed accounts, net	6,033,651	8,964,870	3,520,766	1,603,801	7,496,496	14,657,629
Contract benefits and terminations	(5,772,635)	(3,022,108)	(447,994)	(159,904)	(40,979,368)	(31,457,505)
Contract charges and deductions	(63,346)	(45,667)	(18,414)	(8,522)	(446,411)	(409,981)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(5,823)	-	-	-	10,131	(10,336)
Other	(640)	(1,215)	(242)	(404)	1,460	(3,009)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	17,926,982	17,681,817	9,709,271	4,991,577	12,142,161	16,206,858
NET INCREASE (DECREASE) IN NET ASSETS	8,209,100	30,851,754	7,321,253	6,046,254	4,625,723	86,206,885
NET ASSETS						
Beginning of Year	70,733,670	39,881,916	8,722,876	2,676,622	348,008,852	261,801,967
End of Year	$78,942,770	$70,733,670	$16,044,129	$8,722,876	$352,634,575	$348,008,852

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	American Funds IS Growth-Income Class 4		**American Funds IS High-Income Bond Class 4**		**American Funds IS International Class 4**	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($162,866)	($21,514)	$894,082	$895,320	$298,432	$162,533
Realized gain (loss) on investments	23,257,186	19,537,209	(269,906)	(33,044)	2,080,064	(36,348)
Change in net unrealized appreciation (depreciation) on investments	(34,546,280)	37,468,494	(1,455,410)	(156,972)	(12,606,620)	9,191,036
Net Increase (Decrease) in Net Assets Resulting from Operations	(11,451,960)	56,984,189	(831,234)	705,304	(10,228,124)	9,317,221
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	36,405,021	29,455,720	3,374,148	5,699,676	13,409,005	10,799,522
Transfers between variable and fixed accounts, net	2,805,730	(1,275,068)	622,845	2,794,727	7,956,454	9,129,909
Contract benefits and terminations	(36,576,767)	(32,925,029)	(2,001,236)	(1,060,340)	(3,670,156)	(2,317,132)
Contract charges and deductions	(429,124)	(407,988)	(13,985)	(9,679)	(40,315)	(26,571)
Adjustments to net assets allocated to contracts in payout (annuitization) period	15,028	(20,934)	-	-	-	-
Other	6,367	(1,289)	215	(423)	3,725	(2,081)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	2,226,255	(5,174,588)	1,981,987	7,423,961	17,658,713	17,583,647
NET INCREASE (DECREASE) IN NET ASSETS	(9,225,705)	51,809,601	1,150,753	8,129,265	7,430,589	26,900,868
NET ASSETS						
Beginning of Year	332,875,994	281,066,393	18,994,266	10,865,001	53,104,234	26,203,366
End of Year	$323,650,289	$332,875,994	$20,145,019	$18,994,266	$60,534,823	$53,104,234
	American Funds IS International Growth and Income Class 4		**American Funds IS Managed Risk Asset Allocation Class P2**		**American Funds IS New World Fund Class 4**	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$441,907	$403,706	$20,866	($589,548)	($216,914)	($100,677)
Realized gain (loss) on investments	(578,876)	(254,109)	4,140,269	899,160	546,543	(264,279)
Change in net unrealized appreciation (depreciation) on investments	(6,298,802)	7,288,152	(11,695,514)	11,351,281	(7,921,252)	8,184,601
Net Increase (Decrease) in Net Assets Resulting from Operations	(6,435,771)	7,437,749	(7,534,379)	11,660,893	(7,591,623)	7,819,645
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	5,490,856	5,592,118	21,423,506	19,318,947	8,538,762	6,675,009
Transfers between variable and fixed accounts, net	2,722,049	3,125,880	738,978	11,297,405	2,401,728	5,605,923
Contract benefits and terminations	(2,772,668)	(2,268,333)	(11,178,051)	(9,156,833)	(2,934,059)	(1,656,688)
Contract charges and deductions	(46,191)	(38,152)	(893,092)	(761,799)	(32,016)	(25,997)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	(3,425)	-	-	-
Other	73	86	(2,119)	334	(2,506)	(983)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	5,394,119	6,411,599	10,085,797	20,698,054	7,971,909	10,597,264
NET INCREASE (DECREASE) IN NET ASSETS	(1,041,652)	13,849,348	2,551,418	32,358,947	380,286	18,416,909
NET ASSETS						
Beginning of Year	44,043,588	30,194,240	112,457,169	80,098,222	42,750,898	24,333,989
End of Year	$43,001,936	$44,043,588	$115,008,587	$112,457,169	$43,131,184	$42,750,898

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	American Funds IS U.S. Government/ AAA-Rated Securities Class 4		BlackRock Capital Appreciation V.I. Class III		BlackRock Global Allocation V.I. Class III	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$224,774	($48,589)	($314,698)	($306,518)	($10,238,739)	($2,109,244)
Realized gain (loss) on investments	(570,559)	(503,515)	11,284,401	4,793,226	88,780,653	27,272,803
Change in net unrealized appreciation (depreciation) on investments	176,677	593,069	(9,890,211)	5,677,653	(236,905,872)	201,701,279
Net Increase (Decrease) in Net Assets Resulting from Operations	(169,108)	40,965	1,079,492	10,164,361	(158,363,958)	226,864,838
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	6,369,974	7,867,547	919,252	559,261	64,653,360	68,010,545
Transfers between variable and fixed accounts, net	2,339,458	(8,151,978)	(3,952,007)	(4,168,525)	(58,991,517)	(50,847,150)
Contract benefits and terminations	(5,224,201)	(7,307,368)	(2,579,644)	(2,715,274)	(240,243,237)	(215,941,539)
Contract charges and deductions	(22,676)	(22,730)	(440,110)	(435,161)	(16,940,277)	(17,710,110)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	1,621	(2,000)
Other	(222)	556	2,388	243	10,704	6,862
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	3,462,333	(7,613,973)	(6,050,121)	(6,759,456)	(251,509,346)	(216,483,392)
NET INCREASE (DECREASE) IN NET ASSETS	3,293,225	(7,573,008)	(4,970,629)	3,404,905	(409,873,304)	10,381,446
NET ASSETS						
Beginning of Year	39,414,908	46,987,916	37,766,994	34,362,089	1,985,390,161	1,975,008,715
End of Year	$42,708,133	$39,414,908	$32,796,365	$37,766,994	$1,575,516,857	$1,985,390,161

	BlackRock iShares Dynamic Allocation V.I. Class I		Fidelity VIP Contrafund Service Class 2		Fidelity VIP FundsManager 60% Service Class 2	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($73,576)	$146,343	($1,612,393)	($714,758)	($427,383)	($652,346)
Realized gain (loss) on investments	222,480	(9,015)	14,790,016	7,853,405	26,639,722	4,369,022
Change in net unrealized appreciation (depreciation) on investments	(1,667,454)	2,299,702	(29,217,715)	20,892,045	(48,045,506)	27,430,597
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,518,550)	2,437,030	(16,040,092)	28,030,692	(21,833,167)	31,147,273
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	3,916,355	3,264,148	30,456,826	26,027,551	41,891,590	29,768,172
Transfers between variable and fixed accounts, net	1,145,586	1,586,479	35,447	14,142,678	15,719,670	12,203,441
Contract benefits and terminations	(3,098,216)	(1,676,966)	(17,041,925)	(12,883,665)	(24,382,194)	(20,128,574)
Contract charges and deductions	(7,064)	(6,134)	(116,927)	(89,190)	(2,302,491)	(1,936,030)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	33	-	-	-
Other	11,084	(370)	48,520	(1,956)	(2,489)	(1,829)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	1,967,745	3,167,157	13,381,974	27,195,418	30,924,086	19,905,180
NET INCREASE (DECREASE) IN NET ASSETS	449,195	5,604,187	(2,658,118)	55,226,110	9,090,919	51,052,453
NET ASSETS						
Beginning of Year	21,856,855	16,252,668	184,452,029	129,225,919	249,388,114	198,335,661
End of Year	$22,306,050	$21,856,855	$181,793,911	$184,452,029	$258,479,033	$249,388,114

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Fidelity VIP Government Money Market Service Class		Fidelity VIP Strategic Income Service Class 2		First Trust Dorsey Wright Tactical Core Class I	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$404,656	($2,168,228)	$1,433,906	$970,355	($176,354)	($71,452)
Realized gain (loss) on investments	-	-	(211,963)	190,546	(173,158)	155,107
Change in net unrealized appreciation (depreciation) on investments	-	-	(3,568,659)	1,421,587	(3,028,636)	1,566,883
Net Increase (Decrease) in Net Assets Resulting from Operations	404,656	(2,168,228)	(2,346,716)	2,582,488	(3,378,148)	1,650,538
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	40,616,399	38,698,960	14,306,272	10,057,758	7,217,871	3,584,430
Transfers between variable and fixed accounts, net	222,722,732	99,369,310	(1,193,007)	7,457,699	9,525,318	2,513,670
Contract benefits and terminations	(202,603,063)	(179,757,609)	(5,437,896)	(4,724,204)	(1,223,179)	(527,482)
Contract charges and deductions	(244,172)	(223,512)	(26,108)	(21,746)	(7,356)	(2,287)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(18,677)	8,352	-	-	-	-
Other	(818)	55	339	(1,199)	1,779	(387)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	60,472,401	(41,904,444)	7,649,600	12,768,308	15,514,433	5,567,944
NET INCREASE (DECREASE) IN NET ASSETS	60,877,057	(44,072,672)	5,302,884	15,350,796	12,136,285	7,218,482
NET ASSETS						
Beginning of Year	237,510,491	281,583,163	52,169,536	36,818,740	15,024,297	7,805,815
End of Year	$298,387,548	$237,510,491	$57,472,420	$52,169,536	$27,160,582	$15,024,297

	First Trust/Dow Jones Dividend & Income Allocation Class I		First Trust Multi Income Allocation Class I		Franklin Founding Funds Allocation VIP Class 2	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$1,028,121	($353,856)	$127,516	$118,350	$485,111	$376,384
Realized gain (loss) on investments	(206,126)	25,573,305	(42,040)	25,439	389,109	752,812
Change in net unrealized appreciation (depreciation) on investments	(36,964,955)	33,048,731	(807,561)	286,903	(3,161,488)	991,893
Net Increase (Decrease) in Net Assets Resulting from Operations	(36,142,960)	58,268,180	(722,085)	430,692	(2,287,268)	2,121,089
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	53,996,807	55,409,910	3,303,439	1,283,288	2,061,679	1,662,742
Transfers between variable and fixed accounts, net	29,997,746	34,646,058	2,256,485	(674,940)	15,676	11,233
Contract benefits and terminations	(62,537,028)	(50,443,915)	(873,304)	(1,005,704)	(1,599,673)	(845,647)
Contract charges and deductions	(4,540,362)	(4,267,228)	(1,230)	(1,794)	(99,086)	(92,900)
Adjustments to net assets allocated to contracts in payout (annuitization) period	6,384	(12,636)	(574)	-	-	-
Other	(4,015)	(5,169)	(726)	7	(816)	(39)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	16,919,532	35,327,020	4,684,090	(399,143)	377,780	735,389
NET INCREASE (DECREASE) IN NET ASSETS	(19,223,428)	93,595,200	3,962,005	31,549	(1,909,488)	2,856,478
NET ASSETS						
Beginning of Year	554,645,989	461,050,789	9,199,902	9,168,353	21,631,845	18,775,367
End of Year	$535,422,561	$554,645,989	$13,161,907	$9,199,902	$19,722,357	$21,631,845

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Franklin Founding Funds Allocation VIP Class 4		Franklin Income VIP Class 2		Franklin Mutual Global Discovery VIP Class 2	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$4,390,653	$3,805,534	$1,424,235	$908,910	$2,835,780	$1,624,958
Realized gain (loss) on investments	9,789,881	15,536,072	(229,780)	(48,126)	(658,860)	8,850,264
Change in net unrealized appreciation (depreciation) on investments	(45,872,051)	14,033,995	(3,447,417)	1,541,680	(27,816,027)	4,821,369
Net Increase (Decrease) in Net Assets Resulting from Operations	(31,691,517)	33,375,601	(2,252,962)	2,402,464	(25,639,107)	15,296,591
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	6,586,419	7,166,313	6,837,942	10,280,542	6,641,728	12,807,677
Transfers between variable and fixed accounts, net	(13,122,573)	6,341,666	(571,177)	6,936,941	780,366	2,178,884
Contract benefits and terminations	(45,007,686)	(43,425,401)	(3,282,566)	(2,897,951)	(14,852,606)	(14,871,894)
Contract charges and deductions	(2,482,234)	(2,753,405)	(5,610)	(10,055)	(1,268,164)	(1,287,690)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	(635)	559
Other	(310)	(1,110)	(565)	(977)	3,564	(120)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(54,026,384)	(32,671,937)	2,978,024	14,308,500	(8,695,747)	(1,172,584)
NET INCREASE (DECREASE) IN NET ASSETS	(85,717,901)	703,664	725,062	16,710,964	(34,334,854)	14,124,007
NET ASSETS						
Beginning of Year	340,451,293	339,747,629	37,822,646	21,111,682	220,413,458	206,289,451
End of Year	$254,733,392	$340,451,293	$38,547,708	$37,822,646	$186,078,604	$220,413,458
	Franklin Rising Dividends VIP Class 2		Templeton Global Bond VIP Class 2		Ivy VIP Asset Strategy Class II	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$53,791	$399,916	($1,178,235)	($1,111,916)	$85,456	$41,846
Realized gain (loss) on investments	10,274,165	4,579,381	(1,792,592)	(1,121,426)	290,703	(1,021,251)
Change in net unrealized appreciation (depreciation) on investments	(20,599,217)	21,555,354	3,568,743	2,653,115	(1,355,533)	3,380,097
Net Increase (Decrease) in Net Assets Resulting from Operations	(10,271,261)	26,534,651	597,916	419,773	(979,374)	2,400,692
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	15,416,335	17,448,143	7,348,685	9,185,312	605,714	742,913
Transfers between variable and fixed accounts, net	(1,610,036)	(2,547,139)	4,553,550	6,285,342	(148,232)	(1,641,769)
Contract benefits and terminations	(16,134,325)	(14,432,105)	(10,763,258)	(8,446,097)	(1,310,412)	(1,371,434)
Contract charges and deductions	(138,118)	(115,851)	(133,966)	(121,922)	(2,643)	(2,836)
Adjustments to net assets allocated to contracts in payout (annuitization) period	(118)	(443)	-	394	-	-
Other	(1,816)	(42)	(1,897)	(211)	1,672	(95)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(2,468,078)	352,563	1,003,114	6,902,818	(853,901)	(2,273,221)
NET INCREASE (DECREASE) IN NET ASSETS	(12,739,339)	26,887,214	1,601,030	7,322,591	(1,833,275)	127,471
NET ASSETS						
Beginning of Year	167,633,877	140,746,663	93,539,600	86,217,009	15,529,480	15,402,009
End of Year	$154,894,538	$167,633,877	$95,140,630	$93,539,600	$13,696,205	$15,529,480

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Ivy VIP Energy Class II		Janus Henderson Balanced Service Shares		Janus Henderson Flexible Bond Service Shares	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($284,431)	($129,522)	$9,461,253	$1,781,467	$352,234	$334,995
Realized gain (loss) on investments	(525,271)	(1,159,442)	45,824,468	2,199,743	(279,985)	(89,696)
Change in net unrealized appreciation (depreciation) on investments	(7,152,769)	(2,259,476)	(88,894,046)	230,339,997	(794,036)	281,460
Net Increase (Decrease) in Net Assets Resulting from Operations	(7,962,471)	(3,548,440)	(33,608,325)	234,321,207	(721,787)	526,759
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	2,364,627	2,894,828	358,132,261	220,070,945	1,909,954	2,820,806
Transfers between variable and fixed accounts, net	1,718,045	(3,286,792)	234,970,189	129,823,760	(509,982)	2,322,368
Contract benefits and terminations	(1,629,695)	(1,466,813)	(162,832,984)	(125,183,359)	(3,364,221)	(3,402,731)
Contract charges and deductions	(4,209)	(4,993)	(13,595,343)	(10,564,711)	(5,871)	(6,600)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	(2,201)	(754)	(1,883)	201
Other	(943)	35	(34,037)	(23,334)	(17)	81
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	2,447,825	(1,863,735)	416,637,885	214,122,547	(1,972,020)	1,734,125
NET INCREASE (DECREASE) IN NET ASSETS	(5,514,646)	(5,412,175)	383,029,560	448,443,754	(2,693,807)	2,260,884
NET ASSETS						
Beginning of Year	20,441,453	25,853,628	1,770,974,243	1,322,530,489	28,344,424	26,083,540
End of Year	$14,926,807	$20,441,453	$2,154,003,803	$1,770,974,243	$25,650,617	$28,344,424
	JPMorgan Insurance Trust Core Bond Class 1		JPMorgan Insurance Trust Global Allocation Class 2		JPMorgan Insurance Trust Income Builder Class 2	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$2,164	$4,379	($106,931)	$26,542	($107,120)	$179,638
Realized gain (loss) on investments	233	1,380	(3,181)	313,471	(9,827)	84,583
Change in net unrealized appreciation (depreciation) on investments	(8,686)	2,751	(721,564)	470,830	(444,781)	495,689
Net Increase (Decrease) in Net Assets Resulting from Operations	(6,289)	8,510	(831,676)	810,843	(561,728)	759,910
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	-	4,916	1,476,749	2,766,461	1,123,550	885,764
Transfers between variable and fixed accounts, net	-	(6,720)	2,067,123	1,161,004	1,307,806	1,560,151
Contract benefits and terminations	(193,549)	(58,682)	(802,489)	(285,893)	(1,182,579)	(1,285,931)
Contract charges and deductions	(84)	(84)	(1,931)	(4,786)	(1,870)	(2,613)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	-	-
Other	9	6	(1,655)	(124)	(793)	183
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(193,624)	(60,564)	2,737,797	3,636,662	1,246,114	1,157,554
NET INCREASE (DECREASE) IN NET ASSETS	(199,913)	(52,054)	1,906,121	4,447,505	684,386	1,917,464
NET ASSETS						
Beginning of Year	375,134	427,188	8,639,406	4,191,901	8,380,795	6,463,331
End of Year	$175,221	$375,134	$10,545,527	$8,639,406	$9,065,181	$8,380,795

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	JPMorgan Insurance Trust Mid Cap Value Class 1		JPMorgan Insurance Trust U.S. Equity Class 1		ClearBridge Variable Aggressive Growth - Class II	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($461)	($615)	($190)	($314)	($56,072)	($50,618)
Realized gain (loss) on investments	1,589	4,764	34,522	701	424,401	368,897
Change in net unrealized appreciation (depreciation) on investments	(13,789)	6,704	(35,819)	11,005	(1,134,394)	321,021
Net Increase (Decrease) in Net Assets Resulting from Operations	(12,661)	10,853	(1,487)	11,392	(766,065)	639,300
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	-	-	-	-	1,546,596	2,094,581
Transfers between variable and fixed accounts, net	-	-	(766)	(47)	6,890	590,118
Contract benefits and terminations	(179)	(11,390)	(48,345)	(534)	(453,602)	(426,199)
Contract charges and deductions	(48)	(49)	(46)	(48)	(1,901)	(1,447)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	-	-
Other	(2)	2	10	(18)	2,384	14
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(229)	(11,437)	(49,147)	(647)	1,100,367	2,257,067
NET INCREASE (DECREASE) IN NET ASSETS	(12,890)	(584)	(50,634)	10,745	334,302	2,896,367
NET ASSETS						
Beginning of Year	96,807	97,391	66,081	55,336	6,588,820	3,692,453
End of Year	$83,917	$96,807	$15,447	$66,081	$6,923,122	$6,588,820
	Lord Abbett Bond Debenture Class VC		Lord Abbett International Equity Class VC		Lord Abbett Total Return Class VC	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$3,041,810	$2,642,150	$534,205	$654,382	$6,777,999	$4,536,358
Realized gain (loss) on investments	1,675,123	751,738	(156,994)	(790,643)	(1,173,584)	(338,801)
Change in net unrealized appreciation (depreciation) on investments	(9,660,061)	2,464,201	(13,398,288)	13,860,975	(11,258,780)	4,284,417
Net Increase (Decrease) in Net Assets Resulting from Operations	(4,943,128)	5,858,089	(13,021,077)	13,724,714	(5,654,365)	8,481,974
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	15,166,912	12,568,758	2,759,724	2,113,550	8,400,554	9,458,757
Transfers between variable and fixed accounts, net	2,305,094	11,549,466	6,034,414	(3,714,682)	9,830,808	20,094,596
Contract benefits and terminations	(9,775,076)	(9,066,175)	(3,788,556)	(4,023,326)	(19,217,717)	(21,654,593)
Contract charges and deductions	(86,019)	(62,812)	(517,115)	(547,329)	(2,561,817)	(2,580,394)
Adjustments to net assets allocated to contracts in payout (annuitization) period	244	2	-	-	-	-
Other	(1,285)	(11,039)	(86)	863	(662)	(2,047)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	7,609,870	14,978,200	4,488,381	(6,170,924)	(3,548,834)	5,316,319
NET INCREASE (DECREASE) IN NET ASSETS	2,666,742	20,836,289	(8,532,696)	7,553,790	(9,203,199)	13,798,293
NET ASSETS						
Beginning of Year	88,873,085	68,036,796	65,862,191	58,308,401	296,912,405	283,114,112
End of Year	$91,539,827	$88,873,085	$57,329,495	$65,862,191	$287,709,206	$296,912,405

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	MFS Total Return Series - Service Class		MFS Utilities Series - Service Class		MFS Value Series - Service Class	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$2,796,243	$3,652,730	($178,691)	$1,146,088	$399,429	$717,800
Realized gain (loss) on investments	18,405,161	11,463,640	122,856	(139,815)	5,643,047	3,255,057
Change in net unrealized appreciation (depreciation) on investments	(50,110,539)	26,068,951	(249,497)	3,716,496	(14,957,399)	8,011,290
Net Increase (Decrease) in Net Assets Resulting from Operations	(28,909,135)	41,185,321	(305,332)	4,722,769	(8,914,923)	11,984,147
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	35,093,851	49,409,576	3,888,053	3,976,603	2,574,311	3,867,462
Transfers between variable and fixed accounts, net	(29,013,412)	23,240,460	4,897,804	24,299	625,458	(2,045,293)
Contract benefits and terminations	(41,484,567)	(39,821,385)	(4,557,978)	(3,588,585)	(4,926,988)	(4,483,395)
Contract charges and deductions	(3,428,314)	(3,415,620)	(22,096)	(21,401)	(663,562)	(666,227)
Adjustments to net assets allocated to contracts in payout (annuitization) period	3,791	(10,032)	-	-	-	-
Other	(583)	(4,074)	2,593	8,317	1,109	709
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(38,829,234)	29,398,925	4,208,376	399,233	(2,389,672)	(3,326,744)
NET INCREASE (DECREASE) IN NET ASSETS	(67,738,369)	70,584,246	3,903,044	5,122,002	(11,304,595)	8,657,403
NET ASSETS						
Beginning of Year	440,019,701	369,435,455	41,643,404	36,521,402	83,439,888	74,782,485
End of Year	$372,281,332	$440,019,701	$45,546,448	$41,643,404	$72,135,293	$83,439,888
	MFS Massachusetts Investors Growth Stock - Service Class		Neuberger Berman U.S. Equity Index PutWrite Strategy Class S		Oppenheimer Global Fund/VA Service Shares	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($352,733)	($280,072)	($10,184)	($6,862)	($99,973)	($52,681)
Realized gain (loss) on investments	4,996,660	3,508,075	22,556	147	597,015	(10,479)
Change in net unrealized appreciation (depreciation) on investments	(4,163,847)	14,431,363	(93,230)	33,496	(3,471,821)	2,339,866
Net Increase (Decrease) in Net Assets Resulting from Operations	480,080	17,659,366	(80,858)	26,781	(2,974,779)	2,276,706
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	1,330,950	1,292,344	380,562	211,094	5,352,881	4,523,005
Transfers between variable and fixed accounts, net	(6,515,868)	(6,231,452)	41,930	78,658	(3,278,891)	10,091,345
Contract benefits and terminations	(4,296,684)	(4,254,551)	(55,541)	(76,500)	(1,930,578)	(579,834)
Contract charges and deductions	(617,362)	(635,755)	(122)	(108)	(8,333)	(1,504)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	68	103	-	-
Other	(413)	530	(5)	(19)	(6,387)	(384)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(10,099,377)	(9,828,884)	366,892	213,228	128,692	14,032,628
NET INCREASE (DECREASE) IN NET ASSETS	(9,619,297)	7,830,482	286,034	240,009	(2,846,087)	16,309,334
NET ASSETS						
Beginning of Year	76,740,305	68,909,823	652,725	412,716	18,166,007	1,856,673
End of Year	$67,121,008	$76,740,305	$938,759	$652,725	$15,319,920	$18,166,007

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Oppenheimer International Growth Fund/VA Service Shares		PIMCO All Asset All Authority - Advisor Class		PIMCO CommodityRealReturn Strategy - Advisor Class	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($75,360)	($6,890)	$58,903	$157,551	$51,833	$677,875
Realized gain (loss) on investments	(28,308)	(18,035)	59,323	47,050	(296,952)	(389,596)
Change in net unrealized appreciation (depreciation) on investments	(2,877,335)	1,371,925	(393,984)	222,363	(1,004,090)	(269,849)
Net Increase (Decrease) in Net Assets Resulting from Operations	(2,981,003)	1,347,000	(275,758)	426,964	(1,249,209)	18,430
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	4,182,388	3,083,803	45,253	42,909	1,003,184	447,926
Transfers between variable and fixed accounts, net	960,564	3,385,815	(657,788)	(787,430)	626,990	(437,758)
Contract benefits and terminations	(1,180,923)	(505,268)	(434,665)	(342,285)	(721,656)	(569,219)
Contract charges and deductions	(4,499)	(1,482)	(406)	(635)	(2,758)	(3,095)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	-	-
Other	1,188	(161)	(235)	(93)	(775)	(25)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	3,958,718	5,962,707	(1,047,841)	(1,087,534)	904,985	(562,171)
NET INCREASE (DECREASE) IN NET ASSETS	977,715	7,309,707	(1,323,599)	(660,570)	(344,224)	(543,741)
NET ASSETS						
Beginning of Year	10,707,364	3,397,657	4,242,265	4,902,835	7,120,775	7,664,516
End of Year	$11,685,079	$10,707,364	$2,918,666	$4,242,265	$6,776,551	$7,120,775

	Jennison Class II		SP International Growth Class II		SP Prudential U.S. Emerging Growth Class II	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($1,384)	($5,765)	($911)	($3,112)	($1,929)	($5,771)
Realized gain (loss) on investments	90,207	229,102	2,571	99,371	5,920	174,629
Change in net unrealized appreciation (depreciation) on investments	(86,940)	(120,462)	(10,061)	(39,618)	(14,901)	(108,341)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,883	102,875	(8,401)	56,641	(10,910)	60,517
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	-	-	-	-	-	-
Transfers between variable and fixed accounts, net	(17,362)	(269,359)	(3,867)	(199,865)	(8,978)	(324,648)
Contract benefits and terminations	(93,518)	(17,110)	(817)	(775)	-	-
Contract charges and deductions	(50)	(307)	(106)	(100)	(186)	(202)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	-	-
Other	(24)	128	5	(716)	-	240
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(110,954)	(286,648)	(4,785)	(201,456)	(9,164)	(324,610)
NET INCREASE (DECREASE) IN NET ASSETS	(109,071)	(183,773)	(13,186)	(144,815)	(20,074)	(264,093)
NET ASSETS						
Beginning of Year	170,351	354,124	57,516	202,331	111,362	375,455
End of Year	$61,280	$170,351	$44,330	$57,516	$91,288	$111,362

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts					
	Year Ended December 31, 2018	Year Ended December 31, 2017	Year/Period Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	Value Class II		Schwab Government Money Market (1)		Schwab VIT Balanced	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	($1,993)	($1,940)	$265		$432,633	$320,122
Realized gain (loss) on investments	5,144	15,402	-		(6)	459,907
Change in net unrealized appreciation (depreciation) on investments	(18,009)	4,574	-		(3,641,779)	4,116,922
Net Increase (Decrease) in Net Assets Resulting from Operations	(14,858)	18,036	265		(3,209,152)	4,896,951
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	-	-	337,268		7,867,112	7,610,602
Transfers between variable and fixed accounts, net	(4,631)	(24,710)	(337,533)		(365,807)	533,049
Contract benefits and terminations	(2,552)	(2,370)	-		(3,939,095)	(6,576,831)
Contract charges and deductions	(284)	(269)	-		(284,671)	(290,106)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-		-	-
Other	13	(15)	-		(999)	(187)
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(7,454)	(27,364)	(265)		3,276,540	1,276,527
NET INCREASE (DECREASE) IN NET ASSETS	(22,312)	(9,328)	-		67,388	6,173,478
NET ASSETS						
Beginning of Year or Period	129,739	139,067	-		58,777,056	52,603,578
End of Year or Period	$107,427	$129,739	$-		$58,844,444	$58,777,056
	Schwab VIT Balanced with Growth		Schwab VIT Growth		State Street Total Return V.I.S. Class 3	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS						
Net investment income (loss)	$1,244,129	$975,509	$1,264,415	$1,008,645	$2,630,853	$2,135,509
Realized gain (loss) on investments	47,383	857,987	397,744	708,562	92,529,139	16,096,495
Change in net unrealized appreciation (depreciation) on investments	(11,366,313)	13,870,266	(14,431,331)	18,936,361	(129,776,341)	42,486,086
Net Increase (Decrease) in Net Assets Resulting from Operations	(10,074,801)	15,703,762	(12,769,172)	20,653,568	(34,616,349)	60,718,090
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS						
Payments received from contract owners	11,649,531	11,242,585	12,767,222	9,198,248	22,099,449	15,043,369
Transfers between variable and fixed accounts, net	134,403	(1,591,915)	568,937	1,058,865	4,181,069	(2,046,985)
Contract benefits and terminations	(11,317,952)	(10,436,255)	(11,058,784)	(12,428,121)	(61,346,862)	(56,581,630)
Contract charges and deductions	(716,453)	(713,738)	(976,244)	(945,293)	(4,445,793)	(4,472,483)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-	-	-	-	-
Other	1,727	(137)	10,642	261	2,240	10,694
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(248,744)	(1,499,460)	1,311,773	(3,116,040)	(39,509,897)	(48,047,035)
NET INCREASE (DECREASE) IN NET ASSETS	(10,323,545)	14,204,302	(11,457,399)	17,537,528	(74,126,246)	12,671,055
NET ASSETS						
Beginning of Year	137,192,784	122,988,482	143,880,388	126,342,860	478,275,225	465,604,170
End of Year	$126,869,239	$137,192,784	$132,422,989	$143,880,388	$404,148,979	$478,275,225

(1) Operations commenced or resumed during 2018 and all units were fully redeemed or transferred prior to December 31, 2018 (See Financial Highlights for commencement date of operations and date of full redemption).

SEPARATE ACCOUNT A
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	Variable Accounts	
	Year Ended December 31, 2018	Year Ended December 31, 2017
	VanEck VIP Global Hard Assets Class S	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net investment income (loss)	($200,829)	($214,933)
Realized gain (loss) on investments	(56,603)	220,594
Change in net unrealized appreciation (depreciation) on investments	(4,624,902)	(643,675)
Net Increase (Decrease) in Net Assets Resulting from Operations	(4,882,334)	(638,014)
INCREASE (DECREASE) IN NET ASSETS FROM CONTRACT OWNER TRANSACTIONS		
Payments received from contract owners	1,253,475	1,357,314
Transfers between variable and fixed accounts, net	(384,828)	(2,883,955)
Contract benefits and terminations	(1,438,294)	(1,756,592)
Contract charges and deductions	(6,686)	(6,694)
Adjustments to net assets allocated to contracts in payout (annuitization) period	-	-
Other	(107)	8,116
Net Increase (Decrease) in Net Assets Derived from Contract Owner Transactions	(576,440)	(3,281,811)
NET INCREASE (DECREASE) IN NET ASSETS	(5,458,774)	(3,919,825)
NET ASSETS		
Beginning of Year	17,210,080	21,129,905
End of Year	$11,751,306	$17,210,080

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS

A summary of accumulation unit values ("AUV"), units outstanding, net assets, investment income ratios, expense ratios, and total returns for each year or period ended December 31 are presented in the table below.

Variable Accounts	At the End of Each Year or Period				Investment				
	AUV (1)		Units	Net	Income	Expense Ratios (3)		Total Returns (4)	
For Each Year or Period	Lowest	Highest	Outstanding	Assets	Ratios (2)	Lowest	Highest	Lowest	Highest
Core Income									
2018	$9.78	$10.38	1,148,625	$11,581,723	0.00%	0.30%	2.00%	(3.89%)	(2.24%)
2017	10.18	10.62	909,570	9,460,743	0.00%	0.30%	2.00%	2.93%	4.69%
2016	9.89	10.16	537,638	5,386,512	0.00%	0.30%	2.00%	3.37%	4.82%
05/04/2015 - 12/31/2015	9.60	9.69	202,529	1,951,849	0.00%	0.40%	1.80%	(3.81%)	(3.52%)
Diversified Bond									
2018	$10.03	$15.75	11,784,263	$145,114,938	0.00%	0.30%	2.00%	(3.32%)	(1.65%)
2017	10.74	16.03	11,361,172	146,494,032	0.00%	0.30%	2.00%	4.77%	6.45%
2016	10.38	15.06	10,600,495	131,681,727	0.00%	0.40%	2.00%	2.97%	4.62%
2015	10.06	14.40	9,631,150	116,601,479	0.00%	0.40%	2.00%	(0.95%)	0.65%
2014	10.14	14.30	7,867,385	97,938,856	0.00%	0.40%	2.00%	5.56%	7.27%
Floating Rate Income									
2018	$10.02	$11.38	6,020,102	$64,891,680	0.00%	0.30%	2.00%	(2.02%)	(0.33%)
2017	10.16	11.43	4,156,679	45,409,928	0.00%	0.30%	2.00%	1.71%	3.45%
2016	10.14	11.06	3,946,049	42,106,982	0.00%	0.30%	2.00%	6.24%	7.95%
2015	9.82	10.24	4,113,007	41,016,747	0.00%	0.40%	2.00%	(1.13%)	0.46%
2014	9.93	10.20	2,870,210	28,792,880	0.00%	0.40%	2.00%	(1.58%)	0.01%
Floating Rate Loan									
2018	$9.67	$13.04	12,790,715	$135,649,756	0.00%	0.30%	2.00%	(1.85%)	(0.16%)
2017	9.85	13.12	11,430,365	122,543,301	0.00%	0.30%	2.00%	1.87%	3.62%
2016	9.67	12.72	11,374,699	118,540,100	0.00%	0.30%	2.00%	7.48%	9.21%
2015	9.00	11.69	10,911,306	104,647,513	0.00%	0.40%	2.00%	(2.97%)	(1.41%)
2014	9.27	11.90	11,640,525	113,905,372	0.00%	0.40%	2.00%	(1.16%)	0.44%
High Yield Bond									
2018	$9.91	$24.79	9,511,531	$156,838,974	0.00%	0.30%	2.00%	(5.20%)	(3.56%)
2017	10.38	25.73	10,424,807	185,037,902	0.00%	0.30%	2.00%	5.62%	7.32%
2016	10.59	24.06	11,179,748	193,712,176	0.00%	0.40%	2.00%	13.09%	14.91%
2015	9.34	21.15	10,644,545	167,899,512	0.00%	0.40%	2.00%	(6.53%)	(5.02%)
2014	9.97	22.49	12,538,751	218,117,779	0.00%	0.40%	2.00%	(1.61%)	(0.03%)
Inflation Managed									
2018	$8.66	$22.39	11,247,518	$176,500,238	0.00%	0.30%	2.00%	(4.10%)	(2.45%)
2017	9.02	23.21	12,265,881	204,083,093	0.00%	0.30%	2.00%	1.63%	3.37%
2016	8.85	22.70	12,952,814	216,884,736	0.00%	0.30%	2.00%	3.04%	4.70%
2015	8.57	21.90	14,396,686	237,158,579	0.00%	0.40%	2.00%	(4.98%)	(3.45%)
2014	9.01	22.91	16,408,857	288,136,780	0.00%	0.40%	2.00%	1.07%	2.70%
Inflation Strategy									
2018	$8.32	$10.26	1,570,921	$14,470,132	0.00%	0.30%	2.00%	(3.45%)	(1.84%)
2017	8.60	10.46	1,550,670	14,710,068	0.00%	0.30%	1.95%	1.16%	2.84%
2016	8.49	10.18	1,502,436	14,002,168	0.00%	0.30%	2.00%	(0.10%)	1.45%
2015	8.49	10.04	1,778,734	16,567,266	0.00%	0.40%	2.00%	(5.12%)	(3.59%)
2014	8.93	10.41	1,846,716	18,164,176	0.00%	0.40%	2.00%	0.30%	1.92%
Managed Bond									
2018	$9.76	$25.29	21,835,220	$364,851,787	0.00%	0.30%	2.00%	(2.58%)	(0.90%)
2017	10.00	25.80	22,936,556	402,527,859	0.00%	0.30%	2.00%	2.65%	4.30%
2016	9.72	24.98	23,644,535	416,030,223	0.00%	0.40%	2.00%	0.84%	2.46%
2015	9.62	24.63	25,570,067	456,389,626	0.00%	0.40%	2.00%	(1.43%)	0.16%
2014	9.74	24.84	27,274,650	507,099,017	0.00%	0.40%	2.00%	2.36%	4.02%
Short Duration Bond									
2018	$9.49	$12.44	30,236,850	$311,504,706	0.00%	0.30%	2.00%	(0.88%)	0.83%
2017	9.56	12.35	30,998,708	319,786,586	0.00%	0.30%	2.00%	(0.74%)	0.95%
2016	9.61	12.25	29,768,754	307,361,924	0.00%	0.30%	2.00%	(0.32%)	1.28%
2015	9.62	12.09	30,136,225	309,455,423	0.00%	0.40%	2.00%	(1.67%)	(0.09%)
2014	9.77	12.10	27,852,528	288,412,711	0.00%	0.40%	2.00%	(1.32%)	0.27%
Emerging Markets Debt									
2018	$9.63	$11.59	1,797,712	$18,951,916	0.00%	0.30%	2.00%	(7.34%)	(5.74%)
2017	10.37	12.31	2,013,734	22,825,282	0.00%	0.30%	2.00%	10.86%	12.64%
2016	9.34	10.93	1,407,822	14,351,136	0.00%	0.40%	2.00%	14.71%	16.55%
2015	8.13	9.37	1,216,076	10,762,394	0.00%	0.40%	2.00%	(6.32%)	(4.80%)
2014	8.66	9.85	1,292,439	12,220,073	0.00%	0.40%	2.00%	(5.73%)	(4.21%)

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

Variable Accounts For Each Year	At the End of Each Year: AUV (1) Lowest	AUV (1) Highest	Units Outstanding	Net Assets	Investment Income Ratios (2)	Expense Ratios (3) Lowest	Expense Ratios (3) Highest	Total Returns (4) Lowest	Total Returns (4) Highest
Comstock									
2018	$9.91	$22.29	9,819,439	$172,698,671	0.00%	0.30%	2.00%	(14.12%)	(12.63%)
2017	11.89	25.54	10,246,575	209,743,589	0.00%	0.30%	2.00%	15.44%	17.29%
2016	13.56	21.77	11,122,907	196,799,642	0.00%	0.40%	2.00%	15.18%	17.03%
2015	11.75	18.60	12,153,511	185,376,884	0.00%	0.40%	2.00%	(7.91%)	(6.42%)
2014	12.73	19.88	11,966,564	196,340,110	0.00%	0.40%	2.00%	7.00%	8.72%
Developing Growth									
2018	$13.62	$22.19	5,514,620	$98,638,713	0.00%	0.30%	2.00%	3.45%	5.23%
2017	12.99	21.11	5,581,503	96,784,780	0.00%	0.30%	2.00%	27.65%	29.70%
2016	10.44	16.35	6,224,494	84,377,998	0.00%	0.40%	2.00%	(4.39%)	(2.85%)
2015	10.90	17.04	6,746,976	96,302,632	0.00%	0.40%	2.00%	(10.17%)	(8.72%)
2014	12.10	18.90	6,271,917	100,062,089	0.00%	0.40%	2.00%	(1.62%)	(0.03%)
Dividend Growth									
2018	$10.94	$25.09	14,056,494	$274,423,228	0.00%	0.30%	2.00%	(3.25%)	(1.58%)
2017	11.26	25.52	14,677,356	298,908,323	0.00%	0.30%	2.00%	16.72%	18.60%
2016	13.95	21.52	15,083,139	265,325,367	0.00%	0.40%	2.00%	9.26%	11.02%
2015	12.74	19.38	14,269,953	230,776,564	0.00%	0.40%	2.00%	0.07%	1.68%
2014	12.71	19.06	14,320,749	233,418,326	0.00%	0.40%	2.00%	9.88%	11.66%
Equity Index									
2018	$10.69	$42.36	39,266,074	$770,008,055	0.00%	0.30%	2.00%	(6.63%)	(5.02%)
2017	11.37	45.10	35,402,014	774,542,663	0.00%	0.30%	2.00%	19.08%	21.12%
2016	10.23	37.65	29,000,838	566,929,068	0.00%	0.30%	2.00%	9.41%	11.17%
2015	12.92	34.20	24,992,385	473,313,135	0.00%	0.40%	2.00%	(0.86%)	0.74%
2014	13.00	34.30	20,476,046	426,919,302	0.00%	0.40%	2.00%	11.14%	12.93%
Focused Growth									
2018	$13.73	$46.90	5,377,847	$132,603,632	0.00%	0.30%	2.00%	2.90%	4.67%
2017	13.14	44.85	5,314,062	129,578,140	0.00%	0.30%	2.00%	26.94%	28.98%
2016	12.92	34.77	5,171,075	100,426,734	0.00%	0.40%	2.00%	0.32%	1.94%
2015	12.87	34.11	5,857,301	115,422,573	0.00%	0.40%	2.00%	7.91%	9.65%
2014	11.92	31.11	4,698,502	88,243,974	0.00%	0.40%	2.00%	7.90%	9.64%
Growth									
2018	$11.98	$50.93	7,589,376	$238,326,340	0.00%	0.30%	2.00%	0.36%	2.09%
2017	11.87	50.44	7,279,286	241,794,590	0.00%	0.30%	2.00%	29.05%	31.12%
2016	14.03	38.86	6,975,730	192,689,145	0.00%	0.40%	2.00%	0.19%	1.81%
2015	13.97	38.55	7,579,783	212,697,199	0.00%	0.40%	2.00%	5.33%	7.03%
2014	13.24	36.38	7,115,425	206,430,326	0.00%	0.40%	2.00%	6.72%	8.44%
Large-Cap Growth									
2018	$12.05	$27.69	9,251,139	$163,354,575	0.00%	0.30%	2.00%	(0.14%)	1.58%
2017	13.53	27.38	8,806,973	154,330,909	0.00%	0.30%	2.00%	31.05%	33.16%
2016	10.90	20.63	8,541,364	112,315,118	0.00%	0.40%	2.00%	(1.48%)	0.11%
2015	11.03	20.68	10,793,794	141,766,374	0.00%	0.40%	2.00%	3.99%	5.67%
2014	10.58	19.64	9,721,265	119,819,928	0.00%	0.40%	2.00%	6.28%	8.00%
Large-Cap Value									
2018	$9.74	$23.93	9,256,573	$176,677,899	0.00%	0.30%	2.00%	(11.15%)	(9.62%)
2017	10.89	26.77	9,827,960	214,499,954	0.00%	0.30%	2.00%	11.70%	13.61%
2016	10.14	23.82	10,454,979	207,532,086	0.00%	0.30%	2.00%	10.64%	12.42%
2015	12.19	21.41	11,304,558	203,851,947	0.00%	0.40%	2.00%	(4.91%)	(3.37%)
2014	12.80	22.38	11,691,612	224,546,335	0.00%	0.40%	2.00%	9.29%	11.06%
Main Street Core									
2018	$10.93	$32.91	10,633,140	$253,542,764	0.00%	0.30%	2.00%	(9.58%)	(8.02%)
2017	11.94	36.17	10,697,448	288,946,584	0.00%	0.30%	2.00%	14.77%	16.62%
2016	14.52	31.33	11,790,047	280,082,160	0.00%	0.40%	2.00%	9.62%	11.38%
2015	13.22	28.41	12,299,542	273,304,962	0.00%	0.40%	2.00%	1.31%	2.94%
2014	13.02	27.88	13,482,903	298,795,934	0.00%	0.40%	2.00%	8.62%	10.37%
Mid-Cap Equity									
2018	$10.43	$38.98	7,287,312	$188,424,421	0.00%	0.30%	2.00%	(11.51%)	(9.99%)
2017	12.64	43.78	7,230,346	221,541,017	0.00%	0.30%	2.00%	21.82%	23.78%
2016	14.46	35.73	7,115,623	191,476,971	0.00%	0.40%	2.00%	16.09%	17.95%
2015	12.43	30.59	7,793,970	184,789,748	0.00%	0.40%	2.00%	(0.45%)	1.16%
2014	12.46	30.55	7,570,388	186,790,080	0.00%	0.40%	2.00%	2.16%	3.81%

Variable Accounts For Each Year	AUV (1) Lowest	AUV (1) Highest	Units Outstanding	Net Assets	Investment Income Ratios (2)	Expense Ratios (3) Lowest	Expense Ratios (3) Highest	Total Returns (4) Lowest	Total Returns (4) Highest
Mid-Cap Growth									
2018	$11.76	$22.54	11,170,460	$198,481,470	0.00%	0.30%	2.00%	(1.83%)	(0.14%)
2017	11.89	22.91	11,487,278	208,391,053	0.00%	0.30%	2.00%	24.98%	26.98%
2016	11.49	18.28	11,905,807	173,111,392	0.00%	0.40%	2.00%	4.17%	5.85%
2015	10.99	17.51	12,839,293	178,825,887	0.00%	0.40%	2.00%	(7.60%)	(6.10%)
2014	11.85	18.90	12,436,715	187,421,926	0.00%	0.40%	2.00%	6.35%	8.06%
Mid-Cap Value									
2018	$9.87	$26.85	4,398,530	$76,990,322	0.00%	0.30%	2.00%	(16.49%)	(15.05%)
2017	11.64	31.64	4,455,306	95,753,067	0.00%	0.30%	2.00%	13.18%	15.12%
2016	10.13	27.51	4,289,298	84,417,787	0.00%	0.30%	2.00%	13.01%	14.83%
2015	12.06	23.96	4,157,481	73,520,578	0.00%	0.40%	2.00%	(2.35%)	(0.77%)
2014	12.32	24.15	3,863,801	73,748,731	0.00%	0.40%	2.00%	4.39%	6.07%
Small-Cap Equity									
2018	$9.68	$27.88	2,597,583	$44,747,889	0.00%	0.30%	2.00%	(14.65%)	(13.17%)
2017	11.17	32.14	2,458,757	51,461,956	0.00%	0.30%	2.00%	6.57%	8.29%
2016	14.44	29.68	2,588,225	52,954,215	0.00%	0.40%	2.00%	27.85%	29.90%
2015	11.28	22.85	2,110,604	34,326,114	0.00%	0.40%	2.00%	(9.71%)	(8.25%)
2014	12.46	24.90	2,143,342	40,012,270	0.00%	0.40%	2.00%	(0.30%)	1.31%
Small-Cap Index									
2018	$9.71	$29.43	9,742,504	$187,508,926	0.00%	0.30%	2.00%	(13.32%)	(11.82%)
2017	11.15	33.40	9,016,533	211,161,458	0.00%	0.30%	2.00%	11.81%	13.72%
2016	10.34	29.40	8,065,207	181,325,886	0.00%	0.30%	2.00%	18.28%	20.18%
2015	11.99	24.46	8,181,276	160,293,067	0.00%	0.40%	2.00%	(6.81%)	(5.31%)
2014	12.84	25.84	7,980,617	173,523,873	0.00%	0.40%	2.00%	2.32%	3.97%
Small-Cap Value									
2018	$9.00	$42.72	4,539,485	$98,856,096	0.00%	0.30%	2.00%	(17.96%)	(16.54%)
2017	11.09	51.24	4,675,161	129,260,288	0.00%	0.30%	2.00%	6.51%	8.33%
2016	10.26	47.35	4,792,527	131,490,936	0.00%	0.30%	2.00%	27.04%	29.08%
2015	11.68	36.68	4,475,846	101,059,861	0.00%	0.40%	2.00%	(6.23%)	(4.72%)
2014	12.43	38.50	4,468,595	113,891,722	0.00%	0.40%	2.00%	3.55%	5.22%
Value Advantage									
2018	$10.51	$15.04	2,092,943	$29,758,832	0.00%	0.30%	2.00%	(10.88%)	(9.34%)
2017	11.61	16.61	1,902,695	30,256,764	0.00%	0.30%	2.00%	12.06%	13.98%
2016	10.21	14.59	1,741,400	24,600,438	0.00%	0.30%	2.00%	14.24%	16.02%
2015	12.06	12.57	1,113,936	13,703,933	0.00%	0.40%	2.00%	(6.53%)	(5.07%)
2014	12.90	13.24	1,205,836	15,719,763	0.00%	0.40%	2.00%	11.88%	13.69%
Emerging Markets									
2018	$9.86	$63.42	9,588,606	$178,868,614	0.00%	0.30%	2.00%	(13.75%)	(12.26%)
2017	11.24	72.35	9,314,917	211,020,836	0.00%	0.30%	2.00%	31.86%	34.11%
2016	8.38	54.00	8,497,788	157,344,732	0.00%	0.30%	2.00%	4.36%	6.04%
2015	8.00	50.92	8,604,350	162,136,807	0.00%	0.40%	2.00%	(15.75%)	(14.39%)
2014	9.47	59.48	7,960,255	191,527,985	0.00%	0.40%	2.00%	(6.88%)	(5.37%)
International Large-Cap									
2018	$10.16	$22.92	16,898,528	$231,939,706	0.00%	0.30%	2.00%	(13.57%)	(12.08%)
2017	12.46	26.09	17,360,973	274,976,261	0.00%	0.30%	2.00%	24.99%	27.00%
2016	9.97	20.54	19,170,325	242,468,735	0.00%	0.40%	2.00%	(2.05%)	(0.47%)
2015	10.16	20.64	20,108,329	258,982,186	0.00%	0.40%	2.00%	(2.41%)	(0.83%)
2014	10.39	20.82	19,136,509	251,422,219	0.00%	0.40%	2.00%	(6.90%)	(5.40%)
International Small-Cap									
2018	$9.23	$16.74	3,211,173	$37,108,549	0.00%	0.30%	2.00%	(23.71%)	(22.39%)
2017	13.45	21.67	3,211,943	48,215,389	0.00%	0.30%	2.00%	29.31%	31.39%
2016	10.52	16.55	3,378,509	38,784,671	0.00%	0.40%	2.00%	1.38%	3.01%
2015	10.37	16.12	4,128,852	46,189,477	0.00%	0.40%	2.00%	4.32%	6.00%
2014	9.93	15.26	3,581,772	38,126,956	0.00%	0.40%	2.00%	(4.35%)	(2.81%)
International Value									
2018	$6.61	$12.68	9,595,349	$103,783,244	0.00%	0.30%	2.00%	(16.65%)	(15.21%)
2017	7.93	15.12	9,834,920	126,982,696	0.00%	0.30%	2.00%	19.17%	21.21%
2016	6.65	12.61	10,851,608	116,712,247	0.00%	0.30%	2.00%	0.94%	2.57%
2015	6.58	12.42	11,850,630	124,962,971	0.00%	0.40%	2.00%	(4.56%)	(3.02%)
2014	6.90	12.94	11,972,895	132,274,052	0.00%	0.40%	2.00%	(12.32%)	(10.90%)

Units Outstanding and Net Assets are "At the End of Each Year".

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

	At the End of Each Year or Period				Investment				
Variable Accounts	AUV (1)		Units	Net	Income	Expense Ratios (3)		Total Returns (4)	
For Each Year or Period	Lowest	Highest	Outstanding	Assets	Ratios (2)	Lowest	Highest	Lowest	Highest
Health Sciences									
2018	$11.79	$60.44	8,381,895	$269,301,230	0.00%	0.30%	2.00%	5.75%	7.57%
2017	12.38	56.24	8,438,143	265,861,240	0.00%	0.30%	2.00%	21.52%	23.47%
2016	15.41	45.55	8,528,700	231,374,915	0.00%	0.40%	2.00%	(7.83%)	(6.35%)
2015	16.68	48.64	9,590,591	294,158,776	0.00%	0.40%	2.00%	7.42%	9.15%
2014	15.50	44.56	7,782,064	246,319,734	0.00%	0.40%	2.00%	22.07%	24.04%
Real Estate									
2018	$9.98	$48.75	5,741,006	$121,398,736	0.00%	0.30%	2.00%	(9.29%)	(7.73%)
2017	10.84	53.42	6,555,664	153,948,997	0.00%	0.30%	2.00%	1.20%	2.82%
2016	12.03	52.48	6,779,063	164,758,555	0.00%	0.40%	2.00%	4.49%	6.17%
2015	11.49	49.92	7,069,795	170,895,322	0.00%	0.40%	2.00%	(0.49%)	1.12%
2014	11.53	49.87	7,643,739	198,490,741	0.00%	0.40%	2.00%	28.01%	30.07%
Technology									
2018	$8.80	$18.15	7,966,233	$109,014,566	0.00%	0.30%	2.00%	(0.24%)	1.48%
2017	8.80	18.15	7,597,226	102,089,215	0.00%	0.30%	2.00%	36.05%	38.23%
2016	6.45	13.31	6,864,188	66,534,514	0.00%	0.40%	2.00%	(8.46%)	(6.98%)
2015	7.03	14.50	7,425,818	76,611,922	0.00%	0.40%	2.00%	(4.96%)	(3.43%)
2014	7.38	15.22	6,834,234	71,346,045	0.00%	0.40%	2.00%	7.68%	9.41%
Currency Strategies									
2018	$10.15	$11.24	331,932	$3,497,651	0.00%	0.30%	2.00%	3.76%	5.55%
2017	9.63	10.66	343,749	3,469,669	0.00%	0.30%	2.00%	(5.49%)	(3.97%)
2016	10.35	11.10	394,322	4,184,452	0.00%	0.40%	2.00%	2.81%	4.46%
2015	10.05	10.63	319,034	3,272,258	0.00%	0.40%	2.00%	(0.58%)	1.02%
2014	10.08	10.52	362,954	3,718,503	0.00%	0.40%	2.00%	1.48%	3.12%
Diversified Alternatives									
2018	$9.96	$10.47	211,771	$2,160,824	0.00%	0.30%	2.00%	(8.32%)	(6.97%)
2017	10.89	11.26	173,500	1,918,737	0.00%	0.40%	1.95%	5.85%	7.29%
2016	10.33	10.49	76,524	795,736	0.00%	0.40%	1.75%	3.78%	4.30%
11/03/2015 - 12/31/2015	9.96	9.97	2,553	25,457	0.00%	1.15%	1.65%	(0.75%)	(0.75%)
Equity Long/Short									
2018	$9.80	$12.35	1,286,947	$15,295,008	0.00%	0.30%	2.00%	(18.85%)	(17.44%)
2017	11.90	14.97	1,124,089	16,386,007	0.00%	0.30%	2.00%	14.87%	16.83%
2016	10.21	12.83	938,849	11,856,347	0.00%	0.30%	2.00%	9.08%	10.84%
05/12/2015 - 12/31/2015	11.45	11.57	605,540	6,961,742	0.00%	0.40%	2.00%	14.16%	14.75%
Global Absolute Return									
2018	$9.56	$10.58	1,014,795	$10,072,240	0.00%	0.30%	2.00%	(11.08%)	(9.54%)
2017	10.73	11.71	1,073,567	11,891,508	0.00%	0.30%	2.00%	4.26%	6.04%
2016	10.17	11.05	958,371	10,122,150	0.00%	0.30%	2.00%	2.58%	4.23%
2015	9.99	10.60	974,965	9,964,329	0.00%	0.40%	2.00%	0.65%	2.28%
2014	9.90	10.37	839,425	8,471,478	0.00%	0.40%	2.00%	3.93%	5.61%
Pacific Dynamix - Conservative Growth									
2018	$10.05	$17.60	34,320,308	$457,602,754	0.00%	0.30%	2.00%	(5.76%)	(4.13%)
2017	10.59	18.38	34,531,502	491,604,838	0.00%	0.30%	2.00%	7.77%	9.50%
2016	10.90	16.78	34,779,910	464,351,611	0.00%	0.40%	2.00%	4.73%	6.41%
2015	10.39	15.77	31,204,973	401,332,027	0.00%	0.40%	2.00%	(3.06%)	(1.49%)
2014	10.69	16.01	28,547,036	389,308,839	0.00%	0.40%	2.00%	3.41%	5.08%
Pacific Dynamix - Moderate Growth									
2018	$10.04	$20.07	144,819,535	$2,056,345,198	0.00%	0.30%	2.00%	(7.41%)	(5.81%)
2017	10.84	21.33	142,605,677	2,214,319,925	0.00%	0.30%	2.00%	11.54%	13.45%
2016	10.17	18.82	131,642,580	1,858,370,366	0.00%	0.30%	2.00%	6.31%	8.02%
2015	10.68	17.42	122,652,930	1,647,867,563	0.00%	0.40%	2.00%	(3.79%)	(2.24%)
2014	11.08	17.82	101,334,168	1,454,786,286	0.00%	0.40%	2.00%	3.44%	5.11%
Pacific Dynamix - Growth									
2018	$10.14	$22.71	37,185,605	$622,881,911	0.00%	0.30%	2.00%	(9.13%)	(7.56%)
2017	11.10	24.59	36,584,813	681,743,289	0.00%	0.30%	2.00%	15.20%	17.05%
2016	10.21	21.01	34,116,830	559,105,960	0.00%	0.40%	2.00%	8.00%	9.73%
2015	11.01	19.15	34,271,476	522,517,660	0.00%	0.40%	2.00%	(4.38%)	(2.84%)
2014	11.49	19.71	29,236,740	480,533,918	0.00%	0.40%	2.00%	3.34%	5.01%

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

Variable Accounts	At the End of Each Year or Period				Investment				
	AUV (1)		Units	Net	Income	Expense Ratios (3)		Total Returns (4)	
For Each Year or Period	Lowest	Highest	Outstanding	Assets	Ratios (2)	Lowest	Highest	Lowest	Highest
Portfolio Optimization Conservative									
2018	$9.89	$12.42	122,666,989	$1,395,000,702	0.00%	0.30%	2.00%	(5.30%)	(3.67%)
2017	10.37	12.91	140,870,741	1,684,288,523	0.00%	0.30%	2.00%	5.25%	7.05%
2016	10.11	12.07	165,728,474	1,873,697,960	0.00%	0.30%	2.00%	3.74%	5.41%
2015	9.86	11.45	182,843,503	1,983,939,781	0.00%	0.40%	2.00%	(2.01%)	(0.43%)
2014	10.04	11.50	205,287,616	2,264,290,057	0.00%	0.40%	2.00%	1.34%	2.98%
Portfolio Optimization Moderate-Conservative									
2018	$9.95	$13.22	182,298,210	$2,208,202,437	0.00%	0.30%	2.00%	(6.88%)	(5.27%)
2017	10.61	14.02	211,675,881	2,738,883,461	0.00%	0.30%	2.00%	8.60%	10.35%
2016	10.78	12.75	239,465,540	2,839,652,691	0.00%	0.40%	2.00%	4.68%	6.36%
2015	10.28	12.03	270,360,491	3,047,900,125	0.00%	0.40%	2.00%	(2.38%)	(0.81%)
2014	10.51	12.22	305,930,571	3,516,980,488	0.00%	0.40%	2.00%	1.97%	3.62%
Portfolio Optimization Moderate									
2018	$9.87	$14.23	705,768,256	$8,963,320,335	0.00%	0.30%	2.00%	(8.41%)	(6.83%)
2017	10.78	15.35	807,845,322	11,150,490,771	0.00%	0.30%	2.00%	10.98%	12.88%
2016	10.16	13.66	911,170,206	11,277,155,614	0.00%	0.30%	2.00%	5.95%	7.65%
2015	10.64	12.79	1,021,212,696	11,871,745,564	0.00%	0.40%	2.00%	(2.33%)	(0.76%)
2014	10.87	13.05	1,159,837,591	13,740,334,379	0.00%	0.40%	2.00%	2.55%	4.20%
Portfolio Optimization Growth									
2018	$10.77	$15.27	563,059,591	$7,468,425,206	0.00%	0.30%	2.00%	(10.02%)	(8.47%)
2017	11.82	16.76	645,370,093	9,470,596,190	0.00%	0.30%	2.00%	14.09%	16.04%
2016	10.18	14.59	731,102,068	9,362,255,525	0.00%	0.30%	2.00%	6.66%	8.38%
2015	11.02	13.63	827,906,037	9,892,294,042	0.00%	0.40%	2.00%	(2.30%)	(0.73%)
2014	11.26	13.89	933,704,292	11,365,570,598	0.00%	0.40%	2.00%	3.00%	4.67%
Portfolio Optimization Aggressive-Growth									
2018	$9.97	$15.95	117,617,743	$1,580,123,542	0.00%	0.30%	2.00%	(11.20%)	(9.67%)
2017	12.06	17.83	132,519,299	1,996,079,978	0.00%	0.30%	2.00%	16.25%	18.12%
2016	12.05	15.27	150,050,357	1,935,350,732	0.00%	0.40%	2.00%	7.17%	8.89%
2015	11.22	14.20	168,893,013	2,023,332,419	0.00%	0.40%	2.00%	(2.87%)	(1.31%)
2014	11.53	14.56	189,654,485	2,328,709,665	0.00%	0.40%	2.00%	3.20%	4.87%
PSF DFA Balanced Allocation									
2018	$9.95	$11.05	13,984,638	$150,670,897	0.00%	0.30%	2.00%	(8.06%)	(6.47%)
2017	10.84	11.83	8,143,033	94,769,463	0.00%	0.30%	2.00%	10.75%	12.53%
05/03/2016 - 12/31/2016	10.40	10.51	3,046,252	31,822,324	0.00%	0.40%	2.00%	4.78%	4.78%
Invesco V.I. Balanced-Risk Allocation Series II									
2018	$9.74	$19.24	22,504,624	$322,179,645	1.27%	0.30%	2.00%	(8.57%)	(6.99%)
2017	10.60	20.70	25,137,938	400,851,209	3.72%	0.30%	2.00%	7.66%	9.50%
2016	10.15	18.92	27,202,624	411,438,619	0.20%	0.30%	2.00%	9.31%	11.07%
2015	9.56	17.04	25,599,218	360,382,294	3.73%	0.40%	2.00%	(6.29%)	(4.78%)
2014	10.18	17.89	26,922,812	413,669,967	0.00%	0.40%	2.00%	3.62%	5.29%
Invesco V.I. Equity and Income Series II									
2018	$9.54	$11.67	3,724,610	$41,332,203	2.07%	0.30%	2.00%	(11.53%)	(10.00%)
2017	11.18	12.98	3,319,215	41,292,384	1.44%	0.30%	2.00%	8.59%	10.34%
2016	11.17	11.77	3,032,859	34,520,360	1.73%	0.40%	2.00%	12.57%	14.38%
2015	9.82	10.29	1,873,018	18,778,909	2.96%	0.40%	2.00%	(4.51%)	(2.97%)
05/06/2014 - 12/31/2014	10.17	10.60	596,467	6,263,393	2.19%	0.40%	2.00%	6.17%	6.17%
Invesco V.I. Global Real Estate Series II									
2018	$9.44	$10.87	643,423	$6,257,587	3.77%	0.30%	2.00%	(8.20%)	(6.62%)
2017	10.28	11.64	566,539	5,943,149	3.36%	0.30%	2.00%	10.50%	12.39%
2016	9.30	10.36	397,040	3,734,563	1.79%	0.30%	2.00%	(0.19%)	1.41%
05/04/2015 - 12/31/2015	9.32	9.42	195,856	1,833,817	6.59%	0.40%	2.00%	(6.97%)	(6.97%)
American Century VP Mid Cap Value Class II									
2018	$9.19	$16.93	4,648,111	$69,290,350	1.27%	0.30%	2.00%	(14.70%)	(13.22%)
2017	10.73	19.52	4,449,662	78,338,816	1.39%	0.30%	2.00%	9.27%	11.13%
2016	10.13	17.59	4,449,907	72,613,873	1.62%	0.30%	2.00%	20.29%	22.23%
2015	12.69	14.39	2,334,721	31,422,843	1.54%	0.40%	2.00%	(3.53%)	(1.97%)
2014	13.12	14.68	2,279,288	32,109,244	1.03%	0.40%	2.00%	13.94%	15.77%
American Funds IS Asset Allocation Fund Class 4									
2018	$10.19	$12.25	246,768,480	$2,810,176,638	1.46%	0.30%	2.00%	(6.73%)	(5.12%)
2017	10.87	12.97	240,961,888	2,922,206,753	1.37%	0.30%	2.00%	13.62%	15.56%
2016	10.11	11.28	231,803,255	2,457,433,788	1.48%	0.30%	2.00%	7.01%	8.73%
2015	9.81	10.41	216,461,588	2,129,508,180	8.53%	0.40%	2.00%	0.19%	0.39%
05/13/2014 - 12/31/2014	10.35	10.37	1,234,348	12,792,925	5.04%	0.75%	0.95%	3.28%	3.28%

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

Variable Accounts For Each Year or Period	At the End of Each Year or Period AUV (1) Lowest	AUV (1) Highest	Units Outstanding	Net Assets	Investment Income Ratios (2)	Expense Ratios (3) Lowest	Expense Ratios (3) Highest	Total Returns (4) Lowest	Total Returns (4) Highest
American Funds IS Blue Chip Income and Growth Class 4									
2018	$9.96	$12.17	7,269,940	$85,722,867	1.96%	0.30%	2.00%	(10.73%)	(9.19%)
2017	11.12	13.41	5,772,293	75,700,161	2.06%	0.30%	2.00%	14.40%	16.24%
2016	11.33	11.54	4,525,632	51,646,555	3.61%	0.40%	2.00%	16.39%	18.02%
11/02/2015 - 12/31/2015	9.75	9.78	229,539	2,240,733	See Note (5)	0.40%	1.80%	(3.51%)	(3.46%)
American Funds IS Bond Class 4									
2018	$9.80	$10.31	4,611,732	$46,516,940	2.63%	0.30%	2.00%	(2.71%)	(1.18%)
2017	10.12	10.44	3,034,732	31,215,177	2.50%	0.30%	2.00%	1.40%	2.98%
2016	9.96	10.15	1,486,630	14,962,175	2.17%	0.30%	2.00%	0.92%	2.39%
11/03/2015 - 12/31/2015	9.89	9.91	88,696	877,973	See Note (5)	0.40%	1.85%	(0.81%)	(0.81%)
American Funds IS Capital Income Builder Class 4									
2018	$9.68	$10.60	8,466,870	$85,368,961	2.72%	0.30%	2.00%	(9.10%)	(7.53%)
2017	10.65	11.46	7,548,239	82,933,134	2.57%	0.30%	2.00%	10.42%	12.20%
2016	9.64	10.06	6,532,328	64,382,863	3.09%	0.40%	2.00%	1.74%	3.37%
2015	9.48	9.73	4,624,843	44,441,584	2.69%	0.40%	2.00%	(3.69%)	(2.18%)
05/01/2014 - 12/31/2014	9.85	9.95	1,708,931	16,919,140	2.89%	0.40%	1.95%	(1.31%)	(1.31%)
American Funds IS Global Balanced Class 4									
2018	$10.76	$11.32	4,336,770	$47,966,295	1.17%	0.30%	2.00%	(8.18%)	(6.59%)
2017	11.72	12.13	3,314,682	39,520,262	1.59%	0.30%	2.00%	17.02%	18.90%
2016	10.01	10.20	915,019	9,252,896	2.43%	0.40%	2.00%	2.15%	3.43%
11/10/2015 - 12/31/2015	9.80	9.82	65,020	638,224	See Note (5)	0.75%	2.00%	(1.04%)	(0.95%)
American Funds IS Global Bond Class 4									
2018	$9.90	$10.45	1,258,572	$12,821,962	2.20%	0.30%	2.00%	(3.57%)	(1.90%)
2017	10.27	10.65	836,041	8,739,645	0.52%	0.30%	2.00%	4.53%	6.21%
2016	9.83	10.01	433,050	4,294,379	0.76%	0.40%	2.00%	0.90%	2.01%
11/05/2015 - 12/31/2015	9.79	9.81	32,324	316,956	0.00%	0.40%	1.80%	(1.27%)	(1.27%)
American Funds IS Global Growth and Income Class 4									
2018	$10.31	$11.75	2,456,273	$28,176,906	1.68%	0.30%	2.00%	(11.68%)	(10.16%)
2017	11.63	13.09	1,693,500	21,786,618	3.04%	0.30%	2.00%	23.34%	25.32%
2016	10.25	10.44	758,235	7,847,080	3.07%	0.40%	2.00%	5.29%	6.61%
10/30/2015 - 12/31/2015	9.78	9.80	70,911	693,854	5.82%	0.40%	1.85%	(2.23%)	(2.17%)
American Funds IS Global Growth Class 4									
2018	$10.59	$13.51	6,148,518	$78,942,770	0.55%	0.30%	2.00%	(11.05%)	(9.51%)
2017	11.84	14.95	4,938,435	70,733,670	0.67%	0.30%	2.00%	28.53%	30.59%
2016	10.69	11.45	3,597,971	39,881,916	0.70%	0.40%	2.00%	(1.61%)	(0.03%)
2015	10.81	11.45	4,144,888	46,345,794	1.42%	0.40%	2.00%	4.58%	6.26%
2014	10.29	10.78	1,424,224	15,128,989	2.03%	0.40%	2.00%	0.04%	1.61%
American Funds IS Global Small Capitalization Class 4									
2018	$10.15	$11.19	1,471,715	$16,044,129	0.02%	0.30%	2.00%	(12.58%)	(11.07%)
2017	11.57	12.58	705,959	8,722,876	0.39%	0.30%	2.00%	23.14%	25.12%
2016	9.83	10.02	269,230	2,676,622	0.17%	0.40%	2.00%	(0.01%)	1.44%
11/03/2015 - 12/31/2015	9.85	9.87	48,286	476,209	0.00%	0.40%	1.85%	(3.61%)	(3.54%)
American Funds IS Growth Class 4									
2018	$11.37	$15.55	26,297,274	$352,634,575	0.26%	0.30%	2.00%	(2.49%)	(0.80%)
2017	11.62	15.75	25,511,615	348,008,852	0.45%	0.30%	2.00%	25.46%	27.60%
2016	10.13	12.39	24,270,285	261,801,967	0.59%	0.30%	2.00%	7.06%	8.78%
2015	9.90	11.43	24,828,107	247,895,016	3.60%	0.40%	2.00%	5.58%	5.79%
05/13/2014 - 12/31/2014	10.75	10.81	366,639	3,961,069	2.65%	0.75%	1.50%	7.55%	7.55%
American Funds IS Growth-Income Class 4									
2018	$10.95	$14.12	25,499,425	$323,650,289	1.25%	0.30%	2.00%	(4.01%)	(2.35%)
2017	11.35	14.52	25,370,686	332,875,994	1.30%	0.30%	2.00%	19.67%	21.59%
2016	10.68	11.98	25,849,115	281,066,393	1.32%	0.40%	2.00%	9.06%	10.81%
2015	9.79	10.85	25,541,165	252,300,825	6.09%	0.40%	2.00%	(0.30%)	0.45%
05/19/2014 - 12/31/2014	10.75	10.80	750,221	8,101,537	4.10%	0.75%	1.50%	7.24%	7.24%
American Funds IS High-Income Bond Class 4									
2018	$9.88	$11.41	1,818,203	$20,145,019	5.59%	0.30%	1.95%	(4.53%)	(2.93%)
2017	10.28	11.76	1,647,144	18,994,266	7.09%	0.30%	2.00%	4.58%	6.21%
2016	10.87	11.08	990,390	10,865,001	9.47%	0.40%	2.00%	15.15%	16.83%
10/30/2015 - 12/31/2015	9.46	9.48	52,976	501,712	See Note (5)	0.40%	1.85%	(5.31%)	(5.31%)

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

Variable Accounts For Each Year or Period	At the End of Each Year or Period AUV (1) Lowest	AUV (1) Highest	Units Outstanding	Net Assets	Investment Income Ratios (2)	Expense Ratios (3) Lowest	Expense Ratios (3) Highest	Total Returns (4) Lowest	Total Returns (4) Highest
American Funds IS International Class 4									
2018	$9.86	$11.38	5,877,732	$60,534,823	1.63%	0.30%	2.00%	(15.13%)	(13.67%)
2017	11.62	13.18	4,423,951	53,104,234	1.59%	0.30%	2.00%	29.29%	31.37%
2016	8.99	9.38	2,850,606	26,203,366	1.40%	0.40%	2.00%	1.18%	2.81%
2015	8.88	9.13	2,238,902	20,168,895	1.85%	0.40%	2.00%	(6.50%)	(5.13%)
05/13/2014 - 12/31/2014	9.53	9.62	918,721	8,793,086	4.02%	0.40%	1.85%	(4.83%)	(4.83%)
American Funds IS International Growth and Income Class 4									
2018	$9.18	$11.23	4,409,965	$43,001,936	2.08%	0.30%	2.00%	(13.22%)	(11.73%)
2017	10.53	12.72	3,960,415	44,043,588	2.25%	0.30%	2.00%	22.26%	24.22%
2016	8.57	9.35	3,353,345	30,194,240	2.55%	0.40%	2.00%	(0.82%)	0.78%
2015	8.60	9.28	2,992,909	26,968,404	2.32%	0.40%	2.00%	(7.69%)	(6.20%)
2014	9.27	9.89	1,827,170	17,753,951	6.02%	0.40%	2.00%	(5.16%)	(3.78%)
American Funds IS Managed Risk Asset Allocation Class P2									
2018	$10.12	$12.05	10,040,824	$115,008,587	1.37%	0.30%	2.00%	(6.79%)	(5.18%)
2017	10.80	12.72	9,214,722	112,457,169	0.75%	0.30%	2.00%	12.54%	14.35%
2016	10.57	11.12	7,433,311	80,098,222	1.32%	0.40%	2.00%	5.16%	6.85%
2015	10.05	10.41	5,761,674	58,653,909	1.52%	0.40%	2.00%	(2.88%)	(1.47%)
2014	10.37	10.56	2,881,336	30,085,703	0.09%	0.40%	1.95%	1.02%	2.50%
American Funds IS New World Fund Class 4									
2018	$9.48	$11.14	4,358,296	$43,131,184	0.71%	0.30%	2.00%	(15.96%)	(14.51%)
2017	11.28	13.03	3,663,500	42,750,898	0.90%	0.30%	2.00%	26.51%	28.67%
2016	8.92	10.13	2,663,757	24,333,989	0.71%	0.30%	2.00%	2.97%	4.62%
2015	8.66	8.96	2,109,358	18,559,906	0.58%	0.40%	2.00%	(5.29%)	(3.76%)
2014	9.14	9.31	1,235,726	11,390,698	2.09%	0.40%	2.00%	(9.95%)	(8.50%)
American Funds IS U.S. Government/AAA-Rated Securities Class 4									
2018	$9.72	$10.55	4,222,318	$42,708,133	1.72%	0.30%	2.00%	(1.45%)	0.20%
2017	9.88	10.54	3,866,724	39,414,908	1.07%	0.30%	1.95%	(0.67%)	0.87%
2016	9.95	10.45	4,618,164	46,987,916	1.04%	0.40%	2.00%	(0.95%)	0.59%
2015	10.04	10.39	3,732,734	38,059,278	2.07%	0.40%	2.00%	(0.72%)	0.88%
2014	10.11	10.30	1,987,612	20,250,748	3.74%	0.40%	2.00%	3.04%	4.34%
BlackRock Capital Appreciation V.I. Class III									
2018	$18.76	$25.16	1,475,578	$32,796,365	0.00%	0.75%	1.50%	0.60%	1.36%
2017	18.65	24.82	1,718,685	37,766,994	0.00%	0.75%	1.50%	30.97%	31.96%
2016	14.24	18.81	2,061,670	34,362,089	0.00%	0.75%	1.50%	(1.62%)	(0.88%)
2015	14.48	18.97	2,136,103	35,964,436	0.00%	0.75%	1.50%	5.02%	5.81%
2014	13.78	17.93	2,388,125	38,100,735	0.00%	0.75%	1.50%	6.94%	7.74%
BlackRock Global Allocation V.I. Class III									
2018	$9.79	$13.54	132,460,071	$1,575,516,857	0.81%	0.30%	2.00%	(9.42%)	(7.86%)
2017	10.75	14.76	151,755,086	1,985,390,161	1.25%	0.30%	2.00%	11.46%	13.26%
2016	10.59	13.08	169,103,542	1,975,008,715	1.18%	0.40%	2.00%	1.76%	3.39%
2015	10.39	12.69	191,018,782	2,182,139,434	1.04%	0.40%	2.00%	(2.96%)	(1.40%)
2014	10.68	12.92	197,530,673	2,319,680,733	2.23%	0.40%	2.00%	(0.09%)	1.53%
BlackRock iShares Dynamic Allocation V.I. Class I									
2018	$10.25	$11.12	2,089,209	$22,306,050	0.99%	0.30%	1.95%	(6.70%)	(5.23%)
2017	10.95	11.75	1,924,941	21,856,855	2.08%	0.30%	1.95%	12.90%	14.65%
2016	9.83	10.25	1,626,322	16,252,668	2.28%	0.40%	1.95%	4.44%	6.07%
2015	9.41	9.66	1,397,704	13,285,959	2.62%	0.40%	1.95%	(5.64%)	(4.26%)
05/09/2014 - 12/31/2014	9.99	10.09	507,566	5,089,457	3.31%	0.40%	1.95%	0.16%	0.16%
Fidelity VIP Contrafund Service Class 2									
2018	$10.30	$17.08	11,658,277	$181,793,911	0.44%	0.30%	2.00%	(8.50%)	(6.92%)
2017	11.22	18.36	10,873,948	184,452,029	0.81%	0.30%	2.00%	19.19%	21.10%
2016	13.64	15.16	9,087,111	129,225,919	0.67%	0.40%	2.00%	5.60%	7.30%
2015	12.89	14.13	8,297,345	111,244,172	0.95%	0.40%	2.00%	(1.57%)	0.01%
2014	13.07	14.13	5,323,193	72,219,421	1.03%	0.40%	2.00%	9.44%	11.21%
Fidelity VIP FundsManager 60% Service Class 2									
2018	$10.16	$14.33	20,000,705	$258,479,033	1.15%	0.30%	2.00%	(8.37%)	(6.79%)
2017	11.02	15.39	17,709,234	249,388,114	1.02%	0.30%	2.00%	14.46%	16.30%
2016	11.48	13.23	16,165,663	198,335,661	1.13%	0.40%	2.00%	2.58%	4.23%
2015	11.17	12.70	17,156,518	204,808,381	1.17%	0.40%	2.00%	(1.72%)	(0.13%)
2014	11.34	12.71	10,728,869	129,639,995	1.34%	0.40%	2.00%	3.18%	4.84%

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

Variable Accounts For Each Year or Period	At the End of Each Year or Period AUV (1) Lowest	AUV (1) Highest	Units Outstanding	Net Assets	Investment Income Ratios (2)	Expense Ratios (3) Lowest	Expense Ratios (3) Highest	Total Returns (4) Lowest	Total Returns (4) Highest
Fidelity VIP Government Money Market Service Class									
2018	$9.31	$10.15	31,093,930	$298,387,548	1.55%	0.30%	2.00%	(0.47%)	1.25%
2017	9.36	10.03	24,835,099	237,510,491	0.56%	0.30%	2.00%	(1.41%)	0.17%
2016	9.49	9.91	29,223,322	281,583,163	0.10%	0.40%	2.00%	(1.87%)	(0.29%)
2015	9.67	9.94	30,806,492	300,809,271	0.01%	0.40%	2.00%	(1.97%)	(0.39%)
04/30/2014 - 12/31/2014	9.87	9.97	24,533,479	242,943,308	0.01%	0.40%	2.00%	(1.33%)	(0.26%)
Fidelity VIP Strategic Income Service Class 2									
2018	$9.97	$11.20	5,371,527	$57,472,420	3.77%	0.30%	2.00%	(4.76%)	(3.12%)
2017	10.81	11.57	4,681,197	52,169,536	3.40%	0.30%	2.00%	5.42%	7.12%
2016	10.27	10.80	3,503,843	36,818,740	3.94%	0.40%	2.00%	5.88%	7.59%
2015	9.70	10.04	2,837,173	27,942,914	3.14%	0.40%	2.00%	(3.88%)	(2.33%)
2014	10.09	10.28	1,705,810	17,339,350	5.82%	0.40%	2.00%	1.33%	2.96%
First Trust Dorsey Wright Tactical Core Class I									
2018	$10.08	$10.94	2,604,023	$27,160,582	0.40%	0.30%	2.00%	(9.78%)	(8.36%)
2017	11.33	11.93	1,308,313	15,024,297	0.61%	0.30%	1.85%	15.34%	17.02%
2016	9.82	9.99	789,291	7,805,815	0.91%	0.40%	1.85%	(0.89%)	(0.25%)
11/03/2015 - 12/31/2015	9.92	9.93	481,903	4,784,278	0.00%	1.10%	1.75%	(2.13%)	(2.13%)
First Trust/Dow Jones Dividend & Income Allocation Class I									
2018	$10.19	$15.22	38,964,983	$535,422,561	1.55%	0.30%	2.00%	(6.81%)	(5.20%)
2017	10.92	16.07	37,643,369	554,645,989	1.31%	0.30%	2.00%	11.23%	13.14%
2016	10.14	14.21	34,772,950	461,050,789	1.17%	0.30%	2.00%	9.53%	11.29%
2015	11.09	12.77	16,936,050	203,392,624	2.11%	0.40%	2.00%	(1.89%)	(0.31%)
2014	11.28	12.81	14,347,175	175,643,722	0.82%	0.40%	2.00%	7.86%	9.60%
First Trust Multi Income Allocation Class I									
2018	$9.59	$11.00	1,249,607	$13,161,907	2.50%	0.30%	1.85%	(6.20%)	(4.72%)
2017	10.81	11.56	823,556	9,199,902	2.57%	0.30%	1.85%	4.11%	5.63%
2016	10.53	10.94	858,691	9,168,353	2.45%	0.40%	1.85%	7.30%	8.86%
2015	9.81	10.05	646,130	6,394,002	2.01%	0.40%	1.95%	(5.00%)	(3.61%)
05/14/2014 - 12/31/2014	10.32	10.43	458,764	4,753,659	2.79%	0.40%	1.95%	2.90%	2.90%
Franklin Founding Funds Allocation VIP Class 2									
2018	$13.63	$15.76	1,325,154	$19,722,357	3.06%	0.75%	1.50%	(11.00%)	(10.33%)
2017	15.32	17.58	1,302,134	21,631,845	2.67%	0.75%	1.50%	10.32%	11.14%
2016	13.89	15.82	1,254,104	18,775,367	3.88%	0.75%	1.50%	11.50%	12.34%
2015	12.45	14.08	1,138,173	15,194,921	2.80%	0.75%	1.50%	(7.61%)	(6.91%)
2014	13.48	15.12	709,358	10,199,135	2.63%	0.75%	1.50%	1.32%	2.08%
Franklin Founding Funds Allocation VIP Class 4									
2018	$10.27	$14.73	20,456,672	$254,733,392	2.87%	0.30%	2.00%	(11.38%)	(9.85%)
2017	11.42	16.55	24,332,103	340,451,293	2.54%	0.30%	2.00%	9.57%	11.33%
2016	11.54	15.05	26,702,663	339,747,629	3.72%	0.40%	2.00%	10.69%	12.47%
2015	10.40	13.54	31,595,843	361,612,095	2.77%	0.40%	2.00%	(8.10%)	(6.61%)
2014	11.29	14.67	37,391,068	463,595,554	2.74%	0.40%	2.00%	0.72%	2.34%
Franklin Income VIP Class 2									
2018	$10.05	$10.72	3,727,163	$38,547,708	4.81%	0.30%	2.00%	(6.21%)	(4.59%)
2017	10.72	11.23	3,458,251	37,822,646	4.19%	0.30%	2.00%	7.51%	9.34%
2016	9.97	10.27	2,092,953	21,111,682	4.67%	0.30%	2.00%	11.94%	13.57%
05/06/2015 - 12/31/2015	8.93	9.02	681,094	6,103,987	2.59%	0.40%	1.85%	(9.97%)	(9.56%)
Franklin Mutual Global Discovery VIP Class 2									
2018	$9.83	$16.49	13,449,622	$186,078,604	2.35%	0.30%	2.00%	(12.99%)	(11.48%)
2017	11.12	18.71	14,006,116	220,413,458	1.78%	0.30%	2.00%	6.45%	8.27%
2016	10.30	17.36	13,999,486	206,289,451	1.70%	0.30%	2.00%	9.96%	11.73%
2015	11.19	15.59	13,955,217	186,588,831	2.93%	0.40%	2.00%	(5.56%)	(4.03%)
2014	11.83	16.30	11,417,807	161,672,065	2.31%	0.40%	2.00%	3.62%	5.29%
Franklin Rising Dividends VIP Class 2									
2018	$10.67	$17.24	9,931,707	$154,894,538	1.26%	0.30%	2.00%	(6.97%)	(5.36%)
2017	12.10	18.23	10,043,010	167,633,877	1.51%	0.30%	2.00%	18.18%	20.20%
2016	10.09	15.19	10,003,909	140,746,663	1.39%	0.30%	2.00%	13.75%	15.58%
2015	11.67	13.14	8,132,358	99,803,464	1.42%	0.40%	2.00%	(5.56%)	(4.03%)
2014	12.33	13.69	6,308,088	81,637,319	1.33%	0.40%	2.00%	6.57%	8.29%

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

Variable Accounts For Each Year or Period	At the End of Each Year or Period: AUV (1) Lowest	AUV (1) Highest	Units Outstanding	Net Assets	Investment Income Ratios (2)	Expense Ratios (3) Lowest	Expense Ratios (3) Highest	Total Returns (4) Lowest	Total Returns (4) Highest
Templeton Global Bond VIP Class 2									
2018	$9.26	$12.52	9,627,263	$95,140,630	0.00%	0.30%	2.00%	(0.09%)	1.63%
2017	9.25	12.37	9,560,513	93,539,600	0.00%	0.30%	2.00%	(0.09%)	1.62%
2016	9.24	12.23	8,882,675	86,217,009	0.00%	0.30%	2.00%	0.91%	2.53%
2015	9.14	11.97	8,791,978	83,842,346	7.77%	0.40%	2.00%	(6.20%)	(4.69%)
2014	9.72	12.60	6,421,265	64,880,109	4.98%	0.40%	2.00%	(0.18%)	1.43%
Ivy VIP Asset Strategy Class II									
2018	$8.91	$11.25	1,483,636	$13,696,205	1.83%	0.30%	2.00%	(7.32%)	(5.72%)
2017	9.61	11.93	1,570,854	15,529,480	1.54%	0.30%	2.00%	15.94%	17.80%
2016	8.29	8.65	1,823,068	15,402,009	0.57%	0.40%	2.00%	(4.49%)	(2.96%)
2015	8.68	8.92	1,897,465	16,667,679	0.34%	0.40%	2.00%	(10.03%)	(8.71%)
05/09/2014 - 12/31/2014	9.67	9.77	1,047,942	10,170,502	0.04%	0.40%	1.95%	(1.66%)	(1.66%)
Ivy VIP Energy Class II									
2018	$5.06	$5.61	2,874,689	$14,926,807	0.00%	0.30%	2.00%	(35.45%)	(34.34%)
2017	7.84	8.54	2,560,099	20,441,453	0.74%	0.30%	2.00%	(14.37%)	(12.90%)
2016	9.16	9.80	2,795,729	25,853,628	0.13%	0.30%	2.00%	31.89%	34.02%
05/01/2015 - 12/31/2015	6.94	7.02	650,366	4,532,752	0.01%	0.40%	2.00%	(30.42%)	(30.30%)
Janus Henderson Balanced Service Shares									
2018	$11.05	$15.53	151,998,954	$2,154,003,803	1.79%	0.30%	2.00%	(1.57%)	0.13%
2017	11.17	15.53	123,407,941	1,770,974,243	1.44%	0.30%	2.00%	15.80%	17.78%
2016	10.11	13.20	107,014,619	1,322,530,489	2.00%	0.30%	2.00%	2.26%	3.91%
2015	11.50	12.70	92,751,839	1,116,940,950	1.50%	0.40%	2.00%	(1.58%)	0.01%
2014	11.66	12.70	45,580,660	555,635,249	1.65%	0.40%	2.00%	6.10%	7.81%
Janus Henderson Flexible Bond Service Shares									
2018	$9.66	$10.41	2,570,835	$25,650,617	2.64%	0.30%	2.00%	(3.25%)	(1.58%)
2017	9.98	10.59	2,770,207	28,344,424	2.55%	0.30%	2.00%	1.31%	2.94%
2016	9.85	10.28	2,601,100	26,083,540	2.44%	0.40%	2.00%	0.25%	1.81%
2015	9.84	10.10	2,111,629	20,986,875	2.27%	0.40%	1.95%	(1.89%)	(0.46%)
05/06/2014 - 12/31/2014	10.05	10.15	846,509	8,532,151	5.17%	0.40%	1.85%	0.51%	0.58%
JPMorgan Insurance Trust Core Bond Class 1									
2018	$14.31	$14.74	11,899	$175,221	2.46%	1.40%	1.60%	(1.55%)	(1.35%)
2017	14.54	14.94	25,121	375,134	2.52%	1.40%	1.60%	1.93%	2.14%
2016	14.26	14.63	29,216	427,188	2.72%	1.40%	1.60%	0.50%	0.70%
2015	14.19	14.52	31,509	457,178	3.63%	1.40%	1.60%	(0.49%)	(0.29%)
2014	14.26	14.57	34,315	499,408	3.62%	1.40%	1.60%	3.25%	3.46%
JPMorgan Insurance Trust Global Allocation Class 2									
2018	$10.21	$11.08	993,900	$10,545,527	0.00%	0.30%	2.00%	(8.18%)	(6.59%)
2017	11.12	11.86	754,917	8,639,406	1.62%	0.30%	2.00%	14.54%	16.38%
2016	9.71	9.97	426,423	4,191,901	3.38%	0.40%	2.00%	3.75%	5.41%
05/04/2015 - 12/31/2015	9.36	9.46	270,644	2,545,334	3.71%	0.40%	2.00%	(5.88%)	(5.88%)
JPMorgan Insurance Trust Income Builder Class 2									
2018	$10.06	$10.76	874,702	$9,065,181	0.00%	0.30%	2.00%	(6.81%)	(5.20%)
2017	10.80	11.35	760,276	8,380,795	3.58%	0.30%	2.00%	9.50%	11.26%
2016	9.86	10.13	648,065	6,463,331	4.14%	0.40%	2.00%	4.10%	5.78%
05/06/2015 - 12/31/2015	9.47	9.58	291,766	2,772,891	8.63%	0.40%	2.00%	(4.18%)	(4.18%)
JPMorgan Insurance Trust Mid Cap Value Class 1									
2018	$24.31	$25.03	3,373	$83,917	0.97%	1.40%	1.60%	(13.24%)	(13.07%)
2017	28.02	28.79	3,381	96,807	0.79%	1.40%	1.60%	11.96%	12.19%
2016	25.02	25.66	3,813	97,391	0.86%	1.40%	1.60%	12.88%	13.11%
2015	22.17	22.69	3,876	87,570	0.99%	1.40%	1.60%	(4.20%)	(4.01%)
2014	23.14	23.64	3,963	93,285	0.55%	1.40%	1.60%	13.28%	13.51%
JPMorgan Insurance Trust U.S. Equity Class 1									
2018	$26.25	$26.25	588	$15,447	0.62%	1.40%	1.40%	(7.48%)	(7.48%)
2017	28.37	28.37	2,329	66,081	0.88%	1.40%	1.40%	20.63%	20.63%
2016	23.52	23.52	2,353	55,336	0.99%	1.40%	1.40%	9.40%	9.40%
2015	21.50	21.50	2,433	52,289	1.13%	1.40%	1.40%	(0.54%)	(0.54%)
2014	21.61	21.61	2,679	57,893	0.90%	1.40%	1.40%	12.32%	12.32%
ClearBridge Variable Aggressive Growth - Class II									
2018	$9.60	$10.62	678,630	$6,923,122	0.41%	0.30%	2.00%	(10.34%)	(8.84%)
2017	11.08	11.65	583,639	6,588,820	0.30%	0.30%	2.00%	13.70%	15.52%
2016	9.74	9.93	375,796	3,692,453	0.70%	0.40%	2.00%	(0.71%)	0.53%
11/03/2015 - 12/31/2015	9.85	9.87	64,765	638,633	0.64%	0.40%	1.65%	(3.34%)	(3.27%)

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

Variable Accounts	At the End of Each Year or Period				Investment				
	AUV (1)		Units	Net	Income	Expense Ratios (3)		Total Returns (4)	
For Each Year or Period	Lowest	Highest	Outstanding	Assets	Ratios (2)	Lowest	Highest	Lowest	Highest
Lord Abbett Bond Debenture Class VC									
2018	$9.94	$12.70	7,732,403	$91,539,827	4.49%	0.30%	2.00%	(5.93%)	(4.31%)
2017	11.03	13.29	7,119,649	88,873,085	4.58%	0.30%	2.00%	7.06%	8.78%
2016	11.12	12.22	5,866,815	68,036,796	5.03%	0.40%	2.00%	9.92%	11.69%
2015	10.10	10.94	5,177,743	54,280,623	4.52%	0.40%	2.00%	(3.48%)	(1.92%)
2014	10.44	11.15	3,596,954	38,865,874	6.20%	0.40%	2.00%	2.28%	3.93%
Lord Abbett International Equity Class VC									
2018	$8.26	$12.58	5,019,994	$57,329,495	1.71%	0.30%	2.00%	(19.97%)	(18.59%)
2017	10.32	15.52	4,639,673	65,862,191	1.90%	0.30%	2.00%	23.19%	25.17%
2016	8.38	12.44	5,059,147	58,308,401	2.67%	0.40%	2.00%	(3.68%)	(2.13%)
2015	8.70	12.76	5,001,721	59,337,178	1.56%	0.40%	2.00%	(3.72%)	(2.17%)
2014	9.04	13.09	4,224,106	52,268,554	1.31%	0.40%	2.00%	(10.82%)	(10.15%)
Lord Abbett Total Return Class VC									
2018	$9.91	$12.65	25,481,194	$287,709,206	3.16%	0.30%	2.00%	(3.00%)	(1.32%)
2017	10.14	12.88	25,749,327	296,912,405	2.42%	0.30%	2.00%	1.81%	3.45%
2016	10.07	12.49	25,285,912	283,114,112	2.62%	0.40%	2.00%	2.20%	3.85%
2015	9.85	12.07	25,005,242	272,387,576	2.79%	0.40%	2.00%	(2.62%)	(1.05%)
2014	10.12	12.24	22,125,357	245,477,681	2.34%	0.40%	2.00%	4.50%	5.29%
MFS Total Return Series - Service Class									
2018	$9.95	$15.28	27,386,021	$372,281,332	1.96%	0.30%	2.00%	(7.75%)	(6.15%)
2017	10.73	16.36	29,971,293	440,019,701	2.19%	0.30%	2.00%	9.81%	11.69%
2016	10.12	14.84	27,639,529	369,435,455	2.81%	0.30%	2.00%	6.67%	8.38%
2015	11.23	13.86	22,077,173	275,386,885	2.42%	0.40%	2.00%	(2.55%)	(0.98%)
2014	11.50	14.16	19,182,534	245,389,009	1.75%	0.40%	2.00%	6.09%	7.80%
MFS Utilities Series - Service Class									
2018	$11.75	$14.20	3,586,304	$45,546,448	0.85%	0.30%	2.00%	(1.20%)	0.51%
2017	11.87	14.14	3,260,393	41,643,404	4.17%	0.30%	2.00%	12.23%	14.04%
2016	10.56	12.40	3,228,395	36,521,402	4.16%	0.40%	2.00%	9.04%	10.79%
2015	9.66	11.19	2,760,090	28,475,673	4.05%	0.40%	2.00%	(16.45%)	(15.10%)
2014	11.54	13.18	3,250,292	40,479,521	2.10%	0.40%	2.00%	10.24%	12.02%
MFS Value Series - Service Class									
2018	$17.95	$22.29	3,700,200	$72,135,293	1.32%	0.75%	1.50%	(11.70%)	(11.03%)
2017	20.33	25.05	3,800,832	83,439,888	1.73%	0.75%	1.50%	15.61%	16.47%
2016	17.59	21.51	3,957,067	74,782,485	1.87%	0.75%	1.50%	12.09%	12.93%
2015	15.69	19.05	4,178,023	70,018,651	2.13%	0.75%	1.50%	(2.41%)	(1.67%)
2014	16.08	19.37	3,946,952	67,462,964	1.41%	0.75%	1.50%	8.56%	9.38%
MFS Massachusetts Investors Growth Stock - Service Class									
2018	$12.68	$13.04	5,156,328	$67,121,008	0.33%	0.75%	1.50%	(0.93%)	(0.18%)
2017	12.80	13.06	5,881,500	76,740,305	0.41%	0.75%	1.50%	26.20%	27.15%
2016	10.14	10.28	6,711,748	68,909,823	0.38%	0.75%	1.50%	4.27%	5.05%
03/27/2015 - 12/31/2015	9.72	9.78	7,107,735	69,496,824	0.61%	0.75%	1.50%	(2.75%)	(2.19%)
Neuberger Berman U.S. Equity Index PutWrite Strategy Class S									
2018	$9.15	$9.90	100,732	$938,759	0.00%	0.30%	1.80%	(8.45%)	(7.16%)
2017	9.99	10.30	64,702	652,725	0.00%	0.40%	1.80%	4.84%	6.26%
2016	9.54	9.69	43,063	412,716	0.00%	0.40%	1.75%	(2.36%)	(1.73%)
11/18/2015 - 12/31/2015	9.77	9.78	4,525	44,231	0.00%	1.10%	1.75%	(1.47%)	(1.47%)
Oppenheimer Global Fund/VA Service Shares									
2018	$10.50	$11.85	1,385,063	$15,319,920	0.85%	0.30%	2.00%	(15.12%)	(13.65%)
2017	12.28	13.72	1,407,294	18,166,007	0.71%	0.30%	2.00%	33.63%	35.78%
2016	9.52	9.70	193,754	1,856,673	0.75%	0.40%	2.00%	(1.88%)	(1.30%)
11/13/2015 - 12/31/2015	9.73	9.74	10,774	104,875	0.00%	1.15%	1.75%	(0.57%)	(0.53%)
Oppenheimer International Growth Fund/VA Service Shares									
2018	$9.17	$10.40	1,233,981	$11,685,079	0.62%	0.30%	2.00%	(21.15%)	(19.79%)
2017	11.63	12.96	901,922	10,707,364	1.14%	0.30%	2.00%	23.95%	25.94%
2016	9.38	9.56	359,358	3,397,657	0.81%	0.40%	2.00%	(4.40%)	(3.10%)
10/30/2015 - 12/31/2015	9.84	9.86	30,407	299,519	0.00%	0.40%	1.75%	(1.49%)	(1.49%)
PIMCO All Asset All Authority - Advisor Class									
2018	$8.89	$9.52	320,055	$2,918,666	3.06%	0.40%	1.95%	(8.42%)	(7.07%)
2017	9.68	10.24	428,374	4,242,265	4.76%	0.40%	2.00%	8.84%	10.53%
2016	8.88	9.26	542,324	4,902,835	2.95%	0.40%	2.00%	11.31%	13.10%
2015	7.98	8.19	372,038	3,000,639	2.95%	0.40%	2.00%	(14.14%)	(12.75%)
05/09/2014 - 12/31/2014	9.29	9.39	272,931	2,546,554	10.96%	0.40%	2.00%	(7.26%)	(7.26%)

SEPARATE ACCOUNT A
FINANCIAL HIGHLIGHTS (Continued)

Variable Accounts For Each Year or Period	At the End of Each Year or Period AUV (1) Lowest	AUV (1) Highest	Units Outstanding	Net Assets	Investment Income Ratios (2)	Expense Ratios (3) Lowest	Expense Ratios (3) Highest	Total Returns (4) Lowest	Total Returns (4) Highest
PIMCO CommodityRealReturn Strategy - Advisor Class									
2018	$4.59	$8.77	1,366,854	$6,776,551	1.99%	0.30%	2.00%	(15.91%)	(14.46%)
2017	5.46	10.25	1,223,238	7,120,775	10.87%	0.30%	2.00%	0.03%	1.74%
2016	5.46	10.07	1,335,186	7,664,516	1.04%	0.30%	2.00%	12.77%	14.41%
2015	4.87	5.25	910,614	4,605,365	4.61%	0.40%	1.95%	(27.03%)	(25.96%)
2014	6.67	7.15	863,444	5,943,758	0.27%	0.40%	1.95%	(20.11%)	(18.94%)
Jennison Class II									
2018	$26.36	$27.29	2,270	$61,280	0.00%	1.40%	1.75%	(2.76%)	(2.56%)
2017	26.45	28.01	6,326	170,351	0.00%	1.40%	1.75%	33.78%	34.25%
2016	19.77	20.86	17,740	354,124	0.00%	1.40%	1.75%	(3.00%)	(2.66%)
2015	20.38	21.43	19,719	406,002	0.00%	1.40%	1.75%	9.10%	9.49%
2014	18.68	19.58	20,021	377,567	0.00%	1.40%	1.75%	7.68%	8.06%
SP International Growth Class II									
2018	$15.79	$16.82	2,732	$44,330	0.00%	1.40%	1.75%	(14.72%)	(14.42%)
2017	18.52	19.65	3,029	57,516	0.00%	1.40%	1.75%	33.08%	33.54%
2016	13.92	14.72	14,385	202,331	0.00%	1.40%	1.75%	(5.82%)	(5.49%)
2015	14.78	15.57	16,566	247,639	0.00%	1.40%	1.75%	1.30%	1.65%
2014	14.59	15.32	18,351	270,374	0.00%	1.40%	1.75%	(7.75%)	(7.43%)
SP Prudential U.S. Emerging Growth Class II									
2018	$27.69	$29.42	3,261	$91,288	0.00%	1.40%	1.75%	(9.78%)	(9.46%)
2017	30.69	32.49	3,595	111,362	0.00%	1.40%	1.75%	19.83%	20.25%
2016	25.61	27.02	14,581	375,455	0.00%	1.40%	1.75%	2.02%	2.37%
2015	25.11	26.40	14,641	369,492	0.00%	1.40%	1.75%	(4.42%)	(4.09%)
2014	26.27	27.52	14,317	378,018	0.00%	1.40%	1.75%	7.26%	7.63%
Value Class II									
2018	$19.16	$20.35	5,417	$107,427	0.00%	1.40%	1.75%	(11.80%)	(11.49%)
2017	21.72	23.00	5,785	129,739	0.00%	1.40%	1.75%	14.49%	14.89%
2016	18.97	20.02	7,086	139,067	0.00%	1.40%	1.75%	9.04%	9.42%
2015	17.40	18.29	9,315	166,883	0.00%	1.40%	1.75%	(10.13%)	(9.82%)
2014	19.36	20.28	11,486	227,422	0.00%	1.40%	1.75%	7.76%	8.14%
Schwab Government Money Market									
05/07/2018 - 09/06/2018	$9.86	$9.86	-	$-	1.56%	0.60%	0.60%	0.32%	0.32%
2017									
2016									
04/08/2015 - 12/01/2015	9.90	9.90	-	-	0.01%	0.60%	0.60%	(0.38%)	(0.38%)
03/18/2014 - 11/06/2014	9.96	9.96	-	-	0.01%	0.60%	0.60%	(0.38%)	(0.38%)
Schwab VIT Balanced									
2018	$10.51	$11.95	4,934,852	$58,844,444	1.33%	0.60%	1.00%	(5.59%)	(5.21%)
2017	11.13	12.61	4,673,447	58,777,056	1.19%	0.60%	1.00%	8.91%	9.35%
2016	10.22	11.53	4,573,038	52,603,578	1.06%	0.60%	1.00%	3.74%	4.15%
2015	9.85	11.07	4,158,299	45,981,448	1.02%	0.60%	1.00%	(2.59%)	(2.59%)
2014	11.36	11.36	3,592,206	40,815,210	0.58%	0.60%	0.60%	3.53%	3.53%
Schwab VIT Balanced with Growth									
2018	$10.79	$12.83	10,008,190	$126,869,239	1.54%	0.60%	1.00%	(7.64%)	(7.26%)
2017	11.68	13.83	10,035,039	137,192,784	1.38%	0.60%	1.00%	12.57%	13.02%
2016	10.38	12.24	10,156,593	122,988,482	1.29%	0.60%	1.00%	5.32%	5.74%
2015	9.85	11.58	9,449,983	108,559,408	1.24%	0.60%	1.00%	(3.06%)	(3.06%)
2014	11.94	11.94	7,816,994	93,344,353	0.76%	0.60%	0.60%	3.53%	3.53%
Schwab VIT Growth									
2018	$11.08	$13.87	9,611,058	$132,422,989	1.49%	0.60%	1.00%	(9.27%)	(8.91%)
2017	12.21	15.22	9,505,102	143,880,388	1.34%	0.60%	1.00%	15.98%	16.44%
2016	10.53	13.07	9,713,795	126,342,860	1.36%	0.60%	1.00%	6.60%	7.02%
2015	9.88	12.22	9,591,644	116,693,982	1.30%	0.60%	1.00%	(3.43%)	(3.43%)
2014	12.65	12.65	8,114,949	102,661,192	0.80%	0.60%	0.60%	3.35%	3.35%
State Street Total Return V.I.S. Class 3									
2018	$10.05	$19.66	26,335,073	$404,148,979	1.86%	0.30%	2.00%	(8.47%)	(6.89%)
2017	10.93	21.13	28,254,998	478,275,225	1.73%	0.30%	2.00%	12.99%	14.92%
2016	10.16	18.41	30,770,276	465,604,170	1.58%	0.30%	2.00%	3.99%	5.66%
2015	10.67	17.42	33,170,514	487,260,624	1.52%	0.40%	2.00%	(3.30%)	(1.74%)
2014	11.01	17.73	33,433,586	514,307,423	1.52%	0.40%	2.00%	2.99%	4.65%

Variable Accounts For Each Year	At the End of Each Year AUV (1) Lowest	Highest	Units Outstanding	Net Assets	Investment Income Ratios (2)	Expense Ratios (3) Lowest	Highest	Total Returns (4) Lowest	Highest
VanEck VIP Global Hard Assets Class S									
2018	$5.15	$6.78	2,121,470	$11,751,306	0.00%	0.30%	2.00%	(29.85%)	(28.64%)
2017	7.34	9.50	2,200,630	17,210,080	0.00%	0.30%	2.00%	(3.91%)	(2.36%)
2016	7.63	8.40	2,635,249	21,129,905	0.28%	0.40%	2.00%	40.58%	42.84%
2015	5.43	5.93	1,604,342	9,153,344	0.03%	0.40%	2.00%	(34.94%)	(33.89%)
2014	8.27	9.04	908,958	7,848,908	0.00%	0.40%	2.00%	(20.95%)	(19.67%)

(1) The AUV is presented as a range from lowest to highest based on the ending AUV for all product groupings as of December 31 of each year or period ended. The lowest and highest AUV may be the same for a variable account if there is only one product which had investments at the end of the year or period.

(2) The investment income ratios represent the dividends, excluding distributions of capital gains, received by the variable accounts from the underlying portfolios/funds, divided by the average daily net assets (See Note 3 in Notes to Financial Statements for information on dividends and distributions). These ratios exclude those expenses, such as mortality and expense risk ("M&E") fees, administrative fees, and additional death benefit rider charges, if any, that are assessed against contract owner accounts, either through reductions in the unit values or the redemption of units. The recognition of investment income by the variable accounts is affected by the timing of the declaration of dividends by the underlying portfolios/funds in which the variable accounts invest. The investment income ratios for periods of less than one full year are annualized.

(3) The expense ratios represent annualized contract fees and expenses of the Separate Account divided by the average daily net assets for each period indicated. These ratios include only those expenses that result in a direct reduction of unit values. Excluded are expenses of the underlying portfolios/funds in which the variable accounts invest and charges made directly to contract owner accounts through the redemption of units (See Note 4 in Notes to Financial Statements). The expense ratios are presented as a range of lowest to highest based on the product groupings. The expense ratios for periods of less than one full year are annualized.

(4) Total returns reflect changes in unit values of the underlying portfolios/funds and deductions for M&E fees, administrative fees, and additional death benefit rider charges, if any, assessed through the daily AUV calculation. These fees and charges are assessed at annual rates ranging from 0.30% to 2.00% based on the average daily net assets of each variable account as discussed in Note 4 in Notes to Financial Statements. Total returns do not include deductions at the separate account or contract level for any premium loads, maintenance fees, premium tax charges, withdrawal and surrender charges, charges for other optional benefit riders, or other charges that may be incurred under a contract which, if incurred, would have resulted in lower returns. Total returns are presented as a range from lowest to highest values based on the product grouping representing the minimum to maximum expense ratio amounts. Total returns for those contracts which commenced operations subsequent to the beginning of the year or period indicated for each variable account may not be within the ranges presented, and these contracts are excluded when calculating the total returns from lowest to highest as presented in the table. Total returns are calculated for each period indicated and are not annualized for periods of less than one full year.

(5) Subsequent to commencement of operations, the American Funds IS Blue Chip Income and Growth Class 4, American Funds IS Bond Class 4, American Funds IS Global Balanced Class 4, and American Funds IS High-Income Bond Class 4 Variable Accounts received their annual distributions. The annualized investment income ratios were 11.92%, 12.14%, 10.77%, and 41.92%, respectively. Prior to annualization, the ratios were 1.60%, 1.27%, 1.10%, and 5.38%, respectively.

SEPARATE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

The Separate Account A (the "Separate Account") of Pacific Life Insurance Company ("Pacific Life") is registered as a unit investment trust under the Investment Company Act of 1940, as amended. The Separate Account consists of subaccounts (each, a "Variable Account" and collectively, the "Variable Accounts") which invest in shares of corresponding portfolios or funds (each, a "Portfolio" and collectively, the "Portfolios") of registered investment management companies (each, a "Fund" and collectively, the "Funds"). As of December 31, 2018, the Fund investment options are Pacific Select Fund (See Note 4), AIM Variable Insurance Funds (Invesco Variable Insurance Funds), American Century Variable Portfolios, Inc., American Funds Insurance Series®, BlackRock Variable Series Funds, Inc., Fidelity Variable Insurance Products Funds, First Trust Variable Insurance Trust, Franklin Templeton Variable Insurance Products Trust, Ivy Variable Insurance Portfolios, Janus Aspen Series, JPMorgan Insurance Trust, Legg Mason Partners Variable Equity Trust, Lord Abbett Series Fund, Inc., MFS Variable Insurance Trust, Neuberger Berman Advisers Management Trust, Oppenheimer Variable Account Funds, PIMCO Variable Insurance Trust, Prudential Series Fund, Schwab Annuity Portfolios, State Street Variable Insurance Series Funds, Inc., and Van Eck VIP Trust. The Variable Accounts which have not commenced operations as of December 31, 2018 are not presented in this annual report.

Each of the Portfolios pursues different investment objectives and policies. The financial statements of the Funds, including the schedules of investments, are provided separately and should be read in conjunction with the Separate Account's financial statements.

On March 29, 2018, the BlackRock iShares Dynamic Fixed Income V.I. Class I and BlackRock iShares Equity Appreciation V.I. Class I Variable Accounts were liquidated. On August 31, 2018, the BlackRock iShares Alternative Strategies V.I. Class I Variable Account was liquidated. Any units that remained in each of these three BlackRock Variable Accounts (the "Liquidated BlackRock Variable Accounts") after the close of business on the liquidation dates were transferred to the Fidelity VIP Government Money Market Service Class Variable Account. Such transfers were based on the applicable Variable Accounts' accumulation unit values and the relative net asset values of the respective Portfolios as of the close of the business of the liquidation dates. Because the Liquidated BlackRock Variable Accounts were liquidated prior to December 31, 2018, no other information for the Liquidated BlackRock Variable Accounts are included in this annual report.

On June 28, 2018, the net assets of the Pacific Select Fund's Long/Short Large-Cap Portfolio Class I, the underlying Portfolio for the Long/Short Large-Cap Variable Account, were transferred to the Pacific Select Fund Main Street Core Portfolio Class I, the underlying Portfolio for the Main Street Core Variable Account through a reorganization (the "Reorganization"). In connection with the Reorganization, any units that remained in the Long/Short Large-Cap Variable Account after the close of business on June 28, 2018 were transferred to the Main Street Core Variable Account. Such transfers were based on the applicable Variable Account accumulation unit values and the relative net asset values of the respective Portfolios, as of the close of business on June 28, 2018. The Long/Short Large-Cap Variable Account is not included in this annual report.

Under applicable insurance law, the assets and liabilities of the Separate Account are clearly identified and distinguished from the other assets and liabilities of Pacific Life. The assets of the Separate Account will not be charged with any liabilities arising out of any other business conducted by Pacific Life, but the obligations of the Separate Account, including benefits related to variable annuity contracts, are obligations of Pacific Life.

The Separate Account funds individual flexible premium deferred variable annuity contracts (the "Contracts"). The investments of the Separate Account are carried at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Separate Account in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Separate Account qualifies as an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to Investment Companies Topic of U.S. GAAP.

A. Valuation of Investments

Investments in shares of the Portfolios are valued at the reported net asset values of the respective Portfolios. Valuation of securities held by the Funds is discussed in the notes to their financial statements.

B. Security Transactions and Income

Transactions are recorded on the trade date. Realized gains and losses on sales of investments are determined on the basis of identified cost. Dividends and capital gains distributions, if any, from mutual fund investments are recorded on the ex-dividend date.

C. Federal Income Taxes

The operations of the Separate Account are included within the total operations of Pacific Life, which files income tax returns as part of the Pacific Mutual Holding Company consolidated federal income tax return. Under the current tax law, no federal income taxes are expected to be paid with respect to the operations of the Separate Account and no changes were made as a result of the enactment of the Tax Cuts and Jobs Act. Pacific Life will periodically review the status of this policy in the event of changes in the tax law.

D. Contracts in Payout Period

Net assets allocated to Contracts in payout period are computed, on a current basis, according to the Annuity 2000 Mortality Table or 2012 IAR Mortality Table depending on the year of annuitization. The assumed investment return is 4.0 or 5.0 percent depending on the product. The mortality risk is fully borne by Pacific Life and may result in additional amounts being transferred into the Variable Accounts by Pacific Life to cover greater longevity of annuitants than expected. Conversely, if amounts allocated exceed the amounts required, transfers may be made to Pacific Life. These transfers, if any, are shown as adjustments to net assets allocated to contracts in payout (annuitization) period in the accompanying Statements of Changes in Net Assets.

3. DIVIDENDS AND DISTRIBUTIONS FROM MUTUAL FUND INVESTMENTS

All dividend and capital gain distributions, if any, received from the Portfolios are reinvested in additional full and fractional shares of the related Portfolios and are recorded by the Variable Accounts on the ex-dividend date.

Each of the Portfolios in the Pacific Select Fund is treated as a partnership for federal income tax purposes only (the “Partnership Portfolios”). The Partnership Portfolios are not required to distribute taxable income and capital gains for federal income tax purposes. Therefore, no dividend or capital gain distributions were received from any Portfolios in the Pacific Select Fund nor were they recorded by the applicable Variable Accounts in the Statements of Operations for the year ended December 31, 2018.

4. CHARGES AND EXPENSES AND RELATED PARTY TRANSACTIONS

Pacific Life deducts from the Separate Account daily charges for mortality and expense risks ("M&E") and administrative fees Pacific Life assumes, and any additional death benefit rider charges, if applicable. Contracts funded by the Separate Account currently being sold or administered, along with the total annual expense ratios, are summarized in the following table. The mortality risk assumed by Pacific Life is the risk that the annuitant will live longer than predicted and will receive more annuity payments than anticipated. Pacific Life also assumes mortality risk in connection with any death benefit paid under the Contracts. The expense risk assumed is that expenses incurred in administering the Contracts and the Separate Account will exceed the amounts realized from fees and charges assessed against the Contracts. These charges are assessed daily at the following annual rates based on the average daily net assets of each Variable Account and result in a direct reduction in unit values. M&E fees and administrative fees are included in the Statements of Operations.

	Death Benefit Options		
Pacific Choice Contracts (Without Stepped-Up Death Benefit II Rider Charge)	**Standard Death Benefit With 5 Year Option**	**Standard Death Benefit With 3 Year Option**	**Standard Death Benefit With 0 Year Option**
M&E Charge	0.95%	1.25%	1.35%
Administrative Fee	0.25%	0.25%	0.25%
Total Annual Expenses	1.20%	1.50%	1.60%
Pacific Choice Contracts (With Stepped-Up Death Benefit II Rider Charge)			
M&E Charge	0.95%	1.25%	1.35%
Administrative Fee	0.25%	0.25%	0.25%
Death Benefit Rider Charge	0.20%	0.20%	0.20%
Total Annual Expenses	1.40%	1.70%	1.80%

Pacific Destinations and Pacific Destination O - Series Contracts	Standard Death Benefit	With Stepped-Up Death Benefit Rider or Stepped-Up Death Benefit II Rider
M&E Charge	0.60%	0.60%
Administrative Fee	0.15%	0.15%
Death Benefit Rider Charge	None	0.20%
Total Annual Expenses	0.75%	0.95%

Pacific Journey Select Contracts	Without Stepped-Up Death Benefit Rider and Four Year Withdrawal Charge Option	With Stepped-Up Death Benefit Rider Only	With Four Year Withdrawal Charge Option Only	With Stepped-Up Death Benefit Rider and Four Year Withdrawal Charge Option
M&E Charge	0.95%	0.95%	0.95%	0.95%
Administrative Fee	0.15%	0.15%	0.15%	0.15%
Death Benefit Rider Charge	None	0.20%	None	0.20%
Four Year Withdrawal Charge	None	None	0.35%	0.35%
Total Annual Expenses	1.10%	1.30%	1.45%	1.65%

	Death Benefit Options			
Pacific Navigator Contracts	**Without Stepped-Up Death Benefit Rider II and Four Year Withdrawal Charge Option**	**With Stepped-Up Death Benefit Rider II Only**	**With Four Year Withdrawal Charge Option Only**	**With Stepped-Up Death Benefit Rider II and Four Year Withdrawal Charge Option**
M&E Charge	1.05%	1.05%	1.05%	1.05%
Administrative Fee	0.25%	0.25%	0.25%	0.25%
Death Benefit Rider Charge	None	0.20%	None	0.20%
Four Year Withdrawal Charge	None	None	0.45%	0.45%
Total Annual Expenses	1.30%	1.50%	1.75%	1.95%

Pacific Destinations B Contracts	**Standard Death Benefit**	**With Stepped-Up Death Benefit Rider**	**With Premier Death Benefit Rider**
M&E Charge	1.15%	1.15%	
Administrative Fee	0.15%	0.15%	
Death Benefit Rider Charge	None	0.20%	
Total Annual Expenses	1.30%	1.50%	
Pacific Journey Contracts			
M&E Charge	0.90%	0.90%	
Administrative Fee	0.15%	0.15%	
Death Benefit Rider Charge	None	0.20%	
Total Annual Expenses	1.05%	1.25%	
Pacific Odyssey Contracts (issued on or after 12/1/2016)			
M&E Charge	0.15%	0.15%	
Administrative Fee	0.15%	0.15%	
Death Benefit Rider Charge	None	0.20%	
Total Annual Expenses	0.30%	0.50%	
Pacific Odyssey Contracts (issued prior to 12/1/2016)			
M&E Charge	0.15%	0.15%	0.15%
Administrative Fee	0.25%	0.25%	0.25%
Death Benefit Rider Charge	None	0.20%	0.35%
Total Annual Expenses	0.40%	0.60%	0.75%
Pacific One and Pacific Portfolios Contracts			
M&E Charge	1.25%	1.25%	
Administrative Fee	0.15%	0.15%	
Death Benefit Rider Charge	None	0.20%	
Total Annual Expenses	1.40%	1.60%	
Pacific One Select (issued on or after 8/1/2006) and Pacific Value Edge Contracts			
M&E Charge	1.50%	1.50%	
Administrative Fee	0.25%	0.25%	
Death Benefit Rider Charge	None	0.20%	
Total Annual Expenses	1.75%	1.95%	
Pacific One Select (issued prior to 8/1/2006) and Pacific Innovations Select Contracts			
M&E Charge	1.40%	1.40%	1.40%
Administrative Fee	0.25%	0.25%	0.25%
Death Benefit Rider Charge	None	0.20%	0.35%
Total Annual Expenses	1.65%	1.85%	2.00%

	Death Benefit Options		
Pacific Value and Pacific Innovations Contracts	**Standard Death Benefit**	**With Stepped-Up Death Benefit Rider**	**With Premier Death Benefit Rider**
M&E Charge	1.25%	1.25%	1.25%
Administrative Fee	0.15%	0.15%	0.15%
Death Benefit Rider Charge	None	0.20%	0.35%
Total Annual Expenses	1.40%	1.60%	1.75%
Pacific Value Select Contracts			
M&E Charge	1.45%	1.45%	
Administrative Fee	0.15%	0.15%	
Death Benefit Rider Charge	None	0.20%	
Total Annual Expenses	1.60%	1.80%	
Pacific Voyages Contracts			
M&E Charge	1.00%	1.00%	
Administrative Fee	0.15%	0.15%	
Death Benefit Rider Charge	None	0.20%	
Total Annual Expenses	1.15%	1.35%	
Schwab Retirement Income Variable Annuity Contracts	**Standard Death Benefit**	**With Return of Purchase Payments Death Benefit Rider**	**With Stepped-Up Death Benefit Rider**
M&E Charge	0.35%	0.35%	0.35%
Administrative Fee	0.25%	0.25%	0.25%
Death Benefit Rider Charge	None	0.20%	0.40%
Total Annual Expenses	0.60%	0.80%	1.00%

Under the Contracts, Pacific Life makes certain deductions from the net assets of each Variable Account through a redemption of units for maintenance fees, any other optional riders, any state premium taxes, and any withdrawal and surrender charges, and are shown as a decrease in net assets from contract owner transactions in the accompanying Statements of Changes in Net Assets. For some Contracts, a surrender charge is imposed if the Contract is partially or fully surrendered within the specified surrender charge period and charges will vary depending on the individual Contract. Most Contracts offer optional benefits that can be added to the Contract by rider. The charges for riders can range depending on the individual Contract. These fees and charges are assessed directly to each Contract owner account through redemption of units. Withdrawal and surrender charges are included in contract benefits and terminations; and maintenance fees, any other optional benefit riders and state premium taxes are included in contract charges and deductions in the accompanying Statements of Changes in Net Assets. The operating expenses of the Separate Account are paid by Pacific Life and are not reflected in the accompanying financial statements.

In addition to charges and expenses described above, the Variable Accounts also indirectly bear a portion of the operating expenses of the applicable Portfolios in which they invest.

The assets of certain Variable Accounts invest in Class I or Class D shares of the corresponding Portfolios of the Pacific Select Fund ("PSF"). Each Portfolio of PSF pays an advisory fee to Pacific Life Fund Advisors LLC (“PLFA”), a wholly-owned subsidiary of Pacific Life, pursuant to PSF's Investment Advisory Agreement and pays a class-specific non-12b-1 service fee for class I shares and a class-specific 12b-1 distribution and service fee for class D shares to Pacific Select Distributors, LLC ("PSD"), also a wholly-owned subsidiary of Pacific Life, for providing shareholder servicing activities under PSF's non-12b-1 Service Plan and 12b-1 Distribution and Service Plan. Each Portfolio of PSF also compensates Pacific Life and PLFA on an approximate cost basis pursuant to PSF's Agreement for Support Services for providing services to PSF that are outside the scope of the Investment Adviser’s responsibilities under the Investment Advisory Agreement. The advisory fee and distribution and/or service fee rates are disclosed in the Notes to Financial Statements of PSF, which are provided separately. For the year ended December 31, 2018, PLFA received net advisory fees from the corresponding Portfolios of PSF at effective annual rates ranging from 0.05% to 1.00%, and PSD received a non-12b-1 service fee of 0.20% on Class I shares only and a 12b-1 service fee of 0.20% and a distribution fee of 0.05% on Class D shares only, all of which are based on the average daily net assets of each Portfolio.

5. RELATED PARTY AGREEMENT

PSD serves as principal underwriter of the Contracts funded by interests in the Separate Account, without remuneration from the Separate Account.

6. FAIR VALUE MEASUREMENTS

The Variable Accounts characterize their holdings in the Portfolios as Level 1, Level 2, or Level 3 based upon the various inputs or methodologies used to value the holdings. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Quoted prices (unadjusted) in active markets for identical holdings

Level 2 – Significant observable market-based inputs, other than Level 1 quoted prices, or unobservable inputs that are corroborated by market data

Level 3 – Significant unobservable inputs that are not corroborated by observable market data

The inputs or methodologies used for valuing the Variable Accounts' holdings are not necessarily an indication of risks associated with investing in those holdings. As of December 31, 2018, the Variable Accounts' holdings as presented in the Investments section of this report were all categorized as Level 1 under the three-tier hierarchy of inputs.

7. CHANGES IN UNITS OUTSTANDING

The changes in units outstanding for the year or period ended December 31, 2018 and 2017 were as follows:

	2018			2017		
Variable Accounts	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Core Income	517,053	(277,998)	239,055	536,558	(164,626)	371,932
Diversified Bond	3,262,059	(2,838,968)	423,091	3,178,887	(2,418,210)	760,677
Floating Rate Income	3,870,225	(2,006,802)	1,863,423	2,037,993	(1,827,363)	210,630
Floating Rate Loan	5,629,377	(4,269,027)	1,360,350	4,320,065	(4,264,399)	55,666
High Yield Bond	2,667,834	(3,581,110)	(913,276)	3,472,397	(4,227,338)	(754,941)
Inflation Managed	1,693,324	(2,711,687)	(1,018,363)	1,990,396	(2,677,329)	(686,933)
Inflation Strategy	394,833	(374,582)	20,251	352,846	(304,612)	48,234
Managed Bond	4,065,461	(5,166,797)	(1,101,336)	4,286,317	(4,994,296)	(707,979)
Short Duration Bond	7,000,806	(7,762,664)	(761,858)	7,116,030	(5,886,076)	1,229,954
Emerging Markets Debt	828,212	(1,044,234)	(216,022)	1,543,734	(937,822)	605,912
Comstock	1,250,522	(1,677,658)	(427,136)	1,388,249	(2,264,581)	(876,332)
Developing Growth	1,998,105	(2,064,988)	(66,883)	624,478	(1,267,469)	(642,991)
Dividend Growth	2,217,897	(2,838,759)	(620,862)	2,050,369	(2,456,152)	(405,783)
Equity Index	10,844,220	(6,980,160)	3,864,060	11,206,056	(4,804,880)	6,401,176
Focused Growth	1,522,559	(1,458,774)	63,785	1,387,591	(1,244,604)	142,987
Growth	1,833,336	(1,523,246)	310,090	1,586,810	(1,283,254)	303,556
Large-Cap Growth	3,341,220	(2,897,054)	444,166	2,596,620	(2,331,011)	265,609
Large-Cap Value	1,186,681	(1,758,068)	(571,387)	1,392,757	(2,019,776)	(627,019)
Main Street Core	2,027,530	(2,091,838)	(64,308)	1,010,664	(2,103,263)	(1,092,599)
Mid-Cap Equity	1,492,315	(1,435,349)	56,966	1,675,349	(1,560,626)	114,723
Mid-Cap Growth	2,261,377	(2,578,195)	(316,818)	1,625,123	(2,043,652)	(418,529)
Mid-Cap Value	939,195	(995,971)	(56,776)	1,091,071	(925,063)	166,008
Small-Cap Equity	697,097	(558,271)	138,826	820,759	(950,227)	(129,468)
Small-Cap Index	2,758,051	(2,032,080)	725,971	2,890,211	(1,938,885)	951,326
Small-Cap Value	852,641	(988,317)	(135,676)	1,282,700	(1,400,066)	(117,366)
Value Advantage	730,953	(540,705)	190,248	813,207	(651,912)	161,295
Emerging Markets	2,773,068	(2,499,379)	273,689	2,951,580	(2,134,451)	817,129
International Large-Cap	2,239,029	(2,701,474)	(462,445)	2,074,178	(3,883,530)	(1,809,352)
International Small-Cap	819,373	(820,143)	(770)	749,142	(915,708)	(166,566)
International Value	1,458,711	(1,698,282)	(239,571)	1,181,050	(2,197,738)	(1,016,688)
Health Sciences	1,781,284	(1,837,532)	(56,248)	1,803,965	(1,894,522)	(90,557)
Real Estate	819,969	(1,634,627)	(814,658)	1,044,912	(1,268,311)	(223,399)
Technology	3,176,788	(2,807,781)	369,007	2,793,432	(2,060,394)	733,038
Currency Strategies	100,741	(112,558)	(11,817)	79,000	(129,573)	(50,573)
Diversified Alternatives	180,329	(142,058)	38,271	150,680	(53,704)	96,976
Equity Long/Short	567,317	(404,459)	162,858	532,691	(347,451)	185,240
Global Absolute Return	194,234	(253,006)	(58,772)	290,344	(175,148)	115,196
Pacific Dynamix - Conservative Growth	6,067,704	(6,278,898)	(211,194)	5,460,408	(5,708,816)	(248,408)
Pacific Dynamix - Moderate Growth	23,239,431	(21,025,573)	2,213,858	27,006,346	(16,043,249)	10,963,097
Pacific Dynamix - Growth	7,285,860	(6,685,068)	600,792	9,058,711	(6,590,728)	2,467,983

Variable Accounts	2018 Units Issued	2018 Units Redeemed	2018 Net Increase (Decrease)	2017 Units Issued	2017 Units Redeemed	2017 Net Increase (Decrease)
Portfolio Optimization Conservative	20,730,446	(38,934,198)	(18,203,752)	14,293,374	(39,151,107)	(24,857,733)
Portfolio Optimization Moderate-Conservative	8,841,424	(38,219,095)	(29,377,671)	11,103,845	(38,893,504)	(27,789,659)
Portfolio Optimization Moderate	25,919,427	(127,996,493)	(102,077,066)	28,174,547	(131,499,431)	(103,324,884)
Portfolio Optimization Growth	13,374,214	(95,684,716)	(82,310,502)	16,887,960	(102,619,935)	(85,731,975)
Portfolio Optimization Aggressive-Growth	5,419,249	(20,320,805)	(14,901,556)	4,545,834	(22,076,892)	(17,531,058)
PSF DFA Balanced Allocation	7,541,142	(1,699,537)	5,841,605	5,798,064	(701,283)	5,096,781
Invesco V.I. Balanced-Risk Allocation Series II	3,010,449	(5,643,763)	(2,633,314)	4,589,542	(6,654,228)	(2,064,686)
Invesco V.I. Equity and Income Series II	1,027,941	(622,546)	405,395	1,627,906	(1,341,550)	286,356
Invesco V.I. Global Real Estate Series II	319,621	(242,737)	76,884	288,467	(118,968)	169,499
American Century VP Mid Cap Value Class II	1,050,999	(852,550)	198,449	1,826,555	(1,826,800)	(245)
American Funds IS Asset Allocation Class 4	44,667,650	(38,861,058)	5,806,592	47,159,493	(38,000,860)	9,158,633
American Funds IS Blue Chip Income and Growth Class 4	2,875,425	(1,377,778)	1,497,647	3,345,946	(2,099,285)	1,246,661
American Funds IS Bond Class 4	2,283,674	(706,674)	1,577,000	1,898,752	(350,650)	1,548,102
American Funds IS Capital Income Builder Class 4	1,996,677	(1,078,046)	918,631	1,788,870	(772,959)	1,015,911
American Funds IS Global Balanced Class 4	2,205,794	(1,183,706)	1,022,088	2,714,922	(315,259)	2,399,663
American Funds IS Global Bond Class 4	692,987	(270,456)	422,531	535,789	(132,798)	402,991
American Funds IS Global Growth and Income Class 4	1,168,880	(406,107)	762,773	1,126,619	(191,354)	935,265
American Funds IS Global Growth Class 4	2,329,588	(1,119,505)	1,210,083	2,039,109	(698,645)	1,340,464
American Funds IS Global Small Capitalization Class 4	912,756	(147,000)	765,756	493,914	(57,185)	436,729
American Funds IS Growth Class 4	6,921,925	(6,136,266)	785,659	6,074,525	(4,833,195)	1,241,330
American Funds IS Growth-Income Class 4	4,818,224	(4,689,485)	128,739	3,891,954	(4,370,383)	(478,429)
American Funds IS High-Income Bond Class 4	958,769	(787,710)	171,059	1,120,111	(463,357)	656,754
American Funds IS International Class 4	2,424,645	(970,864)	1,453,781	2,190,468	(617,123)	1,573,345
American Funds IS International Growth and Income Class 4	1,416,630	(967,080)	449,550	1,087,611	(480,541)	607,070
American Funds IS Managed Risk Asset Allocation Class P2	3,033,276	(2,207,174)	826,102	3,477,845	(1,696,434)	1,781,411
American Funds IS New World Fund Class 4	1,616,156	(921,360)	694,796	1,835,459	(835,716)	999,743
American Funds IS U.S. Government/AAA-Rated Securities Class 4	1,733,113	(1,377,519)	355,594	1,665,562	(2,417,002)	(751,440)
BlackRock Capital Appreciation V.I. Class III	97,695	(340,802)	(243,107)	57,566	(400,551)	(342,985)
BlackRock Global Allocation V.I. Class III	9,026,291	(28,321,306)	(19,295,015)	10,595,202	(27,943,658)	(17,348,456)
BlackRock iShares Dynamic Allocation V.I. Class I	741,825	(577,557)	164,268	535,144	(236,525)	298,619
Fidelity VIP Contrafund Service Class 2	3,195,259	(2,410,930)	784,329	3,316,748	(1,529,911)	1,786,837
Fidelity VIP FundsManager 60% Service Class 2	5,996,014	(3,704,543)	2,291,471	4,373,328	(2,829,757)	1,543,571
Fidelity VIP Government Money Market Service Class	47,036,828	(40,777,997)	6,258,831	30,722,574	(35,110,797)	(4,388,223)
Fidelity VIP Strategic Income Service Class 2	2,084,124	(1,393,794)	690,330	2,253,555	(1,076,201)	1,177,354
First Trust Dorsey Wright Tactical Core Class I	1,668,410	(372,700)	1,295,710	690,913	(171,891)	519,022
First Trust/Dow Jones Dividend & Income Allocation Class I	9,498,038	(8,176,424)	1,321,614	10,317,056	(7,446,637)	2,870,419
First Trust Multi Income Allocation Class I	669,653	(243,602)	426,051	245,447	(280,582)	(35,135)
Franklin Founding Funds Allocation VIP Class 2	157,666	(134,646)	23,020	146,550	(98,520)	48,030
Franklin Founding Funds Allocation VIP Class 4	955,405	(4,830,836)	(3,875,431)	2,203,321	(4,573,881)	(2,370,560)
Franklin Income VIP Class 2	1,186,580	(917,668)	268,912	2,015,357	(650,059)	1,365,298
Franklin Mutual Global Discovery VIP Class 2	1,244,432	(1,800,926)	(556,494)	2,114,766	(2,108,136)	6,630
Franklin Rising Dividends VIP Class 2	2,025,384	(2,136,687)	(111,303)	2,293,670	(2,254,569)	39,101
Templeton Global Bond VIP Class 2	2,549,808	(2,483,058)	66,750	2,410,707	(1,732,869)	677,838
Ivy VIP Asset Strategy Class II	217,598	(304,816)	(87,218)	148,119	(400,333)	(252,214)
Ivy VIP Energy Class II	1,418,672	(1,104,082)	314,590	1,327,084	(1,562,714)	(235,630)
Janus Aspen Series Balanced Service Shares	45,214,299	(16,623,286)	28,591,013	31,396,179	(15,002,857)	16,393,322
Janus Aspen Series Flexible Bond Service Shares	521,402	(720,774)	(199,372)	730,683	(561,576)	169,107
JPMorgan Insurance Trust Core Bond Class 1	-	(13,222)	(13,222)	330	(4,425)	(4,095)
JPMorgan Insurance Trust Global Allocation Class 2	336,625	(97,642)	238,983	375,769	(47,275)	328,494
JPMorgan Insurance Trust Income Builder Class 2	280,863	(166,437)	114,426	299,170	(186,959)	112,211
JPMorgan Insurance Trust Mid Cap Value Class 1	-	(8)	(8)	-	(432)	(432)
JPMorgan Insurance Trust U.S. Equity Class 1	-	(1,741)	(1,741)	-	(24)	(24)
ClearBridge Variable Aggressive Growth - Class II	411,586	(316,595)	94,991	411,320	(203,477)	207,843
Lord Abbett Bond Debenture Class VC	2,442,617	(1,829,863)	612,754	2,677,555	(1,424,721)	1,252,834
Lord Abbett International Equity Class VC	899,624	(519,303)	380,321	351,414	(770,888)	(419,474)
Lord Abbett Total Return Class VC	2,980,605	(3,248,738)	(268,133)	3,496,613	(3,033,198)	463,415

	2018			2017		
Variable Accounts	**Units Issued**	**Units Redeemed**	**Net Increase (Decrease)**	**Units Issued**	**Units Redeemed**	**Net Increase (Decrease)**
MFS Total Return Series - Service Class	4,406,828	(6,992,100)	(2,585,272)	7,404,597	(5,072,833)	2,331,764
MFS Utilities Series - Service Class	1,170,962	(845,051)	325,911	840,732	(808,734)	31,998
MFS Value Series - Service Class	328,512	(429,144)	(100,632)	297,962	(454,197)	(156,235)
MFS Massachusetts Investors Growth Stock - Service Class	187,384	(912,556)	(725,172)	187,688	(1,017,936)	(830,248)
Neuberger Berman U.S. Equity Index PutWrite Strategy Class S	58,039	(22,009)	36,030	29,336	(7,697)	21,639
Oppenheimer Global Fund/VA Service Shares	1,033,769	(1,056,000)	(22,231)	1,477,044	(263,504)	1,213,540
Oppenheimer International Growth Fund/VA Service Shares	626,001	(293,942)	332,059	711,352	(168,788)	542,564
PIMCO All Asset All Authority - Advisor Class	19,165	(127,484)	(108,319)	24,952	(138,902)	(113,950)
PIMCO CommodityRealReturn Strategy - Advisor Class	652,654	(509,038)	143,616	403,482	(515,430)	(111,948)
Jennison Class II	-	(4,056)	(4,056)	37,198	(48,612)	(11,414)
SP International Growth Class II	-	(297)	(297)	-	(11,356)	(11,356)
SP Prudential U.S. Emerging Growth Class II	-	(334)	(334)	-	(10,986)	(10,986)
Value Class II	-	(368)	(368)	-	(1,301)	(1,301)
Schwab Government Money Market	34,233	(34,233)	-			
Schwab VIT Balanced	885,705	(624,300)	261,405	791,857	(691,448)	100,409
Schwab VIT Balanced with Growth	991,182	(1,018,031)	(26,849)	918,280	(1,039,834)	(121,554)
Schwab VIT Growth	1,071,019	(965,063)	105,956	834,200	(1,042,893)	(208,693)
State Street Total Return V.I.S. Class 3	3,248,720	(5,168,645)	(1,919,925)	2,213,532	(4,728,810)	(2,515,278)
VanEck VIP Global Hard Assets Class S	718,937	(798,097)	(79,160)	939,020	(1,373,639)	(434,619)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Pacific Life Insurance Company:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statements of assets and liabilities of Separate Account A of Pacific Life Insurance Company (the "Separate Account") comprising the Core Income, Diversified Bond, Floating Rate Income, Floating Rate Loan, High Yield Bond, Inflation Managed, Inflation Strategy, Managed Bond, Short Duration Bond, Emerging Markets Debt, Comstock, Developing Growth, Dividend Growth, Equity Index, Focused Growth, Growth, Large-Cap Growth, Large-Cap Value, Main® Street Core, Mid-Cap Equity, Mid-Cap Growth, Mid-Cap Value, Small-Cap Equity, Small-Cap Index, Small-Cap Value, Value Advantage, Emerging Markets, International Large-Cap, International Small-Cap, International Value, Health Sciences, Real Estate, Technology, Currency Strategies, Diversified Alternatives, Equity Long/Short, Global Absolute Return, Pacific Dynamix - Conservative Growth, Pacific Dynamix - Moderate Growth, Pacific Dynamix - Growth, Portfolio Optimization Conservative, Portfolio Optimization Moderate-Conservative, Portfolio Optimization Moderate, Portfolio Optimization Growth, Portfolio Optimization Aggressive-Growth, PSF DFA Balanced Allocation, Invesco V.I. Balanced-Risk Allocation Series II, Invesco V.I. Equity and Income Series II, Invesco V.I. Global Real Estate Series II, American Century VP Mid Cap Value Class II, American Funds IS Asset Allocation Fund Class 4 , American Funds IS Blue Chip Income and Growth Class 4, American Funds IS Bond Class 4, American Funds IS Capital Income Builder® Class 4 , American Funds IS Global Balanced Class 4, American Funds IS Global Bond Class 4, American Funds IS Global Growth and Income Class 4, American Funds IS Global Growth Class 4, American Funds IS Global Small Capitalization Class 4, American Funds IS Growth Class 4 , American Funds IS Growth-Income Class 4, American Funds IS High-Income Bond Class 4, American Funds IS International Class 4, American Funds IS International Growth and Income Class 4, American Funds IS Managed Risk Asset Allocation Class P2, American Funds IS New World Fund® Class 4, American Funds IS U.S. Government/AAA-Rated Securities Class 4, BlackRock® Capital Appreciation V.I. Class III, BlackRock Global Allocation V.I. Class III, BlackRock iShares® Dynamic Allocation V.I. Class I, Fidelity® VIP Contrafund® Service Class 2, Fidelity VIP FundsManager® 60% Service Class 2, Fidelity VIP Government Money Market Service Class, Fidelity VIP Strategic Income Service Class 2, First Trust Dorsey Wright Tactical Core Class I, First Trust/Dow Jones Dividend & Income Allocation Class I, First Trust Multi Income Allocation Class I, Franklin Founding Funds Allocation VIP Class 2, Franklin Founding Funds Allocation VIP Class 4, Franklin Income VIP Class 2, Franklin Mutual Global Discovery VIP Class 2, Franklin Rising Dividends VIP Class 2, Templeton Global Bond VIP Class 2, Ivy VIP Asset Strategy Class II, Ivy VIP Energy Class II, Janus Henderson Balanced Service Shares, Janus Henderson Flexible Bond Service Shares, JPMorgan Insurance Trust Core Bond Class 1, JPMorgan Insurance Trust Global Allocation Class 2, JPMorgan Insurance Trust Income Builder Class 2, JPMorgan Insurance Trust Mid Cap Value Class 1, JPMorgan Insurance Trust U.S. Equity Class 1, ClearBridge Variable Aggressive Growth - Class II, Lord Abbett Bond Debenture Class VC, Lord Abbett International Equity Class VC, Lord Abbett Total Return Class VC, MFS® Total Return Series - Service Class, MFS Utilities Series - Service Class, MFS Value Series - Service Class, MFS Massachusetts Investors Growth Stock - Service Class, Neuberger Berman U.S. Equity Index PutWrite Strategy Class S, Oppenheimer Global Fund/VA Service Shares, Oppenheimer International Growth Fund/VA Service Shares, PIMCO All Asset All Authority - Advisor Class, PIMCO CommodityRealReturn® Strategy - Advisor Class, Jennison Class II, SP International Growth Class II, SP Prudential U.S. Emerging Growth Class II, Value Class II, Schwab Government Money Market, Schwab VIT Balanced, Schwab VIT Balanced with Growth, Schwab VIT Growth, State Street Total Return V.I.S. Class 3 and VanEck VIP Global Hard Assets Class S, (collectively, the “Variable Accounts”) including the schedules of investments as of December 31, 2018; the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended for Diversified Bond, Floating Rate Income, Floating Rate Loan, High Yield Bond, Inflation Managed, Inflation Strategy, Managed Bond, Short Duration Bond, Emerging Markets Debt, Comstock, Developing Growth, Dividend Growth, Equity Index, Focused Growth, Growth, Large-Cap Growth, Large-Cap Value, Main Street Core, Mid-Cap Equity, Mid-Cap Growth, Mid-Cap Value, Small-Cap Equity, Small-Cap Index, Small-Cap Value, Value Advantage, Emerging Markets, International Large-Cap, International Small-Cap, International Value, Health Sciences, Real Estate, Technology, Currency Strategies, Global Absolute Return, Pacific Dynamix - Conservative Growth, Pacific Dynamix - Moderate Growth, Pacific Dynamix - Growth, Portfolio Optimization Conservative, Portfolio Optimization Moderate-Conservative, Portfolio Optimization Moderate, Portfolio Optimization Growth, Portfolio Optimization Aggressive-Growth, Invesco V.I. Balanced-Risk Allocation Series II, American Century VP Mid Cap Value Class II, American Funds IS Global Growth Class 4, American Funds IS International Growth and Income Class 4, American Funds IS Managed Risk Asset Allocation Class P2, American Funds IS New World Fund Class 4, American Funds IS U.S. Government/AAA-Rated Securities Class 4, BlackRock Capital Appreciation V.I. Class III, BlackRock Global Allocation V.I. Class III, Fidelity VIP Contrafund Service Class 2, Fidelity VIP FundsManager 60% Service Class 2, Fidelity VIP Strategic Income Service Class 2, First Trust/Dow Jones Dividend & Income Allocation Class I, Franklin Founding Funds Allocation VIP Class 2, Franklin Founding Funds Allocation VIP Class 4, Franklin Mutual Global Discovery VIP Class 2, Franklin Rising Dividends VIP Class 2, Templeton Global Bond VIP Class 2, Janus Henderson Balanced Service Shares, JPMorgan Insurance Trust Core Bond Class 1, JPMorgan Insurance Trust Mid Cap Value Class 1, JPMorgan Insurance Trust U.S. Equity Class 1, Lord Abbett Bond Debenture Class VC, Lord Abbett International Equity Class VC, Lord Abbett Total Return Class VC, MFS Total Return Series - Service Class, MFS Utilities Series -

Service Class, MFS Value Series - Service Class, PIMCO CommodityRealReturn Strategy - Advisor Class, Jennison Class II, SP International Growth Class II, SP Prudential U.S. Emerging Growth Class II, Value Class II, Schwab VIT Balanced, Schwab VIT Balanced with Growth, Schwab VIT Growth, State Street Total Return V.I.S. Class 3 and VanEck VIP Global Hard Assets Class S; the related statements of operations, changes in net assets, and the financial highlights for the periods indicated in the table below for Core Income, Diversified Alternatives, Equity Long/Short, PSF DFA Balanced Allocation, Invesco V.I. Equity and Income Series II , Invesco V.I. Global Real Estate Series II, American Funds IS Asset Allocation Fund Class 4 , American Funds IS Blue Chip Income and Growth Class 4, American Funds IS Bond Class 4, American Funds IS Capital Income Builder Class 4 , American Funds IS Global Balanced Class 4, American Funds IS Global Bond Class 4, American Funds IS Global Growth and Income Class 4, American Funds IS Global Small Capitalization Class 4, American Funds IS Growth Class 4 , American Funds IS Growth-Income Class 4, American Funds IS High-Income Bond Class 4, American Funds IS International Class 4, BlackRock iShares Dynamic Allocation V.I. Class I, Fidelity VIP Government Money Market Service Class, First Trust Dorsey Wright Tactical Core Class I, First Trust Multi Income Allocation Class I, Franklin Income VIP Class 2, Ivy VIP Asset Strategy Class II, Ivy VIP Energy Class II, Janus Henderson Flexible Bond Service Shares, JPMorgan Insurance Trust Global Allocation Class 2, JPMorgan Insurance Trust Income Builder Class 2, ClearBridge Variable Aggressive Growth - Class II, MFS Massachusetts Investors Growth Stock - Service Class, Neuberger Berman U.S. Equity Index PutWrite Strategy Class S, Oppenheimer Global Fund/VA Service Shares, Oppenheimer International Growth Fund/VA Service Shares, PIMCO All Asset All Authority - Advisor Class and Schwab Government Money Market; and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of each of the Variable Accounts constituting the Separate Account A of Pacific Life Insurance Company as of December 31, 2018, and the results of their operations for the year then ended (or for the period listed in the table below), the changes in their net assets for each of the two years in the period then ended (or for the period listed in the table below), and the financial highlights for each of the five years in the period then ended (or for the period listed in the table below), in conformity with accounting principles generally accepted in the United States of America.

Variable Account comprising the Separate Account	Statement of Operations	Statement of Changes in Net Assets	Financial Highlights
Core Income	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from May 4, 2015 (commencement of operations) through December 31, 2015
Diversified Alternatives	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 3, 2015 (commencement of operations) through December 31, 2015
Equity Long/Short	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from May 12, 2015 (commencement of operations) through December 31, 2015
PSF DFA Balanced Allocation	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017 and the period from May 3, 2016 (commencement of operations) through December 31, 2016
Invesco V.I. Equity and Income Series II	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 6, 2014 (commencement of operations) through December 31, 2014
Invesco V.I. Global Real Estate Series II	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from May 4, 2015 (commencement of operations) through December 31, 2015
American Funds IS Asset Allocation Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 13, 2014 (commencement of operations) through December 31, 2014
American Funds IS Blue Chip Income and Growth Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 2, 2015 (commencement of operations) through December 31, 2015
American Funds IS Bond Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 3, 2015 (commencement of operations) through December 31, 2015
American Funds IS Capital Income Builder Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 1, 2014 (commencement of operations) through December 31, 2014

Variable Account comprising the Separate Account	Statement of Operations	Statement of Changes in Net Assets	Financial Highlights
American Funds IS Global Balanced Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 10, 2015 (commencement of operations) through December 31, 2015
American Funds IS Global Bond Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 5, 2015 (commencement of operations) through December 31, 2015
American Funds IS Global Growth and Income Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from October 30, 2015 (commencement of operations) through December 31, 2015
American Funds IS Global Small Capitalization Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 3, 2015 (commencement of operations) through December 31, 2015
American Funds IS Growth Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 13, 2014 (commencement of operations) through December 31, 2014
American Funds IS Growth-Income Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 19, 2014 (commencement of operations) through December 31, 2014
American Funds IS High-Income Bond Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from October 30, 2015 (commencement of operations) through December 31, 2015
American Funds IS International Class 4	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 13, 2014 (commencement of operations) through December 31, 2014
BlackRock iShares Dynamic Allocation V.I. Class I	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 9, 2014 (commencement of operations) through December 31, 2014
Fidelity VIP Government Money Market Service Class	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from April 30, 2014 (commencement of operations) through December 31, 2014
First Trust Dorsey Wright Tactical Core Class I	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 3, 2015 (commencement of operations) through December 31, 2015
First Trust Multi Income Allocation Class I	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 14, 2014 (commencement of operations) through December 31, 2014
Franklin Income VIP Class 2	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from May 6, 2015 (commencement of operations) through December 31, 2015
Ivy VIP Asset Strategy Class II	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 9, 2014 (commencement of operations) through December 31, 2014
Ivy VIP Energy Class II	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from May 1, 2015 (commencement of operations) through December 31, 2015
Janus Henderson Flexible Bond Service Shares	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 6, 2014 (commencement of operations) through December 31, 2014
JPMorgan Insurance Trust Global Allocation Class 2	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from May 4, 2015 (commencement of operations) through December 31, 2015
JPMorgan Insurance Trust Income Builder Class 2	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from May 6, 2015 (commencement of operations) through December 31, 2015

Variable Account comprising the Separate Account	Statement of Operations	Statement of Changes in Net Assets	Financial Highlights
ClearBridge Variable Aggressive Growth - Class II	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 3, 2015 (commencement of operations) through December 31, 2015
MFS Massachusetts Investors Growth Stock - Service Class	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from March 27, 2015 (commencement of operations) through December 31, 2015
Neuberger Berman U.S. Equity Index PutWrite Strategy Class S	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 18, 2015 (commencement of operations) through December 31, 2015
Oppenheimer Global Fund/VA Service Shares	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from November 13, 2015 (commencement of operations) through December 31, 2015
Oppenheimer International Growth Fund/VA Service Shares	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016 and the period from October 30, 2015 (commencement of operations) through December 31, 2015
PIMCO All Asset All Authority - Advisor Class	For the year ended December 31, 2018	For the years ended December 31, 2018 and 2017	For the years ended December 31, 2018, 2017, 2016, 2015 and the period from May 9, 2014 (commencement of operations) through December 31, 2014
Schwab Government Money Market	For the period from May 7, 2018 through September 6, 2018	For the period from May 7, 2018 (commencement of operations) through September 6, 2018	For the period from May 7, 2018(commencement of operations) through September 6, 2018, April 8, 2015(commencement of operations) through December 1, 2015 and the period from March 18,2014 (commencement of operations) through November 6, 2014

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Separate Account's management. Our responsibility is to express an opinion on the Separate Account's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Separate Account in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Separate Account is not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Separate Account's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of investments owned as of December 31, 2018, by correspondence with the transfer agents. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP

Costa Mesa, California
February 25, 2019

We have served as the auditor of Separate Account A of Pacific Life Insurance Company since 1996.

PACIFIC LIFE INSURANCE COMPANY AND SUBSIDIARIES

Consolidated Financial Statements
as of December 31, 2018 and 2017 and
for the years ended December 31, 2018, 2017 and 2016
and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

Pacific Life Insurance Company and Subsidiaries:

We have audited the accompanying consolidated financial statements of Pacific Life Insurance Company and Subsidiaries (the "Company"), which comprise the consolidated statements of financial condition as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2018 and the related notes to consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pacific Life Insurance Company and Subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

March 8, 2019

Pacific Life Insurance Company and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(In Millions, except share data)	December 31, 2018	2017
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value	$51,180	$47,460
Fair value option securities (includes VIE assets of $954 and $621)	1,488	1,182
Mortgage loans (includes VIE assets of $1,800 and $1,800)	14,886	13,558
Policy loans	7,975	7,681
Other investments (includes VIE assets of $572 and $397)	4,039	3,719
TOTAL INVESTMENTS	79,568	73,600
Cash, cash equivalents, and restricted cash (includes VIE assets of $60 and $66)	2,934	2,850
Deferred policy acquisition costs	5,023	4,693
Aircraft, net	9,016	7,834
Other assets (includes VIE assets of $8 and $6)	4,465	4,465
Separate account assets	53,709	61,456
TOTAL ASSETS	$154,715	$154,898
LIABILITIES AND EQUITY		
Liabilities:		
Policyholder account balances	$53,878	$48,765
Future policy benefits	18,095	16,895
Debt (includes VIE debt of $1,594 and $1,658)	11,505	10,251
Fair value option debt (represents VIE debt)	880	462
Other liabilities (includes VIE liabilities of $110 and $108)	4,305	4,174
Separate account liabilities	53,709	61,456
TOTAL LIABILITIES	142,372	142,003
Commitments and contingencies (Note 17)		
Stockholder's Equity:		
Common stock - $50 par value; 600,000 shares authorized, issued and outstanding	30	30
Additional paid-in capital	1,023	1,023
Retained earnings	10,434	9,534
Accumulated other comprehensive income	73	1,613
Total Stockholder's Equity	11,560	12,200
Noncontrolling interests	783	695
TOTAL EQUITY	12,343	12,895
TOTAL LIABILITIES AND EQUITY	$154,715	$154,898

The abbreviation VIE above means variable interest entity.

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
(In Millions)	2018	2017	2016
REVENUES			
Policy fees and insurance premiums	$4,750	$4,347	$4,108
Net investment income	3,247	2,840	2,587
Net investment gain	54	48	110
OTTI, consisting of $15, $11 and $53 in total, net of $0, $0 and $11 recognized in OCI	(15)	(11)	(42)
Investment advisory fees	295	300	294
Aircraft leasing revenue	954	898	1,018
Other income	359	314	379
TOTAL REVENUES	9,644	8,736	8,454
BENEFITS AND EXPENSES			
Policy benefits paid or provided	3,644	3,463	3,182
Interest credited to policyholder account balances	1,490	1,383	1,306
Commission expenses	1,264	769	953
Operating and other expenses	2,205	2,145	2,023
TOTAL BENEFITS AND EXPENSES	8,603	7,760	7,464
INCOME BEFORE PROVISION (BENEFIT) FOR INCOME TAXES	1,041	976	990
Provision (benefit) for income taxes	114	(384)	207
Net income	927	1,360	783
Less: net income attributable to noncontrolling interests	(56)	(6)	(26)
NET INCOME ATTRIBUTABLE TO THE COMPANY	$871	$1,354	$757

The abbreviation OTTI above means other than temporary impairment losses.

The abbreviation OCI above means other comprehensive income (loss).

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In Millions)	Years Ended December 31, 2018	2017	2016
NET INCOME	$927	$1,360	$783
Other comprehensive income (loss), net of tax:			
Gain (loss) on derivatives and unrealized gain (loss) on securities available for sale, net	(1,529)	411	225
Other, net	(8)	8	(4)
Other comprehensive income (loss)	(1,537)	419	221
Comprehensive income (loss)	(610)	1,779	1,004
Less: comprehensive income attributable to noncontrolling interests	(56)	(6)	(26)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	($666)	$1,773	$978

See Notes to Consolidated Financial Statements

Pacific Life Insurance Company and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY

(In Millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholder's Equity	Noncontrolling Interests	Total Equity
BALANCES, JANUARY 1, 2016	**$30**	**$1,012**	**$7,868**	**$688**	**$9,598**	**$88**	**$9,686**
Comprehensive income:							
Net income			757		757	26	783
OCI				221	221		221
Total comprehensive income					978	26	1,004
Assumption of noncontrolling interest		7			7	(7)	—
Change in equity of noncontrolling interests						18	18
BALANCES, DECEMBER 31, 2016	**30**	**1,019**	**8,625**	**909**	**10,583**	**125**	**10,708**
Comprehensive income:							
Net income			1,354		1,354	6	1,360
OCI				419	419		419
Total comprehensive income					1,773	6	1,779
Dividend to parent			(160)		(160)		(160)
Reclassification of deferred tax effects (Note 1)			(285)	285	—		—
Partial sale of subsidiary (Note 6)		4			4	587	591
Change in equity of noncontrolling interests						(23)	(23)
BALANCES, DECEMBER 31, 2017	**30**	**1,023**	**9,534**	**1,613**	**12,200**	**695**	**12,895**
Cumulative effect of adoption of accounting change (Note 1)			29	(3)	26		26
BALANCES, JANUARY 1, 2018	30	1,023	9,563	1,610	12,226	695	12,921
Comprehensive income (loss):							
Net income			871		871	56	927
OCI				(1,537)	(1,537)		(1,537)
Total comprehensive income (loss)					(666)	56	(610)
Change in equity of noncontrolling interests						32	32
BALANCES, DECEMBER 31, 2018	**$30**	**$1,023**	**$10,434**	**$73**	**$11,560**	**$783**	**$12,343**

The abbreviation OCI above means other comprehensive income (loss).

See Notes to Consolidated Financial Statements

Pacific Life Insurance Company and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)	Years Ended December 31, 2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$927	$1,360	$783
Adjustments to reconcile net income to net cash provided by operating activities:			
Net accretion on fixed maturity securities	(45)	(46)	(50)
Depreciation and amortization	467	426	418
Deferred income taxes	235	(643)	123
Net investment gain	(54)	(48)	(110)
Other than temporary impairments	15	11	42
Net change in deferred policy acquisition costs	13	(246)	78
Interest credited to policyholder account balances	1,490	1,383	1,306
Net change in future policy benefits	1,806	1,369	1,398
Other operating activities, net	(200)	341	(107)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,654	3,907	3,881
CASH FLOWS FROM INVESTING ACTIVITIES			
Available for sale securities:			
Purchases	(10,513)	(6,685)	(7,510)
Sales	1,632	994	805
Maturities and repayments	2,216	2,767	2,697
Purchases of fair value option securities	(882)	(673)	
Purchases of equity securities (Note 1)	(266)		
Proceeds from sale of equity securities (Note 1)	641		
Repayments of mortgage loans	740	295	410
Fundings of mortgage loans and real estate	(2,436)	(2,318)	(1,934)
Net change in policy loans	(294)	(244)	(106)
Terminations of derivative instruments, net	445	400	137
Proceeds from nonhedging derivative settlements	311	105	120
Payments for nonhedging derivative settlements	(524)	(584)	(583)
Net change in cash collateral	(289)	86	74
Purchases of and advance payments on aircraft	(2,129)	(2,134)	(1,241)
Proceeds from sale of aircraft	501	732	954
Other investing activities, net	259	(108)	(42)
NET CASH USED IN INVESTING ACTIVITIES	(10,588)	(7,367)	(6,219)

(Continued)

See Notes to Consolidated Financial Statements

Pacific Life Insurance Company and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)	Years Ended December 31, 2018	2017	2016
(Continued)			
CASH FLOWS FROM FINANCING ACTIVITIES			
Policyholder account balances:			
Deposits	$9,575	$6,843	$6,727
Withdrawals	(5,910)	(4,735)	(4,751)
Net change in short-term debt and revolving credit facilities	(133)	(687)	546
Issuance of long-term debt	2,667	2,871	504
Partial retirement of surplus notes		(906)	(80)
Payments of long-term debt	(1,300)	(295)	(1,345)
Issuance of fair value option debt	460	460	
Net change in cash collateral for loaned securities	472	640	23
Dividend to parent		(160)	
Partial sale of subsidiary (Note 6)		591	
Other financing activities, net	187	140	152
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,018	4,762	1,776
Net change in cash, cash equivalents, and restricted cash	84	1,302	(562)
Cash, cash equivalents, and restricted cash, beginning of year	2,850	1,548	2,110
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	$2,934	$2,850	$1,548
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Income taxes paid (received), net	($53)	$249	$97
Interest paid	450	372	393

See Notes to Consolidated Financial Statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND DESCRIPTION OF BUSINESS

Pacific Life Insurance Company (Pacific Life) was established in 1868 and is domiciled in the State of Nebraska as a stock life insurance company. Pacific Life is an indirect subsidiary of Pacific Mutual Holding Company (PMHC), a Nebraska mutual holding company, and a wholly owned subsidiary of Pacific LifeCorp, an intermediate Delaware stock holding company. Pacific Life and its subsidiaries (the Company) and affiliates have primary business operations consisting of life insurance, annuities, aircraft leasing and reinsurance.

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of Pacific Life and its majority owned and controlled subsidiaries and the variable interest entities (VIEs) in which the Company is the primary beneficiary. All significant intercompany transactions and balances have been eliminated in consolidation.

Pacific Life prepares its regulatory financial statements in accordance with statutory accounting practices prescribed or permitted by the Nebraska Department of Insurance (NE DOI), which is a comprehensive basis of accounting other than U.S. GAAP (Note 2). These consolidated financial statements materially differ from those filed with regulatory authorities.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In developing these estimates, management makes subjective and complex judgments that are inherently uncertain and subject to material change as facts and circumstances develop. Management has identified the following estimates as critical, as they involve a higher degree of judgment and are subject to a significant degree of variability:

- The fair value of investments in the absence of quoted market values
- Other than temporary impairment (OTTI) losses of investments
- Application of the consolidation rules to certain investments
- The fair value of and accounting for derivatives, including embedded derivatives
- Aircraft valuation and impairment
- The capitalization and amortization of deferred policy acquisition costs (DAC)
- The liability for future policy benefits, including guarantees
- Income taxes
- Reinsurance transactions
- Litigation and other contingencies

Certain reclassifications have been made to the 2017 and 2016 consolidated financial statements to conform to the 2018 consolidated financial statement presentation.

The Company has evaluated events subsequent to December 31, 2018 through March 8, 2019, the date the consolidated financial statements were available to be issued. See Note 6 for discussion of subsequent event.

INVESTMENTS

Fixed maturity securities available for sale are reported at fair value, with unrealized gains and losses, net of adjustments related to DAC, future policy benefits and deferred income taxes, recognized as a component of other comprehensive income (loss) (OCI). Equity securities are reported at fair value in other investments, with changes in fair value recognized in net investment gain.

Amortization of premium and accretion of discount on fixed maturity securities is recorded using the effective interest method. For mortgage-backed and asset-backed securities, the determination of effective yield is based on anticipated prepayments and the estimated economic life of the securities. When estimates of prepayments change, the effective yield is recalculated to reflect actual payments to date and anticipated future payments.

Investment income consists primarily of interest and dividends, net investment income from partnership interests, prepayment fees on fixed maturity securities and mortgage loans, and income from certain derivatives. Interest is recognized on an accrual basis and dividends are recorded on the ex-dividend date.

The Company's available for sale securities are assessed for OTTI, if impaired. If a decline in the fair value of an available for sale security is deemed to be other than temporary, the OTTI is recognized equal to the difference between the fair value and net carrying amount of the security. If the OTTI for a fixed maturity security is attributable to both credit and other factors, then the OTTI is bifurcated and the non credit-related portion is recognized in OCI while the credit portion is recognized in earnings, specifically OTTI. If the OTTI is related to credit factors only or management has determined that it is more likely than not going to be required to sell the security prior to recovery, the OTTI is recognized in earnings, specifically OTTI.

The evaluation of OTTI is a quantitative and qualitative process subject to significant estimates and management judgment. The Company has controls and procedures in place to monitor securities and identify those that are subject to greater analysis for OTTI. The Company has an investment impairment committee that reviews and evaluates securities for potential OTTI at minimum on a quarterly basis.

In evaluating whether a decline in value is other than temporary, the Company considers many 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, interest rate related, or spread widening); the ability and intent to hold the investment for a period of time to allow for a recovery of value; and the financial condition of and near-term prospects of the issuer.

Analysis of the probability that all cash flows will be collected under the contractual terms of a fixed maturity security and determination as to whether the Company does not intend to sell the security and that it is more likely than not that the Company will not be required to sell the security before recovery of the investment are key factors in determining whether a fixed maturity security is other than temporarily impaired.

For mortgage-backed and asset-backed securities, the Company evaluates the performance of the underlying collateral and projected future discounted cash flows. In projecting future discounted 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.

Realized gains and losses on investment transactions are determined on a specific identification basis at trade date and are included in net investment gain.

The Company has elected the fair value option (FVO) method of accounting for a portfolio of U.S. Government securities and broadly syndicated bank loans. The Company elected the FVO in order to report the investments at fair value with changes in the fair value of these securities recognized in net investment gain. This accounting treatment for the U.S. Government securities will provide a partial offset to the impact of interest rate movements. The Company has elected the FVO for debt issued from a collateralized loan obligation (CLO) that is classified as a VIE. The debt and broadly syndicated bank loans were designated as FVO to reduce the impact of market value changes from the CLO on the consolidated financial statements. See Notes 3 and 10.

Mortgage loans on real estate are carried at their unpaid principal balance, net of deferred origination fees and write-downs. Interest is recognized and discounts and deferred origination fees are amortized in interest income using the effective interest method based on the contractual life of the mortgage loan. Mortgage loans are considered to be impaired when management estimates that based upon current information and events, it is probable that the Company will not be able to collect all amounts due according to the contractual terms of the mortgage loan agreement. For mortgage loans deemed to be impaired, an impairment loss is recorded when the carrying amount is greater than the Company's fair value of the underlying collateral of the mortgage loan.

Policy loans are stated at unpaid principal balances. Interest income is recorded as earned using the contractual interest rate. Generally, accrued interest is capitalized on the policy's anniversary date. Valuation allowances are not established for policy loans, as they are fully collateralized by the cash surrender value of the underlying insurance policies. Any unpaid principal and accrued interest is deducted from the cash surrender value or the death benefit prior to settlement of the insurance policy.

Other investments primarily consist of investments in private equity partnerships and joint ventures, hedge funds, real estate investments, derivative instruments, non-marketable equity securities, low income housing investments qualifying for tax credits (LIHTC), trading securities, and securities of consolidated investment funds that operate under the Investment Company Act of 1940 (40 Act Funds). Investments in private equity partnerships, joint venture interests and hedge funds are recorded under either the equity method of accounting or at fair value using the net asset value (NAV) per share practical expedient. The income and changes in fair value for these investments are recorded in net investment income. Trading securities and the securities of the 40 Act Funds are reported at fair value with changes in fair value recognized in net investment gain.

Real estate investments are carried at depreciated cost, net of write-downs. For real estate acquired in satisfaction of debt, cost represents fair value at the date of acquisition. Depreciation of investment real estate is computed using the straight-line method over estimated useful lives, which range from five to 30 years, and is included in net investment income. Real estate investments are evaluated for impairment based on the future estimated undiscounted cash flows expected to be received during the estimated holding period. When the future estimated undiscounted cash flows are less than the current carrying amount of the property (gross cost less accumulated depreciation), the property is considered not recoverable and an impairment loss is recognized as the amount by which the real estate carrying value exceeds its fair value.

Investments in LIHTC are recorded under the effective interest method since they meet certain requirements, including a projected positive yield based solely on guaranteed credits. The amortization of the original investment and the tax credits are recorded in the provision for income taxes. See Note 14.

All derivatives, whether designated in a hedging relationship or not, are required to be recorded at fair value. If the derivative is designated as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recorded in OCI and reclassified to earnings when the hedged item affects earnings, and the ineffective portion of changes in the fair value of the derivative is recognized in net investment gain. If the derivative is designated as a fair value hedge, changes in the fair value of the hedging derivative, including amounts measured as ineffectiveness, and changes in the fair value of the hedged item related to the designated risk being hedged, are reported in net investment gain. The change in value of the hedged item associated with the risk being hedged is reflected as an adjustment to the carrying amount of the hedged item. For derivative instruments not designated as a hedge, the entire change in fair value of the derivative is recorded in net investment gain.

The periodic cash flows for all derivatives designated as a hedge are recorded consistent with the hedged item on an accrual basis. For derivatives that are hedging investments, these amounts are included in net investment income. For derivatives that are hedging liabilities, these amounts are included in interest credited to policyholder account balances or interest expense, which is included in operating and other expenses. For derivatives not designated as a hedge, the periodic cash flows are reflected in net investment gain on an accrual basis. Upon termination of a cash flow hedging relationship, the accumulated amount in OCI is reclassified into earnings into either net investment income, net investment gain, interest credited to policyholder account balances, or operating and other expenses when the forecasted transactions affect earnings. Upon termination of a fair value hedging relationship, the accumulated adjustment to the carrying amount of the hedged item is amortized into either net investment income, interest credited to policyholder account balances, or operating and other expenses over its remaining life.

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

Cash and cash equivalents include all short-term, highly liquid investments with a maturity of three months or less from purchase date. Cash equivalents consist primarily of U.S. Treasury bills and money market securities. Restricted cash primarily consists of liquidity reserves related to security deposits, commitment fees, cash collateral, cash held in trusts, and other restricted cash related to the aircraft leasing business. Restricted cash was $206 million and $211 million as of December 31, 2018 and 2017, respectively.

DEFERRED POLICY ACQUISITION COSTS

The direct and incremental costs associated with the successful acquisition of new or renewal insurance business; principally commissions, medical examinations, underwriting, policy issue and other expenses; are deferred and recorded as an asset referred to as DAC. DAC related to internally replaced contracts is immediately written off to expense and any new deferrable expenses associated with the replacement are deferred if the contract modification substantially changes the contract. However, if the contract modification does not substantially change the contract, the existing DAC asset remains in place and any acquisition costs associated with the modification are immediately expensed. The Company defers sales inducements and amortizes them over the life of the policy using the same methodology and assumptions used to amortize DAC. The nature of sales inducements include bonus credits equal to a certain percentage of each deposit.

For universal life (UL), variable annuities and other investment-type contracts, acquisition costs are generally amortized through earnings in proportion to the present value of estimated gross profits (EGPs) from projected investment, mortality and expense margins, and surrender charges over the estimated lives of the contracts. Actual gross margins or profits may vary from management's estimates, which can increase or decrease the rate of DAC amortization. DAC related to traditional policies is amortized through earnings over the premium-paying period of the related policies in proportion to premium revenues recognized, using assumptions and estimates consistent with those used in computing policy reserves. DAC related to certain unrealized components in OCI, primarily unrealized gains and losses on securities available for sale, is adjusted with corresponding charges or benefits, respectively, directly to equity through OCI.

During reporting periods of negative actual gross profits, DAC amortization may be negative, which would result in an increase to the DAC balance. Negative amortization is only recorded when the increased DAC balance is determined to be recoverable and is also limited to amounts originally deferred plus interest.

Significant assumptions in the development of EGPs include investment returns, surrender and lapse rates, rider utilization, expenses, interest spreads, and mortality margins. The Company's long-term assumption for the underlying separate account investment return ranges from 6.75% to 7.50% depending on the product. A change in the assumptions utilized to develop EGPs results in a change to amounts expensed in the reporting period in which the change was made by adjusting the DAC balance to the level DAC would have been had the EGPs been calculated using the new assumptions over the entire amortization period. In general, favorable experience variances result in increased expected future profitability and may lower the rate of DAC amortization, whereas unfavorable experience variances result in decreased expected future profitability and may increase the rate of DAC amortization. All critical assumptions utilized to develop EGPs are evaluated at least annually and necessary revisions are made to certain assumptions to the extent that actual or anticipated experience necessitates such a prospective change. The Company may also identify and implement actuarial modeling refinements to projection models that may result in increases or decreases to the DAC asset.

The DAC asset is reviewed at least annually to ensure that the unamortized balance does not exceed expected recoverable EGPs.

AIRCRAFT, NET

The Company records aircraft and other aircraft components at cost less accumulated depreciation. Cost consists of the acquisition price, including interest capitalized during the construction period of a new aircraft, and major improvements. Depreciation to estimated residual values is recorded in operating and other expenses and is computed using the straight-line method over the estimated useful life of the aircraft, which is generally 25 years from the date of manufacture. Major improvements to aircraft are capitalized as incurred and depreciated over the shorter of the remaining useful life of the aircraft or the improvement. The Company evaluates the carrying amount of aircraft quarterly or based upon changes in market and other physical and economic conditions that indicate the carrying amount of the aircraft may not be recoverable. The Company will record impairments to recognize a loss in the value of the aircraft when management believes that, based on future estimated undiscounted cash flows or third party maintenance adjusted appraisal values, the carrying amount of the aircraft is not recoverable. An impairment is measured as the excess of the aircraft carrying amount over its fair value and recorded in operating and other expenses.

CLOSED BLOCK

In connection with the Company's conversion to a mutual holding company structure, an arrangement known as a closed block (the Closed Block) was created for the exclusive benefit of certain individual life insurance policies that had an experience based dividend scale in 1997. The Closed Block was designed to give reasonable assurance to holders of the Closed Block policies that policy dividends would not change.

Assets that support the Closed Block, which are primarily included in fixed maturity securities and policy loans, amounted to $246 million and $250 million as of December 31, 2018 and 2017, respectively. Liabilities allocated to the Closed Block, which are primarily included in future policy benefits, amounted to $253 million and $254 million as of December 31, 2018 and 2017, respectively. The net contribution to income from the Closed Block was zero, $3 million and $3 million for the years ended December 31, 2018, 2017 and 2016, respectively. As of December 31, 2018 and 2017, participating experience rated policies paying dividends represent less than 1% of direct life insurance in force.

GOODWILL

Goodwill represents the excess of acquisition costs over the fair value of net assets acquired. Goodwill is not amortized but is reviewed for impairment at least annually or more frequently if events occur or circumstances indicate that the goodwill might be impaired. Goodwill is included in other assets and was $63 million as of December 31, 2018 and 2017. There were no goodwill impairments recognized during the years ended December 31, 2018, 2017 and 2016.

POLICYHOLDER ACCOUNT BALANCES

Policyholder account balances on UL and certain investment-type contracts, such as funding agreements, are valued using the retrospective deposit method and are equal to accumulated account values, which consist of deposits received, plus interest credited, less withdrawals and assessments. Other investment-type contracts such as payout annuities without life contingencies are valued using a prospective method that estimates the present value of future contract cash flows at the assumed credited or contract rate. Interest credited to these contracts ranged from 0.1% to 10.7%.

FUTURE POLICY BENEFITS

Annuity reserves, which primarily consist of group retirement, structured settlement and certain immediate annuities with life contingencies, are equal to the present value of estimated future payments using pricing assumptions, as applicable, for interest rates, mortality, morbidity, retirement age and expenses. Interest rates used in establishing such liabilities ranged from 0.8% to 11.0%.

The liability for unpaid claims represents claims that have been reported but not yet settled and estimates for claims incurred but not yet reported as of the balance sheet date. The liability for unpaid claims is based on the Company's estimated ultimate cost of settling claims. The estimates are derived principally from the Company's historical experience.

The Company offers annuity contracts with guaranteed minimum benefits, including guaranteed minimum death benefits (GMDBs) and riders with guaranteed living benefits (GLBs) that guarantee net principal over a ten-year holding period or a minimum withdrawal benefit over specified periods, subject to certain restrictions. If the guarantee includes a benefit that is only attainable upon annuitization or is wholly life contingent (e.g., GMDBs or guaranteed minimum withdrawal benefits for life), it is accounted for as an insurance liability (Note 9). All other GLB guarantees are accounted for as embedded derivatives (Note 7).

Policy charges assessed against policyholders that represent compensation to the Company for services to be provided in future periods, or for consideration for origination of the contract, are deferred as unearned revenue reserves (URR), and recognized in revenue over the expected life of the contract using the same methods and assumptions used to amortize DAC. Unearned revenue related to certain unrealized components in OCI, primarily unrealized gains and losses on securities available for sale, is recorded to equity through OCI.

Life insurance reserves are composed of benefit reserves and additional liabilities. Benefit reserves are valued using the net level premium method on the basis of actuarial assumptions appropriate at policy issue. Mortality and persistency assumptions are generally based on the Company's experience, which, together with interest and expense assumptions, include a margin for possible unfavorable deviations. Interest rate assumptions ranged from 3.0% to 9.3%. Future dividends for participating business are provided for in the liability for future policy benefits. Additional liabilities are held for certain insurance benefit features that have amounts assessed in a manner that is expected to result in profits in earlier years and subsequent losses. The additional liability is valued using a range of scenarios, rather than a single set of best estimate assumptions, which are consistent with assumptions used in estimated gross profits for purposes of amortizing capitalized acquisition costs.

Estimates of future policy benefit reserves and liabilities are continually reviewed and, as experience develops, are adjusted as necessary. The Company may also identify and implement actuarial modeling refinements to projection models that may result in increases and decreases to the liability for future policy benefits. Such changes in estimates are included in earnings for the period in which such changes occur.

REINSURANCE

The Company has ceded reinsurance agreements with other insurance companies to limit potential losses, reduce exposure arising from larger risks, and provide additional capacity for future growth. As part of a strategic alliance, the Company also reinsures risks associated with policies written by an independent producer group through modified coinsurance and yearly renewable term (YRT) arrangements with this producer group's reinsurance company. The ceding of risk does not discharge the Company from its primary obligations to contract owners. To the extent that the assuming companies become unable to meet their obligations under reinsurance contracts, the Company remains liable. The Company evaluates the financial strength and stability of each reinsurer prior to entering into each reinsurance contract and throughout the period that the reinsurance contract is in place.

All assets associated with business reinsured on a modified coinsurance basis remain with, and under the control of, the Company. As part of its risk management process, the Company routinely evaluates its reinsurance programs and may change retention limits, reinsurers or other features at any time.

The Company has assumed reinsurance agreements with other insurance companies, which primarily include traditional life reinsurance and non-traditional longevity reinsurance. Reinsurance agreements related to non-traditional longevity reinsurance are assumed from Pacific Life Re Limited (PLRL), an affiliate of the Company and a wholly owned subsidiary of Pacific LifeCorp. PLRL is incorporated in the United Kingdom (UK) and provides reinsurance to insurance and annuity providers in the UK, Ireland, Australia and to insurers in select markets in Asia. Non-traditional longevity reinsurance provides protection to retirement plans and insurers of such plans against changes in mortality improvement. With a non-traditional longevity reinsurance transaction, the Company agrees with another party to exchange a predefined benefit and the realized benefit for a premium.

The Company utilizes reinsurance accounting for ceded and assumed transactions when risk transfer provisions have been met. To meet risk transfer requirements, a reinsurance contract must include insurance risk, consisting of both underwriting and timing risk, and a reasonable possibility of a significant loss to the reinsurer.

Reinsurance premiums ceded and reinsurance recoveries on benefits and claims incurred are deducted from their respective revenue, benefit, and expense accounts. Prepaid reinsurance premiums, included in other assets, are premiums that are paid in advance for future coverage. Amounts receivable and payable to reinsurers are offset for account settlement purposes for contracts where the right of offset exists, with net reinsurance receivables included in other assets and net reinsurance payables included in other liabilities. Reinsurance receivables and payables may include balances due from reinsurance companies for paid and unpaid losses. Reinsurance terminations and recapture gains are recorded in other income.

REVENUES, BENEFITS AND EXPENSES

Premiums from annuity contracts with life contingencies and traditional life and term insurance contracts are recognized as revenue when due. Benefits and expenses are provided against such revenues to recognize profits over the estimated lives of the contracts by providing for liabilities for future policy benefits, expenses for contract administration and DAC amortization.

Receipts for UL and investment-type contracts are reported as deposits to either policyholder account balances or separate account liabilities and are not included in revenue. Policy fees consist of mortality charges, surrender charges and expense charges that have been earned and assessed against related account values during the period and also include the amortization of URR. The timing of policy fee revenue recognition is determined based on the nature of the fees. Benefits and expenses include policy benefits and claims incurred in the period that are in excess of related policyholder account balances, interest credited to policyholder account balances, expenses of contract administration and the amortization of DAC.

Investment advisory fees are primarily fees earned by Pacific Life Fund Advisors LLC (PLFA), a wholly owned subsidiary of Pacific Life, which serves as the investment advisor for the Pacific Select Fund, an investment vehicle provided to the Company's variable universal life (VUL) and variable annuity contract holders, and the Pacific Funds Series Trust, the investment vehicle for the Company's mutual fund products and other funds. These fees are based upon the NAV of the underlying portfolios and are recorded as earned. Related subadvisory expense is included in operating and other expenses.

Aircraft leases are generally accounted for as operating leases and are structured as triple net leases whereby the lessee is responsible for maintaining the aircraft and paying operational, maintenance and insurance expenses. The aircraft leases require payment in U.S. dollars. Aircraft leasing revenue is recognized on a straight-line basis over the term of the lease agreements. The Company has capital leases in the amount of $234 million and $333 million as of December 31, 2018 and 2017, respectively, which are included in other assets.

INCOME TAXES

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the consolidated financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with the Accounting Standards Codification's (Codification) Income Taxes Topic on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company recognizes interest and penalties related to unrecognized tax benefits in the provision (benefit) for income taxes in the consolidated statements of operations. Accrued interest and penalties are included in other liabilities in the consolidated statements of financial condition.

The Company accounts for investment tax credits using the deferral method of accounting.

The Company is accounting for the taxes due on future U.S. inclusions in taxable income related to global intangible low-taxed income as a current period expense when incurred (i.e., using the period cost method).

Pacific Life and its includable subsidiaries are included in the consolidated Federal income tax return and the combined California franchise tax return of PMHC and are allocated tax expense or benefit based principally on the effect of including their operations in these returns under a tax sharing agreement. Certain of the Company's non-insurance subsidiaries also file separate state tax returns, if necessary. Some of the Company's non-U.S. subsidiaries are subject to tax in Singapore and other jurisdictions.

On December 22, 2017, tax reform legislation formally known as the Tax Cuts and Jobs Act (the Act) was enacted, which significantly revised the U.S. corporate income tax system. See Note 14.

CONTINGENCIES

The Company evaluates all identified contingent matters on an individual basis. A loss is recorded if the contingent matter is probable of occurring and reasonably estimable. The Company establishes reserves for these contingencies at the best estimate, or, if no one amount within the range of possible losses is more probable than any other, the Company records an estimated reserve at the low end of the range of losses.

SEPARATE ACCOUNTS

Separate accounts primarily include variable annuity and variable life contracts, as well as other guaranteed and non-guaranteed accounts. Separate account assets are recorded at fair value and represent legally segregated contract holder funds. A separate account liability is recorded equal to the amount of separate account assets. Deposits to separate accounts, investment income and realized and unrealized gains and losses on the separate account assets accrue directly to contract holders and, accordingly, are not reflected in the consolidated statements of operations or cash flows. Amounts charged to the separate account for mortality, surrender and expense charges are included in revenues as policy fees.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments has been determined using available market information and appropriate valuation methodologies. However, considerable judgment is often required to interpret market data used to develop the estimates of fair value. Accordingly, the estimates presented may not be indicative of the amounts the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies could have a material effect on the fair value of the financial instruments. See Note 11.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13. This ASU removes, modifies, and adds certain disclosure requirements related to fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2019, however early adoption is permitted. The Company early adopted this ASU as of December 31, 2018 and it did not have a material impact on the Company's consolidated financial statement disclosures.

In 2018, the FASB issued ASU 2018-02. This ASU permits retrospective reclassification of certain tax effects from accumulated other comprehensive income (AOCI) to retained earnings for stranded tax effects resulting from the Act. This ASU is effective for fiscal years beginning after December 15, 2018, however early adoption is permitted for financial statements that have not yet been issued. The Company early adopted this ASU and reclassified $285 million of deferred tax effects from AOCI to retained earnings as of December 31, 2017. See the consolidated statements of equity and Note 12.

In 2016, the FASB issued ASU 2016-01 that amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The new guidance changes the current accounting guidance related to (i) the classification and measurement of certain equity investments, (ii) the presentation of changes in the fair value of financial liabilities measured under the fair value option that are due to instrument-specific credit risk, and (iii) certain disclosures associated with the fair value of financial instruments. The new guidance most significantly impacts equity interests in limited partnership interests and joint ventures currently accounted for under the cost method which are now measured at fair value utilizing the NAV practical expedient in the Codification's Financial Services - Investment Companies Topic. Additionally, due to the elimination of historical classification guidance for equity securities (i.e., trading, available for sale), equity securities historically classified as trading and equity securities historically classified as available for sale all are now presented together as equity securities included in other investments and measured at fair value through net income. The Company adopted this ASU on January 1, 2018 applying the modified retrospective approach. The impact of this adoption on January 1, 2018 was an increase of $29 million to beginning retained earnings and a reduction of $3 million to AOCI. See the consolidated statements of equity and Notes 5 and 11. Upon adoption, $82 million of equity securities available for sale were reclassified to other investments. In addition, equity securities of $375 million are no longer categorized as trading.

In 2016, the FASB issued ASU 2016-15 and ASU 2016-18 (the Cash Flow ASUs). ASU 2016-15 provides guidance clarifying how certain cash receipts and cash payments should be classified. ASU 2016-18 requires companies to include restricted cash within cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. The Company adopted the Cash Flow ASUs on January 1, 2018 and applied it retrospectively. Adoption changed the Company's presentation of restricted cash on the consolidated statements of cash flows with the inclusion of the restricted cash balance in the beginning and ending cash and cash equivalents balance and the elimination of the restricted cash activity in other financing activities, net within the net cash provided by financing activities. As a result, net cash provided by financing activities increased $23 million and decreased $77 million for the years ended December 31, 2017 and 2016, respectively.

FUTURE ADOPTION OF ACCOUNTING PRONOUNCEMENTS

In 2018, the FASB issued targeted improvements to the accounting for long-duration insurance contracts, ASU 2018-12. The objective of this guidance is to make improvements to the existing recognition, measurement, presentation, and disclosure requirements for long-duration contracts issued by an insurance entity. The new guidance improves the timeliness of recognizing changes in the liability for future policy benefits for traditional long-duration contracts by requiring that underlying cash flow assumptions be reviewed and updated at least annually. The rate used to discount future cash flows must be based on an upper-medium grade fixed income investment yield. The change in the reserve estimate as a result of updating cash flow assumptions will be recognized in net income. The change in the reserve estimate as a result of updating the discount rate assumption will be recognized in OCI. The new guidance also creates a new category of market risk benefits (i.e., features that protect the contract holder from more than nominal capital market risk) for certain guarantees associated with contracts which are required to be measured at fair value with changes recognized in net income. In addition, the new guidance simplifies the amortization of deferred policy acquisition costs and other similar capitalized balances (i.e., unearned revenue reserves) by requiring such costs to be amortized on a constant-level basis that approximates the straight-line method. Lastly, the new guidance increases and enhances the disclosures related to long-duration insurance contracts. The new guidance is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In 2017, the FASB issued targeted improvements to accounting for hedging activities, ASU 2017-12. The objective of this guidance is to improve the financial reporting of hedging relationships to better portray the economic results of a company's risk management activities in its financial statements and make certain targeted improvements to simplify the application of the hedge accounting guidance. The new guidance is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. The amended presentations and disclosure guidance is required only prospectively. Adoption of this standard on January 1, 2019 did not have a material impact on the Company's consolidated financial statements.

In 2016, the FASB issued ASU 2016-13 that provides guidance on the measurement of credit losses for certain financial assets. This ASU replaces the incurred loss impairment methodology with one that reflects expected credit losses. The measurement of expected credit losses should be based on historical loss information, current conditions, and reasonable and supportable forecasts. The guidance also requires enhanced disclosures. This ASU is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years with a cumulative-effect adjustment to retained earnings under a modified-retrospective approach. Early adoption is permitted for fiscal years beginning after December 31, 2018, including interim periods within those fiscal years. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In 2016, the FASB issued ASU 2016-02 that provides guidance on leasing transactions. The new guidance requires a lessee to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current guidance, leases would be classified as finance or operating leases. However, unlike current guidance, the new guidance will require both types of leases to be recognized on the consolidated statements of financial condition by the lessee. Lessor accounting will remain largely unchanged from current guidance except for certain targeted changes. The new guidance will also require new qualitative and quantitative disclosures. This ASU is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, and requires a modified retrospective transition approach which includes a number of optional practical expedients. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In 2014, the FASB issued ASU 2014-09, a new revenue recognition standard. The new guidance will supersede nearly all existing revenue recognition guidance under U.S. GAAP; however, it will not impact the accounting for insurance contracts, leases, financial instruments and guarantees. For those contracts that are impacted by the new guidance, the guidance will require an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled, in exchange for those goods or services. This ASU is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years and will be applied under a modified retrospective approach. Adoption of this standard on January 1, 2019 did not have a material impact on the Company's consolidated financial statements.

2. STATUTORY FINANCIAL INFORMATION AND DIVIDEND RESTRICTIONS

STATUTORY ACCOUNTING PRACTICES

Pacific Life prepares its regulatory financial statements in accordance with statutory accounting practices prescribed or permitted by the NE DOI, which is a comprehensive basis of accounting other than U.S. GAAP. Statutory accounting practices primarily differ from U.S. GAAP by charging policy acquisition costs to expense as incurred, recognizing certain policy fees as revenue when billed, establishing future policy benefit liabilities using different actuarial assumptions, reporting surplus notes as surplus instead of debt, as well as the valuation of investments and certain assets and accounting for deferred income taxes on a different basis.

The NE DOI has a prescribed accounting practice for certain synthetic guaranteed interest contract (GIC) reserves that differs from National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual (NAIC SAP). The NE DOI reserve method is based on an annual accumulation of 30% of the contract fees on synthetic GICs and is subject to a maximum of 150% of the annualized contract fees. This reserve amounted to $60 million and $59 million as of December 31, 2018 and 2017, respectively, and has been recorded by Pacific Life. The NAIC SAP basis for this reserve equals the excess, if any, of the value of guaranteed contract liabilities over the market value of the assets in the segregated portfolio less deductions based on asset valuation reserve factors. As of December 31, 2018 and 2017, the reserve for synthetic GICs using the NAIC SAP basis was zero.

STATUTORY NET INCOME AND SURPLUS

Statutory net income of Pacific Life was $869 million, $1,201 million and $850 million for the years ended December 31, 2018, 2017 and 2016, respectively. Statutory capital and surplus of Pacific Life was $9,691 million and $9,313 million as of December 31, 2018 and 2017, respectively.

AFFILIATED REINSURANCE

Pacific Life cedes certain statutory reserves to affiliated special purpose financial insurance companies and affiliated captive reinsurance companies that are supported by a combination of cash, invested and other assets and third-party letters of credit or note facilities. As of December 31, 2018, Pacific Life's total statutory reserve credit was $2,448 million, of which $1,575 million was supported by third-party letters of credit and note facilities. As of December 31, 2017, Pacific Life's total statutory reserve credit was $2,224 million, of which $1,450 million was supported by third-party letters of credit and note facilities, as described below.

Pacific Life utilizes affiliated reinsurers to mitigate the statutory capital impact of NAIC Model Regulation “Valuation of Life Insurance Policies” (Regulation XXX) and NAIC Actuarial Guideline 38 on the Company’s UL products with flexible duration no lapse guarantee rider (FDNLGR) benefits. Pacific Alliance Reinsurance Company of Vermont (PAR Vermont) and Pacific Baleine Reinsurance Company (PBRC) are Vermont based special purpose financial insurance companies subject to regulatory supervision by the Vermont Department of Financial Regulation (Vermont Department). PAR Vermont and PBRC are wholly owned subsidiaries of Pacific Life and accredited authorized reinsurers in Nebraska. Pacific Life cedes certain level term life insurance to PBRC and FDNLGR benefits to PAR Vermont and PBRC. Reinsurance ceded to PAR Vermont is net of the reinsurance ceded under an excess of loss reinsurance agreement with a commercial reinsurer. Economic reserves, as defined in the PAR Vermont and PBRC reinsurance agreements, are supported by cash and invested and other assets, including funds withheld at Pacific Life.

Reserves in excess of the economic reserves held at PAR Vermont are supported by a letter of credit agreement provided by a highly rated bank, which has a maximum commitment amount of $843 million and a 20 year term expiring October 2031. The letter of credit agreement is non-recourse to Pacific LifeCorp or any of its affiliates, other than PAR Vermont. The letter of credit has been approved as an admissible asset by the Vermont Department for PAR Vermont statutory accounting. As of December 31, 2018 and 2017, the letter of credit amounted to $794 million and $767 million, respectively, and was held in a trust with Pacific Life as beneficiary. PAR Vermont admitted $794 million and $767 million as assets in its statutory financial statements as of December 31, 2018 and 2017, respectively.

Reserves in excess of the economic reserves held at PBRC are supported by a note facility with a maximum commitment amount of $1.6 billion. This facility is non-recourse to Pacific Life or any of its affiliates, other than PBRC. Through this facility, PBRC issued a surplus note with a maturity date of December 2046 and received a note receivable in return with a maturity date of December 2041. The note receivable is credit enhanced by a highly rated third-party reinsurer for 22 years with a three year extension. The note receivable has been approved as an admissible asset by the Vermont Department for PBRC statutory accounting. As of December 31, 2018 and 2017, the note receivable amounted to $361 million and $263 million, respectively, and was held in a trust with Pacific Life as beneficiary. PBRC admitted $361 million and $263 million as an asset in its statutory financial statements as of December 31, 2018 and 2017, respectively.

Pacific Life has reinsurance agreements with Pacific Life Reinsurance (Barbados) Ltd. (PLRB), an exempt life reinsurance company domiciled in Barbados and wholly owned by Pacific LifeCorp. The underlying reinsurance is comprised of coinsurance and YRT treaties. Pacific Life retroceded the majority of the underlying YRT U.S. treaties on a 100% coinsurance with funds withheld basis to PLRB (PLRB Agreement). The PLRB Agreement is accounted for under deposit accounting for U.S. GAAP and as reinsurance under statutory accounting principles. The statutory accounting reserve credit is supported by cash, funds withheld at Pacific Life and a $420 million letter of credit issued to PLRB by a highly rated bank for the benefit of Pacific Life, which expires August 2021. In connection with the letter of credit, Pacific LifeCorp has provided a guarantee to the bank for certain obligations under the letter of credit agreement. In addition, Pacific LifeCorp entered into a capital maintenance agreement with PLRB.

Pacific Annuity Reinsurance Company (PARC) is a captive reinsurance company subject to regulatory supervision by the Arizona Department of Insurance (AZ DOI) and wholly owned by Pacific LifeCorp. PARC was formed to reinsure benefits provided by variable annuity contracts and contract rider guarantees issued by Pacific Life. Base annuity contracts are reinsured on a modified coinsurance basis and the contract guarantees are reinsured on a coinsurance with funds withheld basis. In December 2012, the effective date of the reinsurance agreement, Pacific Life ceded 5% of its inforce variable annuity business to PARC, after third-party reinsurance, and cedes 5% of new business issued thereafter.

RISK-BASED CAPITAL

Risk-based capital is a method developed by the NAIC to measure the minimum amount of capital appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The formulas for determining the amount of risk-based capital specify various weighting factors that are applied to financial balances or various levels of activity based on the perceived degree of risk. Additionally, certain risks are required to be measured using actuarial cash flow modeling techniques, subject to formulaic minimums. The adequacy of a company's actual capital is measured by a comparison to the risk-based capital results. Companies below minimum risk-based capital requirements are classified within certain levels, each of which requires specified corrective action. As of December 31, 2018 and 2017, Pacific Life, Pacific Life & Annuity Company (PL&A), an Arizona domiciled life insurance company wholly owned by Pacific Life, PAR Vermont, and PBRC all exceeded the minimum risk-based capital requirements.

DIVIDEND RESTRICTIONS

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 (i) notification to the NE DOI for the declaration and payment of any dividend and (ii) approval by the NE DOI for accumulated dividends within the preceding twelve months that exceed the greater of 10% of statutory policyholder surplus as of the preceding December 31 or statutory net gain from operations for the preceding twelve months ended December 31. Generally, these restrictions pose no short-term liquidity concerns for Pacific LifeCorp. Based on these restrictions and 2018 statutory results, Pacific Life could pay $927 million in dividends in 2019 to Pacific LifeCorp without prior approval from the NE DOI, subject to the notification requirement. During the year ended December 31, 2017, Pacific Life paid dividends to Pacific LifeCorp of $160 million. Pacific Life did not pay any dividends to Pacific LifeCorp during the years ended December 31, 2018 and 2016.

The payment of dividends by PL&A to Pacific Life is subject to restrictions set forth in the State of Arizona insurance laws. These laws require (i) notification to the AZ DOI for the declaration and payment of any dividend and (ii) approval by the AZ DOI for accumulated dividends within the preceding twelve months that exceed the lesser of 10% of statutory surplus as regards to policyholders as of the preceding December 31 or statutory net gain from operations for the preceding twelve months ended December 31. Based on these restrictions and 2018 statutory results, PL&A could pay $41 million in dividends to Pacific Life in 2019 without prior regulatory approval, subject to the notification requirement. During the years ended December 31, 2018, 2017 and 2016, PL&A paid dividends to Pacific Life of $40 million, $40 million and $39 million, respectively.

3. VARIABLE INTEREST ENTITIES

The Company evaluates its interests in VIEs on an ongoing basis and consolidates those VIEs in which it has a controlling financial interest and is thus deemed to be the primary beneficiary. A controlling financial interest has both of the following characteristics: (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. Creditors or beneficial interest holders of VIEs, where the Company is the primary beneficiary, have no recourse against the Company in the event of default by these VIEs.

CONSOLIDATED VIEs

The following table presents, as of December 31, 2018 and 2017, the assets and liabilities, which the Company has consolidated because it is the primary beneficiary:

	Assets	Liabilities
	(In Millions)	
December 31, 2018:		
Commercial mortgage-backed securities	$1,805	$1,525
CLO and warehousing facilities	1,010	920
Sponsored investment funds	544	58
Other	35	81
Total	$3,394	$2,584
December 31, 2017:		
Commercial mortgage-backed securities	$1,805	$1,525
CLO and warehousing facilities	681	612
Sponsored investment funds	380	72
Other	24	19
Total	$2,890	$2,228

COMMERCIAL MORTGAGE-BACKED SECURITIES

The Company has purchased significant interests in multiple commercial mortgage-backed security trusts secured by commercial real estate properties (CMBS VIEs). The trusts are classified as VIEs as they have no equity investment at risk and while no future equity infusions should be required to permit the entities to continue their activities, accounting guidance requires trusts with no equity at risk to be classified as VIEs. The Company has determined that it is the primary beneficiary of the VIEs due to the significant control over the collateral the Company has in the event of a default. The assets of the CMBS VIEs can only be used to settle their respective liabilities, and the Company is not responsible for any principal or interest shortfalls. The Company's exposure is limited to its investment of $279 million as of December 31, 2018 and 2017. Non-recourse debt consolidated by the Company was $1,521 million as of December 31, 2018 and 2017 (included in CMBS VIE debt in Note 10).

CLO AND WAREHOUSING FACILITIES

The Company provides initial seed capital into sponsored CLO and warehousing facilities, which are classified as VIEs as they have insufficient equity investment at risk. The Company has determined that it is the primary beneficiary of these VIEs due to its significant control as the collateral manager. The Company has elected the FVO method of accounting for $954 million and $621 million of investments in the CLO and warehousing facilities as of December 31, 2018 and 2017, respectively. The Company has also elected the FVO method of accounting for $880 million and $462 million of debt issued from the CLO as of December 31, 2018 and 2017, respectively. The Company elected the FVO method of accounting for the investments and debt in order to measure both at fair value under a consistent methodology. This debt is secured by broadly syndicated bank loans, is non-recourse to the Company and the Company is not responsible for any principal shortfalls from the underlying collateral. Additionally, short-term non-recourse debt consolidated by the Company from warehousing facilities was zero and $50 million as of December 31, 2018 and 2017, respectively (included in other VIE debt in Note 10).

SPONSORED INVESTMENT FUNDS

The Company has leveraged internal expertise to bring investment strategies/products to sophisticated institutional investors and qualified institutional buyers. Structured as limited partnerships, the Company has provided the initial investments to provide seed capital for these products for the purpose of refining the investment strategies and developing a performance history. Based on the design and operation of these entities, the Company concluded that they are subject to consolidation under the VIE rules and that the Company is the primary beneficiary. Short-term non-recourse debt consolidated by the Company was $55 million and $69 million as of December 31, 2018 and 2017, respectively (included in other VIE debt in Note 10). The lines of credit associated with this debt have a $75 million borrowing capacity. The Company's unfunded commitment to the underlying investments of the limited partnerships was $726 million and $545 million as of December 31, 2018 and 2017, respectively.

FINANCING STRUCTURES

Aviation Capital Group LLC (ACG), an 80% owned indirect subsidiary of Pacific Life engaged in the acquisition and leasing of commercial aircraft, has participated in the design and formation of certain legal entities that are consolidated. These legal entities enable ACG's lenders to perfect their security interest in financing structures used to purchase, lease, and obtain financings secured by various aircraft. These legal entities have entered into loans with various third parties and financial institutions which are primarily guaranteed by ACG and supported by secondary guarantees from either the Export-Import Bank of the United States (Ex-Im) or the export credit agencies of the UK, France and/or Germany (ECA). Some of these legal entities are considered VIEs because they do not have sufficient equity investment at risk. Additionally, ACG bears significant risk of loss (through guarantees of the loans recourse only to ACG), participates in gains through a capital lease and has the power to direct the activities that most significantly impact the economic performance of these legal entities. Therefore, it has been determined that ACG is the primary beneficiary of these VIEs.

Aircraft with these financing structures as of December 31, 2018 and 2017, totaled $1,227 million and $1,396 million, respectively, and are included in aircraft, net. Also, as of December 31, 2018 and 2017, debt, recourse only to ACG, associated with these financing structures totaled $534 million and $693 million, respectively, and are included in debt. See Notes 6 and 10.

NON-CONSOLIDATED VIEs

The following table presents the carrying amount and classification of the investments in VIEs in which the Company holds a variable interest but does not consolidate because it is not the primary beneficiary. The Company has determined that it is not the primary beneficiary of these VIEs because it does not have the power to direct their most significant activities. Also presented is the maximum exposure to loss which includes the carrying amount plus any unfunded commitments assuming the commitments are fully funded.

	Carrying Amount	Maximum Exposure to Loss
December 31, 2018:	*(In Millions)*	
Private equity	$617	$1,259
Real estate	92	120
Other	57	57
Total	$766	$1,436
December 31, 2017:		
Mortgage loans	$96	$104
Private equity	547	965
Real estate	147	203
Other	15	15
Total	$805	$1,287

MORTGAGE LOANS

Included in mortgage loans was a non-recourse construction loan to a non-consolidated VIE, which was sold during 2018.

PRIVATE EQUITY

Private equity are limited partnership investment funds that are reported in other investments.

REAL ESTATE

Real estate are limited partnership investments that are unconsolidated and accounted for under the equity method which are reported in other investments.

OTHER NON-CONSOLIDATED VIEs NOT INCLUDED IN THE TABLE ABOVE

As part of normal investment activities, the Company will make passive investments in structured securities for which it is not the sponsor. The structured security investments include residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), and other asset-backed securities which are reported in fixed maturity securities available for sale. The Company has determined that it is not the primary beneficiary of these structured securities due to the fact that it does not control these entities. The Company's maximum exposure to loss for these investments is limited to its carrying amount. See Note 5 for the net carrying amount and fair value of the structured security investments.

4. DEFERRED POLICY ACQUISITION COSTS

Components of DAC are as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
Balance, January 1	$4,693	$4,509	$4,719
Additions:			
Capitalized during the year	871	613	490
Amortization:			
Impact of assumption unlockings	(38)	40	(18)
All other	(846)	(407)	(550)
Total amortization	(884)	(367)	(568)
Allocated to OCI	343	(62)	(132)
Balance, December 31	$5,023	$4,693	$4,509

Components of the capitalized sales inducement balance included in the DAC asset are as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
Balance, January 1	$513	$545	$583
Deferred costs capitalized during the year	9	11	14
Amortization of deferred costs	(85)	(43)	(52)
Balance, December 31	$437	$513	$545

5. INVESTMENTS

The net carrying amount, gross unrealized gains and losses, and fair value of available for sale securities are shown below. The net carrying amount represents amortized cost adjusted for OTTI losses recognized in earnings and terminated fair value hedges. Effective January 1, 2018, with the adoption of ASU 2016-01 (Note 1), equity securities available for sale were reclassified to equity securities at fair value and are excluded from the table below for December 31, 2018. See Note 11 for information on the Company's fair value measurements and disclosure.

	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In Millions)		
December 31, 2018:				
U.S. Government	$54	$6		$60
Obligations of states and political subdivisions	1,172	124	$3	1,293
Foreign governments	604	26	7	623
Corporate securities (1)	44,477	1,085	1,243	44,319
RMBS (2)	2,098	82	24	2,156
CMBS	1,300	14	21	1,293
Other asset-backed securities	1,407	44	15	1,436
Total fixed maturity securities	$51,112	$1,381	$1,313	$51,180

	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In Millions)		
December 31, 2017:				
U.S. Government	$72	$7		$79
Obligations of states and political subdivisions	810	172		982
Foreign governments	489	44	$1	532
Corporate securities (1)	39,099	2,675	168	41,606
RMBS (2)	1,846	92	13	1,925
CMBS	1,025	25	9	1,041
Other asset-backed securities	1,244	56	5	1,295
Total fixed maturity securities	$44,585	$3,071	$196	$47,460
Perpetual preferred securities	$13	$1		$14
Other equity securities	65	3		68
Total equity securities	$78	$4	—	$82

(1) Gross unrealized losses, for which OTTI has been recognized in earnings in current or prior periods, were $4 million and zero as of December 31, 2018 and 2017, respectively.

(2) Gross unrealized losses, for which OTTI has been recognized in earnings in current or prior periods, were $7 million as of December 31, 2018 and 2017.

The net carrying amount and fair value of fixed maturity securities available for sale as of December 31, 2018, by contractual repayment date of principal, are shown below. Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Millions)			
Due in one year or less	$1,526	$20	$5	$1,541
Due after one year through five years	9,365	172	87	9,450
Due after five years through ten years	19,875	196	617	19,454
Due after ten years	15,541	853	544	15,850
	46,307	1,241	1,253	46,295
Mortgage-backed and asset-backed securities	4,805	140	60	4,885
Total fixed maturity securities	$51,112	$1,381	$1,313	$51,180

The following tables present the fair value and gross unrealized losses on investments where the fair value has declined and remained continuously below the net carrying amount for less than twelve months and for twelve months or greater.

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)					
December 31, 2018:						
Obligations of states and political subdivisions	$221	$3			$221	$3
Foreign governments	118	4	$28	$3	146	7
Corporate securities	19,538	777	5,237	466	24,775	1,243
RMBS	418	8	382	16	800	24
CMBS	451	7	264	14	715	21
Other asset-backed securities	319	5	268	10	587	15
Total fixed maturity securities	$21,065	$804	$6,179	$509	$27,244	$1,313
December 31, 2017:						
Foreign governments			$29	$1	$29	$1
Corporate securities	$2,573	$34	3,566	134	6,139	168
RMBS	145	1	389	12	534	13
CMBS	167	2	146	7	313	9
Other asset-backed securities	209	1	219	4	428	5
Total fixed maturity securities	3,094	38	4,349	158	7,443	196
Other investments	5	1	7	2	12	3
Total other investments	5	1	7	2	12	3
Total	$3,099	$39	$4,356	$160	$7,455	$199

The number of securities in an unrealized loss position for less than 12 months as of December 31, 2018 and 2017 were 1,745 and 352, respectively. The number of securities in an unrealized loss position for 12 months or greater as of December 31, 2018 and 2017 were 571 and 372, respectively.

The gross unrealized losses on available for sale investments in the tables above increased from $199 million as of December 31, 2017 to $1,313 million as of December 31, 2018. The increase is primarily due to rising interest rates, as well as credit spread widening.

The Company has evaluated fixed maturity securities available for sale with gross unrealized losses and has determined that the unrealized losses are temporary. The Company does not intend to sell the investments and it is more likely than not that the Company will not be required to sell the investments before recovery of their net carrying amounts.

The Company has a securities lending program whereby the Company lends fixed maturity securities (security loans) to financial institutions in short-term arrangements. The Company received cash collateral (cash collateral liability) equal to 102% of the fair value of the loaned securities and monitors the fair value of loaned securities with additional collateral obtained, as necessary. The gross carrying amounts are disclosed in the table below. The borrowers of the loaned securities are permitted to sell or repledge those securities. All securities lending agreements are callable by the Company at any time. The contractual maturities on all securities lending arrangements are open as the related loaned security could be returned to the Company on the next business day, which would require the Company to immediately return the cash collateral.

Upon default of the borrower, the Company has the right to purchase replacement securities using the cash collateral held. Similarly, upon default of the Company, the borrower has the right to sell the loaned securities and apply the proceeds from such sale to the Company's obligation to return the cash collateral held. The Company has made an accounting policy election not to offset the loaned securities and cash collateral liabilities in its consolidated statements of financial condition.

The Company invests cash collateral received from its securities lending arrangements into repurchase agreements (reinvestment portfolio). To manage the mismatch of maturity dates between the security lending transactions and the related reinvestment portfolio, the Company reinvests in highly liquid assets maturing within 90 days. All repurchase agreements must be collateralized by U.S. Treasury Securities, U.S. Agency Securities, or U.S. Corporate bonds with fair value equals to 102% of the repurchase agreements. 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.

The following table presents the Company's security loans outstanding, reinvestment portfolio and the corresponding collateral held:

	December 31,	
	2018	2017
	(In Millions)	
Security loans outstanding, fair value (1)	$1,254	$797
Reinvestment portfolio, fair value (2)	1,296	824
Cash collateral liability (3)	1,296	824

(1) Included in fixed maturity securities available for sale, at fair value and comprised of corporate securities.
(2) Included in cash, cash equivalents, and restricted cash. The reinvestment portfolio remaining contractual maturities as of December 31, 2018 are $571 million, $375 million and $350 million maturing in 30 days or less, 31 to 60 days and 61 to 90 days, respectively.
(3) Included in other liabilities.

Major categories of investment income and related investment expense are summarized as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
Fixed maturity securities	$2,080	$1,912	$1,812
FVO securities	52	26	17
Mortgage loans	694	613	550
Real estate	187	148	120
Policy loans	216	212	205
Partnerships and joint ventures	215	115	39
Other	51	37	26
Gross investment income	3,495	3,063	2,769
Investment expense	248	223	182
Net investment income	$3,247	$2,840	$2,587

The components of net investment gain are as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
Fixed maturity securities:			
Gross gains on sales	$33	$87	$37
Gross losses on sales	(36)	(9)	(13)
Total fixed maturity securities	(3)	78	24
FVO securities and trading securities	(38)	44	(3)
Equity securities	(21)	17	1
Real estate			78
Equity total return swaps	54	(215)	(107)
Equity futures	(3)	(84)	(215)
Equity put options	9	(29)	
Equity call options	(256)	343	98
Foreign currency and interest rate swaps	10	(17)	(7)
Synthetic GIC policy fees	44	45	44
Embedded derivatives:			
Variable annuity GLB		322	316
Fixed indexed annuities	44	(128)	(47)
Life indexed accounts	228	(335)	(100)
Other	(8)	(3)	19
Other	(6)	10	9
Net investment gain	$54	$48	$110

The tables below summarize OTTI by investment type:

	Recognized in Earnings	Recognized in OCI	Total
		(In Millions)	
Year Ended December 31, 2018:			
Corporate securities	$8		$8
RMBS	1		1
OTTI - fixed maturity securities	9	—	9
Real estate	6		6
Total OTTI	$15	—	$15
Year Ended December 31, 2017:			
Corporate securities	$8		$8
RMBS	1		1
OTTI - fixed maturity securities	9	—	9
Other investments	2		2
Total OTTI	$11	—	$11
Year Ended December 31, 2016:			
Corporate securities	$22	$3	$25
RMBS	12	8	20
OTTI - fixed maturity securities	34	11	45
Real estate	2		2
Other investments	6		6
Total OTTI	$42	$11	$53

The table below details the amount of OTTI attributable to credit losses recognized in earnings for which a portion was recognized in OCI:

	Years Ended December 31,	
	2018	2017
	(In Millions)	
Cumulative credit loss, January 1	$174	$174
Additions for credit impairments recognized on:		
Securities not previously other than temporarily impaired		1
Total additions	—	1
Reductions for credit impairments previously recognized on:		
Securities due to an increase in expected cash flows and time value of cash flows	(1)	(1)
Securities sold	(9)	
Total subtractions	(10)	(1)
Cumulative credit loss, December 31	$164	$174

Net unrealized gain (loss) recognized in the consolidated statements of operations during the periods presented on securities still held at each period end is as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
FVO securities	($29)	$33	($7)
Trading securities	(10)	7	1
Equity securities	(8)		
Other investments measured at NAV	35	17	8

The change in net unrealized gain (loss) on investments in available for sale securities is as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
Available for sale securities:			
Fixed maturity	($2,807)	$1,119	$502
Equity [(1)]		(6)	7
Total available for sale securities	($2,807)	$1,113	$509

[(1)] Effective January 1, 2018, with the adoption of ASU 2016-01 (Note 1), available for sale equity securities were reclassified to equity securities at fair value through net income.

Trading securities, included in other investments, totaled $232 million and $624 million as of December 31, 2018 and 2017, respectively. The cumulative net unrealized gain (loss) on trading securities held as of December 31, 2018 and 2017 was ($8) million and $9 million, respectively.

Mortgage loans are primarily collateralized by commercial properties mainly located throughout the U.S. The geographic distribution of mortgage loans for the top five states or federal districts is as follows:

	December 31,	
	2018	2017
	(In Millions)	
Texas	$2,481	$2,460
California	2,219	2,033
New York	1,707	1,716
Washington	1,480	1,432
District of Columbia	1,116	1,160
Other	5,883	4,757
Total mortgage loans	$14,886	$13,558

Included in the December 31, 2018 and 2017 amounts for Texas and New York are $1,050 million and $750 million, respectively, consolidated from the CMBS VIEs (Note 3). Included in the December 31, 2018 amounts for Other in the table above are $341 million and $164 million located in Canada and the UK, respectively. Included in the December 31, 2017 amounts for Other in the table above are $383 million and $176 million located in Canada and the UK, respectively. The Company did not have any mortgage loans with accrued interest more than 180 days past due as of December 31, 2018 or 2017. As of December 31, 2018, there was no single mortgage loan investment that exceeded 10% of stockholder's equity.

The Company reviews the performance and credit quality of the mortgage loan portfolio on an on-going basis, including loan payment and collateral performance. Collateral performance includes a review of the most recent collateral inspection reports and financial statements. Analysts track each loan's debt service coverage ratio (DCR) and loan-to-value ratio (LTV). The DCR compares the collateral's net operating income to its debt service payments. DCRs less than 1.0 times indicate that the collateral operations do not generate enough income to cover the loan's current debt payments. A larger DCR indicates a greater excess of net operating income over the debt service. The LTV compares the amount of the loan to the fair value of the collateral and is commonly expressed as a percentage. LTVs greater than 100% indicate that the loan amount exceeds the collateral value. A smaller LTV percentage indicates a greater excess of collateral value over the loan amount.

The loan review process will result in each loan being placed into a No Credit Concern category or one of three levels: Level 1 Minimal Credit Concern, Level 2 Moderate Credit Concern or Level 3 Significant Credit Concern. Loans in No Credit Concern category are performing and no issues are noted. The collateral exhibits a strong DCR and LTV and there are no near term maturity concerns. The loan credit profile and borrower sponsorship have not experienced any significant changes and remain strong. For construction loans, projects are progressing as planned with no significant cost overruns or delays.

Level 1 loans are experiencing negative market pressure and outlook due to economic factors. Financial covenants may have been triggered due to declines in performance. Credit profile and/or borrower sponsorship remain stable but require monitoring. Near term (6 months or less) maturity requires monitoring due to negative trends. No impairment loss concerns exist under current conditions, however some possibility of loss may exist under stressed scenarios or changes in sponsorship financial strength.

Level 2 loans are experiencing significant or prolonged negative market pressure and uncertain outlook due to economic factors; financial covenants may have been triggered due to declines in performance and/or borrower may have requested covenant relief. Loan credit profile, borrower sponsorship and/or collateral value may have declined or give cause for concern. Near term maturity (12 months or less) coupled with negative market conditions, property performance and value and/or borrower stability result in increased refinance risk.

Level 3 loans are experiencing prolonged and/or severe negative market trends, declines in collateral performance and value, and/or borrower financial difficulties exist. Borrower may have asked for modification of loan terms. Without additional capital infusion and/or acceptable modification to existing loan terms, default is likely and foreclosure the probable alternative. Impairment loss is possible depending on current fair market value of the collateral. This category includes loans in default and previously impaired restructured loans that underperform despite modified terms and/or for which future loss is probable.

Loans classified as Level 2 or Level 3 are placed on a watch list and monitored weekly. Loans that have been identified as Level 3 are evaluated to determine if the loan is impaired. A loan is impaired if it is probable that amounts due according to the contractual terms of the loan agreement will not be collected.

As of December 31, 2018, 2017 and 2016, there were 11, 14 and 14 loans with a book value of $93 million, $305 million and $307 million, respectively, that were considered impaired. Since the fair value of the underlying collateral on these loans was greater than their carrying amount of the loans, no impairment loss was recorded.

The following tables set forth mortgage loan credit levels as of December 31, 2018 and 2017 (*$ In Millions*):

	December 31, 2018									
			Level 1		Level 2		Level 3			
	No Credit Concern		Minimal Credit Concern		Moderate Credit Concern		Significant Credit Concern		Total	
Property Type	Carrying Amount	Weighted Average DCR	Carrying Amount	Weighted Average DCR	Carrying Amount	Weighted Average DCR	Carrying Amount	Weighted Average DCR	Carrying Amount	Weighted Average DCR
Agricultural	$321	2.35							$321	2.35
Apartment	1,464	1.71	$45	1.09					1,509	1.69
Golf course	21	1.97	16	0.85	$28	1.01	$41	0.75	106	1.08
Industrial	90	1.54							90	1.54
Lodging	1,427	2.30	50	1.85					1,477	2.29
Mobile home park	187	3.06							187	3.06
Office	3,640	1.95	524	1.65			22	0.47	4,186	1.91
Office - VIE	750	3.44							750	3.44
Residential	43	1.44							43	1.44
Retail	2,972	2.14							2,972	2.14
Retail - VIE	1,050	2.64							1,050	2.64
Construction	1,808		387						2,195	
Total	$13,773	2.19	$1,022	1.61	$28	1.01	$63	0.66	$14,886	2.15

	December 31, 2017									
			Level 1		Level 2		Level 3			
	No Credit Concern		Minimal Credit Concern		Moderate Credit Concern		Significant Credit Concern		Total	
Property Type	Carrying Amount	Weighted Average DCR	Carrying Amount	Weighted Average DCR	Carrying Amount	Weighted Average DCR	Carrying Amount	Weighted Average DCR	Carrying Amount	Weighted Average DCR
Agricultural	$115	2.11							$115	2.11
Apartment	1,003	1.75	$45	1.05					1,048	1.72
Golf course	22	2.19	16	0.82	$41	1.00	$50	0.81	129	1.11
Industrial	34	1.55			18	2.09			52	1.74
Lodging	1,376	2.41					175	0.88	1,551	2.24
Mobile home park	189	2.94							189	2.94
Office	3,307	2.05	446	1.36			21	0.49	3,774	1.96
Office - VIE	750	3.28							750	3.28
Residential	63	1.43							63	1.43
Retail	2,848	2.18							2,848	2.18
Retail - VIE	1,050	2.39							1,050	2.39
Construction	1,989								1,989	
Total	$12,746	2.23	$507	1.31	$59	1.33	$246	0.83	$13,558	2.16

Pacific Life is a member of the Federal Home Loan Bank (FHLB) of Topeka. As of December 31, 2018, the Company has received advances of $68 million from the FHLB of Topeka and has issued funding agreements to the FHLB of Topeka. The funding agreement liabilities are included in policyholder account balances (Note 8). As of December 31, 2018, mortgage loans with a fair value of $194 million are in a custodial account pledged as approved collateral for the funding agreements. The Company is required to purchase stock in FHLB of Topeka each time it receives an advance. As of December 31, 2018, the Company holds $3 million of FHLB of Topeka stock, which is recorded in other investments.

Real estate investments totaled $1,571 million and $1,287 million as of December 31, 2018 and 2017, respectively.

6. AIRCRAFT, NET

Aircraft, net, consists of the following:

	December 31, 2018	December 31, 2017
	(In Millions)	
Aircraft	$11,000	$9,498
Accumulated depreciation	(1,984)	(1,664)
Aircraft, net	$9,016	$7,834

The following table presents, by year, the future minimum operating lease rentals ACG is due under noncancelable operating leases as of December 31, 2018 *(In Millions)*:

Years Ended December 31:	
2019	$946
2020	875
2021	793
2022	707
2023	586
Thereafter	1,858
Total	$5,765

Included in the table above are aircraft subleased to airlines with lease maturity dates ranging from 2021 to 2024 with total future rentals of $107 million. The revenue related to these aircraft, included in aircraft leasing revenue, was $27 million for each of the years ended December 31, 2018, 2017 and 2016. During 2011 to 2013, these aircraft were sold to third parties and subsequently leased back under operating leases with maturity dates ranging from 2023 to 2025 with total minimum future lease commitments on these operating leases of $120 million from 2019 to 2025.

As of December 31, 2018 and 2017, aircraft with a carrying amount of $1,422 million and $1,627 million, respectively, were assigned as collateral to secure debt (Note 10). See Note 3 for amounts related to VIEs.

Aircraft and other assets held for sale totaled $235 million and $410 million as of December 31, 2018 and 2017, respectively, and are included in aircraft, net.

Included in aircraft, net, as of December 31, 2018 and 2017, are $167 million and $164 million, respectively, of net aircraft maintenance right assets that represent the difference between the maintenance return conditions specified in the lease and the actual physical maintenance condition of acquired aircraft at the purchase date.

During the years ended December 31, 2018, 2017 and 2016, ACG recognized aircraft impairments of $75 million, $156 million and $152 million, respectively, which are included in operating and other expenses. See Note 11.

During the years ended December 31, 2018, 2017 and 2016, ACG had non cash transfers from aircraft orders and deposits (included in other assets) to aircraft, net of $551 million, $211 million and $319 million, respectively.

During the years ended December 31, 2018, 2017 and 2016, gains on the sale of aircraft of $33 million, $19 million and $11 million, respectively, were recognized and included in other income.

In December 2017, TC Skyward Aviation U.S., Inc., a Delaware corporation (the Investor) and direct subsidiary of Tokyo Century Corporation, a Japanese corporation, purchased a 20% member interest in ACG. At the request of ACG and subject to certain conditions, the Investor has also agreed to provide up to $600 million of additional equity capital to ACG through December 2020 in exchange for additional member interest in ACG. If the Investor owns less than 30% member interest in ACG after December 2020, the Investor has the right, subject to certain conditions, to purchase additional interests up to an amount of 30% of the member interests of ACG. In March 2019, the Investor contributed $200 million of equity capital to ACG.

See Note 17 for future aircraft purchase commitments.

7. DERIVATIVES AND HEDGING ACTIVITIES

The Company primarily utilizes derivative instruments to manage its exposure to interest rate risk, foreign currency risk and equity risk. Derivative instruments are also used to manage the duration mismatch of assets and liabilities. The Company utilizes a variety of derivative instruments including swaps, futures and options. In addition, certain insurance products offered by the Company contain features that are separately accounted for as derivatives.

Accounting for derivatives requires the Company to recognize all derivative instruments as either assets or liabilities at fair value. The accounting for changes in the fair value (i.e., gains or losses) of derivatives depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship.

DERIVATIVES NOT DESIGNATED AS HEDGING

Equity Derivatives

The Company utilizes equity derivatives to manage equity risk associated with embedded derivatives within certain insurance and reinsurance contracts. See below for further information on the Company's embedded derivatives.

Equity total return swaps are swaps whereby the Company agrees to exchange the difference between the economic risk and reward of an equity index and a floating rate of interest, calculated by reference to an agreed upon notional amount. Cash is paid and received over the life of the contract based on the terms of the swap.

Equity futures are exchange-traded transactions whereby the Company agrees to purchase or sell a specified number of contracts, the values of which are determined by the underlying equity indices, and to post variation margin on a daily basis in an amount equal to the change in the daily fair value of those contracts. The Company is also required to pledge initial margin for all futures contracts. The amount of required margin is determined by the exchange on which it is traded.

Equity put options involve the exchange of an upfront payment for the return, at the end of the option agreement, of the equity index below a specified strike price.

Equity call options are contracts to buy the index at a predetermined time at a contracted price. These contracts involve the exchange of a premium payment (either paid up front or at the time of exercise) for the return, at the end of the option agreement, of the differentials in the index at the time of exercise and the strike price subject to a cap, net of option premiums.

Foreign Currency Interest Rate Swaps

The Company utilizes foreign currency interest rate swaps primarily to manage the currency risk associated with investments and liabilities that are denominated in foreign currencies. Foreign currency interest rate swap agreements are used to convert fixed or floating rate foreign-denominated assets or liabilities to U.S. dollar fixed or floating rate assets or liabilities. A foreign currency interest rate swap involves the exchange of an initial principal amount in two currencies and the agreement to re-exchange the currencies at a future date at an agreed-upon exchange rate. There are also periodic exchanges of interest payments in the two currencies at specified intervals, calculated using agreed-upon interest rates, exchange rates, and the exchanged principal amounts. The main currencies that the Company economically hedges are the euro, British pound, Canadian dollar, and Japanese yen (JPY).

Interest Rate Swaps

The Company utilizes interest rate swaps to reduce market risk from changes in interest rates and other interest rate exposure arising from duration mismatches between assets and liabilities and to manage interest rate risk in variable annuity GLBs. An interest rate swap agreement involves the exchange, at specified intervals, of interest payments resulting from the difference between fixed rate and floating rate interest amounts calculated by reference to an underlying notional amount. Generally, no cash is exchanged at the outset of the contract and no principal payments are made by either party.

Synthetic GICs

The Company issues synthetic GICs to Employee Retirement Income Security Act of 1974 (ERISA) qualified defined contribution employee benefit plans (ERISA Plan) that are considered derivatives. The ERISA Plan uses the contracts in its stable value fixed income option. The Company receives a fee, recognized in net investment gain, for providing book value accounting for the ERISA Plan stable value fixed income option. In the event that plan participant elections exceed the fair value of the assets or if the contract is terminated and at the end of the termination period the book value under the contract exceeds the fair value of the assets, then the Company is required to pay the ERISA Plan the difference between book value and fair value. The Company mitigates the investment risk through pre-approval and monitoring of the investment guidelines, requiring high quality investments and adjustments to the plan crediting rates to compensate for unrealized losses in the portfolios.

Embedded Derivatives

The Company has certain insurance and reinsurance contracts that contain embedded derivatives. When it is determined that the embedded derivative possesses economic and risk characteristics that are not clearly and closely related to those of the related insurance or reinsurance contract, and that a separate instrument with the same terms would qualify as a derivative instrument, it is separated from the host contract and accounted for as a stand-alone derivative.

The Company offers a rider on certain variable annuity contracts that guarantees net principal over a ten-year holding period, as well as riders on certain variable annuity contracts that guarantee a minimum withdrawal benefit over specified periods, subject to certain restrictions. These variable annuity GLBs are considered embedded derivatives. At inception, the Company attributes to the embedded derivative a portion of the projected future guarantee fees to be collected from the policyholder equal to the present value of projected future guaranteed benefits.

GLBs on variable annuity contracts issued between January 1, 2007 and March 31, 2009 are partially reinsured by third party reinsurers. These reinsurance arrangements are used to offset a portion of the Company's exposure to the variable annuity GLBs for the lives of the host variable annuity contracts issued. The ceded portion of these variable annuity GLBs is considered an embedded derivative. The Company also reinsures certain variable annuity contracts with guaranteed minimum benefits to an affiliated reinsurer.

The Company employs economic hedging strategies to mitigate equity and interest rate risk associated with the variable annuity GLBs not covered by reinsurance. The Company utilizes equity total return swaps, equity futures and equity put options based upon domestic and international equity market indices to economically hedge the equity risk of the guarantees in its variable annuity products. The Company also utilizes interest rate swaps to manage interest rate risk in variable annuity GLBs.

The Company offers fixed indexed annuity products where interest is credited to the policyholder’s account balance based on domestic and/or international equity index changes, subject to various caps or participation rates. The indexed products contain embedded derivatives. The Company utilizes equity total return swaps, equity futures and equity call options based upon broad market indices to economically hedge the interest credited to the policyholder based upon the underlying equity index.

The Company offers life insurance products with indexed account options. The interest credited on the indexed accounts is a function of the underlying domestic or international equity index, subject to various caps, thresholds and participation rates. The life insurance products with indexed accounts contain embedded derivatives. The Company utilizes equity call options to economically hedge the interest credited to the policyholder based upon the underlying index for its life insurance products with indexed account options.

The following table summarizes amounts recognized in net investment gain for derivatives not designated as hedging instruments. Gains and losses include the changes in fair value of the derivatives and amounts realized on terminations. The amounts presented do not include losses from the periodic net payments and amortization of $327 million, $506 million and $464 million for the years ended December 31, 2018, 2017 and 2016, respectively, which are recorded in net investment gain.

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
Equity total return swaps	$44	($13)	($16)
Equity put options	36	(4)	
Equity call options	41	530	248
Foreign currency and interest rate swaps	60	(30)	27
Embedded derivatives:			
Variable annuity GLBs	(145)	166	155
Fixed indexed annuities	44	(128)	(47)
Life indexed accounts	228	(335)	(100)
Other	(8)	(2)	19
Total	$300	$184	$286

DERIVATIVES DESIGNATED AS CASH FLOW HEDGES

The Company primarily utilizes foreign currency and interest rate swaps to manage its exposure to variability in cash flows due to changes in foreign currencies and benchmark interest rates. These cash flows include those associated with existing assets and liabilities. The maximum length of time over which the Company is hedging its exposure to variability in future cash flows for forecasted transactions does not exceed 15 years.

The effective portion of gains (losses) from changes in the fair value of foreign currency and interest rate swaps designated as cash flow hedges recognized in OCI was $31 million, ($18) million and $6 million for the years ended December 31, 2018, 2017 and 2016, respectively. The ineffective portion of losses recognized in net investment gain was zero, $1 million and zero for the years ended December 31, 2018, 2017 and 2016, respectively. No amounts were reclassified from AOCI to earnings due to forecasted cash flows that were no longer probable of occurring for the years ended December 31, 2018, 2017 and 2016.

All of the hedged forecasted transactions for cash flow hedges were determined to be probable of occurring for the years ended December 31, 2018, 2017 and 2016.

Over the next twelve months, the Company anticipates that an immaterial amount of deferred gains on derivative instruments in AOCI will be reclassified to earnings consistent with when the hedged forecasted transaction affects earnings.

CONSOLIDATED FINANCIAL STATEMENT IMPACT

Derivative instruments are recorded at fair value and are presented as assets or liabilities based upon the net position for each derivative counterparty by legal entity, taking into account income accruals and net cash collateral. The following table summarizes the notional amount and gross asset or liability derivative fair value and excludes the impact of offsetting asset and liability positions held with the same counterparty, cash collateral payables and receivables and income accruals. See Note 11 for information on the Company's fair value measurements and disclosure.

Notional amount represents a standard of measurement of the volume of over the counter (OTC) and exchange-traded derivatives. Notional amount is not a quantification of market risk or credit risk and is not recorded in the consolidated statements of financial condition. Notional amounts generally represent those amounts used to calculate contractual cash flows to be exchanged and are not paid or received, except for certain contracts such as currency swaps.

	December 31, 2018				December 31, 2017			
	Notional	Fair Value			Notional	Fair Value		
	Amount	Assets	Liabilities		Amount	Assets	Liabilities	
	(In Millions)				(In Millions)			
Derivatives designated as hedging instruments:								
Foreign currency and interest rate swaps	$550	$24	$10	(1)	$394	$3	$22	(1)
Derivatives not designated as hedging instruments:								
Equity total return swaps	824	45	1	(1)	1,174	1	13	(1)
Equity futures	2,305				1,074			
Equity put options	256	32		(1)	242	2		(1)
Equity call options	9,642	86	78	(1)	6,214	398	2	(1)
Foreign currency and interest rate swaps	1,491	113	13	(1)	1,340	81	36	(1)
Synthetic GICs	23,342				21,623			
Other					217			
Embedded derivatives:								
Variable annuity GLBs			1,057	(3)			846	(3)
Variable annuity GLB - reinsurance contracts		223		(2)		157		(2)
Fixed indexed annuities			732	(4)			465	(4)
Life indexed accounts			180	(4)			526	(4)
Other		9	38	(5)		24	37	(5)
Total derivatives not designated as hedging instruments	37,860	508	2,099		31,884	663	1,925	
Total derivatives	$38,410	$532	$2,109		$32,278	$666	$1,947	

Location on the consolidated statements of financial condition:
(1) Other investments and other liabilities (2) Other assets (3) Future policy benefits (4) Policyholder account balances
(5) Other assets, policyholder account balances and other liabilities

OFFSETTING ASSETS AND LIABILITIES

The following table reconciles the net amount of derivative assets and liabilities (excluding embedded derivatives) subject to master netting arrangements after the offsetting of collateral. Gross amounts include income or expense accruals. Gross amounts offset include cash collateral received or pledged limited to the gross fair value of recognized derivative assets or liabilities, net of accruals. Excess cash collateral received or pledged is not included in the tables due to the foregoing limitation. Gross amounts not offset include asset collateral received or pledged limited to the gross fair value of recognized derivative assets and liabilities.

	Gross Amounts of Recognized Assets/Liabilities (1)	Gross Amounts Offset (2)	Net Amounts	Gross Amounts Not Offset - Asset Collateral (3)	Net Amounts
			(In Millions)		
December 31, 2018:					
Derivative assets	$262	($220)	$42	($35)	$7
Derivative liabilities	250	(245)	5		5
December 31, 2017:					
Derivative assets	$354	($266)	$88	($87)	$1
Derivative liabilities	74	(68)	6		6

(1) As of December 31, 2018 and 2017, derivative assets include expense accruals of $29 million and $131 million, respectively, and derivative liabilities include expense accruals of $156 million and $1 million, respectively.
(2) As of December 31, 2018 and 2017, the Company received excess cash collateral of $11 million and $8 million, respectively, and provided excess cash collateral of $4 million and $4 million, respectively, which are not included in the table.
(3) As of December 31, 2018 and 2017, the Company accepted excess asset collateral of $2 million and $4 million, respectively, which are not included in the table.

Cash collateral received from counterparties was $99 million and $223 million as of December 31, 2018 and 2017, respectively. This unrestricted cash collateral is included in cash, cash equivalents, and restricted cash and the obligation to return it is netted against the fair value of derivatives in other investments or other liabilities. Cash collateral pledged to counterparties was $225 million and $60 million as of December 31, 2018 and 2017, respectively. A receivable representing the right to call this collateral back from the counterparty is netted against the fair value of derivatives in other investments or other liabilities. Net exposure to the counterparty is calculated as the fair value of all derivative positions with the counterparty, net of income or expense accruals and cash collateral paid or received. If the net exposure to the counterparty is positive, the amount is reflected in other investments, whereas, if the net exposure to the counterparty is negative, the fair value is included in other liabilities.

As of December 31, 2018 and 2017, the Company had also accepted collateral, consisting of various securities, with a fair value of $37 million and $91 million, respectively, which are held in separate custodial accounts and are not recorded in the consolidated statements of financial condition. The Company is permitted by contract to sell or repledge this collateral and as of December 31, 2018 and 2017, none of the collateral had been sold or repledged. As of December 31, 2018 and 2017, the Company did not provide any collateral in the form of various securities.

CREDIT EXPOSURE AND CREDIT RISK RELATED CONTINGENT FEATURES

The Company is exposed to credit-related losses in the event of nonperformance by counterparties to OTC derivatives, which are bilateral contracts between two counterparties. The Company manages credit risk by dealing with creditworthy counterparties, establishing risk control limits, executing legally enforceable master netting agreements, and obtaining collateral where appropriate. In addition, the Company evaluates the financial stability of each counterparty before entering into each agreement and throughout the period that the financial instrument is owned.

The Company's futures are transacted through regulated exchanges and variation margin is settled on a daily basis. Therefore, the Company has minimal exposure to credit-related losses in the event of nonperformance by counterparties. The Company is also required to pledge initial margin for all futures contracts. The Company currently pledges cash to satisfy this collateral requirement.

For OTC derivative transactions, the Company enters into legally enforceable master netting agreements which provide for the netting of payments and receipts with a single counterparty. The net position with each counterparty is calculated as the aggregate fair value of all derivative instruments with each counterparty, net of income or expense accruals and collateral paid or received. For all external counterparties, these master netting agreements include collateral arrangements with derivative counterparties, which requires positions be marked to market and margined on a daily basis by the daily settlement of variation margin. The Company has minimal counterparty exposure to credit-related losses in the event of non performance by these counterparties.

There are no credit-contingent provisions in the Company's collateral arrangements for its OTC derivatives that provide for a reduction of collateral thresholds in the event of downgrades in the financial strength ratings, assigned by certain independent rating agencies, of the Company and/or the counterparty.

The Company’s credit exposure is measured on a counterparty basis as the net positive fair value of all derivative positions with the counterparty, net of income or expense accruals and cash collateral received. The Company’s credit exposure for OTC derivatives as of December 31, 2018 was $6 million. The maximum exposure to any single counterparty was $2 million as of December 31, 2018. All of the Company's credit exposure from derivative contracts is with investment grade counterparties.

Certain of the OTC master agreements include a termination event clause associated with financial strength ratings assigned by certain independent rating agencies. If these financial strength ratings were to fall below a specified level, as defined within each counterparty master agreement or if one of the rating agencies were to cease to provide a financial strength rating, the counterparty could terminate the master agreement with payment due based on the fair value of the underlying derivatives. As of December 31, 2018, the Company's financial strength ratings were above the specified level.

8. POLICYHOLDER LIABILITIES

POLICYHOLDER ACCOUNT BALANCES

Components of the liability for policyholder account balances is as follows:

	December 31,	
	2018	2017
	(In Millions)	
UL	$29,915	$28,651
Annuity and deposit liabilities	22,873	18,957
Fixed indexed annuity embedded derivatives	732	465
Life indexed account embedded derivatives	180	526
Funding agreements	178	166
Total	$53,878	$48,765

FUTURE POLICY BENEFITS

Components of the liability for future policy benefits is as follows:

	December 31, 2018	December 31, 2017
	(In Millions)	
Annuity reserves	$10,358	$10,134
Policy benefits (1)	2,883	2,808
URR (2)	1,994	1,501
Life insurance	1,435	1,218
Variable annuity GLB embedded derivatives	1,057	846
Closed Block liabilities	253	254
Other	115	134
Total	$18,095	$16,895

(1) As of December 31, 2018 and 2017, policy benefits consist primarily of $915 million and $851 million of liabilities for unpaid claims and $1,801 million and $1,812 million primarily representing certain single premium immediate annuity reserves, respectively.

(2) The Company annually revises certain assumptions to develop EGPs for its products subject to URR amortization. The revised EGPs resulted in decreased URR amortization of $120 million, $43 million and $21 million for the years ended December 31, 2018, 2017 and 2016, respectively.

9. SEPARATE ACCOUNTS AND GUARANTEED BENEFIT FEATURES

The Company issues variable annuity contracts through separate accounts for which investment income and investment gains and losses accrue directly to, and investment risk is borne by, the contract holder (traditional variable annuities). These contracts also include various types of GMDB and GLB features. For a discussion of certain GLBs accounted for as embedded derivatives, see Note 7.

The GMDBs provide a specified minimum return upon death. Many of these death benefits are spousal, whereby a death benefit will be paid upon death of the first spouse. The survivor has the option to terminate the contract or continue it and have the death benefit paid into the contract and a second death benefit paid upon the survivor's death. The GMDB features include those where the Company contractually guarantees to the contract holder either (a) return of no less than total deposits made to the contract less any partial withdrawals (return of net deposits), (b) the highest contract value on any contract anniversary date through age 80 minus any payments or partial withdrawals following the contract anniversary (anniversary contract value), or (c) the highest of contract value on certain specified dates or total deposits made to the contract less any partial withdrawals plus a minimum return (minimum return).

The guaranteed minimum income benefit (GMIB) is a GLB that provides the contract holder with a guaranteed annuitization value after 10 years. Annuitization value is generally based on deposits adjusted for withdrawals plus a minimum return. In general, the GMIB requires contract holders to invest in an approved asset allocation strategy.

The Company offers variable and fixed annuity contracts with guaranteed minimum withdrawal benefits for life (GMWBL) features. The GMWBL is a GLB that provides, subject to certain restrictions, a percentage of a contract holder’s guaranteed payment base will be available for withdrawal for life starting no earlier than age 59.5, regardless of market performance. The rider terminates upon death of the contract holder or their spouse if a spousal form of the rider is purchased.

Information in the event of death on the various GMDB features outstanding was as follows (the Company's variable annuity contracts with guarantees may offer more than one type of guarantee in each contract; therefore, the amounts listed are not mutually exclusive):

	December 31, 2018	December 31, 2017
	($ In Millions)	
Return of net deposits:		
Separate account value	$45,795	$52,825
Net amount at risk [1]	1,300	457
Average attained age of contract holders	68 years	67 years
Anniversary contract value:		
Separate account value	$11,845	$14,061
Net amount at risk [1]	1,069	432
Average attained age of contract holders	69 years	69 years
Minimum return:		
Separate account value	$708	$863
Net amount at risk [1]	208	363
Average attained age of contract holders	74 years	73 years

[1] Represents the amount of death benefit in excess of the current contract holder account balance as of December 31.

Information regarding GMIB and GMWBL features outstanding is as follows:

	December 31, 2018	2017	2018	2017	2018	2017
	GMIB		GMWBL [2]		GMWBL [3]	
	($ In Millions)		($ In Millions)		($ In Millions)	
Separate account value	$1,345	$1,665	$6,632	$6,924		
Net amount at risk [1]	284	148	861	153	$101	$80
Average attained age of contract holders	64 years	64 years	68 years	67 years	68 years	67 years

[1] GMIB net amount at risk represents the amount of estimated annuitization benefits in excess of the current contract holder account balance at December 31. GMWBL net amount at risk represents the protected balance, as defined, in excess of account value at December 31.

[2] GMWBL related to variable annuities.

[3] GMWBL related to fixed annuities.

The determination of GMDB, GMIB and GMWBL liabilities is based on models that involve a range of scenarios and assumptions, including those regarding expected market rates of return and volatility, contract surrender rates and mortality experience. The following table summarizes the GMDB, GMIB and GMWBL liabilities, which are recorded in future policy benefits, and changes in these liabilities, which are reflected in policy benefits paid or provided:

	December 31,							
	2018	2017	2018	2017	2018	2017	2018	2017
	GMDB		GMIB		GMWBL [1]		GMWBL [2]	
	(In Millions)		*(In Millions)*		*(In Millions)*		*(In Millions)*	
Balance, beginning of year	$11	$9	$39	$37	$75	$55	$19	$15
Changes in reserves	16	9	7	9	13	20	11	4
Benefits paid	(9)	(7)	(5)	(7)				
Balance, end of year	$18	$11	$41	$39	$88	$75	$30	$19

[1] GMWBL related to variable annuities.
[2] GMWBL related to fixed annuities.

Variable annuity contracts with guarantees were invested in separate account investment options as follows:

	December 31,	
	2018	2017
	(In Millions)	
Asset type:		
Equity	$29,571	$34,324
Bonds	13,335	15,536
Other	3,099	3,209
Total separate account value	$46,005	$53,069

In addition, the Company issues certain life insurance contracts whereby the Company contractually guarantees to the contract holder a death benefit even when there is insufficient value to cover monthly mortality and expense charges, whereas otherwise the contract would typically lapse.

FDNLGR liabilities are determined by estimating the expected value of FDNLGR costs incurred when the policyholder account balance is projected to be zero and recognizing those costs over the accumulation period based on total expected assessments. The assumptions used in estimating the FDNLGR liability are consistent with those used for amortizing DAC. The FDNLGR costs used in calculating the FDNLGR liability are based on the average FDNLGR costs incurred over a range of scenarios.

The following table summarizes the FDNLGR liability, which are recorded in future policy benefits, and changes in these liabilities, which are reflected in policy benefits paid or provided:

	Direct	Ceded	Net
		(In Millions)	
Balance, January 1, 2017	$725	$195	$530
Incurred guaranteed benefits	143	87	56
Paid guaranteed benefits	(5)	(4)	(1)
Balance, December 31, 2017	863	278	585
Incurred guaranteed benefits	93	23	70
Paid guaranteed benefits	(6)	(5)	(1)
Balance, December 31, 2018	$950	$296	$654

Information regarding life insurance contracts included in the FDNLGR liability is as follows:

	December 31, 2018	2017
	($ In Millions)	
Net amount at risk [(1)]	$15,793	$16,183
Average attained age of policyholders	62 years	61 years

(1) Represents the amount of death benefit in excess of the current policyholder account balance as of December 31.

10. DEBT AND FVO DEBT

SHORT-TERM DEBT AND REVOLVING CREDIT FACILITIES

	December 31, 2018	2017
	(In Millions)	
Short-term debt and revolving credit facilities:		
Commercial paper	$50	
Credit facility recourse only to ACG	20	$235
Commercial paper recourse only to ACG	96	
Other VIE debt (Note 3)	55	119
Total short-term debt and revolving credit facilities	$221	$354

Pacific Life and PL&A

Pacific Life maintains a $700 million commercial paper program. There was $50 million and zero commercial paper debt outstanding as of December 31, 2018 and 2017. Interest is at variable rates and was 2.5% as of December 31, 2018. In addition, Pacific Life has a bank revolving credit facility of $400 million maturing in June 2023 that will serve as a back-up line of credit to the commercial paper program. Interest is at variable rates. This facility had no debt outstanding as of December 31, 2018 and 2017, respectively.

Pacific Life and PL&A maintains uncommitted reverse repurchase lines of credit with various financial institutions. These borrowings are at variable rates of interest based on collateral and market conditions. There was no debt outstanding in connection with these reverse repurchase lines of credit as of December 31, 2018 and 2017.

Pacific Life is eligible to receive advances from the FHLB of Topeka based on a percentage of Pacific Life's statutory general account assets provided it has sufficient available eligible collateral and is in compliance with the FHLB of Topeka requirements, debt covenant restrictions and insurance law and regulations. The Company had estimated available eligible collateral of $1.1 billion as of December 31, 2018. Interest is at variable or fixed rates. The Company had no debt outstanding with the FHLB of Topeka as of December 31, 2018 and 2017.

PL&A is a member of the FHLB of San Francisco. PL&A is eligible to receive advances from the FHLB of San Francisco based on a percentage of PL&A's statutory net admitted assets provided it has sufficient available eligible collateral and is in compliance with the FHLB of San Francisco requirements and insurance law and regulations. PL&A had estimated available eligible collateral of $24 million as of December 31, 2018. Interest is at variable or fixed rates. PL&A had no debt outstanding with the FHLB of San Francisco as of December 31, 2018 and 2017.

Credit Facility and Commercial Paper Recourse Only to ACG

ACG has revolving credit facilities with banks totaling $1,860 million borrowing capacity as of December 31, 2018. There was $20 million and $235 million outstanding in connection with these revolving credit facilities as of December 31, 2018 and 2017, respectively. Interest on these loans is at variable rates, payable monthly and was 3.6% and 2.6% as of December 31, 2018 and 2017, respectively. The facilities expire at various dates ranging from 2019 to 2023. These credit facilities are recourse only to ACG.

In May 2018, ACG established a $1.5 billion commercial paper program which is back stopped by one of ACG's revolving credit facilities. This commercial paper program is recourse only to ACG. This commercial paper program had $96 million outstanding as of December 31, 2018, with interest rates ranging from 2.8% to 2.9% that matured in January 2019.

LONG-TERM DEBT

	December 31, 2018					December 31, 2017
($ In Millions)	Carrying Amount	Maturity Date	Interest Rate	Interest Payment Frequency	Type	Carrying Amount
Long-term debt:						
Surplus notes:						
2017 surplus notes (1)	$749	2067	4.3% (2)	Semiannually (2)	Fixed (2)	$749
2013 internal surplus note (3)	405	2043	5.125%	Semiannually	Fixed	405
2010 internal surplus note (3)	56	2020	6.0%	Semiannually	Fixed	56
2009 surplus notes (1)	385	2039	9.25%	Semiannually	Fixed	385
1993 surplus notes (1)	134	2023	7.9%	Semiannually	Fixed	134
Fair value hedge adjustments - terminated interest rate swap agreements (4)	147					154
Non-recourse long-term debt:						
Debt recourse only to ACG (5)	6,975	2019 to 2027	0.3% to 7.2%	Quarterly/ Semiannually	Variable/ Fixed	5,724
Other non-recourse debt (6)	990	2019 to 2028	3.6% to 5.4%	Monthly	Variable/ Fixed	845
CMBS VIE debt (Note 5) (7)	1,521	2025 to 2044	3.5% to 3.6%	Monthly	Fixed	1,521
Total long-term debt	11,362					9,973
Total short-term debt and revolving credit facilities	221					354
Debt issuance cost	(78)					(76)
Total debt	$11,505					$10,251
FVO debt - VIE (Note 5)	$880					$462

(1) The surplus notes are unsecured and subordinated to all present and future senior indebtedness and policy claims of Pacific Life. All future payments of interest and principal on these surplus notes can be made only with the prior approval of the NE DOI. The 1993 surplus notes may not be redeemed at the option of Pacific Life or any holder of the surplus notes. Pacific Life may redeem all or a portion of the 2009 surplus notes at its option at the redemption price described under the terms of the notes and may redeem all or a portion of the 2017 surplus notes at its option at any time on or after October 24, 2047 at the redemption price described under the terms of the notes, subject to the prior approval of the NE DOI noted above.

(2) Represent rate, frequency and type through October 23, 2047. Thereafter until maturity, interest is payable quarterly at a floating rate equal to three-month London Interbank Offered Rate (LIBOR) for deposits in U.S. dollars plus 2.796%.

(3) The NE DOI approved the issuance of an internal surplus note by Pacific Life to Pacific LifeCorp for $450 million (the 2010 internal surplus note) and $500 million (the 2013 internal surplus note). The 2010 surplus note is unsecured and subordinated to all present and future senior indebtedness and policy claims of the Company. The 2013 surplus note is an unsecured debt obligation of the Company and ranks equally with the Company's existing and future surplus notes or similar obligations. The 2013 surplus note is subordinated in right of payment to all other existing and future senior indebtedness of the Company and to present and future claims under insurance policies and annuity contracts issued by the Company. All future payments of interest and principal on these internal surplus notes can be made only with the prior approval of the NE DOI.

(4) Pacific Life previously terminated interest rate swaps converting the 1993 surplus notes and 2009 surplus notes to variable rate notes. As a result, fair value hedge adjustments were recorded to the net carrying amount of each note and are being amortized as a reduction to interest expense over the remaining life of the surplus notes using the effective interest method. The total unamortized fair value hedge adjustments as of December 31, 2018 for the 1993 surplus notes and 2009 surplus notes were $23 million and $124 million, respectively. The total unamortized fair value hedge adjustments as of December 31, 2017 for the 1993 surplus notes and 2009 surplus notes were $28 million and $126 million, respectively.

(5) As of December 31, 2018 and 2017, $664 million and $843 million, respectively, was outstanding on secured loans that are guaranteed by the Ex-Im bank or by the ECA. The secured loans amount includes $534 million and $693 million related to VIEs as of December 31, 2018 and 2017, respectively. See Note 3. As of December 31, 2018 and 2017, $6,311 million and $4,881 million, respectively, was outstanding on senior unsecured notes and loans entered into with third parties.

(6) As of December 31, 2018 and 2017, $939 million and $794 million, respectively, was outstanding on various real estate property related loans entered into by certain subsidiaries of Pacific Asset Holding LLC, a wholly owned subsidiary of Pacific Life. The real estate property related loans amount includes $18 million related to other VIEs as of December 31, 2018 and 2017. These loans are secured by real estate properties. Also included in other non-recourse debt is $51 million as of December 31, 2018 and 2017 on a secured borrowing due to an unrelated third party. The collateral for the amount borrowed is a participation interest in two of the Company's commercial mortgage loans that are secured by real estate property.

(7) This debt is secured by commercial real estate property and the Company is not responsible for any principal or interest shortfalls from the underlying collateral. See Note 3.

The following tables summarize the principal activity of long-term debt (excluding debt issuance costs):

(In Millions)	January 1, 2018	Principal Issuances (1)	Repayments (2)	Other (3)	December 31, 2018
Surplus notes	$1,729				$1,729
Fair value hedge adjustments	154			($7)	147
Non-recourse long-term debt:					
Debt recourse only to ACG	5,724	$2,552	($1,298)	(3)	6,975
Other non-recourse debt	845	147	(2)		990
CMBS VIE debt	1,521				1,521
Total long-term debt	$9,973	$2,699	($1,300)	($10)	$11,362

(In Millions)	January 1, 2017	Principal Issuances (1)	Repayments (2)	Other (3)	December 31, 2017
Surplus notes	$1,715	$750	($736)		$1,729
Fair value hedge adjustments	243			($89)	154
Note payable to Pacific LifeCorp	15		(15)		—
Non-recourse long-term debt:					
Debt recourse only to ACG	4,243	1,761	(271)	(9)	5,724
Other non-recourse debt	446	421	(22)		845
CMBS VIE debt	1,521				1,521
Total long-term debt	$8,183	$2,932	($1,044)	($98)	$9,973

(1) Principal issuances excludes original issue discount fees and debt issuance costs.
(2) Repayments include paydowns, redemptions or retirements pursuant to a tender offer. Partial retirements pursuant to a tender offer are accounted for as extinguishments of debt and any losses are recognized in interest expense in the year in which the retirement occurs. Losses of $89 million were recognized during the year ended December 31, 2017 from the extinguishments of surplus notes, net of fair value hedge adjustments.
(3) Other includes amortization of fair value hedge adjustments, debt discounts/premiums and related amortization, foreign currency adjustments or other immaterial adjustments.

Certain of the Company’s debt instruments and credit facilities contain various administrative, reporting, legal and financial covenants. The Company believes it was in compliance with all such covenants as of December 31, 2018.

The following summarizes aggregate scheduled principal payments during the next five years and thereafter:

		Non-recourse Debt		
	Surplus Notes	Debt Recourse Only to ACG	Other Non-recourse Debt	Total
Years Ending December 31:		*(In Millions)*		
2019		$366	$46	$412
2020	$56	956	275	1,287
2021		1,679	87	1,766
2022		1,083	31	1,114
2023	134	1,033	49	1,216
Thereafter	1,545	1,885	484	3,914
Total	$1,735	$7,002	$972	$9,709

The table above excludes short-term debt, revolving credit facilities, VIE debt, fair value hedge adjustments and original issue discount fees of $33 million. ACG VIE debt is included in the table above as it is recourse to ACG.

FVO DEBT

As of December 31, 2018 and 2017, the Company had FVO debt from CLOs classified as VIEs (Note 3) of $880 million and $462 million, respectively, with floating interest rates that range from three month LIBOR plus 1.09% to 6.68%, with maturities ranging from 2029 to 2031. This debt is secured by broadly syndicated bank loans, is non-recourse to the Company and the Company is not responsible for any principal or interest shortfalls from the underlying collateral.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Codification's Fair Value Measurements and Disclosures Topic establishes a hierarchy that prioritizes the inputs of valuation methods used to measure fair value for financial assets and financial liabilities that are carried at 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.

The following tables present, by fair value hierarchy level, the Company's financial assets and liabilities that are carried at fair value as of December 31, 2018 and 2017.

	Level 1	Level 2	Level 3	Gross Derivatives Fair Value	Netting Adjustments (1)	Total
				(In Millions)		
December 31, 2018:						
Assets:						
U.S. Government		$60				$60
Obligations of states and political subdivisions		1,270	$23			1,293
Foreign governments		623				623
Corporate securities		42,612	1,707			44,319
RMBS		2,146	10			2,156
CMBS		1,272	21			1,293
Other asset-backed securities		1,078	358			1,436
Total fixed maturity securities	—	49,061	2,119	—	—	51,180
FVO securities		1,488				1,488
Other investments:						
Trading securities		232				232
Equity securities	$68	163				231
Other investments (2)		118	8			126
Other investments measured at NAV (4)						762
Total other investments	68	513	8	—	—	1,351
Derivatives:						
Foreign currency and interest rate swaps		137		$137	($63)	74
Equity derivatives			163	163	(150)	13
Embedded derivatives			232	232		232
Total derivatives	—	137	395	532	(213)	319
Separate account assets:						
Separate account assets	53,390					53,390
Separate account assets measured at NAV (4)						319
Total separate account assets (5)	53,390	—	—	—	—	53,709
Total	$53,458	$51,199	$2,522	$532	($213)	$108,047
Liabilities:						
FVO debt		$880				$880
Derivatives:						
Foreign currency and interest rate swaps		23		$23	($63)	(40)
Equity derivatives			$79	79	(150)	(71)
Embedded derivatives			2,007	2,007		2,007
Total derivatives	—	23	2,086	2,109	(213)	1,896
Total	—	$903	$2,086	$2,109	($213)	$2,776

	Level 1	Level 2	Level 3	Gross Derivatives Fair Value	Netting Adjustments [1]	Total
				(In Millions)		
December 31, 2017:						
Assets:						
U.S. Government		$79				$79
Obligations of states and political subdivisions		958	$24			982
Foreign governments		504	28			532
Corporate securities		40,130	1,476			41,606
RMBS		1,910	15			1,925
CMBS		941	100			1,041
Other asset-backed securities		921	374			1,295
Total fixed maturity securities	—	45,443	2,017	—	—	47,460
Perpetual preferred securities		14				14
Other equity securities	$68					68
Total equity securities	68	14	—	—	—	82
FVO securities		1,182				1,182
Other investments:						
Trading securities	375	249				624
Other investments [3]	36	120	5			161
Other investments measured at NAV [4]						275
Total other investments	411	369	5	—	—	1,060
Derivatives:						
Foreign currency and interest rate swaps		84		$84	($79)	5
Equity derivatives			401	401	(262)	139
Embedded derivatives			181	181		181
Total derivatives	—	84	582	666	(341)	325
Separate account assets:						
Separate account assets	61,067	110				61,177
Separate account assets measured at NAV [4]						279
Total separate account assets [5]	61,067	110	—	—	—	61,456
Total	$61,546	$47,202	$2,604	$666	($341)	$111,565
Liabilities:						
FVO debt		$462				$462
Derivatives:						
Foreign currency and interest rate swaps		58		$58	($79)	(21)
Equity derivatives			$15	15	(262)	(247)
Embedded derivatives			1,874	1,874		1,874
Total derivatives	—	58	1,889	1,947	(341)	1,606
Total	—	$520	$1,889	$1,947	($341)	$2,068

[1] Netting adjustments represent the impact of offsetting asset and liability positions held with the same counterparty as permitted by guidance for offsetting in the Codification's Derivatives and Hedging Topic.
[2] Excludes investments accounted for under the equity method of accounting.
[3] Excludes investments accounted for under the equity and cost methods of accounting.

(4) In accordance with the Codification's Fair Value Measurement Topic 820-10, certain investments that do not have a readily determinable fair value are measured using the NAV per share (or its equivalent) practical expedient and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial condition.

(5) Separate account assets are measured at fair value. 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 as prescribed by guidance in the Codification's Financial Services – Insurance Topic for accounting and reporting of certain non traditional long-duration contracts and separate accounts. Excluded are the separate account assets measured at NAV discussed below.

As a practical expedient to value certain investments that do not have a readily determinable fair value, the Company uses the NAV to determine the fair value. The following table lists information regarding these investments as of December 31, 2018 *($ In Millions)*.

Asset Class and Investment Strategy (1)	Fair Value	Redemption Frequency	Remaining Lock-Up Period	Redemption Notice Period	Outstanding Commitment
Hedge fund	$25	Monthly Quarterly Semi-Annually Annually	None	45 – 90 days	
Private equity funds (2)	737	None (3)	N/A	N/A	$1,077
Separate account hedge funds	319	Monthly Quarterly Semi-Annually Annually	None to 4 years	5 – 120 days	
Total measured at NAV	$1,081				$1,077

(1) Investment strategies related to private equity funds include multi-strategy primarily invested in leveraged buy-out, growth equity, private credit, and secondary funds. Investment strategies related to separate account hedge funds include multi-strategy primarily invested in U.S. and international equity and fixed income.

(2) Effective January 1, 2018, with the adoption of ASU 2016-01 (Note 1), certain cost method private equity investments were reclassified as investments recorded at fair value using NAV as a practical expedient.

(3) Distributions by these investments are generated from liquidation of the underlying assets of the funds, which are determined by the general partner. The Company is not aware of any announcements of planned liquidations.

FAIR VALUE MEASUREMENT

The Codification's Fair Value Measurements and Disclosures Topic defines fair value as the price that would be received to sell the asset or paid to transfer the liability at the measurement date. This "exit price" notion is a market-based measurement that requires a focus on the value that market participants would assign for an asset or liability.

The following section describes the valuation methodologies used by the Company to measure various types of financial instruments at fair value and the controls that surround the valuation process. The Company reviews its valuation methodologies and controls on an ongoing basis and assesses whether these methodologies are appropriate based on the current economic environment.

FIXED MATURITY, FVO, TRADING AND EQUITY SECURITIES

The fair values of fixed maturity securities available for sale, FVO, trading and equity securities 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. In the absence of such market observable activity, management's best estimate is used.

Internal valuation techniques include matrix model pricing and internally-developed models, which incorporate observable market data, where available. Securities priced by the matrix model are primarily comprised of private placement securities. Matrix model pricing measures fair value using cash flows, which are discounted using observable market yield curves provided by a major independent data service. The matrix model determines the discount yield based upon significant factors that include the security's weighted average life, rating and sector.

Where matrix model pricing is not used, fair values are determined by other internally-derived valuation tools which 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.

Most securities priced by a major independent third-party pricing service and private placement securities that use the matrix model 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 independent 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 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 unusual items are investigated, further analysis is performed and resolutions are appropriately documented.

OTHER INVESTMENTS

Other investments include non-marketable equity securities that do not have readily determinable fair value. Certain significant inputs used in determining the fair value of these equities are based on management assumptions or contractual terms with another party that cannot be readily observable in the market. These non-marketable equity securities are classified as Level 3 assets. Also included in other investments are the securities of the 40 Act Funds, which are valued using the same methodology as described above for fixed maturity, FVO, trading and equity securities.

DERIVATIVE INSTRUMENTS

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 the 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.

Substantially all of the OTC derivatives were priced by valuation models as of December 31, 2018 and 2017. A credit valuation analysis was performed for all derivative positions that are uncollateralized to measure the nonperformance risk that the counterparties to the transaction will be unable to perform under the contractual terms and was determined to be immaterial as of December 31, 2018. Nonperformance risk is the Company's market-perceived risk of its own or the counterparty's nonperformance.

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. Also classified in Level 3 are embedded derivatives in certain insurance and reinsurance contracts. These derivatives are valued using pricing models, which utilize both observable and unobservable inputs, primarily interest rate volatility, equity volatility, equity index levels, nonperformance risk, and, to a lesser extent, market fees and broker quotations. A derivative instrument containing Level 2 inputs will be classified as a Level 3 financial instrument in its entirety if it has at least one significant Level 3 input.

VARIABLE ANNUITY GLB EMBEDDED DERIVATIVES

Fair values for variable annuity GLB and related reinsurance embedded derivatives are calculated based upon significant unobservable inputs using internally developed models because active, observable markets do not exist for those items. As a result, variable annuity GLB and related reinsurance embedded derivatives are categorized as Level 3. Below is a description of the Company's fair value methodologies for these embedded derivatives.

Fair value is calculated as an aggregation of fair value and additional risk margins including behavior risk margin, mortality risk margin and credit standing adjustment. The resulting aggregation is reconciled or calibrated, if necessary, to market information that is, or may be, available to the Company, but may not be observable by other market participants. Each of the components described below are unobservable in the market place and requires subjectivity by the Company in determining their value.

- Behavior risk margin: This component adds a margin that market participants would require for the risk that the Company's assumptions about policyholder behavior used in the fair value model could differ from actual experience. This component includes assumptions about withdrawal utilization and lapse rates.

- Mortality risk margin: This component adds a margin in mortality assumptions, both for decrements for policyholders with GLBs, and for expected payout lifetimes in guaranteed minimum withdrawal benefits.

- Credit standing adjustment: This component makes an adjustment that market participants would make to reflect the chance that GLB obligations or the GLB reinsurance recoverables will not be fulfilled (nonperformance risk).

SEPARATE ACCOUNT ASSETS

Separate account assets are reported at fair value as a summarized total on the consolidated statements of financial condition. The fair value of separate account assets is based on the fair value of the underlying assets. Separate account assets are primarily invested in mutual funds, but also have investments in fixed maturity securities and hedge funds.

Level 1 assets include mutual funds that are valued based on reported NAVs 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.

Level 2 assets include fixed maturity securities. The pricing methodology and valuation controls are the same as those previously described in fixed maturity securities available for sale.

LEVEL 3 RECONCILIATION

The tables below present reconciliations of the beginning and ending balances of the Level 3 financial assets and liabilities, net, that have been measured at fair value on a recurring basis using significant unobservable inputs.

	January 1, 2018	Total Gains or Losses: Included in Earnings	Total Gains or Losses: Included in OCI	Transfers Into Level 3	Transfers Out of Level 3	Purchases	Sales	Settlements	December 31, 2018
					(In Millions)				
Obligations of states and political subdivisions	$24		($1)						$23
Foreign governments	28		(2)		($25)			($1)	—
Corporate securities	1,476	$13	(93)	$27	(119)	$718	($224)	(91)	1,707
RMBS	15		3	1	(156)	155		(8)	10
CMBS	100		(4)	2	(96)	19			21
Other asset-backed securities	374	1	(10)	10	(72)	97		(42)	358
Total fixed maturity securities	2,017	14	(107)	40	(468)	989	(224)	(142)	2,119
Other investments	5					4	(1)		8
Derivatives, net: (1)									
Equity derivatives	386	52			84			(438)	84
Embedded derivatives	(1,693)	119				(659)		458	(1,775)
Total derivatives	(1,307)	171	—	—	84	(659)	—	20	(1,691)
Total	$715	$185	($107)	$40	($384)	$334	($225)	($122)	$436

	January 1, 2017	Total Gains or Losses Included in Earnings	Total Gains or Losses Included in OCI	Transfers Into Level 3	Transfers Out of Level 3	Purchases	Sales	Settlements	December 31, 2017
					(In Millions)				
Obligations of states and political subdivisions	$26		($3)	$2				($1)	$24
Foreign governments	49		(1)	1	($18)			(3)	28
Corporate securities	1,587	$67	57	54	(512)	$534	($178)	(133)	1,476
RMBS	35		2	5	(55)	35		(7)	15
CMBS	106		(2)		(16)	13		(1)	100
Other asset-backed securities	484	1	2	29	(129)	66		(79)	374
Total fixed maturity securities	2,287	68	55	91	(730)	648	(178)	(224)	2,017
Other investments	5								5
Derivatives, net: (1)									
Equity derivatives	212	488				44		(358)	386
Embedded derivatives	(1,457)	(301)	1			(311)		375	(1,693)
Total derivatives	(1,245)	187	1	—	—	(267)	—	17	(1,307)
Total	$1,047	$255	$56	$91	($730)	$381	($178)	($207)	$715

(1) Excludes derivative net settlements of ($314) million and ($414) million for the years ended December 31, 2018 and 2017, respectively, that are recorded in net investment gain. Excludes synthetic GIC policy fees of $44 million and $45 million for the years ended December 31, 2018 and 2017, respectively, that are recorded in net investment gain. Excludes embedded derivative policy fees of $145 million and $156 million for the years ended December 31, 2018 and 2017, respectively, that are recorded in net investment gain.

During the years ended December 31, 2018 and 2017, transfers into Level 3 were primarily attributable to the decreased availability and use of market observable inputs to estimate fair value. The transfers out of Level 3 were generally due to the use of market observable inputs in valuation methodologies, including the utilization of pricing service information.

Amounts included in earnings of Level 3 financial assets and liabilities are as follows:

Year Ended December 31, 2018:	Net Investment Income	Net Investment Gain (Loss)	OTTI	Total
		(In Millions)		
Corporate securities	$18	($1)	($4)	$13
Other asset-backed securities	1			1
Total fixed maturity securities	19	(1)	(4)	14
Equity derivatives		52		52
Embedded derivatives		119		119
Total derivatives	—	171	—	171
Total	$19	$170	($4)	$185

Year Ended December 31, 2017:	Net Investment Income	Net Investment Gain (Loss)	OTTI	Total
		(In Millions)		
Corporate securities	$17	$55	($5)	$67
Other asset-backed securities		1		1
Total fixed maturity securities	17	56	(5)	68
Equity derivatives		488		488
Embedded derivatives		(301)		(301)
Total derivatives	—	187	—	187
Total	$17	$243	($5)	$255

The table below represents the net amount of total gains or losses for the period, attributable to the change in unrealized gain (loss) relating to assets and liabilities classified as Level 3 that were still held at the end of the reporting period.

	Years Ended December 31, 2018	2017
	(In Millions)	
Derivatives, net: [1]		
Equity derivatives	($39)	$331
Embedded derivatives	142	(180)
Total	$103	$151

[1] Amounts are recognized in net investment gain.

For the year ended December 31, 2018, the Company recognized $70 million of unrealized losses recorded in OCI for fixed maturity securities classified as Level 3 that were still held at period end.

The following table presents certain quantitative information of significant unobservable inputs used in the fair value measurement and the sensitivity of the fair value to changes in those inputs for Level 3 assets and liabilities as of December 31, 2018 (*$ In Millions*).

	Fair Value Asset (Liability)	Predominant Valuation Method	Significant Unobservable Inputs	Range (Weighted Average)	Impact of Increase in Input on Fair Value [(6)]
Obligations of states and political subdivisions	$23	Discounted cash flow	Spread [(1)]	460	Decrease
Corporate securities	1,707	Discounted cash flow	Spread [(1)]	64-855 (247)	Decrease
		Collateral value	Collateral value [(3)]	58-68 (65)	Increase
		Market pricing	Quoted prices [(2)]	88-137 (102)	Increase
RMBS	10	Market pricing	Quoted prices [(2)]	98	Increase
CMBS	21	Discounted cash flow	Spread [(1)]	250-358 (269)	Decrease
			Prepayment rate	0%	N/A
			Default rate	0%	Decrease [(7)]
			Severity	0%	Decrease [(7)]
Other asset-backed securities	358	Discounted cash flow	Spread [(1)]	37-353 (115)	Decrease
		Market pricing	Quoted prices [(2)]	65-108 (100)	Increase
		Cap at call price	Call price	100	N/A
Other investments	8	Redemption value	Redemption value [(4)]	100	N/A
Equity derivatives	84	Option pricing model	Equity volatility	7% - 47% (18%)	Increase [(8)]
Embedded derivatives [(5)]	(1,775)	Option pricing techniques	Equity volatility	7% - 47%	Increase [(9)]
			Mortality:		
			Ages 0-40	0.01% - 0.18%	Decrease [(10)]
			Ages 41-60	0.06% - 0.55%	Decrease [(10)]
			Ages 61-120	0.39% - 100.00%	Decrease [(10)]
			Mortality improvement	0.00% - 4.47%	Increase [(11)]
			Withdrawal utilization	0.00% - 97.50%	Varies by product [(12)]
			Lapse rates	0.00% - 100%	Decrease [(13)]
			Credit standing adjustment	0.54% - 1.81%	Decrease [(14)]
Total	$436				

(1) Range and weighted average are presented in basis points over the benchmark interest rate curve and include adjustments attributable to illiquidity premiums, expected duration, structure and credit quality.
(2) Independent third-party quotations were used in the determination of fair value.
(3) Valuation based on the Company's share of fair values of the underlying assets held in the trusts.
(4) Represents FHLB common stock that is valued at the contractual amount that will be received upon redemption.
(5) This liability consists of embedded derivatives from variable annuity GLBs, fixed indexed annuity products and life indexed account insurance products. Since the valuation methodology for embedded derivatives uses a range of inputs that vary at the contract level over the cash flow projection period, presenting a range, rather than weighted average, is more representative of the unobservable input used in the valuation.
(6) The impact of a decrease in input would have the opposite impact on fair value as that presented in the table. For any given contract, each assumption varies throughout the period over which cash flows are projected for purposes of valuing the embedded derivative.
(7) Changes in the assumptions used for the probability of default are accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumptions used for prepayment rates.
(8) Changes in fair values are based on long U.S. dollar positions and will be inversely impacted for short U.S. dollar positions.
(9) Long-term equity volatilities represent equity volatility beyond the period for which observable equity volatilities are available, and vary by equity index. The assumption is based on historical realized equity volatility.

(10) Mortality rates vary by age, gender, policy year, and mortality segments. Mortality rate assumptions are based on Company experience. There are two mortality segments: the plus segment consists of policies without a lifetime GMWB rider; the minus segment consists of policies with a lifetime GMWB rider. An increase in the mortality assumption results in an increase (decrease) in the fair value for policies in the plus (minus) segment. As of the December 31, 2018, the majority of policies in scope are in the minus segment.

(11) Mortality improvement varies by age, gender, calendar year, and mortality segment. Mortality improvement assumptions are based on Company experience. Mortality segments are defined in (10) above. An increase in the mortality improvement assumption results in a decrease (increase) in the fair value for policies in the plus (minus) segment.

(12) The withdrawal utilization assumption estimates the percentage of contractholders with a GMWB benefit who will elect to utilize the benefit. The assumption varies by the type of GMWB, tax qualification status, policy size, and age at rider issue. Withdrawal utilization assumptions are based on Company experience. An increase in the withdrawal utilization assumption results in an increase (decrease) in the fair value for variable (fixed indexed) annuities.

(13) Variable annuity lapse rates vary by policy size, commission option, single/joint life status, surrender charge duration, age, policy month, amount of time until the end of the rider utilization waiting period (if any), and the amount by which the guaranteed amount is greater than the account value. Fixed indexed annuity lapse rates consist of a base lapse rate that varies by product and policy year, and a dynamic adjustment based on how the credited rate on the contract compares to competitor rates. Lapse rate assumptions are based on Company experience.

(14) The credit standing adjustment represents the Company's nonperformance risk spread, and varies by duration. The assumption is based on Barclays financial credit spreads.

NONRECURRING FAIR VALUE MEASUREMENTS

Certain assets are measured at fair value on a nonrecurring basis and are not included in the tables presented above. The following table presents assets measured at fair value (at the relevant measurement date) on a nonrecurring basis during the years ended December 31, 2018 and 2017 and still held at year end (*In Millions*):

	December 31,			
	2018		2017	
	Level 2	Level 3	Level 2	Level 3
Aircraft and other related assets	$72	$244	$193	$16

Aircraft and Other Related Assets

The Company measures the fair value of aircraft and other related assets on a nonrecurring basis as part of the recoverability assessment. The recoverability assessment is performed quarterly and whenever events or changes in circumstances indicate that the carrying amount of aircraft may not be recoverable. When aircraft are held for sale, the fair value measurement is based on the estimated sales price, less selling costs (Level 2 input). For aircraft that are held for use, the fair value measurements are based on third party maintenance adjusted appraisal values (i.e., a market approach) based on Level 3 inputs, or the present value of estimated future cash flows (i.e., an income approach) based on Level 3 inputs, which include current contractual lease payments, estimated future lease payments, estimated sales prices, the estimated disposition value less selling costs, and the discount rate.

The Company did not have any other significant nonfinancial assets or liabilities measured at fair value on a nonrecurring basis resulting from impairments as of December 31, 2018 and 2017. The Company has not made any significant changes in the valuation methodologies for nonfinancial assets and liabilities.

The carrying amount and fair value of the Company's financial instruments that are not carried at fair value under the Codification's Financial Instruments Topic are as follows:

	Fair Value Hierarchy Level	December 31, 2018		December 31, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		(In Millions)			
Assets:					
Mortgage loans	Level 3	$14,886	$14,649	$13,558	$14,005
Policy loans	Level 3	7,975	7,975	7,681	7,681
Other investments	Level 3			217	236
Cash and cash equivalents	Level 1	2,728	2,728	2,639	2,639
Restricted cash	Level 1	206	206	211	211
Liabilities:					
Funding agreements	Level 3	178	178	166	167
Annuity and deposit liabilities	Level 3	22,873	22,873	18,957	18,957
Short-term debt and revolving credit facilities	Level 2	221	221	354	354
Long-term debt	Level 2	11,362	11,292	9,973	10,357

This table excludes the following financial instruments: accrued investment income receivables and payables, cash collateral liability for securities lending and collateral receivables and payables for derivatives. 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. The following methods and assumptions were used to estimate the fair value of these financial instruments as of December 31, 2018 and 2017:

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 credit quality, property type and average maturity of the composite portfolio.

POLICY LOANS

Policy loans are not separable from their associated insurance contract and bear no credit risk since they do not exceed the contract's cash surrender value, making these assets fully secured by the cash surrender value of the contracts. Therefore, the carrying amount of the policy loans is a reasonable approximation of their fair value.

OTHER INVESTMENTS

Included in other investments are private equity investments accounted for under the cost method of accounting prior to the adoption of ASU 2016-01 (Note 1). The fair value is based on the ownership percentage of the NAV of the underlying equity of the investments.

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The carrying amounts approximate fair values due to the short-term maturities of these instruments.

FUNDING AGREEMENTS

The fair value of funding agreements is estimated using the rates currently offered for deposits of similar remaining maturities.

ANNUITY AND DEPOSIT LIABILITIES

Annuity and deposit liabilities primarily includes policyholder deposits and accumulated credited interest. The fair value of annuity and deposit liabilities approximates carrying amount based on an analysis of discounted future cash flows with maturities similar to the product portfolio liabilities.

DEBT AND REVOLVING CREDIT FACILITIES

The carrying amount of short-term debt and revolving credit facilities is a reasonable estimate of its fair value because the interest rates are variable and based on current market rates. The fair value of long-term debt is based on market quotes or discounting estimated future cash flows using market rates, except for certain VIE debt and non-recourse debt, for which an analysis is performed to ensure the carrying amounts are reasonable estimates of their fair values.

12. OTHER COMPREHENSIVE INCOME (LOSS)

The Company displays comprehensive income (loss) and its components on the consolidated statements of comprehensive income (loss) and consolidated statements of equity. The balance of and changes in each component of AOCI attributable to the Company are as follows:

	Unrealized Gain (Loss) on Securities Available for Sale, Net [1]	Gain (Loss) on Derivatives	Other, Net	Total AOCI
		(In Millions)		
Balance, January 1, 2016	$620	$85	($17)	$688
Change in OCI before reclassifications	336 [2]	6	(7)	335
Income tax (expense) benefit	(120)	(2)	3	(119)
(Gain) loss reclassified from AOCI	9	(1)		8
Income tax benefit	(3)			(3)
Balance, December 31, 2016	842	88	(21)	909
Change in OCI before reclassifications	734 [2]	(18)	8	724
Income tax (expense) benefit	(255)	6		(249)
Gain reclassified from AOCI	(86)			(86)
Income tax expense	30			30
Reclassification of deferred tax effects	272	17	(4)	285
Balance, December 31, 2017	1,537	93	(17)	1,613
Cumulative effect of adoption of accounting change (Note 1)	(3)			(3)
Revised balance, January 1, 2018	1,534	93	(17)	1,610
Change in OCI before reclassifications	(1,978) [2]	30	(8)	(1,956)
Income tax (expense) benefit	416	(6)		410
Loss reclassified from AOCI	12			12
Income tax benefit	(3)			(3)
Balance, December 31, 2018	($19)	$117	($25)	$73

[1] See Note 4 and Note 8 for information related to DAC and future policy benefits.

[2] Includes allocation of net holding gain (loss) from DAC, URR and future policy benefits of $848 million, ($465) million and ($164) million for the years ended December 31, 2018, 2017 and 2016, respectively.

RECLASSIFICATIONS FROM AOCI

The table below presents amounts reclassified from each component of AOCI and their locations on the consolidated statements of operations. Amounts are shown gross of tax.

Reclassification adjustments:	2018	2017	2016
	Years Ended December 31, (In Millions)		
Unrealized (gain) loss on securities available for sale, net:			
Sale of securities available for sale [1]	$3	($95)	($25)
OTTI recognized on securities available for sale [2]	9	9	34
Total unrealized (gain) loss on securities available for sale, net	12	(86)	9
Gain on derivatives, net			(1)
Total amounts reclassified from AOCI	$12	($86)	$8

Location on the consolidated statements of operations:

[1] Net investment gain [2] OTTI

13. REINSURANCE

The accounting for reinsurance requires extensive use of assumptions and estimates, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risk. The Company periodically reviews, and modifies as appropriate, the estimates and assumptions used to establish assets and liabilities relating to assumed and ceded reinsurance. Reinsurance receivables, included in other assets, were $1,196 million and $1,190 million as of December 31, 2018 and 2017, respectively. Reinsurance payables, included in other liabilities, were $226 million and $253 million as of December 31, 2018 and 2017, respectively.

The components of insurance premiums are as follows:

	2018	2017	2016
	Years Ended December 31, (In Millions)		
Direct premiums	$1,719	$1,502	$1,213
Reinsurance assumed [1]	996	1,048	1,034
Reinsurance ceded	(437)	(409)	(392)
Insurance premiums	$2,278	$2,141	$1,855

[1] Included are $56 million, $56 million and $58 million of assumed premiums from PLRL for the years ended December 31, 2018, 2017 and 2016, respectively.

14. INCOME TAXES

The provision (benefit) for income taxes is as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
Current	($121)	$259	$84
Deferred	235	(643)	123
Provision (benefit) for income taxes	$114	($384)	$207

A reconciliation of the provision for income taxes based on the Federal corporate statutory tax rate of 21% for the year ended December 31, 2018 and 35% for for the years ended December 31, 2017 and 2016 to the provision (benefit) for income taxes is as follows:

	Years Ended December 31,		
	2018	2017	2016
	(In Millions)		
Provision for income taxes at the statutory rate	$218	$342	$346
Separate account dividends received deduction	(31)	(81)	(107)
Tax credits	(33)	(24)	(22)
Remeasurement of operating deferred taxes	(49)	(395)	
Remeasurement of OCI deferred taxes		(285)	
Transition tax on deemed repatriation		23	
Tax on financial reporting basis over tax basis of foreign subsidiary		48	
Foreign tax credit adjustments	41		
Other	(32)	(12)	(10)
Provision (benefit) for income taxes	$114	($384)	$207

The net deferred tax liability, included in other liabilities, is comprised of the following tax effected temporary differences:

	December 31, 2018	December 31, 2017
	(In Millions)	
Deferred tax assets:		
Policyholder reserves	$525	$564
Investment valuation	442	343
Tax credit carryforwards	268	408
Deferred compensation	57	51
Tax net operating loss carryforwards	1	3
Other	105	116
Total deferred tax assets	1,398	1,485
Deferred tax liabilities:		
DAC	(678)	(716)
Partnership investments	(646)	(646)
Hedging	(415)	(365)
Depreciation	(7)	(2)
Other	(23)	(27)
Total deferred tax liabilities	(1,769)	(1,756)
Net deferred tax liability	(371)	(271)
Unrealized gain on derivatives and securities available for sale	(2)	(410)
Other adjustments	(8)	(8)
Net deferred tax liability	($381)	($689)

The Company has $135 million of solar tax credits that expire in 2038, $129 million of alternative minimum tax (AMT) credits that are expected to be either fully utilized or refunded between 2020 and 2021, and $4 million of various other credits that expire between 2037 and 2038.

The Company has $5 million of life company Federal loss carryovers that expire between 2026 and 2032.

Management has assessed that it is more likely than not that the Company's deferred tax assets as of December 31, 2018 will be realized through projected future taxable income and the reversal of existing deferred tax liabilities listed above.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits (*In Millions*):

Balance as of January 1, 2016	$58
Increase - prior year positions	52
Decrease - prior year positions	(58)
Balance as of December 31, 2016	52
Decrease - prior year positions	(52)
Balance as of December 31, 2017	—
Increase - prior year positions	41
Balance as of December 31, 2018	$41

The Company identified liabilities for uncertain tax positions in 2015 and 2016 for which there is uncertainty about the timing, but not the deductibility, of tax deductions relating to aircraft depreciation and aircraft maintenance reserves. The unrecognized tax benefits were recorded as a reduction to the deferred tax asset for net operating loss carryforwards.

The Company filed an application for an automatic change in the method of accounting for aircraft depreciation with the Internal Revenue Service (IRS) in 2016 and adjusted its net operating loss carryover to 2017 for aircraft maintenance reserves, which reduced the liability for uncertain tax positions by $58 million during 2016 and $52 million during 2017.

During 2018, the outcome in certain European Union (EU) member country tax courts indicated that foreign tax withholding refund claims that the Company had filed in previous years would be refunded. Upon receipt of such refund, the Company will owe the same amount to the IRS for the foreign tax credit benefit claimed on those foreign tax withholdings. As a result of this change in facts, the Company has recorded a liability of $41 million for the uncertainty of sustaining the benefit of the foreign tax credits previously claimed; this amount is equal to the pending foreign tax withholding refund claims that the Company expects will be resolved consistently across the EU member countries. The unrecognized tax benefit was increased in 2018.

The Company does not expect material changes to its unrecognized tax benefits for the twelve month period following the reporting date.

PMHC files income tax returns in U.S. Federal and various state jurisdictions. PMHC is under continuous audit by the IRS and is audited periodically by some state taxing authorities. The IRS is currently examining PMHC's tax returns for the years ended December 31, 2013 through 2016. The exam of the Federal tax returns through tax years ended December 31, 2012 has been completed and certain issues are under appeals. The State of California is auditing the tax year ended December 31, 2009 and certain issues are under appeals. The Company does not expect the current Federal and California audits to result in any material assessments.

On December 22, 2017, tax reform legislation formally known as the Act was enacted, which significantly revised the U.S. corporate income tax system. Among other things, the Act lowered the Federal corporate income tax rate from 35% to 21%, effective January 1, 2018; implemented a territorial tax system, and imposed a transition tax on deemed repatriated earnings of foreign subsidiaries; broadened the base of taxable income, particularly with respect to the calculation of tax reserves, DAC, and the Dividends Received Deduction (DRD); and repealed the corporate AMT.

Following the guidance in Staff Accounting Bulletin No. 118 (SAB 118), the Company recorded certain effects of the Act as provisional estimates for the year ended December 31, 2017, specifically:

- An income tax benefit of $680 million for the estimated remeasurement of the Company's U.S. net deferred tax liabilities.
- An income tax expense of $23 million for the deemed repatriation of accumulated earnings in foreign subsidiaries.

The measurement period in SAB 118 ended on December 22, 2018, and the Company has completed the accounting for the tax impact of the Act based on legislative updates relating to the Act currently available. Adjustments were recorded during the year ended December 31, 2018 to the provisional estimates initially recorded, specifically:

- Additional income tax benefit of $49 million for the remeasurement of the Company's U.S. net deferred tax liabilities as a result of certain tax positions taken on the 2017 tax return filing.

Prior to the enactment of the Act, the Company considered the earnings in its non-U.S. subsidiaries to be indefinitely reinvested; accordingly, it recorded no deferred income taxes with respect to the excess of the amount for financial reporting over the tax basis in its non-U.S. subsidiaries, including undistributed foreign earnings. The transition tax included in the Act reduced this excess, but did not eliminate it. As the remaining excess of the amount for financial reporting over the tax basis reverses, it may result in additional non-U.S. withholding taxes, as well as U.S. Federal and state taxes. More specifically:

- As of December 31, 2017, the Company changed its prior assertion of indefinite reinvestment of earnings in Singapore, and recorded a deferred tax liability of $48 million, with respect to remaining financial reporting basis over the tax basis in its Singapore subsidiary. The deferred tax liability has been updated as of December 31, 2018 to account for activity during the year ended December 31, 2018.

15. SEGMENT INFORMATION

The Company has four operating segments: Life Insurance, Retirement Solutions, Aircraft Leasing and Reinsurance. These segments are managed separately and have been identified based on differences in products and services offered. All other activity is included in the Corporate and Other segment.

The Life Insurance segment provides a wide range of life insurance products through multiple distribution channels operating in the affluent, broad and corporate markets. Principal products include universal life, indexed universal life, variable universal life, hybrid Long Term Care, and term life. Distribution channels include independent producers, financial advisory networks, independent brokerage general agencies, wirehouses, e-tailers and M Financial, an association of independently owned and operated insurance and financial producers.

The Retirement Solutions segment's principal products include variable and fixed annuity products, mutual funds, and structured settlement and group retirement annuities, which are offered through multiple distribution channels. Distribution channels include independent planners, regional broker-dealers, wirehouses and financial institution distributors.

The Aircraft Leasing segment offers aircraft leasing to the airline industry throughout the world and provides brokerage and asset management services to other third-parties.

The Reinsurance segment primarily includes the domestic retrocession business, which assumes mortality risks from other life reinsurers. Additionally, retrocession agreements related to non-traditional longevity reinsurance are assumed from PLRL. The international retrocession business serves clients primarily in Canada, Europe and Asia.

The Corporate and Other segment consists of assets, liabilities and activities, which support the Company's operating segments. Included in these support activities is the management of investments, the Company's financing activities (including the issuance of long-term and short-term debt), and other expenses and other assets not directly attributable to the operating segments. The Corporate and Other segment also includes operations that do not qualify as operating segments and the elimination of intersegment transactions.

The Company uses the same accounting policies and procedures to measure segment net income (loss) and assets as it uses to measure its consolidated net income (loss) and assets. Net investment income and net investment gain (loss) are allocated based on invested assets purchased and held as is required for transacting the business of that segment. Overhead expenses are allocated based on services provided. Interest expense is allocated based on the short-term borrowing needs of the segment and is included in net investment income.

Certain segments are allocated equity based on formulas determined by management and receive a fixed interest rate of return on interdivision debentures supporting the allocated equity. The debenture amount is reflected as investment expense in net investment income in the Corporate and Other segment and as net investment income in the operating segments.

The Company generates the majority of its revenues and net income from customers located in the U.S. As of December 31, 2018 and 2017, the Company had foreign investments of $13.6 billion and $12.7 billion, respectively. Aircraft leased to foreign customers was $7.6 billion and $6.6 billion as of December 31, 2018 and 2017, respectively. Revenues derived from any customer did not exceed 10% of consolidated total revenues for the years ended December 31, 2018, 2017 and 2016.

The following is segment information as of and for the year ended December 31, 2018:

	Life Insurance	Retirement Solutions	Aircraft Leasing	Reinsurance	Corporate and Other	Total
REVENUES			*(In Millions)*			
Policy fees and insurance premiums	$1,533	$2,270		$947		$4,750
Net investment income	1,272	1,539	$4	35	$397	3,247
Net investment gain (loss)	23	35	(6)	(17)	19	54
OTTI	(4)	(6)			(5)	(15)
Investment advisory fees	28	253			14	295
Aircraft leasing revenue			954			954
Other income	40	190	95	33	1	359
Total revenues	2,892	4,281	1,047	998	426	9,644
BENEFITS AND EXPENSES						
Policy benefits	833	1,956		855		3,644
Interest credited	975	510			5	1,490
Commission expenses	460	781		23		1,264
Operating expenses	471	488	182	39	191	1,371
Depreciation of aircraft			352			352
Interest expense	16		244		222	482
Total benefits and expenses	2,755	3,735	778	917	418	8,603
Income before provision (benefit) for income taxes	137	546	269	81	8	1,041
Provision (benefit) for income taxes	(9)	41	54	18	10	114
Net income (loss)	146	505	215	63	(2)	927
Less: net income attributable to noncontrolling interests			(53)		(3)	(56)
Net income (loss) attributable to the Company	$146	$505	$162	$63	($5)	$871
Total assets	$44,176	$87,714	$11,219	$1,759	$9,847	$154,715
DAC	1,915	3,067		41		5,023
Separate account assets	7,506	46,203				53,709
Policyholder and contract liabilities	34,100	36,627		1,068	178	71,973
Separate account liabilities	7,506	46,203				53,709

The following is segment information as of and for the year ended December 31, 2017:

	Life Insurance	Retirement Solutions	Aircraft Leasing	Reinsurance	Corporate and Other	Total
REVENUES			*(In Millions)*			
Policy fees and insurance premiums	$1,110	$2,246		$991		$4,347
Net investment income	1,201	1,385	$5	33	$216	2,840
Net investment gain (loss)	14	(89)	(5)	8	120	48
OTTI	(3)	(6)			(2)	(11)
Investment advisory fees	27	262			11	300
Aircraft leasing revenue			898			898
Other income	39	191	52	30	2	314
Total revenues	2,388	3,989	950	1,062	347	8,736
BENEFITS AND EXPENSES						
Policy benefits	668	1,881		914		3,463
Interest credited	915	460			8	1,383
Commission expenses	188	557		24		769
Operating expenses	418	467	261	33	122	1,301
Depreciation of aircraft			322			322
Interest expense	12		221		289	522
Total benefits and expenses	2,201	3,365	804	971	419	7,760
Income (loss) before provision (benefit) for income taxes	187	624	146	91	(72)	976
Provision (benefit) for income taxes	(59)	(68)	(225)	7	(39)	(384)
Net income (loss)	246	692	371	84	(33)	1,360
Less: net income attributable to noncontrolling interests			(1)		(5)	(6)
Net income (loss) attributable to the Company	$246	$692	$370	$84	($38)	$1,354
Total assets	$44,410	$90,616	$9,798	$1,761	$8,313	$154,898
DAC	1,630	3,016		47		4,693
Separate account assets	8,242	53,214				61,456
Policyholder and contract liabilities	32,490	31,949		1,055	166	65,660
Separate account liabilities	8,242	53,214				61,456

The following is segment information for the year ended December 31, 2016:

	Life Insurance	Retirement Solutions	Aircraft Leasing	Reinsurance	Corporate and Other	Total
REVENUES				*(In Millions)*		
Policy fees and insurance premiums	$1,196	$1,937		$975		$4,108
Net investment income	1,146	1,267	$3	36	$135	2,587
Net investment gain (loss)		(58)	(4)	22	150	110
OTTI	(18)	(8)			(16)	(42)
Investment advisory fees	25	262			7	294
Aircraft leasing revenue			1,018			1,018
Other income	32	209	48	90		379
Total revenues	2,381	3,609	1,065	1,123	276	8,454
BENEFITS AND EXPENSES						
Policy benefits	729	1,596		857		3,182
Interest credited	878	417			11	1,306
Commission expenses	294	634		25		953
Operating expenses	388	461	274	35	104	1,262
Depreciation of aircraft			331			331
Interest expense	10		233	1	186	430
Total benefits and expenses	2,299	3,108	838	918	301	7,464
Income (loss) before provision (benefit) for income taxes	82	501	227	205	(25)	990
Provision (benefit) for income taxes	9	59	89	72	(22)	207
Net income (loss)	73	442	138	133	(3)	783
Less: net income attributable to noncontrolling interests					(26)	(26)
Net income (loss) attributable to the Company	$73	$442	$138	$133	($29)	$757

16. TRANSACTIONS WITH RELATED PARTIES

PLFA serves as the investment adviser for the Pacific Select Fund (PSF) and the Pacific Funds Series Trust (PFST). Investment advisory and other fees are based primarily upon the NAV of the underlying portfolios. These fees, included in investment advisory fees and other income, amounted to $334 million, $342 million and $339 million for the years ended December 31, 2018, 2017 and 2016, respectively. In addition, Pacific Life and PLFA provide certain support services to the PSF and PFST based on an allocation of actual costs. These fees amounted to $6 million for the years ended December 31, 2018, 2017 and 2016. Pacific Life also provides general administrative or investment management services to PMHC, PLC and other affiliates. These fees amounted to $13 million, $10 million, and $11 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Additionally, the PSF and PFST have service and other plans whereby the funds pay Pacific Select Distributors, LLC (PSD), a wholly owned broker-dealer subsidiary of Pacific Life, as distributor of the funds, a service fee in connection with services rendered to or procured for shareholders of the fund or their variable annuity and life insurance contract owners. These services may include, but are not limited to, payment of compensation to broker-dealers, including PSD itself, and other financial institutions and organizations, which assist in providing any of the services. For the years ended December 31, 2018, 2017 and 2016, PSD received $111 million, $116 million and $115 million, respectively, in service and other fees from the PSF and PFST, which are recorded in other income.

Pacific Life and PL&A's structured settlement transactions are typically designed such that an affiliated assignment company assumes settlement obligations from external parties in exchange for consideration. The affiliated assignment company then funds the assumed settlement obligations by purchasing annuity contracts from Pacific Life and PL&A. Consequently, substantially all of the Pacific Life and PL&A's structured settlement annuities are sold to an affiliated assignment company. Included in the liability for future policy benefits are insurance contracts with the affiliated assignment company with contract values of $3.9 billion and $3.6 billion as of December 31, 2018 and 2017, respectively. In addition, included in the liability for policyholder account balances are investment contracts with the affiliated assignment company of $3.3 billion and $2.8 billion as of December 31, 2018 and 2017, respectively. Related to the insurance contracts, Pacific Life and PL&A received $469 million, $475 million and $361 million of insurance premiums and paid $235 million, $210 million and $190 million of policy benefits for the years ended December 31, 2018, 2017 and 2016, respectively.

ACG has derivative swap contracts with Pacific LifeCorp as the counterparty. The notional amounts total $318 million and $562 million as of December 31, 2018 and 2017, respectively. The fair values of the derivatives were net assets (liabilities) of $5 million and ($5) million as of December 31, 2018 and 2017, respectively.

17. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

The Company has outstanding commitments that may be funded to make investments primarily in fixed maturity securities, mortgage loans, limited partnerships and other investments, as follows *(In Millions)*:

Years Ending December 31:	Mortgage Loans	Limited Partnerships	Fixed Maturity Securities and Other Investments	Total
2019	$518	$383	$542	$1,443
2020	318	214		532
2021	205	214		419
2022	112	189		301
2023		173		173
Thereafter	1	236	2	239
Total	$1,154	$1,409	$544	$3,107

The Company leases office facilities under various operating leases, which in most, but not all cases, are noncancelable. Rent expense, which is included in operating and other expenses, in connection with these leases was $11 million, $9 million and $8 million for the years ended December 31, 2018, 2017 and 2016, respectively. Aggregate minimum future office lease commitments are as follows *(In Millions)*:

Years Ending December 31:	
2019	$10
2020 through 2023	37
2024 and thereafter	40
Total	$87

As of December 31, 2018, ACG had commitments to purchase aircraft scheduled for delivery through 2023. All of these commitments arise from fixed price purchase agreements with Boeing, Airbus and other third parties, and include adjustments for inflation. As of December 31, 2018, the aggregate estimated total remaining payments (including adjustments for certain contractual escalation provisions) are due as follows (*In Millions*):

Years Ending December 31:	
2019	$2,393
2020	2,160
2021	1,977
2022	1,434
2023	775
Total	$8,739

As of December 31, 2018, deposits related to these agreements totaled $1,184 million and are included in other assets.

Pacific Life entered into agreements with PLRL and Pacific Life Re (Australia) Pty Limited (PLRA), a wholly owned indirect subsidiary of Pacific LifeCorp, to guarantee the performance of reinsurance obligations of PLRL and PLRA. These guarantees are secondary to the guarantees provided by Pacific LifeCorp and would only be triggered in the event of nonperformance by both PLRL or PLRA and Pacific LifeCorp. Management believes that additional obligations, if any, related to the guarantee agreements are not likely to have a material adverse effect on the Company's consolidated financial statements.

Pacific Life has an agreement with Pacific Life Reinsurance Company II Limited (PLRC), an exempt life reinsurance company domiciled in Barbados and wholly owned by Pacific Life, to guarantee the performance of reinsurance obligations of PLRC. Management believes that additional obligations, if any, related to the guarantee agreement are not likely to have a material adverse effect on the Company's consolidated financial statements.

Pacific Life has a commitment to provide funds, on Pacific LifeCorp's behalf, of up to 100 million pound sterling to PLRL. This commitment is secondary to Pacific LifeCorp and is contingent on the nonperformance by Pacific LifeCorp. Management believes that additional obligations, if any, related to this commitment are not likely to have a material adverse effect on the Company's consolidated financial statements.

CONTINGENCIES - LITIGATION

The Company is a respondent in a number of legal proceedings, some of which involve allegations for extra-contractual damages. Although the Company is confident of its position in these matters, success is not a certainty and a judge or jury could rule against the Company. In the opinion of management, the outcome of such proceedings is not likely to have a material adverse effect on the Company's consolidated financial statements. The Company believes adequate provision has been made in its consolidated financial statements for all probable and reasonably estimable losses for litigation claims against the Company.

CONTINGENCIES - IRS REVENUE RULING

In 2007, the IRS issued Rev. Rul. 2007-54, interpreting then-current tax law regarding the computation of the DRD. Later in 2007, the IRS issued Revenue Ruling 2007-61, suspending Rev. Rul. 2007-54 and indicating that the IRS would re-address this issue in a future regulation project. In 2014, the IRS issued Rev. Rul. 2014-7, stating that it would not address this issue through regulation, but instead would defer to legislative action. Rev. Rul. 2014-7 also expressly superseded Rev. Rul. 2007-54, and declared Rev. Rul. 2007-61 obsolete. With the enactment of the Act (Notes 1 and 14), DRD computations have been modified effective January 1, 2018. Therefore, the Company does not expect that any of the rulings described above will affect DRD computations in the future. However, in open tax years before 2018, the Company could still lose a substantial portion of its DRD claims, which could in turn have a material adverse effect on the Company's consolidated financial statements.

CONTINGENCIES - OTHER

In the course of its business, the Company provides certain indemnifications related to dispositions, acquisitions, investments, lease agreements or other transactions that are triggered by, among other things, breaches of representations, warranties or covenants provided by the Company. These obligations are typically subject to time limitations that vary in duration, including contractual limitations and those that arise by operation of law, such as applicable statutes of limitation. Because the amounts of these types of indemnifications often are not explicitly stated, the overall maximum amount of the obligation under such indemnifications cannot be reasonably estimated. The Company has not historically made material payments for these types of indemnifications. The estimated maximum potential amount of future payments under these obligations is not determinable due to the lack of a stated maximum liability for certain matters. Management believes that judgments, if any, against the Company related to such matters and the Company’s estimate of reasonably possible losses exceeding amounts already recognized on an aggregated basis is immaterial and are not likely to have a material adverse effect on the Company's consolidated financial statements.

Most of the jurisdictions in which the Company is admitted to transact business require life insurance companies to participate in guaranty associations, which are organized to pay contractual benefits owed pursuant to insurance policies issued by insolvent life insurance companies. These associations levy assessments, up to prescribed limits, on all member companies in a particular state based on the proportionate share of premiums written by member companies in the lines of business in which the insolvent insurer operated. The Company has not received notification of any insolvency that is expected to result in a material guaranty fund assessment.

In connection with the operations of certain subsidiaries, the Company has made commitments to provide for additional capital funding as may be required.

See Note 2 for discussion of contingencies related to reinsurance of statutory reserves to affiliates.

See Note 7 for discussion of contingencies related to derivative instruments.

See Note 14 for discussion of other contingencies related to income taxes.

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