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August 30, 2010

Elizabeth Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Subject: File Number 4-606

Dear Ms. Murphy:

Thank you for the opportunity to comment on the Study Regarding Obligations of Broker Dealers and Investment Advisers ("Study") mandated by Section 913 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Act").

By way of background, Pacific Life Insurance Company is one of the top fifteen variable annuity and variable universal life insurance issuers in the United States, with $93 billion in net assets. We distribute our variable insurance products solely through over one thousand independent registered broker-dealers. Individuals who purchase variable insurance products work with the associated persons of those independent broker-dealers to determine which product(s) meet their financial and insurance needs. We have a strong interest in the Study and how it will guide SEC rulemaking because it could potentially have a significant impact on the sales of our products and the manner in which our products are sold.

We support the comments submitted by the ACLI, CAI, and IRI and the overall goals of protecting investors, preserving individual consumers' choice and preserving their access to products and services. In that spirit, we urge the SEC to consider including the following specific points in the Study:

1. Roles of BDs in the distribution of insurance products. Insurance companies that issue variable insurance products must distribute their products through a broker-dealer and generally do so through an affiliated entity. As an example, Pacific Life's affiliated distribution entity, Pacific Select Distributors ("PSD"), operates purely as a wholesaling broker-dealer that engages in no retail sales activities. It does not hold or maintain any customer accounts, funds or securities. However, those Pacific Life employees who must be securities licensed to perform their job duties as wholesalers for variable insurance products or as operations personnel servicing variable insurance contracts, are registered through PSD. Employees in these roles may interact

with customers by providing information about Pacific Life products, general insurance concepts or providing insurance contract services to customers. In addition, PSD may serve as the broker-dealer of record for contracts that have been abandoned by the original selling broker-dealer and as such, provide limited contract maintenance services and do not provide any investment advice. Sweeping those who perform these types of functions into a fiduciary role because they are registered representatives with a wholesale broker dealer would not advance the purpose of the Act and would provide no additional protection for the customer.

The retail distribution of registered insurance products differs from that of other types of securities in that registered representatives must be state insurance licensed and appointed with each company for which they sell insurance products. Various states also have rigorous on-going training requirements for licensed producers who sell certain types of insurance products, including variable annuities. This naturally limits the number of insurance products that registered representatives have available to recommend to their customers. When devising a standard of care applicable to the recommendation and sale of registered insurance products, consideration should be given to the inherent limits in the availability of different insurance products through a particular broker-dealer.

Generally, the distribution of variable life insurance products is different from the distribution of other types of securities and these different distribution models should specifically be a part of the Study to aid in effective rulemaking. Insurance industry groups like the ACLI are a tremendous source of information about the different types of broker-dealers that distribute variable insurance products.

2. Existing law and regulation. The insurance industry is subject to a robust regime of state and federal/SRO law, regulation, rules, examinations and enforcement regarding the sale and servicing of its products. Instead of layering another set of regulation on top of what already exists for the industry, one focus of the Study should be to identify where the current regime is lacking and where insurance consumers are vulnerable. The results of this research should be used to determine whether to issue additional regulation and, if so, how new regulation would enhance/complement that which is already in place.

3. Disclosure. Insurance companies and the people who sell our products are required to make various types of disclosure under the existing regulatory regimes that govern the distribution of our products. Instead of simply adding another layer of disclosure to what must already be provided to consumers, we believe everyone would be better served if the SEC reviewed the effectiveness of disclosure materials that are already provided pursuant to state and federal law and regulation. The Study should specifically address the following questions: Do consumers read and understand the materials insurance companies provide about their products? Would additional point of sale disclosure aid them in determining which insurance product would best serve their needs or would it confuse, given the amount of disclosure that is already available? If current disclosure materials are inadequate, what would make them more effective and helpful for the consumer in determining whether a particular insurance product was appropriate for him/her? Would a one-page outline of the major features and risks of a particular insurance product along with information about where to find additional detailed information be more effective?

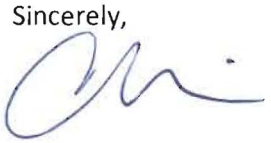
This and other useful information could be obtained through the use of consumer focus groups. The results of such an inquiry would provide the SEC valuable information and allow it to tailor its rulemaking to protect consumers while keeping costs down.

4. Harmonized Standard of Care. Section 913 of the Dodd-Frank Act requires that the results of the Study lead to a harmonized standard of care, applicable to both investment advisors and to broker-dealers, such standard to be no less than that which applies to investment advisors. Investment advisors are generally required to act in the best interest of their clients. Without more, this standard is ambiguous at best and gains shape only with hindsight. Simply eliminating the broker-dealer exception from the definition of "investment adviser" under section 202(a)(11)(C) of the Investment Advisers Act of 1940 would not achieve the harmonization of standards sought by the Dodd-Frank Act. Instead, it would create a standard favoring investment advisors over broker-dealers in that investment advisors would be subject only to the Investment Advisors Act while broker-dealers would be subject both to that Act as well as regulation under the Securities Exchange Act of 1934.

   As part of the Study, we ask the SEC to research the effectiveness of the suitability standard currently in place for the sale of insurance products, as articulated in FINRA Rule 2330 and the NAIC Model Act. The practical effect of applying this standard is that customers' interests are served and the sale of a particular variable insurance product is indeed made in the best interest of the customer, based on the information available at the time of sale. One possible outcome of the Study on this point is to establish that registered representatives are deemed to act in the best interests of their clients in adhering to the rules and regulations issued and enforced by FINRA and/or state regulators.

Thank you for consideration of our views.

Sincerely,



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