

Protective Life Insurance Field Office Bulletin

Introducing the ExtendCare Rider on Protective Centennial G II ULSM

Protective Centennial G II UL, policy form UL-15 and state variations thereof, is a flexible-premium universal life insurance policy issued by Protective Life Insurance Company which is located at 2801 Highway 280 South, Birmingham, AL 35223. Product features and availability may vary by state. Subject to underwriting. Subject to up to a 2-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. Consult policy for benefits, riders, limitations and exclusions. In Montana, unisex rates apply. Not available in all states. All payments and all guarantees are subject to the claims paying ability of Protective Life Insurance Company.

**The policy will not lapse due to insufficient funds as long as the Lapse Protection Account value equals or exceeds policy debt. The amount of premium and any charges determine if the lapse protection is in effect. Loans, partial surrenders, policy changes, and any delinquent premium outlays will affect the length of the protection.*

The lapse protection guarantees the policy death benefit only, not the cash or surrender value. Refer to policy and endorsements for complete limitations, terms, and conditions.

ExtendCare rider (Form L627 8-10 or Form ICC10-P-R2) is available only at issue. Actual terms and conditions contained in the rider govern all benefits provided. Please see the rider for more detailed information. Available at an additional cost. Assumes medical and financial underwriting qualifications at time of initial application. Not available in all states. State variations may apply. The ExtendCare Rider is intended as a supplement to traditional long-term care policies and riders.

PLBD.3496 (01.11)

Birmingham, Alabama

Protective
Life Insurance Company

Universal Life • Annuities • Term Insurance

RE: Introducing the ExtendCare Rider on Protective Centennial G II ULSM

DATE: January 18, 2011

TO: Protective Life Distributors

FROM: Jeff Marsh, Vice President – Life Sales & Advanced Markets

Jeff B. Marsh

Your clients may be healthy and active today. What happens when that changes? Could they afford to pay out-of-pocket for future expenses associated with becoming chronically ill? What assets would they need to liquidate to pay for those future expenses if they do get sick?

Effective January 18, 2011, Protective Life will offer a **new optional rider for chronic illness care** on our most competitive guaranteed* universal life insurance policy. As an optional rider on the *Centennial G II*, the **new ExtendCare rider** increases the policy's flexibility by allowing up to 100% of the death benefit to be accelerated in the event the insured becomes chronically ill and qualifies for the benefit.

With the **ExtendCare rider**, the base life insurance policy is guaranteed, so there will be no surprises or changes down the road when your clients may need chronic illness care the most. Unlike a traditional stand alone Long-Term Care (LTC) policy, if the insured doesn't utilize the accelerated benefits under the **ExtendCare rider**, the death benefit will still pass to their beneficiaries upon the insured's death. This eliminates the "Use it or Lose It" risk associated with traditional LTC products.

The **ExtendCare rider** does not use the reimbursement approach. Once chronic illness payments are triggered, the **ExtendCare rider** pays a monthly tax free benefit automatically and no medical bills or receipts are required to receive benefit payments. It is important for your clients to understand that the **ExtendCare rider** is part of a life insurance policy and is not a health based product that qualifies for certain tax deductions. However, it is designed for favorable tax treatment.

ExtendCare Rider Highlights:

- Indemnity payment method allows benefit payments to be made directly to the policyowner
- There are no medical receipts required and no need to submit bills or receipts
- Benefit payments can be used for any medical or non-medical purpose
- The client has the option to pay a single premium or pay premiums up to lifetime
- There are five underwriting classes offered
- Substandard ratings are available up to table 4
- With the ExtendCare rider, the maximum face amount is \$5 million on the base policy
- There is no Health Care Licensing or additional CE training required to sell ExtendCare

And benefits eligibility is pretty simple. If the insured is certified by a licensed health care practitioner within the past 12 months as chronically ill and is unable to perform 2 of the 6 activities of daily living (bathing; dressing; using the toilet; transferring to or from bed or chair; caring for incontinence) or suffers from severe cognitive impairment – the insured is eligible to receive benefits.

Protective Life Insurance Company • Institutional Distribution Group
600 Vine Street, Suite 1800 • Cincinnati, Ohio 45202 • (800) 628-6390 • FAX (513) 357-4420

For Agent or Broker Dealer Information Only. Do Not Use With Consumers.

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Rider Specifications

- Issue Ages: 20-80
- Minimum Face Amount: \$100,000
- Maximum Substandard Rating: Table 4 on base policy (Other medical conditions may preclude issue of the ExtendCare rider)
- Rider Charge: monthly charge varies by sex, issue age, underwriting class, face amount, waiting period length, monthly benefit and policy year
- Rider available only at policy issue

Target Market

- Those worried about the future state of health care
- Individuals who can't afford the cost of buying a traditional separate Long-Term Care policy
- Individuals with an impaired risk (up to Table 4 on base policy)
- Older individuals who may not qualify for a traditional stand-alone Long-Term Care policy
- Clients who want their premiums returned to them either through use of the *ExtendCare rider* and/or death benefit for their beneficiaries

Business and Transition Rules

- The *ExtendCare rider* is only available at issue on the Centennial G II 1/11 product.
- Reissue rules are the same as typical reissues rules for UL product releases. Policy date reissues will be allowed for a 90-day period, following the inforce date, subject to the standard business rules and an amended application.

Illustration System

- The ELI system will begin quoting the *ExtendCare rider* in all approved states on Tuesday, January 18, 2011

State Availability:

- The *ExtendCare rider* is approved in all states **except the following: CA, CT, FL, IL, and NY**

Find out more about the *ExtendCare rider*, visit www.protectiveadvisor.com/extendcare. If you have questions, please call your Divisional Sales Manager or the Life Sales Desk at (800) 628-6390, option #2.

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