

Protective Life Insurance Field Office Bulletin

Introducing the *Protective Income Provider Option* on Secure-T and Current Rate Increases for the 10, 15, and 20 Year Plans

Income Provider Option (UL-E35) is issued by Protective Life Insurance Company, Birmingham, AL. Actual terms and conditions contained in the UL policy and Income Provider Option endorsement govern all benefits provided. A portion of periodic payments may be reported as taxable income to the beneficiary. Consumers should consult their attorney or tax advisor regarding their individual situations. Please see the endorsement for more detailed information. May not be available in all states or on all currently-marketed UL products. State variations may apply.

Secure-T, policy form UL-17 and state variations thereof, is a flexible premium universal life insurance policy issued by Protective Life Insurance Company, 2801 Highway 280 South, Birmingham, AL 35223. Product features and availability may vary by state. Consult policy for benefits, riders, limitations, and exclusions. Subject to underwriting. Up to a two-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. In Montana, unisex rates apply. The tax treatment of life insurance is subject to change. Neither Protective Life nor its representatives offer legal or tax advice. Please consult with your legal or tax advisor regarding your individual situation before making any tax-related decisions. All payments and all guarantees are subject to the claims paying ability of Protective Life Insurance Company.


PLBD.3498 (01.11)
Birmingham, Alabama

RE: Introducing the *Protective Income Provider Option* on Secure-T and Current Rate Increases for the 10, 15, and 20 Year Plans (Updates Effective January 31, 2011)

DATE: January 21, 2011

TO: Protective Life Distributors

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



Protective Secure-T is our universal life product offering term-like, guaranteed premiums for a specified duration. We are pleased to add an innovative option to our **Secure-T** universal life insurance product. The ***Protective Income Provider Option*** is an optional endorsement which provides a **guaranteed monthly or annual income stream** to designated beneficiaries. The policy owner may also select an **initial lump-sum payout**, in addition to the regular income stream payments.

Managing a large lump-sum death benefit payment may cause anxiety and stress, especially for beneficiaries with limited financial experience. Offering the death benefit as a guaranteed income stream can eliminate some of that stress, while also **helping to cover both immediate and recurring expenses.**

With the ***Income Provider Option***, the owner chooses the amount, duration and frequency of the guaranteed income payments at the time of application. Income Payments may be made for **1-30 years**. There is also an option to include an initial lump-sum in order to help meet immediate needs such as a mortgage, medical bills, tuition, and final expenses. Income stream payments may be made monthly, annually or on a specific annually-recurring day such as a birthday, holiday or anniversary.

IPO Endorsement Specifications

- Available at **no additional cost** and only at policy issue
- Income stream payments available monthly, annually, or on a specific day each year (*e.g. birthday, holiday*)
- Installment period: 1-30 years
- All income stream payments must be equal in dollar amount
- With this endorsement, the death benefit payment schedule is **non-commutable** after the policy owner's death
- Payment schedule may only be changed by the owner while the policy is in force
- If selected, a discount factor will be used to determine the policy death benefit and initial face amount. This discounted face amount can offer **annual premium savings** over a traditional, lump-sum UL policy.
- Automatic and/or voluntary policy changes may result in adjustments to initial lump-sum and income stream payments

The *Income Provider Option* will replace the Protective Term Income Provider product. Protective Term Income Provider will be turned off in the states where the Secure-T 1/11 is approved on **01/31/2011**; we will continue to accept applications on the Term Income Provider product until **02/14/2011**.

Effective January 31, 2011, Protective Life will increase current rates on **Secure-T** for the **10, 15, and 20 year plans**. The **Secure-T** product will remain competitively positioned for short-term coverage at affordable rates. Premiums will be higher across the board on the Secure-T 10, 15, and 20 year plans.

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Birmingham, Alabama

Protective
Life Insurance Company
Universal Life • Annuities • Term Insurance

- Small annual premium increases up to 2% will occur on the 20 year plan for all non-tobacco and tobacco classes
- Larger annual premium increases up to 5% will occur on the 10 and 15 year plans for all non-tobacco and tobacco classes

Secure-T Quick Facts:

- Secure-T offers a more consumer-friendly 61 day grace period, versus the standard 30 day period.
- Normal UL underwriting guidelines will apply.
- Signed illustrations will not be required.

Business and Transition Rules for Secure-T 1/11:

Paper Applications:

For States that have approved Secure-T 1/11 prior to 01/31/2011 (initial launch date)

- Applications for old rates must be signed before 01/31/2011 and received no later than 02/14/2011.
- Applications for Secure-T signed on or after 01/31/2011 will be processed with the new Secure-T rates and applications received later than 02/14/2011 will be processed with the new Secure-T rates.

ITB/LifeWire:

- Secure-T cases submitted via ITB/LifeWire prior to 01/31/2011 must have the fully signed application packet received in the Home Office by 03/04/2011.
- Secure-T fully signed application packets received after 03/04/2011 will be processed using the new Secure-T rates.

Please note: Reissue rules are the same as typical reissues rules with Term or 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 and Quoting Systems:

- The ELI system will begin quoting the *Income Provider Option* and the new Secure-T rates in all approved states on 01/31.
- Secure-T and the *Income Provider Option* will be available in the ITB/LifeWire systems for all approved states on 01/31.

State Availability:

- The *Income Provider Option* is available only on Secure-T 1/11. State availability will be limited to states where Secure-T 1/11 is approved. The *Income Provider Option* is approved in all states **except the following: NY**
- **Secure-T 1/11** is approved in all states **except the following: CT, KY, MD, MA, MN, MS, NV, NJ, NY, OR, PA, PR, TX, VT**

Find out more about Secure-T, visit www.protectiveadvisor.com/secure-t. 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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