



Protective 
Life Insurance Company
100 YEARS OF SERVICE
Doing the right thing is smart business.®

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Producer / Broker Guide

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Meeting Your Clients' Needs

Your clients' financial situations and personal goals are unique to them. Helping your clients select the right policy is essential in meeting their particular needs, as well as your own sales success and long-term client-advisor relationship.

The **Protective Centennial G II ULSM** policy offers your clients a competitively designed and affordably priced flexible premium universal life insurance policy that can provide the added security of a built-in lapse protection provision. With the lapse protection provision, your clients can reduce the risk of policy lapse due to factors like declining interest rates or increases in expense charges.

Positioned primarily for clients who are looking for long-term life insurance protection, the **Protective Centennial G II UL** policy can work in a variety of sales applications to help solve both personal and business financial planning needs.

Personal Planning

- Supporting dependent family members
- Providing income for basic living expenses
- Maintaining mortgage payments
- Funding college tuition
- Providing retirement income for your spouse
- Paying estate or inheritance taxes

Business Planning

- Planning for business continuation
- Funding a buy-sell agreement
- Covering a key employee



Policy Flexibility

Lifetime Lapse Protection

The built-in lapse protection, automatically included on each policy, can guarantee death benefit coverage up to the lifetime of the insured based on the premiums paid and the formulas described in the Lapse Protection Endorsement. As long as the Lapse Protection Account value equals or exceeds policy debt then the policy is guaranteed not to lapse. The lapse protection guarantees the policy death benefit only, not the cash or surrender value.

The Lapse Protection Account is established and used for the sole purpose of determining whether lapse protection applies to the policy. Although there is a calculated value associated with the Lapse Protection Account, it has no cash value and is not available to your clients for any purpose.

If your clients do not want lifetime lapse protection, they can select a shorter lapse protection period. The lapse protection premiums will vary according to the issue age, gender, length of lapse protection, face amount, and underwriting class.

Catch-up Provision

This provision allows your clients to “catch-up” the lapse protection by paying additional or higher premiums. Your clients should know that the premiums required to restore lapse protection may be significantly higher than the premiums illustrated.

Premium Payments

Premium payments can be increased, decreased, or skipped, depending on the amount of premium paid into the policy, the policy cash value, policy disbursements (*loans or withdrawals*), and the credited interest rate. Premium payment amounts and schedules are left to the policyholder’s discretion, subject to policy required minimums and IRS Guideline premium maximums. Any premium changes will impact the projected duration of the lapse protection. If policy changes are made, premium payments generally can be adjusted to maintain the lapse protection.

Death Benefit

The death benefit amount may be adjusted, within plan limits, without having to buy a new, separate policy. Your clients may increase the face amount, subject to underwriting, or decrease it subject to minimums and charges. Keep in mind any premium changes to the face amount will have an impact on the lapse protection.

Protective Centennial G II UL Policy Overview

► Product Specifications

Product Design	Flexible premium universal life insurance policy with a guaranteed death benefit.
Issue Ages & Risk Classes	18 – 75 Select Preferred 18 – 85 Preferred 18 – 85 Non-Tobacco 18 – 75 Preferred Tobacco 18 – 85 Tobacco
Minimum Face Amount	\$50,000 (<i>Non-Tobacco & Tobacco only</i>) \$100,000 (<i>all risk classes</i>)
Interest Rates	<ul style="list-style-type: none">• Guaranteed annual effective rate is 2.5%• Current credited rate will be determined periodically by the Company
Maturity Age	No stated maturity age. Charges discontinue at attained age 121.
Minimum Premium Payments	\$120 Annual \$60 Semi-annual \$50 Quarterly \$10 Monthly (PAC)
Required Illustrations	Either a signed illustration or no illustration form is required with the application. Some firms, home offices, and/or agencies require signed illustrations for permanent life insurance policies. Applications submitted with the no illustration form will require a signed illustration at delivery; applies to all states.
Applications	The Protective Centennial G II UL policy can be identified on the application as follows: <ul style="list-style-type: none">• Protective Centennial G II UL• Cent G II• CGUL II

► Lapse Protection

Lapse Protection Endorsement

The built-in lapse protection, automatically included on each policy, can guarantee death benefit coverage up to the lifetime of the insured based on the premiums paid and the formulas described in the Lapse Protection Endorsement. As long as the Lapse Protection Account value equals or exceeds policy debt, then the policy is guaranteed not to lapse.

► Policy Changes

Decrease Coverage

Available after the policy has been in force for at least three years; will follow the partial surrender charge schedule.

Increase Coverage

Available after the policy has been in force for at least one year, subject to evidence of insurability. The minimum face amount increase is \$10,000. A new full-surrender charge for the increase coverage layer will begin, based on the issue age and duration of the new coverage segment, and lasting for an additional 19 years.

► Policy Lapses

Grace Period

Prior to attained age 121, if on a monthly anniversary the cash value less loan balance is insufficient to pay the monthly deduction and the lapse protection is not in effect, the policy will enter the grace period. The policy owner has 61 days to cover the current and past due monthly deductions. The policy will remain in force during the grace period, but if the premium payment is not received by the end of the grace period the policy will lapse.

Death During Grace Period

If the insured dies during the grace period, the death benefit will be paid. Any proceeds payable will be reduced by the amount of the monthly deduction(s) due on or before the date of the insured's death.

Catch-Up Provision

If lapse protection is lost, your clients may restore lapse protection by paying additional or higher premiums. The premiums required to restore lapse protection may be significantly higher than the premiums illustrated.

► Cost & Expense Summary

Premium Load	10% – applies to all policy years and all premiums
Monthly Administrative Charge	\$5 – applies to all policy years. Charge is discontinued after attained age 121.
Monthly Expense Charge	Per \$1,000 of initial face amount period. Varies by age, gender, and underwriting class. Applies to all policy years. Charge is discontinued after attained age 121.
Withdrawal/ Partial Surrender Charge	\$25 Surrender charges may also apply on a prorata basis.
Full Surrender Charge	Varies by issue age, gender, and underwriting class; years 1 – 19
Cost of Insurance Charge	Varies by issue age, gender, underwriting class, number of years the policy has been in force, and any applicable ratings. Deducted monthly; no charges after attained age 121.

► Policy Owner Information

Annual Report	A personalized report is sent after each policy anniversary. The report shows: the status of the Lapse Protection Account, premium payments, interest credits, cost of insurance charges, expense charges, loans, partial surrenders, surrender value, and policy value.
The Policy	Including the policy form and all endorsements, will provide information regarding benefits provided, premium payments, charges, determination of values, the Lapse Protection Endorsement, and other provisions and charges.

► Access to Policy Value

Loan Details	Loans are available after year one. Interest on all policy loans will be compounded. Loans and withdrawals may negatively impact policy performance, the death benefit, and lapse protection.
Loan Interest	5% in arrears for all policy years
Surrenders	<ul style="list-style-type: none">• Full surrender may be made after the policy has been in force for at least one year.• There is a declining surrender charge in the first 19 years of the policy.• On an elected coverage increase, a new full surrender charge for the increase coverage segment will begin, based on the issue age and duration of the new coverage segment, and lasting for an additional 19 years.• On a face decrease resulting from an elected decrease or the result of a partial surrender, a partial surrender charge will be deducted from the policy value. It is calculated as follows:<ol style="list-style-type: none">1. Calculate the total full-surrender charge (<i>net of any prior partial surrender charges</i>).2. Divide the face amount reduction amount by the total policy face amount prior to decrease.3. The partial surrender charge is equal to the result of step two times the result of step one.• After a face decrease, future surrender charges will be reduced proportionately by the amount of surrender charges already deducted.
Partial Surrender/ Withdrawals	<p>Any surrender less than full surrender is considered a partial surrender.</p> <ul style="list-style-type: none">• May reduce the death benefit and affect policy accumulation• Cannot reduce the face amount below minimum face amount• Will have a negative impact on the duration of the lapse protection• Taxation may occur upon lapse or surrender• A \$25 fee will be charged for each partial surrender.

► Optional Benefits and Riders*

Accidental Death Benefit Rider (L503)

Provides an additional death benefit if the death of the insured is due to certain accidental causes.

- Issue ages 15 – 60
- Expires at age 70
- \$150,000 maximum issue amount
- No cash value

Children's Term Rider (L502)

An alternative to purchasing individual policies on each child, it provides additional affordable term insurance for all natural, adopted, and stepchildren who are listed on the application and within issue age limits. The rider also includes future children from age 15 days or date of adoption. It provides coverage to age 25, the expiry date of the rider, or termination of the policy – whichever is earlier – for all covered children of the insured.

- Issue age 15 – 64 (*based on primary insured*)
- Issue age 15 days – 18 (*based on child's age*)
- Expires at primary insured's age 65
- Minimum issue size is 1 unit (*\$1,000 of coverage*)
- Maximum issue size is 20 units (*\$20,000 of coverage*)
- Annual premium per unit is \$6 (*regardless of the number of children*)
- No cash value

* Available at additional cost; may not be available in all states; state variations may apply. Actual terms and conditions contained in each rider govern all benefits provided. Assumes medical and financial underwriting qualifications at time of application.

► Optional Benefits and Riders*

Disability Benefit Rider (L574)

The policy owner can specify a monthly benefit amount, which will be credited to the policy should the insured face the hardship of total disability. The monthly benefit amount is credited to the policy after the insured has been totally disabled for six months and all conditions of the rider are met. Total disability is incapacity that is caused by sickness or injury and begins while both the policy and disability benefit rider are in force. Disability must prevent the insured from performing all duties of their regular occupation the first five years of total disability and engaging in any occupation they are qualified to perform thereafter. If the insured has no regular occupation from the onset of total disability, the disability must prevent them from engaging in any occupation they are qualified to perform. Benefits will continue to be credited to the policy as long as total disability continues.

- Issue age 15 – 55
- Coverage expires at age 60
- Any monthly benefit amount can be selected, within rider limits
- Minimum monthly disability benefit amount is the minimum monthly premium
- Maximum monthly disability benefit amount is the IRS guideline annual premium divided by 12

Protected Insurability Rider (L530)

Designed for the younger market, this rider provides the opportunity to increase coverage amounts at designated option dates: ages 25, 28, 31, 34, 37, and 40 without additional evidence of insurability.

- Issue age 0 – 37
- Minimum issue amount is \$10,000 (\$25,000 in WA & \$25,001 in WV)
- Maximum issue amount is \$50,000 per option date
- Available only on non-rated cases

* Available at additional cost; may not be available in all states; state variations may apply. Actual terms and conditions contained in each rider govern all benefits provided. Assumes medical and financial underwriting qualifications at time of application.

Frequently Asked Questions

What does “lapse protection” mean?

The Lapse Protection Endorsement guarantees that the policy will remain in force for a specified period of time up to the lifetime of the insured. The lapse protection premiums will vary according to the issue age, gender, face amount, length of lapse protection, and underwriting class of the proposed insured. Loans, partial surrenders, policy changes, or delinquent premiums may affect the length of the lapse protection and may cause loss of the lapse protection provision.

How is Lapse Protection determined?

The Lapse Protection Account value is determined in the same way as the primary UL account value (i.e. deposit premium, deduct expense loads and cost of insurance charges, and accumulate interest). Under the Lapse Protection Account design, the policy will not lapse due to insufficient funds as long as the Lapse Protection Account value, less any policy debt, is equal to or greater than zero. All rates used in the determination of the Lapse Protection Account values are fixed and guaranteed for the life of the policy. The Lapse Protection Account value is used solely for the purpose of determining the lapse protection. It is not used to determine any actual policy value accessible to the policyholder.

Is there any cash value associated with the Lapse Protection Account?

No. The Lapse Protection Account is established and used for the sole purpose of determining whether lapse protection applies to the policy. It is not available to pay the monthly deduction or to fund full or partial surrenders, loans, or benefit payments. Since it is an internal value Protective Life uses solely to determine lapse protection, it is not available to your clients or their beneficiaries for any purpose.

What happens if the Lapse Protection fails to meet the criteria for remaining in-force?

The lapse protection will be lost. If lapse protection is lost, your clients may restore the protection by payment of additional or higher premiums. You should be aware that the premiums required to restore lapse protection may be significantly higher than the illustrated premium outlays. Without the protection from policy termination, your client’s policy may continue in force for a period of time as long as there is enough surrender value to cover the monthly deductions.

How is the lapse protection affected by premium changes?

The Illustration System can show planned changes to specified premiums and determine the impact these changes may have on the lapse protection duration. Protective Life’s Policyholder Service (PHS) can quote the new premium amount required to maintain the lapse protection provision. If a payment is late or skipped, PHS can determine the effect, if any, to the lapse protection duration of the contract and calculate the “catch-up” premium amount if needed.

Can my clients adjust the face amount and still have lapse protection?

Yes. However, changes to the face amount may result in a change of premium that will be required to keep the lapse protection guarantee. If the death benefit is increased, the lapse protection provision can continue at the higher coverage level simply by paying the additional premium required to keep the guarantee. Keep in mind that a face amount increase is subject to underwriting unless it is exercised through a rider.

Are riders covered in the lapse protection guarantee?

Yes. Riders will not expire if the policy is in force under the lapse protection provision.

What age does the policy mature?

There is no stated maturity age. The policy continues until surrender or a death benefit is paid. There are zero costs at attained age 121 and thereafter for cost of insurance, monthly charges, and base policy ratings. No further premiums are required at attained age 121 and thereafter.

Your next steps >



- Introduce this product as a retirement tool to your pre-retiree clients, who may be interested in a flexible-premium universal life product with the added security of lapse protection.
- Use ELI, Protective Life's illustration software, to provide your clients with customized hypothetical illustrations.
- Use the consumer-approved marketing materials in the **Protective Centennial G II UL** sales kit with your clients.

Not a Deposit	No Bank Guarantee	Not FDIC Insured
Not Insured By Any Federal Government Agency		

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, 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. Two-year contestable and suicide period. Benefits adjusted for misstatements of age or gender.

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.



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is smart business.®*



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