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Protective MultiTermSM Life Insurance



Protective 
Life Insurance Company
100 YEARS OF SERVICE
1907 - 2007
Doing the right thing is smart business.®



How Do You Compare to Other Americans?

All facts are from LIMRA International's Life Insurance Ownership Study – September 2005

FACT: Nearly three out of four Americans agree that life insurance is the best way to protect against premature death of a primary wage earner.

FACT: Twenty-four million households have no life insurance protection at all. Almost one third of adults have no life insurance protection.

FACT: Forty-four percent of all U.S. households (48 million) either don't own life insurance and believe they should, or own life insurance and believe they need more. Among those that already own some life insurance, 40 percent believe they don't have enough.

FACT: One fourth of primary wage earners feel they do not have a plan in place to provide a decent standard of living for their family if they died tomorrow. Twelve percent of families would immediately have trouble meeting everyday living expenses and another 15 percent would have difficulty keeping up after several months.

FACT: Americans would like to discuss life insurance with a financial professional. Consumers feel buying life insurance is an important and complex financial decision. Half of them find it difficult to decide how much to buy, and 43 percent worry about making the wrong decision.

Why is life insurance important?

Life insurance is about protection. It helps provide security for your loved ones when they need it most. Protecting your family with life insurance can help ensure that they do not face the added burden of financial pressures, should the unexpected happen. A life insurance plan may also be tailored to provide financial protection to cover business needs. Protecting your business interest with life insurance can include covering business debt, funding buy-sell agreements, or providing key person coverage. Life insurance is a valuable planning tool that can easily be a part of an overall financial plan or stand-alone as a single source of protection. Properly planning for your life insurance needs today can provide a lifetime of financial security tomorrow.

Why consider term life insurance?

Term life insurance is designed to provide pure death benefit protection for a specific period of time, usually 10, 15, 20, or 30 years. Generally, it's less expensive than permanent insurance, making it an affordable way to provide financial security for your personal or business needs. You can choose the amount of coverage needed and the length of the protection period based on your specific needs. Typically it can also be renewed upon completion of the initial term period selected.

Term life insurance can cover many different needs:

- Replacing income of a wage earner.
- Paying off a home mortgage or other debt to ensure that your family can remain in their home.
- Providing for educational expenses such as college.
- Covering childcare expenses.
- Providing care for dependent elder family members such as a parent.
- Paying for final expenses.
- Providing for business continuation by funding buy-sell agreements or providing key-person coverage.



Why choose Protective MultiTermSM life insurance?

Protective MultiTermSM is a renewable and convertible term life insurance policy that offers fully guaranteed level premiums for the initial premium periods of 10, 15, 20 or 30 years. It gives you the assurance of knowing your premiums will not increase at any time during the selected term period. When the guaranteed level premium period is complete, you have the option to renew the policy at a higher premium rate (the premium will increase every year thereafter) all the way up to age 96. The decision is yours.

Protection

No one wants to burden loved ones with an uncertain financial future in the event of an untimely death. It just makes sense to take the steps you can to help protect your family or business. Term life insurance can help provide the security needed to meet your personal financial obligations or your family's future financial needs. Term life insurance can also be used in business continuation plans by funding buy-sell agreements, covering debts, or providing key-person coverage.



Affordability

Protective MultiTermSM life insurance is a very cost-effective way to provide financial security. It is strictly meant to provide death benefit coverage. There is no cash value accumulation or investment component. With term life insurance you only pay for the coverage amount needed, making it possible to affordably obtain larger amounts of coverage.

Choice

If a term product fits your situation, Protective MultiTermSM offers you several options, giving you the ability to customize your selection. Protective MultiTermSM allows you to choose the duration period — from 10, 15, 20, or 30 years and the coverage amount. The built-in Change of Plan Option allows you to later change or convert a MultiTerm policy to another Company-designated life insurance policy during a pre-determined change of plan period. Refer to the built-in features section for additional information.

Protective MultiTermSM has built-in features.



In addition to providing protection, affordability, and choice, **Protective MultiTermSM** has built-in features.

Change of Plan Option¹

This option allows you to later change or convert a MultiTerm policy to another Company-designated life insurance policy during a pre-determined change of plan period without submitting additional underwriting requirements based on current age or health. A MultiTerm policy must be changed or converted prior to the insured's age 75 and the expiry date of the change of plan period.

MultiTerm Plan	Change of Plan Period
10-year MultiTerm	10 policy years
15-year MultiTerm	15 policy years
20-year MultiTerm	20 policy years
30-year MultiTerm	20 policy years

A change of plan application received after the change of plan expiry date will be required to provide full evidence of insurability to change to a new plan, which could result in a large increase in premiums. The Company will always have at least one conversion policy available at the time of conversion. Since a long-term financial plan may indicate a need for permanent (rather than term) life insurance, this conversion advantage should be discussed with your qualified advisor and evaluated carefully. PLEASE NOTE: The issuance of any rider under the conversion policy will be at the discretion of the Company.

Terminal Illness/Accelerated Death Benefit² (L584)

This feature allows a portion of the death benefit to be paid in the event of a qualifying terminal illness and certain terms and conditions are met. The early payment of a portion of the policy provides funds to help cope with the financial and emotional costs that may be associated with a terminal illness.

¹ Consult policy for benefits, exclusions and limitations. Not available in all states.

² Not available in all states.

Customize your policy with riders

MultiTerm life insurance from Protective is designed to let you choose the plan that is right for you at an affordable price. Since every family or business situation is unique, you may want to consider additional benefits and riders to customize your policy to your needs.³

Waiver Of Premium Rider (L509)

This rider covers your premium payments should you become disabled for six months or longer and meet specific conditions. Premium payments for the policy would be waived; including all riders attached to the policy.

Protected Insurability Rider (L530)

As you face life's changing events, your responsibilities expand, income increases, assets build, and family grows. So does the need for additional death benefit protection. Designed primarily for the younger market, this rider provides the opportunity to increase coverage amounts at specified future dates without evidence of insurability. With this rider, you can build in a degree of confidence that your policy will be able to meet your changing personal needs. This rider provides the right to increase the Face Amount of the policy at designated option dates – ages 25, 28, 31, 34, 37, and 40 without additional evidence of insurability.

Children's Term Rider (L502)

This rider is designed to provide low-cost term insurance for your children. Rather than purchasing individual policies on each child, you can use this rider to provide additional death benefit protection for all natural, adopted, and stepchildren as well as any yet to be born or adopted into the family. It can provide term insurance for your children to age 25 or to age 65 of the base insured, the expiry date of the rider, or termination of the policy — whichever is earlier — for all covered children of the insured. The annual premium for this rider does not increase, regardless of the number of children you have covered.



Accidental Death Benefit Rider (L503)

This rider provides additional coverage that pays an additional benefit should you die as a result of a covered accident.

³ Actual terms and conditions contained in each rider govern all benefits provided. The optional riders are available at additional cost. Assumes medical and financial underwriting qualifications at time of initial application. Not available in all states.

Things to consider before purchasing term insurance:

- Temporary needs are not always predictable and could outlast the initial term period. **Make sure the term coverage period you choose will last as long as the need for which it is purchased.**
- **After the initial term period, a term policy becomes more expensive over time.** Declining health and increasing age are both contributors and could dramatically increase costs of new coverage or result in no available coverage.



- **A term policy does not allow a premium payment to be skipped.** It must be paid on time to keep the policy in force.
- Term insurance is meant for death benefit coverage. **There is no cash value accumulation or investment component.**
- **When considering a term policy with the intent to convert it to another plan later, be mindful that it must be changed before the end of the conversion-period.** Waiting too long could result in a large increase in premium costs and the available plans will not be known until time of conversion.

About Your Policy

What will I see in the Policy Form?

The Policy Form will provide basic information about the policy and endorsements that govern all benefits provided. It will provide basic policy information in relation to premium payments, charges contained in the policy, and other provisions as related to your policy.

Will I receive an annual statement for review?

After each policy anniversary, a personalized annual report will be sent to the policy owner. The report will show your coverage amount, premium payments and expense charges since the last policy anniversary.



About Protective Life

Protective Life Insurance Company soon will celebrate its centennial year of service. Built upon a belief in hard work and integrity, Protective Life's continued commitment to these timeless principles is reflected in its dedication to three core values: quality, serving people, and growth.



Protective Life Insurance Company's values-oriented management philosophy was established in 1907 by its founder, former Alabama Governor William Dorsey Jelks. Governor Jelks left an indelible imprint on the Company by insisting that quality – in products, in service, and in people – be the standard applied to every aspect of its business. Understanding that serving people begins with being worthy of their trust, Jelks' initial pledge to Protective Life's customers, shareholders, and employees remains today the focus of the Company's leadership.

Nearly one hundred years later, Protective Life Insurance Company is one of the nation's leading insurance companies, providing financial security to individuals and families across the country through a broad portfolio of life and specialty insurance and investment products. Drawing upon the strengths of the past, while maintaining a keen eye toward the future, the Company's employees nationwide are dedicated to affirming the wisdom of our collective vision: *Doing the right thing is smart business.*[®]

Protective Life Insurance Company has more than \$158 billion of coverage in force to date* and has insurer financial strength ratings** of:

- A+ (*Superior, 2nd highest of 15 ratings*) from A.M. Best
- AA (*Very Strong, 3rd highest of 21 ratings*) from Standard & Poor's
- AA- (*Very Strong, 4th highest of 22 ratings*) from Fitch
- Aa3 (*Excellent, 4th highest of 21 ratings*) from Moody's Investors Service

Each of these independent rating agencies has assigned its rating based on a variety of factors including Protective Life Insurance Company's operating performance, asset quality, financial flexibility, and capitalization. These ratings do not apply to the investment performance or safety of the variable sub-accounts or their underlying investments.

* As of 12/31/05

** These ratings are current as of 07/2006. For more current information, please visit www.protective.com.

Protective Life Insurance Company is also a member of the Insurance Marketplace Standards Association (IMSA) and has adopted its Principles of Ethical Market Conduct. IMSA is a voluntary membership organization created by life insurance chief executives to establish a uniform set of standards against which companies can verify that they have appropriate market conduct policies and procedures in place for their individual life and annuity products. Its central goal is to maintain high standards of ethical company behavior in the life insurance marketplace.

Policy form TL-12, and state variations, is a level death benefit term life insurance policy to age 96. Premiums increase annually after the initial guaranteed premium period. Subject to underwriting. Benefits adjusted for misstatement of age or gender. Consult policy for benefits, riders, and limitations. Not available in all states, including New York. Neither Protective Life nor its representatives offer legal or tax advice. You should consult your attorney or tax advisor regarding your individual situation. The Company can not increase the premium scale. There are no cash values. Up to 2-year contestable and suicide period.



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