



**Protective**   
Life Insurance Company  
*Doing the right thing is smart business.®*



# 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, and developing a long-term client-advisor relationship.

The **Centennial G II Plus UL<sup>SM</sup>** 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 and potential cash-value accumulation, the **Centennial G II Plus UL** policy can work in a variety of applications to help solve both personal and business 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

The lapse protection provision automatically 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, if applicable. 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 changes to the face amount will have an impact on the lapse protection.

## IRS Definition of Life Insurance

The **Centennial G II Plus UL** allows your client to select which test to use to determine whether the product qualifies as life insurance under IRS guidelines. These choices depend on your client’s specific situations and desired death benefit and premium payment goals. The choices are:

- Guideline Premium Test (*GPT*)
- Cash Value Accumulation Test (*CVAT*)

The choices are available only at issue and cannot be changed once the policy is in force. If no choice is made at issue, the GPT will automatically apply.

## Optional Benefits and Riders

The **Centennial G II Plus UL** offers a variety of optional benefits and riders. Since every family or business situation is unique, your client may want to consider these additional benefits and riders to help fill any gaps. Please see the *Optional Benefits and Riders Reference Guide* for more detailed information.

# Protective Centennial G II Plus UL Policy Overview

## ► Product Specifications

<b>Product Design</b>	Flexible-premium universal life insurance policy with a guaranteed death benefit, and the potential to generate cash-value accumulation.
<b>Issue Ages &amp; Risk Classes</b>	18 – 75 Select Preferred 18 – 85 Preferred  18 – 85 Non-Tobacco 18 – 75 Preferred Tobacco 18 – 85 Tobacco
<b>Minimum Face Amount</b>	\$50,000 ( <i>Non-Tobacco &amp; Tobacco only</i> ) \$100,000 ( <i>all other risk classes</i> )
<b>Interest Rates</b>	<ul style="list-style-type: none"><li>• Guaranteed annual effective rate is 2.5%</li><li>• Current credited rate will be determined periodically by the Company</li></ul>
<b>Maturity Age</b>	No stated maturity age. Premiums and charges discontinue at attained age 121.
<b>Minimum Premium Payments</b>	\$120 Annual \$60 Semi-annual \$50 Quarterly \$10 Monthly (PAC)
<b>Required Illustrations</b>	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.
<b>Applications</b>	The <b>Centennial G II Plus UL</b> policy can be identified on the application as follows: <ul style="list-style-type: none"><li>• Protective Centennial G II Plus UL</li><li>• Cent G II +</li><li>• CGUL II +</li></ul>

## ► 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; a partial surrender charge may apply. Please see the [Surrender Charges](#) section on page 6 for more information on the impact of face decreases to surrender charges.

### 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 9 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

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 premiums. Charge is discontinued at attained age 121.

### Monthly Administrative Charge

\$5 – applies to all policy years. Charge is discontinued at attained age 121.

### Monthly Expense Charge

Per \$1,000 of initial face amount. Varies by age, gender, and underwriting class. Applies to all policy years. Charge is discontinued at 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 – 9

### 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; charge is discontinued at 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

### Surrender Charges

- 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 9 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 9 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:
  1. Calculate the total full-surrender charge  
(*net of any prior partial surrender charges*).
  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

Any surrender less than full surrender is considered a partial surrender.

- May reduce the face amount 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
- A partial surrender charge may apply (see above).

### Terminal Illness/ Accelerated Death Benefit (L584)

This benefit allows the early payment of a portion of the death benefit if the insured has a qualifying terminal illness and meets certain terms and conditions within this benefit. While there is no cost or premium charge for this benefit, the death benefit will be reduced by the amount of benefit paid plus accumulated interest. This endorsement is not available in all states. State variations may apply. Please review the endorsement for complete terms, conditions, and limitations.

# Frequently Asked Questions

## **What does “lapse protection” mean?**

Lapse Protection 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 is equal to or greater than policy debt (if any). 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. 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 the consumer-approved marketing materials in the **Protective Centennial G II Plus 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 Plus 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. 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.



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