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

# Protective ProClassic<sup>SM</sup> UL

**Product Guide**

# Make Life Insurance Part of Your Financial Strategy

It is difficult for most of us to find the time today to explore strategies to ensure long-term financial security. Tending to the concerns of the moment and the issues of the day understandably takes priority. But without careful strategies, it is simply impossible to adequately prepare for our most important long-term objectives.

In going about your long-term planning, you should ask yourself some critical questions about how your absence would impact those most important to you. Would their long-term financial security be jeopardized in the event of your death? Could their strategies, and your own, still be realized?

Life insurance can provide unique solutions by ensuring that funds are available to help fulfill your dreams, even after you're gone.

## Universal Life Insurance

Universal life insurance is a versatile type of life insurance designed to help solve a variety of long-term needs. Its flexible features can be useful for many different financial strategies. With careful strategies and expert financial advice, you may find that universal life insurance can help you address both immediate and long-term financial protection and security needs.

Features of universal life insurance policies include:

- flexible premium payments
- adjustable death benefit coverage
- proceeds payable directly to your designated individual beneficiaries
- tax-deferred growth on policy values<sup>1</sup>
- access to policy values through policy loans and withdrawals

<sup>1</sup> The tax treatment of life insurance is subject to change. Neither Protective Life nor its representatives offer legal or tax advice. Purchasers should consult their attorney or tax advisor regarding their individual situation.

# Protective ProClassic<sup>SM</sup> UL

With so many types of life insurance policies available to support a variety of needs, it is important that you understand the particular benefits and features of the **Protective ProClassic UL**.

The **Protective ProClassic UL** is a flexible-premium universal life product that combines affordable death benefit protection with flexible coverage options and the potential for tax-deferred cash-value accumulation.<sup>1</sup>

The **Protective ProClassic UL** can help provide financial protection for your beneficiaries for both personal and business purposes. Payment of a benefit in the event of your death may help meet many long-term protection needs, including:

- **Family income replacement:** Life insurance benefits may enable your survivors to maintain their present lifestyle and standard of living, despite the loss of your earnings.
- **Mortgage protection:** Continuing a long series of substantial mortgage payments may be a burden to your loved ones. Death benefits may be used to pay off outstanding mortgage balances, enabling your family members to continue living in their current home.
- **Children's education:** Funding college education today can be very difficult. A properly structured life insurance policy may provide a benefit that ensures that college is financially feasible even in the event of your death.
- **Retirement income for your surviving spouse:** Without your income, saving for retirement may be challenging for your spouse. Insurance benefits may eliminate or close that gap.
- **Business protection and continuation:** A “buy/sell” agreement, funded with life insurance proceeds, can be a powerful tool to help ensure business continuity.
- **Estate planning:** Death benefits can provide funds for estate taxes and other liabilities upon your death, and may help your survivors avoid the sale of a home or business in order to meet those obligations.

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# Policy Flexibility

## Death Benefit Coverage

The **Protective ProClassic UL** provides a defined benefit payable upon your death. This death benefit may help protect, enhance, and transfer wealth to your loved ones.

Your death benefit amount may be adjusted, within the plan limits, without having to buy a new, separate policy. This can reduce costs and simplify the process of changing your coverage.

Please note that estate taxes may apply and that the death benefit is subject to the claims paying ability of Protective Life.

## Death Benefit Options

The **Protective ProClassic UL** offers two distinct Death Benefit Options:

### Level Death Benefit Option (*Option A*)

The Level Death Benefit Option pays the greater of the face amount or the minimum death benefit under IRS guidelines. Please see the policy for details.

### Increasing Death Benefit Option (*Option B*)

The Increasing Death Benefit Option pays the greater of the face amount plus the policy value or the minimum death benefit under IRS guidelines. Please see the policy for details.

*The Death Benefit is reduced by outstanding loans and loan interest.*

## Non-taxable Death Benefits

Death benefit proceeds are generally free from income tax, making it possible to ultimately provide more net after-tax proceeds to your beneficiaries.<sup>1</sup>

## Proceeds Direct To Beneficiaries

You can designate that death benefit proceeds be paid directly to your beneficiaries, making it possible to avoid probate delays. Most states have also enacted laws that make life insurance exempt from creditors.<sup>2</sup>

## Interest Rates

The current interest rate credited to your policy value may change at any time. While the overall economic environment influences interest rates, they are not indexed to any national standard and



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Lives You Love<sup>®</sup>.

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<sup>2</sup> The exemption of life insurance proceeds from creditors is subject to change. Many states limit the amount of life insurance proceeds that are exempt from creditors. Proceeds may also be subject to various rules to qualify for exemption.

are subject to change at the discretion of Protective Life. We will advise you of any interest rate changes from the previous year in your policy's Annual Report.

## Lapse Protection Period

Lapse Protection is a feature which ensures your policy will remain in force for a specified period of time regardless of policy value, provided premium requirements (*net of loans and withdrawals*) are met.

The Lapse Protection Period for the **Protective ProClassic UL** policy may vary by issue age, and ranges between 10 and 15 years.

Payment of the premium required to maintain the Lapse Protection does not guarantee that the policy will remain in force after the end of the Lapse Protection Period. Additional premium payments may be required after the Lapse Protection Period ends. Loans and withdrawals may cause the loss of Lapse Protection.

In order for the lapse protection to be in force, accumulated premiums paid (*less loans and withdrawals*) must be equivalent to or greater than the accumulated minimum monthly guaranteed premium. If only the minimum monthly guaranteed premium is paid, there may be little or no surrender value upon maturity.

## Premium Flexibility

Premium payments can be increased, decreased, or even skipped, depending on such factors as the amount of premium you have paid into the policy, the policy value, any loans or withdrawals, and the current interest rate.

## Terminal Illness / Accelerated Death Benefit provision

A portion of the death benefit can be accessed if the insured has a qualifying terminal illness and meets certain terms and conditions within this benefit. The early payment of a portion of the policy death benefit provides funds to help cope with the financial and emotional costs that may be associated with a terminal illness. 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.

The maximum accelerated death benefit is 60% of the current face amount or \$1,000,000, whichever is less. A lien equal to the accelerated death benefit will be established against the policy and will accumulate interest.

This endorsement is not available in all states. State variations may apply. Please review the endorsement for complete terms, conditions, and limitations.

## Optional Benefits and Riders

The **Protective ProClassic UL** offers a variety of optional benefits and riders. Since every family or business situation is unique, you 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.

## Stay Informed About Your Policy

### *What will I see in the policy?*

The policy form will provide basic information about the policy and endorsements that govern all benefits provided. The policy form will provide basic policy information in relation to premium payments, the minimum monthly premium test, the table of guaranteed values, the guaranteed interest rate and other provisions and charges contained in the policy.

### *What about policy performance?*

After each policy anniversary, a personalized Annual Report will be sent to the policy owner. The report will show premium payments, interest credits, cost of insurance charges and expense charges since the last policy anniversary. It will also show loans, withdrawals, surrender value and policy value as of the anniversary date.



## Access to Policy Values

### Tax-deferred Growth

A portion of each premium payment goes into the “policy value” which is the part of the policy that earns interest. This interest accumulates on a tax-deferred basis.

### Loans and Withdrawals

The policy value can provide a source of funds for the policy owner through loans with low interest rate spreads and/or withdrawals. Either choice will affect the death benefit amount, lapse protection, policy value, and taxation. Owners should consult their attorney or tax advisor regarding the tax implications of such policy disbursements.

#### Loan Details

A loan interest rate charge of 5% in arrears (4% in arrears for carryover loans) is available in years 1 through 10 of the policy. In policy years 11 and thereafter, the interest rate on policy loans is reduced to 3%.

#### Loan Rescue Provision (Carryover Loan)

The Protective ProClassic UL offers a Loan Rescue Provision enabling you to 1035 Exchange an existing life insurance policy containing a loan into a new policy. Please review your policy for more information.

#### Withdrawals

Withdrawals are available after the first policy year. Each withdrawal is subject to a withdrawal charge of \$25, and may reduce the face amount. If the face amount is reduced through a withdrawal, a partial surrender charge will also apply. Withdrawals that reduce the face amount below the minimum face amount will not be permitted. A withdrawal will reduce the total “paid premium amount” used to determine the minimum monthly premium required for the Lapse Protection Period.



## Your next steps >



This brochure is designed to help you understand the features and benefits associated with universal life insurance and the **Protective ProClassic UL**.

You should meet with your sales agent to learn more about universal life insurance and to determine if the **Protective ProClassic UL** is right for you.

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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 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.

### IRS 230

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