

# Protective Custom Choice<sup>SM</sup> UL

Product Guide



EMBRACE  
PROTECT  
TODAY



**Protective.**  
Life Insurance Company  
Protect Tomorrow. Embrace Today.™

Not a Deposit	Not Insured By Any Federal Government Agency
No Bank or Credit Union Guarantee	Not FDIC/NCUA Insured

You worry about what would happen to your loved ones in the event of your untimely death. You want to make sure they would be financially secure, and life insurance is a great way to address that concern. In fact, life insurance is a valuable planning tool that can be part of your financial planning strategy or can stand alone as a single source of protection. Properly planning for your life insurance needs today can help provide a lifetime of financial security for your loved ones tomorrow.

That's why we're proud to offer **Protective Custom Choice UL**, a universal life insurance policy designed to offer you affordable protection that meets your specific needs today, with options and flexibility in the event your needs change in the future.

**We Protect Tomorrow.  
You Embrace Today.**

## Protection for Your Loved Ones

Life insurance is about protection. It helps provide security for your loved ones when they need it most. Providing them with protection through life insurance can help ensure they do not face the added burden of financial pressures should something happen to you.

### Death Benefit Coverage

The death benefit from your **Protective Custom Choice UL** policy is non-taxable<sup>1</sup> and paid directly to your beneficiaries, helping them cover things like mortgage payments, car and credit card payments, education and many other immediate, recurring or future expenses.

With **Protective Custom Choice UL**, you also have the option of adjusting your death benefit amount without having to buy a new, separate policy, if your needs change. After the first policy year, you may increase the death benefit amount, subject to underwriting, or decrease it subject to minimums and charges after the third policy year.

Your death benefit coverage can even be guaranteed up to your lifetime, meaning your policy will not lapse<sup>2</sup> as long as your planned premiums are paid.

<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.

<sup>2</sup> The lapse protection guarantees the policy death benefit only, not the cash or surrender value. Policy transactions and premium changes will affect the cost and length of the protection. Late or skipped premiums are not recommended because this may cause the policy to lose lapse protection and the premiums required to restore lapse protection could be significantly higher. Complete terms and conditions can be found in the policy and endorsements and your insurance professional can advise you regarding the effect of premium adjustments.



# Custom Options for Your Individual Needs

At Protective Life, we understand that everyone's situation is different and that needs often change over the course of time. That's why our **Custom Choice UL** offers options and flexibility to meet your specific needs and goals.

## Initial Level Benefit Period Options

With the **Protective Custom Choice UL**, you can customize the duration of your life insurance coverage. You choose the amount of coverage you want, and an initial level benefit period of anywhere from 10 years all the way up to your lifetime. During this time, as long as you pay the scheduled premiums, your death benefit is guaranteed to remain level and your policy will never lapse<sup>1</sup>.

After your initial level benefit period ends, your guaranteed death benefit will begin to decrease while your premium payment amount remains level. The death benefit amount will decrease each year until it reaches the minimum of \$10,000. At that point, your premiums will increase each year.

You have the option to exchange your policy for a permanent universal life insurance option from Protective Life anytime in your first 20 policy years up to age 70, without going through more medical exams. If your needs change and you want to maintain your current death benefit beyond the initial level benefit period, you may exercise this option.

<sup>1</sup> In order for the lapse protection to be in force, accumulated premiums paid (less pro rata adjustments for loans and withdrawals) must be equivalent to or greater than the accumulated Minimum Monthly Guaranteed Premiums.

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## Consider this example:



**Tom is a 40-year old single father with a young daughter.** He has a small amount of life insurance through his job, but wants to supplement that coverage with an individual life insurance policy. Tom also wants to make sure the life insurance coverage lasts for his entire lifetime.

After talking with his life insurance professional about his situation, Tom purchases a \$250,000 **Protective Custom Choice UL** policy with a lifetime level death benefit period.

Tom's death benefit and annual premium amount will remain level for his lifetime, guaranteeing the protection he wants for his daughter.

Policy Year	Death Benefit	Annual Premium
1-81	\$250,000	\$1,633.01

Effective as of 12/12. Assumes male age 40, preferred, with premiums paid for lifetime (age 121).

Consider this example:



**Mary, age 35, is married with two sons, ages 10 and 12.** She wants to maintain life insurance coverage until her youngest son is 25, to make sure her children are protected through their college years. Once the boys are grown, Mary anticipates her need for life insurance will decrease over time.

After talking with her life insurance professional about her needs, Mary purchases a \$500,000 **Protective Custom Choice UL** policy with a 15-year initial level death benefit period.

Any time during her first 20 policy years, Mary can choose to exchange her Protective Custom Choice UL policy for a more permanent policy with a level death benefit and premium amount – without needing to prove her insurability through medical exams.

Beginning in year 16, Mary's death benefit amount begins to decrease each year, but her annual premium remains the same.

Policy Year	Death Benefit	Annual Premium
1-15	\$500,000	\$245.30
16	\$209,348	\$245.30
20	\$135,975	\$245.30
30	\$ 50,645	\$245.30
40	\$ 21,336	\$245.30
50	\$ 10,000	\$341.43

Mary's death benefit and annual premium amount remain level for her 15-year initial level death benefit period.

Once Mary's death benefit has reached \$10,000, it will no longer reduce. However, the annual premium to maintain the policy will begin to increase.

Effective as of 12/12. Assumes female age 35, Preferred.

## Premium Flexibility

We all have different financial and budget needs, responsibilities and limitations. And because our lives are always changing, flexibility is a must-have.

With the **Protective Custom Choice UL**, you also have the option of premium flexibility. You can choose to pay a level premium for your lifetime, for a certain period of time, or you can even adjust premiums to correspond with your expected income level.

As your personal situations change, your budget for life insurance premiums might change also. For example, you could pay a lower premium amount in the first few years of your policy, then pay more in the following years if you expect your income to increase after a job promotion.



Consider this example:



**Joe is a 45-year old business executive with a wife and two teenage children.** He wants to ensure life insurance protection for his family until his children are finished with college. However, he wants to keep his expenses as low as possible for the next few years, and would prefer to pay a lower premium amount during that time.

After talking with his life insurance professional, Joe purchases a \$500,000 **Protective Custom Choice UL** policy with a 10-year initial level death benefit period and a flexible premium plan custom designed to work with his specific needs.

If Joe decided he needed to maintain his \$500,000 in coverage for more than 10 years, he could choose to exchange the policy to something permanent. This option is available at the end of the initial level benefit period, or anytime in the first 20 policy years up to age 70.

Beginning in year 11, Joe's death benefit amount begins to decrease each year, but his annual premium remains the same.

Age	Death Benefit	Annual Premium
1-5	\$500,000	\$366.13
6-10	\$500,000	\$547.02
11	\$277,597	\$440.26
15	\$180,306	\$440.26
20	\$103,454	\$440.26
25	\$ 58,541	\$440.26
30	\$ 32,132	\$440.26
40	\$ 10,270	\$440.26
41	\$ 10,000	\$479.70

Joe worked with his life insurance professional to create a custom payment plan that increased over time, allowing Joe to pay less for the first five policy years.

Once Joe's death benefit has reached \$10,000, it will no longer reduce. However, the annual premium to maintain the policy begins to increase.

Effective as of 12/12. Assumes male age 45, Preferred.

## Additional Options to Customize Your Coverage

Because the **Protective Custom Choice UL** policy is designed for maximum flexibility, it offers a variety of benefits and riders to help fill any gaps in your long-term plans.

### Terminal Illness / Accelerated Death Benefit

Being diagnosed with a terminal illness can take a serious emotional and financial toll on you and your loved ones. Our Terminal Illness Accelerated Death Benefit is included in your policy at no extra charge to help you cope with those emotional and financial costs. If you become terminally ill, this benefit can accelerate up to 60% of your policy's death benefit, or \$1 million, whichever is less. While there is no cost for this benefit, your death benefit is reduced by the amount paid plus accumulated interest.

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

### Accidental Death Benefit Rider


Accidents, or unintentional injury deaths, are the number one killer of all Americans under age 45.\* If you worry about accidental death or you work in a potentially hazardous environment and can't afford to buy as much insurance coverage as you really need, our Accidental Death Benefit Rider could be a good way to supplement your policy's coverage. This rider can provide even more life insurance coverage and increase the death benefit paid to your beneficiaries if your death results from an accident.

Applicants ages 18-60 are eligible for the Accidental Death Benefit Rider, and coverage and premiums stop at age 70. Your additional coverage can range from \$1,000 up to \$250,000 or your base policy's face amount.

\* National Vital Statistics Reports. Deaths: Preliminary Data for 2011; October 10, 2012.







**TODAY,  
her journey begins.**

### Children's Term Rider

By considering life insurance coverage, you are already looking out for the financial needs of your loved ones. But what about starting your children out on the right path in life? In addition to the base policy's coverage for yourself, we also offer a Children's Term Rider to cover the lives of your children. You can use this rider to provide death benefit protection for all natural, adopted, and stepchildren ages 15 days through 17 years at the time your policy is issued. The rider also covers future children from age 15 days, or date of adoption.

The Children's Term Rider provides term coverage up to age 25, the expiry date of the rider, or termination of the policy – whichever is earlier – for all covered children of the insured. The annual premium is a fixed amount and remains constant, regardless of the number of children covered under the rider. Coverage is available in \$1,000 increments ranging from \$1,000 up to \$20,000. After the covered child reaches age 25, he or she can maintain life insurance coverage by converting to a permanent life insurance policy from Protective Life for up to five times the amount of the Children's Term Rider coverage.

Actual terms and conditions contained in each rider govern all benefits provided. Unless otherwise noted, these optional benefits and riders are available at additional cost. Assumes medical and financial underwriting qualifications at time of initial application. May not be available in all states.



## Disability Benefit Rider

When purchasing a life insurance policy, you want to be absolutely certain the death benefit protection remains available to your loved ones for the period of time you've specified. However, life often brings unexpected turns such as becoming disabled and unable to work. That's why we offer the Disability Benefit Rider which can help you be even more prepared and ensure your policy premiums are paid if you do face the hardship of total disability. With this rider, you can specify a monthly benefit amount to be paid towards your policy premium, allowing you to maintain life insurance coverage. The monthly benefit amount is credited to your policy after you have been totally disabled for six months and meet all conditions of the rider. You will continue to receive benefits from this rider for as long as your total disability continues. The Disability Benefit Rider is available for applicants ages 15-55 and coverage ends at age 60.

## ExtendCare Rider

Although life insurance is typically used to protect and provide for your loved ones after you're gone, we understand there are times when you might need to put your policy to good use while you're still living. In case you are ever diagnosed with a chronic illness, our ExtendCare Rider allows you to access your policy's death benefit amount to help you manage the financial impact of your illness without depleting your savings. After qualifying for the rider, you can receive a monthly benefit amount accelerated from your policy's death benefit.

ExtendCare is available only at issue for applicants ages 20-80, and there is a 3 or 12-month Waiting Period. At the time of issue, you also select a Maximum Monthly Benefit amount between \$1,000 and \$9,600\*, not exceeding 5% of your base policy's death benefit amount. The Lifetime Maximum Benefit amount available to you is 100% of your policy death benefit.

See the **ExtendCare Consumer Guide** in your kit for details about this rider.

The ExtendCare Rider is intended as a non-medical supplement to traditional long-term care policies and riders.

**Please note:** The ExtendCare Rider is only available if you choose the Protective Custom Choice UL Lifetime Plan.

\* Monthly benefit amounts are subject to change.

## Income Provider Option

With a typical life insurance policy, you know that your loved ones will receive the death benefit amount in one lump sum after you die. That might help with immediate and short-term needs, but what about help for life's ongoing financial expenses? With our no-cost Income Provider Option, you have the ability to select a guaranteed monthly or annual income stream of up to 30 years for your death benefit payout. In addition, an initial lump-sum payment is also available to help cover final expenses or immediate death obligations. Choosing the Income Provider Option can also potentially lower your policy premiums.

The Income Provider Option is available only when your policy is issued. You may change the death benefit schedule if needs or plans change during your lifetime, but your beneficiaries will not be able to change the schedule after your death.

See the **Income Provider Option Consumer Guide** in your kit for details about this endorsement.

A portion of periodic payments under the Income Provider Option may be reported as taxable income to the beneficiary. Consumers should consult their attorney or tax advisor regarding their individual situations.

Actual terms and conditions contained in each rider govern all benefits provided. Unless otherwise noted, these optional benefits and riders are available at additional cost. Assumes medical and financial underwriting qualifications at time of initial application. May not be available in all states.



## Your Next Steps

If you decide the **Protective Custom Choice UL** is right for you, the application process begins.

Your insurance professional will ask you to complete and sign the application and will ask a few medical questions. This is also when you will select your initial level benefit period, death benefit amount and any optional benefits or riders.

- In most cases, a medical professional will then contact you to schedule a quick checkup, usually completed in your own home.
- At this point, your application is complete and will be sent to Protective Life for the underwriting process. This is where we review your answers to the medical questions, in addition to your lab results and medical records to determine your health risk and qualification for the policy. This process generally takes a few weeks.
- Once approved, you will receive a copy of your policy. You should file this with your other important documents and also notify your beneficiaries.
- By paying your premiums according to the amount and schedule you set, you can ensure your policy will remain in force and will meet your expectations for coverage.
- It is important to regularly review your policy and annual report to make sure your strategy is still aligned with your goals.

## What you should know about Protective Custom Choice UL

When you apply for a **Protective Custom Choice UL** policy, you will be classified in an underwriting category as Select Preferred, Preferred, Non-Tobacco or Tobacco. This classification will be based on your current health and medical history and will also determine your policy rates. Each initial level benefit period also has issue age restrictions.


- *10-Year Plan: 18-75*
- *15-Year Plan: 18-70*
- *20-Year Plan: 18-65 (18-63 for Tobacco class)*
- *25-Year Plan: 18-55 (18-52 for Tobacco class)*
- *30-Year Plan: 18-55 (18-43 for Tobacco class)*
- *Lifetime Plan: 18-85 (18-75 for Select Preferred class)*

The minimum policy face amount, or death benefit amount is \$100,000. This applies to all issue ages and all underwriting classes. There is no set maximum face amount. After your initial level benefit period, the minimum death benefit amount is \$10,000.

There are certain fees and charges associated with a **Protective Custom Choice UL** policy. The premium load is 25% and is deducted from all premiums while your policy is in force. An administrative charge of \$5.50 will also be deducted monthly, in addition to a monthly expense charge and monthly cost of insurance charge which both vary based on your policy details.

**TODAY,  
I know they  
are protected.**





Universal life insurance can provide a variety of benefits and features that may be appropriate for your financial circumstances.

The **Protective Custom Choice UL** can specifically offer you options to create affordable life insurance protection that meets your specific needs today, with flexibility to help provide continuing protection should your needs change in the future.

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Talk to your insurance professional to determine if the **Protective Custom Choice UL** is right for you.

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Protect Tomorrow.  
Embrace Today.™



Protective Custom Choice UL (UL-22) is a universal life insurance policy issued by Protective Life Insurance Company, Birmingham, AL. Policy form numbers, product features and availability may vary by state. Consult policies for benefits, riders, limitations and exclusions. Subject to underwriting. Up to a two-year contestable and suicide period. Benefits adjusted for misstatements of age of sex. In Montana, unisex rates apply.

All payments and all guarantees are subject to the claims-paying ability of Protective Life Insurance Company.

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.

[www.protective.com](http://www.protective.com)

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