Life Insurance in Retirement Planning

Using life insurance and Defined Objectives to meet your retirement income goals

Protective
Life Insurance Company
Protect Tomorrow. Embrace Today.™

PLC.6348 (02.16)

This isn’t your father’s retirement. In fact, the word “retirement” for you may conjure images of a second career, a new life abroad, or an opportunity to fulfill a philanthropic goal. But while these traditional ideas of retirement may be fading, the need for more and varied sources of retirement income is emerging. Just as your golden years will differ from your parents’, so will your methods of saving.

A retirement savings dilemma.

Your retirement income will likely come from a variety of sources: Social Security benefits, IRA distributions, pensions, personal savings, annuities and investments. As life expectancy grows and retirements become longer, more and more retirees are finding that the traditional methods of retirement savings may not be enough.

In addition, the turbulent economy of recent years has many pre-retirees nervous about the effect on their retirement savings. The federal budget will be stretched even thinner to cover Medicaid, Medicare and Social Security benefits as Boomers continue to retire. With so much stress on our economy, **the prospect of rising taxes is very real.**

To protect retirement assets from the risk of rising taxes, many are turning to tax-free accumulation tools. But, high income earners have limited options when it comes to tax-advantaged methods. They are likely to have maxed out their contributions to 401(k)s or IRAs, and may not be eligible to participate in Roth IRAs.

When you consider additional retirement savings options, look for more ways to accumulate assets in a tax advantaged way. If you think you've exhausted all of the options available to you, it may be time to consider life insurance as part of your retirement plan.

These materials contain statements regarding the tax treatment of certain financial assets and transactions. These statements represent only our current understanding of the law in general and are not to be relied upon by Purchasers. Income, estate, gift, and generation skipping tax rules are subject to change at any time. Neither Protective Life nor its representatives offer legal or tax advice. We recommend you consult with your legal or tax adviser regarding your individual situation before making any tax-related decisions.

How Does Life Insurance Fit Into a Retirement Strategy?

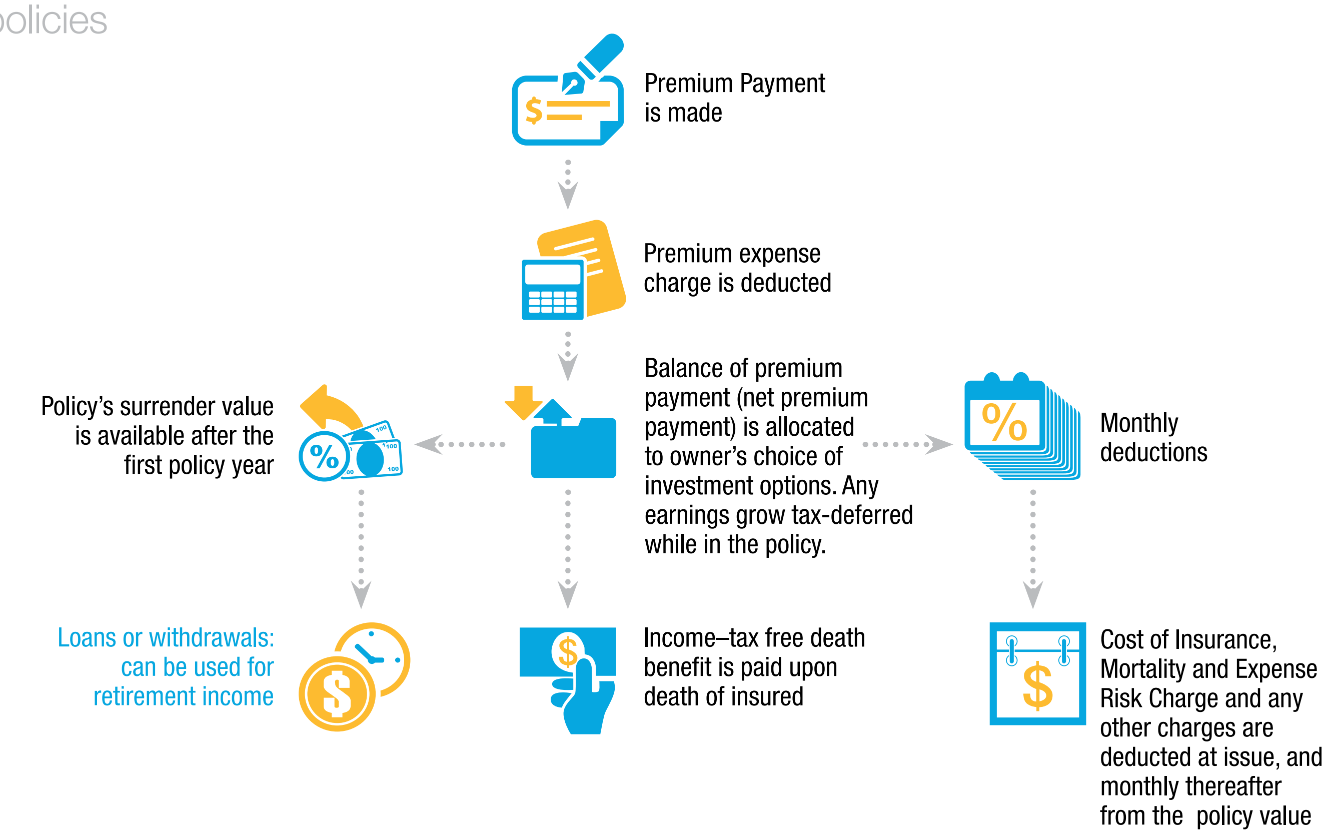
Life insurance can be a surprisingly flexible retirement vehicle with elements that make it unique among tax-free accumulation tools. When structured properly, life insurance provides the following dual protection:

- protects your assets from rising taxes
- protection from the financial impact to your family in the event of your premature death or the expenses related to chronic illness care

Along with asset protection, you can ensure that your family has income protection. While you may be focused on retirement income planning, it's important to consider what would happen to your spouse, children or family members if you were to die unexpectedly. Your life insurance policy will be designed to build cash value that can provide your retirement income in the future, but it also provides built-in protection for your family. With life insurance, a death benefit will be available to cover expenses, provide income or create a legacy for your family members at the time of your death. By choosing life insurance, you're ensuring more than just retirement income; you're protecting your tomorrow, so you can embrace today.

Here's how it works.

This diagram illustrates the mechanics of cash value accumulation life insurance policies



How Life Insurance Retirement Plans Compare to Roth IRAs

While life insurance is known to provide financial protection for your family in the event of your death, a life insurance retirement plan (LIRP) can also be a method for long-term accumulation of assets that may provide supplemental retirement income. When you purchase certain types of life insurance, your earnings within the life insurance policy will grow tax-deferred. Through a combination of withdrawals and income tax-free loans, you may access your policy values to provide tax-advantaged cash flow during retirement. This is commonly referred to as a Life Insurance Retirement Plan, or LIRP.

A LIRP shares many of the tax-advantaged attributes of traditional retirement accounts, such as the Roth IRA. For many pre-retirees, a Roth IRA may seem like the obvious choice for retirement savings. But, keep in mind the following limitations if you are considering participating in a Roth IRA:

- Contributions will be limited if your annual income is equal to or greater than $117,000 (for single filers) or $184,000 (for married filers)
- You will be unable to contribute if your annual income is equal to or greater than $132,000 (for single filers) or $194,000 (for married filers)
- You must still be working/currently earning income
- Contribution maximums: $5,500/year, or $6,500/year if over 50 years old

For high-income earners who don't meet the above requirements, life insurance may be another choice to provide tax-deferred retirement savings.

Which may be right for you?

LIFE INSURANCE RETIREMENT PLAN	ROTH IRA
A good option if you:	A good choice if you:
• make too much to qualify for a Roth IRA	• your earnings do not exceed Roth IRA limits
• want to contribute more each year than a Roth allows	• do not plan on exceeding Roth IRA contribution limits
• have concerns about future tax changes	• are not interested in making a life insurance purchase

A key reason for choosing life insurance for retirement savings over other tax-free accumulation choices is that there are no contribution limits on a life insurance policy, giving you the freedom to choose how you wish to save. Currently, the IRS restricts the amounts that can be contributed to tax-free accumulation accounts, such as Roth IRAs (as shown above). There are no such limitations with life insurance.

In addition, life insurance provides flexibility. When you choose life insurance, you will work with your advisor to choose the investment strategy that is right for you. Your accumulation strategy within a LIRP can be based on your individual goals and objectives, and you have many options with life insurance. You should talk to your financial advisor to determine if life insurance is right for you.

Managing your Life Insurance Retirement Plan

Once you've decided that life insurance is right for you, you will work with your agent to choose a type of product and make sure that policy is funded properly in order to generate your desired retirement income later in life. Since there are many variables involved in structuring a LIRP, it's important to closely monitor your policy values and its projected future values. Changes to your premium contributions, investment allocations, or outside factors like interest rate fluctuations could have a large impact on your expected retirement income. You will need to be aware of how much you need to invest now and in future years in order to maintain the future retirement income level that you expect from the policy. While this task may seem daunting, Protective Life has developed a tool, Defined Objectives, to simplify the process, and make this part of retirement planning a little easier.

Protective Life's Defined Objectives

Protective Life offers life insurance products that can work with your retirement plans. Specifically, with our variable universal life product, we offer the planning tool Defined Objectives, that can help to give you a clear picture of what you can expect in retirement. In short, Protective offers a simplified approach to help you define, monitor, and realize your retirement goals.

Defined Objectives allows you to set a long-term strategy for making your retirement more secure. By monitoring the performance of your life insurance policy on a year-by-year basis and taking appropriate action based on the policy performance, your potential to both accumulate and use policy values to optimize your supplemental retirement income is increased.

With the professional guidance of your advisor, you will decide upon four key criteria that fit with your retirement income goals:

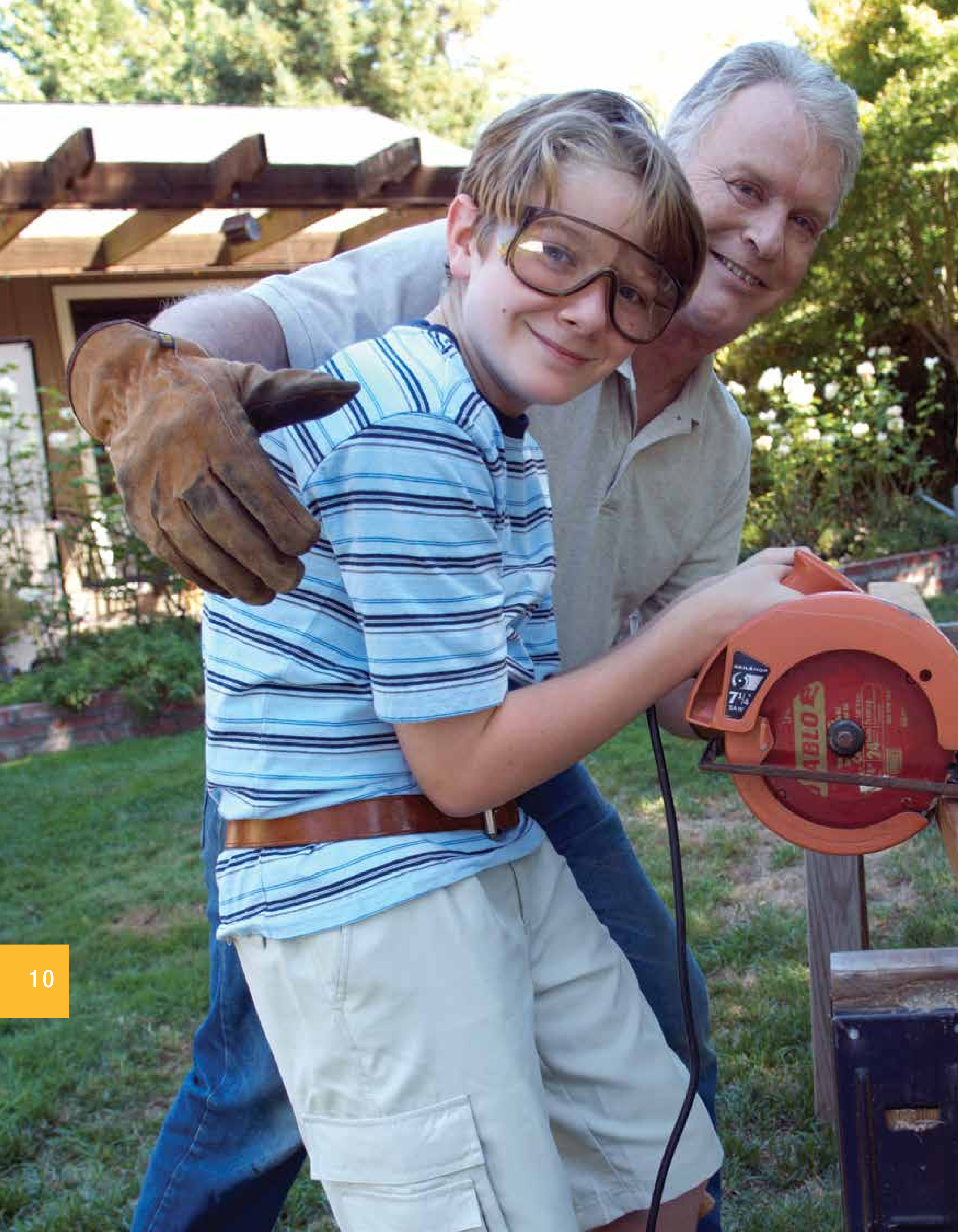
1. **Your Defined Objective**
   The amount of money you would like to receive from your policy each year for supplementing your retirement income (by accessing policy values).

2. **The Defined Objective Period**
   The number of years you wish to receive the annual amount from your policy (by accessing policy values).

3. **The Assumed Rate-of-Return**
   An assumed rate of policy performance.

4. **The Premium Payment Period**
   The number of years you will pay premiums on the policy.

Based upon these answers, your advisor will show you how much premium must be paid into the variable universal life policy in order to fund for your retirement goals Monitoring Performance.



Monitoring Performance

With Defined Objectives, you will receive a performance analysis at the end of each year that will show your policy's investment performance and offer guidance on annual premium modifications based on your actual investment performance and your goals. For example:

- When your investment performance is lower than you expected, your annual performance analysis may prompt you to adjust your premiums upward to increase the potential to meet your goal.
- If your investment performance is greater, you can continue to pay the premiums and possibly fund a higher income amount.
- If performance is significantly greater, you may choose to reduce the amount of your premium.

It is important to carefully consider changes to your goals and/or premium amounts, since future performance may be higher or lower than past performance. Even modest premium adjustments, up or down, can have a large effect over time, and with the assistance of your advisor and your annual Defined Objectives performance analysis, you will be able to closely monitor where you stand.

Consider your options for saving for retirement

As the face of retirement changes for today's Americans, it's important to consider all of your options when it comes to retirement savings. Uncertainty about inflation, your own longevity, investment performance, Social Security and healthcare are just some of the factors that may affect your retirement income. But by taking control of your savings strategy, assessing risk, and monitoring your progress, your assets can be better protected from some of those risks. Through life insurance retirement plans and Protective's Defined Objectives, you can gain confidence that you have protected tomorrow, so you can embrace today.

Your Next Steps:

- Meet with financial professional to discuss your retirement goals and your current retirement savings plans
- Ask your financial professional if a LIRP is right for you
- Talk to your financial professional about Protective's Defined Objectives to determine if it is right for your situation

LIFE INSURANCE IN RETIREMENT PLANNING

Protect Tomorrow.
Embrace Today.™

Variable life insurance policies issued by Protective Life Insurance Company (PLICO). Securities offered by Investment Distributors, Inc. (IDI). Both located at Birmingham, AL. IDI is the principle underwriter for registered insurance products issued by PLICO, its affiliate.

The tax treatment of life insurance is subject to change. Neither PLICO 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.

Variable universal life insurance involves the risk of investing in stocks, bonds and other securities, including market, interest rate and credit risk and loss of principal. If the investment performance of underlying investments is poorer than expected (or if sufficient premiums are not paid), the policy may lapse or not accumulate sufficient value to fund the intended application. Investments in variable universal life insurance policies are subject to fees and charges from both the insurance company and the managers of underlying investments. Loans and withdrawals may negatively impact policy value, investment performance, death benefit, and any Lapse Protection.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the variable universal life insurance policy and any underlying investment options before investing. This and other information is contained in the prospectuses for the variable universal life insurance policy and any underlying investment options. Investors should read the prospectuses carefully before investing. Prospectuses may be obtained by contacting PLICO at (800) 628-6390.

Protective®
Life Insurance Company

Protect Tomorrow. Embrace Today.™

PLC.6348 (02.16)

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