Protective

Interest Crediting Strategies

# PROTECTIVE® ASSET BUILDER II

## Indexed Annuity

| Not FDIC/NCUA Insured | Not Bank or Credit Union Guaranteed | Not a Deposit |
|---|---|---|
| Not Insured By Any Federal Government Agency | | May Lose Value |

Protective refers to Protective Life Insurance Company.

# Grow and protect your assets

Achieving the retirement you envision starts with a solid plan to grow and protect your assets. But how do you create a protected growth strategy that fits your goals and risk tolerance?

Protective® Asset Builder II Indexed Annuity combines asset protection with diverse opportunities for growth through a variety of interest crediting strategies and index options to help you confidently prepare for retirement.

Protective℠

# Create a strategy for protected growth

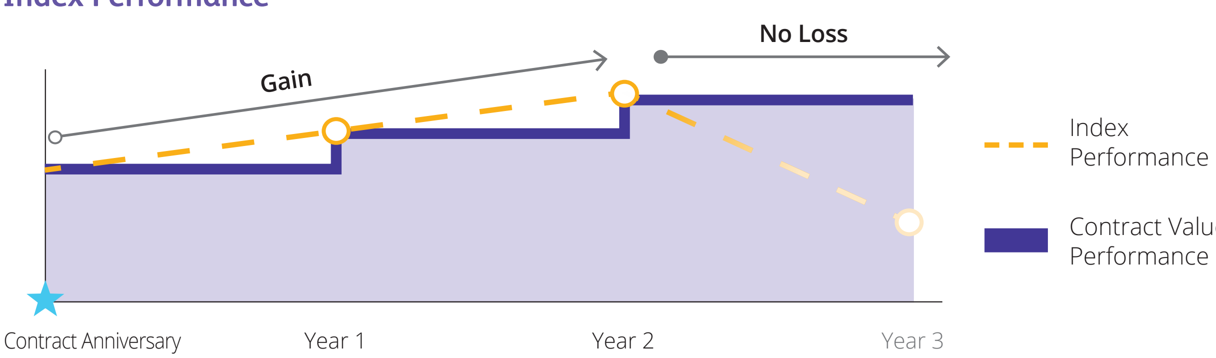
With Protective Asset Builder II indexed annuity, you can choose to allocate your contract value among several point-to-point indexed interest crediting strategies that track the performance of the index options. A fixed interest crediting strategy is also available. Your contract value may be re-allocated at the end of each crediting period. The table below shows the indexed allocation options available with Protective Asset Builder II indexed annuity.

## Allocation options

| Indexed | | | Fixed |
|---|---|---|---|
| S&P 500® Index | J.P. Morgan Mojave℠ Index | Citi Flexible Allocation 6 Excess Return Index | |
| **Point-to-point with participation rate**<br>Credits interest annually by multiplying index performance by the participation rate.<br><br>**Point-to-point with cap — 1 year**<br>Credits interest annually when index performance is positive, up to the effective rate cap.<br><br>**Point-to-point with cap — guaranteed for term**<br>Credits interest annually when index performance is positive, up to the effective rate cap, which locks in for the withdrawal charge period.<br><br>**Point-to-point with trigger**<br>Credits interest annually using a predetermined trigger rate when index performance is positive or flat. | **Point-to-point with participation rate**<br>Credits interest annually by multiplying index performance by the participation rate. | **Point-to-point with participation rate — 2 year**<br>Credits interest by multiplying index performance by the participation rate. The participation rate is guaranteed for each two-year crediting period. | **Credits a fixed rate of interest daily.** |

The interest earned with each indexed crediting strategy is based, in part, on the performance of an index. Crediting methods are based on index performance over 12 months or 24 months depending on the strategy, but always begin on a contract anniversary.

## Index Performance




Any indexed interest earned is credited in arrears on the contract anniversary that ends a crediting period. Therefore, amounts withdrawn from these strategies do not earn interest for the crediting period in which the withdrawals occur.

With this understanding, let's look at the choice of interest crediting strategies and index options available to help you create a protected growth strategy.

# Interest Crediting Strategy Options

**Protective Asset Builder II indexed annuity allows you to optimize the growth potential of your investment through a choice of interest crediting strategies. By offering you a choice, your investment allocation can be customized to support your unique growth goals and risk preferences.**

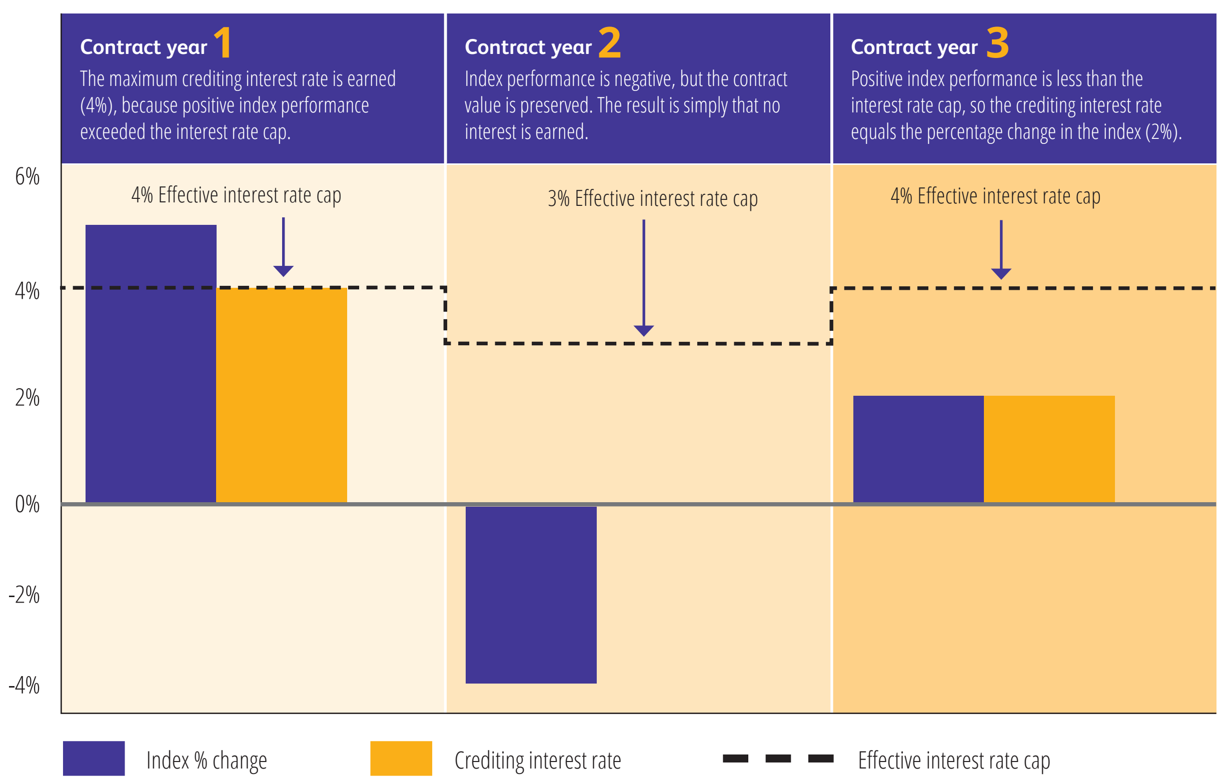
## Point-to-Point with Cap: 1-Year Guarantee

The portion of your contract value allocated to the point-to-point strategy with a rate cap guaranteed for 1-year earns interest based on the index performance up to a maximum rate known as the interest rate cap. The interest rate cap is set at the beginning of each contract year. The interest rate cap may fluctuate from year to year, but it will never be less than the minimum applicable to the contract.

At the end of each contract year, the percentage change in index performance is compared to the interest rate cap in effect for that year. The interest rate credited is the smaller of the index performance or the interest rate cap. If performance is negative, no interest is credited but your contract value is protected.

Consider the following hypothetical example and note the applicable interest rate cap. The crediting interest rate fluctuates from year to year, but the contract value is always preserved, even when index performance is negative.

## How it works



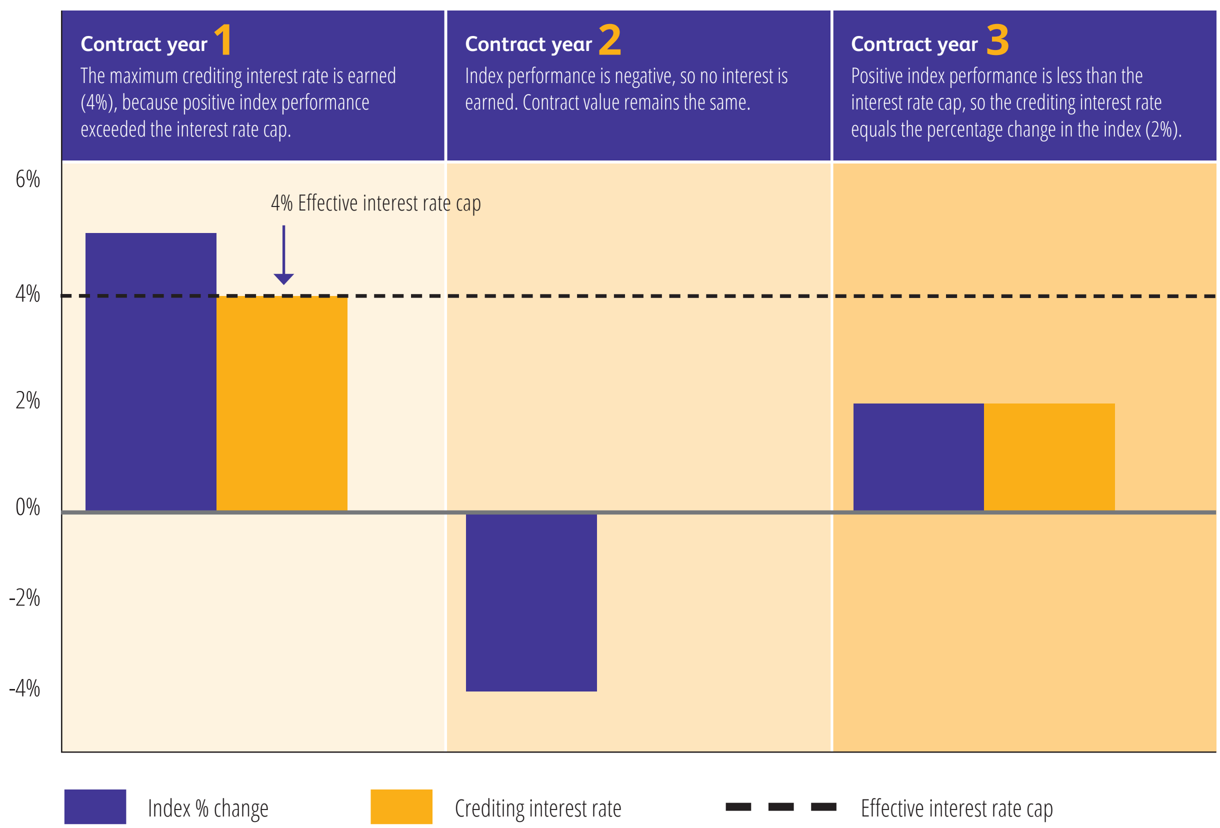

This chart is hypothetical and intended solely to demonstrate this point-to-point interest crediting strategy. It is not indicative of the performance of any indexed annuity. Actual index performance will vary, and interest rate caps are likely to change each contract year.

## Point-to-Point with Cap: Guaranteed for Term

The portion of your contract value allocated to this point-to-point strategy with a rate cap guaranteed for the withdrawal charge period earns interest based on the index performance up to a maximum rate known as the interest rate cap. The rate cap for this strategy is set at the time you purchase your contract and it is guaranteed to remain the same for the duration of the withdrawal charge period. After the withdrawal charge period, the rate cap is subject to change each year. If performance is negative, no interest is credited but your contract value is protected.

Consider the following hypothetical example with an interest rate cap of 4% in effect for the three contract years shown. The crediting interest rate is constant from year to year, and the contract value is always preserved, even when index performance is negative.

## How it works




This chart is hypothetical and intended solely to demonstrate this point-to-point interest crediting strategy. It is not indicative of the performance of any fixed indexed annuity. Actual index performance will vary.

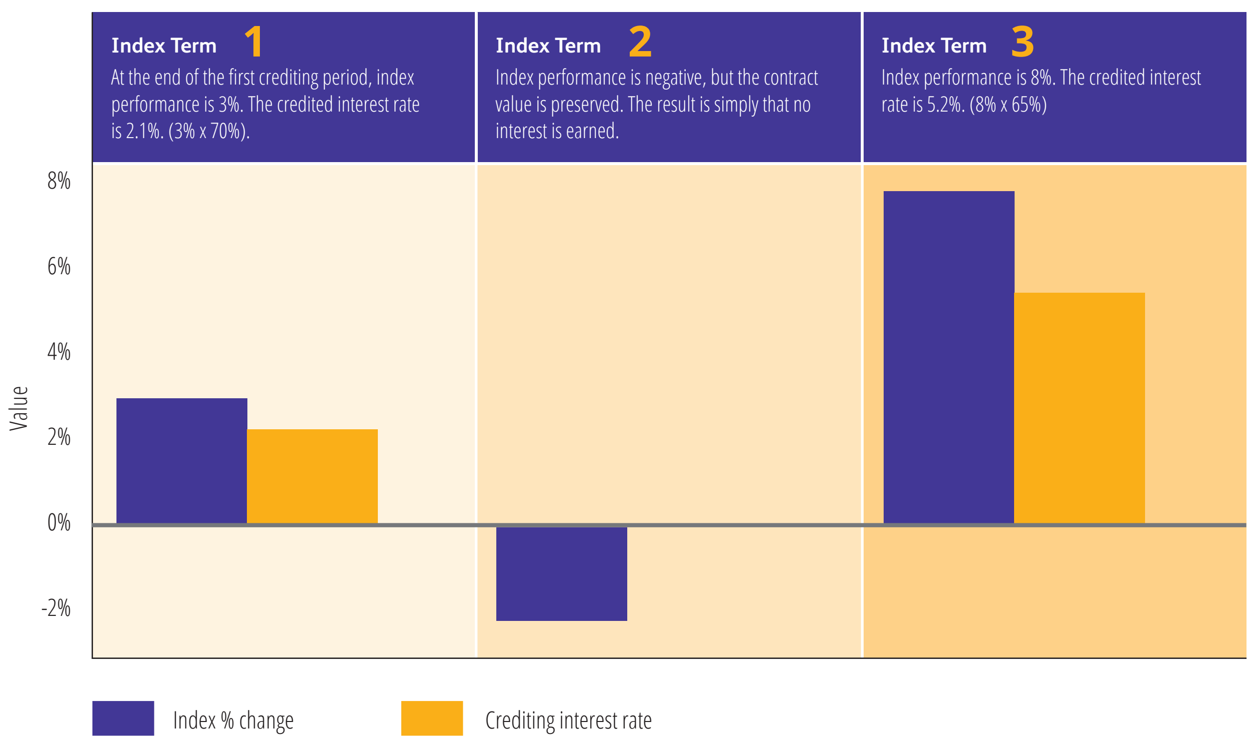
## Point-to-Point with Participation Rate

The formula for this strategy multiplies index performance by the applicable participation rate.

**Index performance X Participation rate = Interest crediting potential**

This means positive index performance will always result in interest credited, for the portion of your assets allocated to this strategy. The participation rate is established at the beginning of each rate guarantee period and is guaranteed for the entire term. Depending on the selected index, the term may be for one contract year or two contract years. The participation rates for subsequent terms are declared on each contract anniversary that begins a rate guarantee period and may be different than the participation rate for an existing term. If performance is negative, no interest is credited but your contract value is protected. Consider the following hypothetical example and note the applicable participation rate.

## How it works

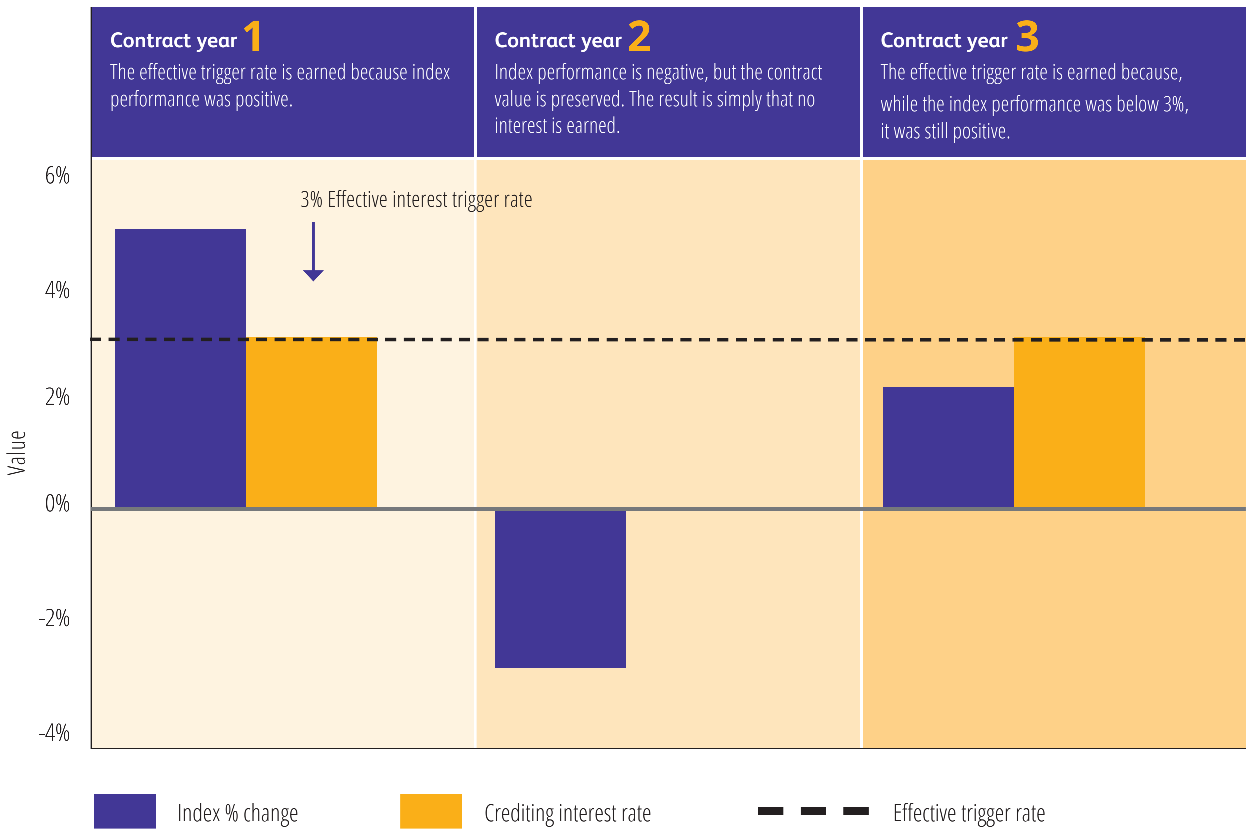



This chart is hypothetical and intended solely to demonstrate this point-to-point interest crediting strategy. It is not indicative of the performance of any indexed annuity. Actual index performance will vary.

## Point-to-Point with Trigger

The portion of your contract value allocated to the point-to-point with trigger strategy earns interest at a set rate when the index performance is flat or positive. The trigger rate is set annually at the beginning of each contract year. At the end of each contract year, if index performance is flat or positive, the effective trigger rate is applied to your contract value. If performance is negative, no interest is credited but your contract value is protected. Consider the following hypothetical example with a trigger rate of 3% in effect for the three contract years shown.

## How it works




This chart is hypothetical and intended solely to demonstrate this point-to-point interest crediting strategy. It is not indicative of the performance of any indexed annuity. Actual index performance will vary, and trigger interest rates are likely to change each contract year.

## Fixed Interest Crediting Strategy

The fixed interest crediting strategy is similar to a traditional fixed annuity. Amounts allocated to this strategy earn daily interest beginning on the date they are applied to the contract. The declared interest rate is guaranteed until the next contract anniversary.

Protective Life sets the fixed interest rate at its sole discretion, and it may be different for contracts purchased at different times.

# Index Options

**You also have a choice of well-known and exclusive index options with Protective Asset Builder II indexed annuity. Each index option offers a distinct approach, which enables you to further diversify the allocation of your investment.**

## S&P 500® INDEX

S&P 500 Index is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. For more detailed information about the S&P 500, please visit spdji.com.

## J.P. MORGAN MOJAVE℠ INDEX

J.P. Morgan Mojave℠ Index is exclusively available with select Protective Life fixed indexed annuity products and designed to provide stable returns and limited volatility by evaluating recent market conditions and dynamically allocating exposure across equity and bond portfolios. The index continuously monitors the volatility of the index's underlying constituents and allocates percentages between the equity and bond constituents in an effort to maintain volatility at 5%. For details about the J.P. Morgan Mojave℠ Index, please visit https://jpmorganindices.com/indices/index.

## CITI FLEXIBLE ALLOCATION 6 EXCESS RETURN INDEX

Citi Flexible Allocation 6 Excess Return Index is exclusively available with select Protective Life products. This index uses a rules-based strategy which dynamically allocates across assets depending on the market environment. The Index uses a volatility control mechanism to adjust exposures over time in an attempt to stabilize the returns of the index. Please visit https://investmentstrategies.citi.com for additional important information about the Citi Flexible Allocation 6 Excess Return Index.

For applicable interest crediting strategies, indexed interest earned is based, in part, on the performance of an index. Any indexed interest earned is credited in arrears on each contract anniversary that ends a crediting period. Thus, amounts withdrawn from indexed strategies do not earn interest for the crediting period in which the withdrawals occur.

# Invest with confidence

Through the combined power of diverse interest crediting strategies and index options, this indexed annuity solution helps enhance your growth potential and protect you from loss — so you can achieve your retirement savings goals with confidence.

**Work with your Financial Professional to create a protected growth strategy that will help you prepare for retirement with confidence.**

All payments allocated to an indexed interest crediting strategy will earn an annual guaranteed minimum interest rate set at contract status issue, regardless of strategy selected. Please see contract for more information.

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