



Consumer Guide

# INCOME PROVIDER OPTION

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

Protective and Protective Life refers to Protective Life Insurance Company and Protective Life and Annuity Insurance Company.



## Choose how your death benefit is paid

Purchasing life insurance to protect your loved ones can help ensure their specific needs are met, even after you're gone.

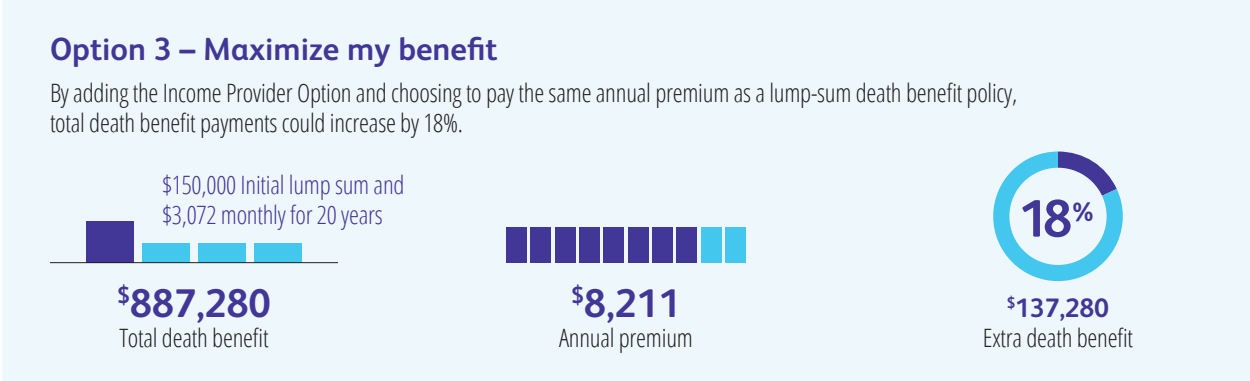
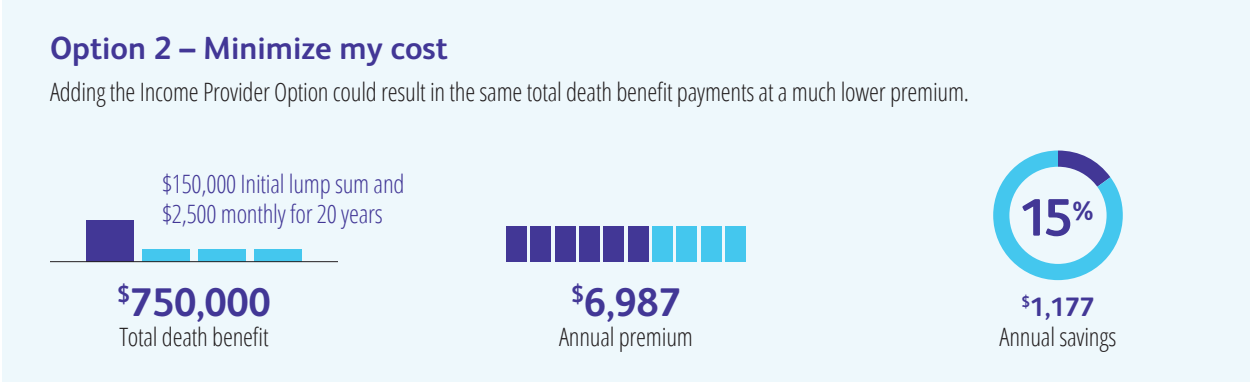
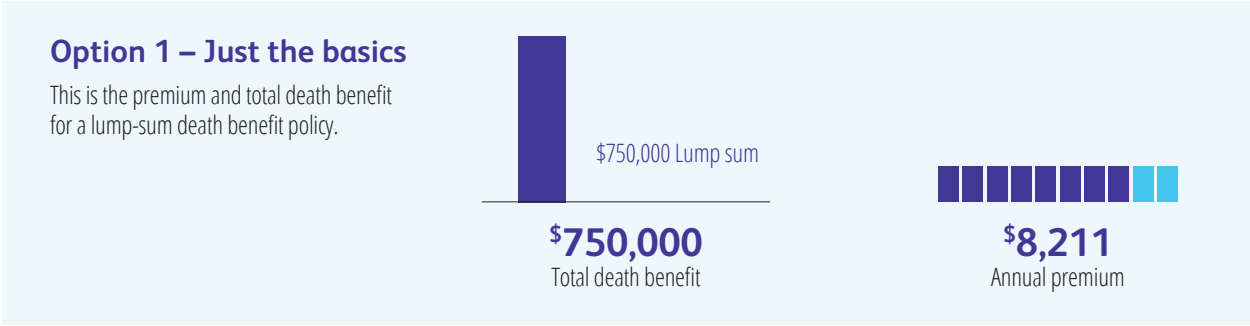
We understand being concerned about helping your loved ones maintain a source of income. That's why we're proud to offer the Income Provider Option — a feature that lets you choose how your life insurance policy's death benefit is paid.

# Income Provider Option

Available with select Protective policies at no extra cost, the Income Provider Option can be a potential solution for meeting the income needs of your loved ones. This optional benefit allows you to choose the amount and duration of death benefit payments — giving you flexibility to address your intentions and concerns.

It offers the opportunity for you to influence the future financial welfare and interests of your loved ones by allowing you to structure payments with them in mind. You can set up regular, recurring payments for your beneficiaries, or a combination of an initial lump-sum payout and recurring income payments.

**The Income Provider Option is available at no extra cost and gives you more flexibility and control over your death benefit. You choose the structure that best meets your needs.**



Effective as of January 2019. Assumes male age 50, preferred with level premiums paid to age 105 on a Protective Advantage Choice<sup>SM</sup> UL policy.

A portion of each annual payment will be reported as taxable income to the beneficiary, based on our understanding of current federal income tax law. Neither Protective Life Insurance Company nor its representatives offer legal or tax advice. The tax treatment of life insurance is subject to change. Consumers should consult their legal or tax advisor before making any tax-related decisions.

## Meeting income needs

The typical life insurance policy death benefit is paid in one lump sum. That might help to meet immediate and short-term financial needs, but may not be the best option for others who need help covering periodic and ongoing expenses.

Financial needs can typically be divided into three basic categories:

Immediate needs	Recurring needs	Future needs
<p>When someone passes away, there are immediate income needs like:</p> <ul style="list-style-type: none"><li>• Funeral, burial and probate expenses</li><li>• Mortgage and auto loans</li><li>• Credit card debt</li></ul>	<p>There are also regular household needs and expenses for any surviving spouse and children. These might include:</p> <ul style="list-style-type: none"><li>• Utilities and food</li><li>• Childcare</li><li>• Health care</li></ul>	<p>Some expenses will come at a much later date:</p> <ul style="list-style-type: none"><li>• College tuition</li><li>• Retirement</li></ul>

### Consider this example: Family protection

Michael and his wife Kate have three young daughters in elementary school. He is worried about helping his family pay for his funeral expenses, and making sure his wife can afford to take leave from her job if he passes away unexpectedly. But Michael also wants to be certain that his wife and children would have guaranteed income to help with normal, ongoing household expenses.

Michael talks to his insurance professional and decides to purchase a Protective universal life insurance policy and adds the no-cost Income Provider Option with an initial lump-sum payment and monthly income stream payments for 20 years.

When Michael dies, the initial lump-sum payment will help cover funeral expenses and temporarily replace his wife's income until she can return to work. The monthly payments can then go towards the family's regular expenses in the 20 years following Michael's death.

This case study is hypothetical and for illustrative purposes only. Each individual situation will be different based on the age, sex and health status of the insured.



## Leaving a legacy

Some people might want to use life insurance to provide a lasting reminder or legacy for their surviving loved ones. It is always nice to be remembered, and life insurance can make it possible to continue giving gifts for your loved ones on birthdays, holidays or other special occasions.

### Consider this example: A gift from Grandma

Ellen is a 65-year-old retired widow with three young grandchildren. She wants her grandchildren to receive and experience everything that she envisions for them in life. Ellen has been searching for a way to help her grandchildren remember her fondly for years to come, even after she's gone.

After talking to her insurance professional, Ellen purchases a universal life insurance policy from Protective, and adds the Income Provider Option so each grandchild will receive annual income stream payments. The Income Provider Option also allows her to specify the exact date payments are made to each grandchild.

With life insurance and the Income Provider Option, Ellen can ensure that her memory lives on through annual gifts to each of her grandchildren on their birthdays.

This case study is hypothetical and for illustrative purposes only. Each individual situation will be different based on the age, sex and health status of the insured.



## Your next steps

Choose the Income Provider Option when you purchase a select life insurance policy from Protective.

### Decide how your death benefit will be paid

<b>Benefit period</b>	You can choose a benefit period from 1 to 30 years.
<b>Payment type</b>	You can select a lump-sum payment, regular income stream benefit payments or a combination of both.
<b>Payment schedule</b>	Benefit payments can be made monthly, annually or on a specific day each year, such as birthdays or holidays.
<b>Distribution</b>	You can even have the benefit amount distributed to multiple beneficiaries, either equally or divided as you choose.

With the Income Provider Option, your wishes will be carried out exactly as desired. You even have the flexibility to change the benefit payment schedule if needs or plans change, but your beneficiaries may not change the plan after your death.

Purchasing life insurance is an important step in protecting and providing for your loved ones. But you should also consider how losing your income would affect them and their lifestyle.

With the no-cost Income Provider Option from Protective, you maintain the control and flexibility to decide how and when your life insurance policy's death benefit is paid.







## We're Protective

Protective provides protection that fits your life, because we believe everyone deserves a sense of security and protection. We've been protecting people for over 110 years, delivering on our promises and pushing to do more for more people.

**Because we're all protectors.**

[protective.com](https://protective.com)

Income Provider Option (ICC18-L641/L641 2-18) is an endorsement available only at issue on certain products issued by Protective Life Insurance Company. Actual terms and conditions contained in the product policy and the endorsement govern benefits provided. A portion of periodic payments may be reported as taxable income to the beneficiary. Consumers should consult their attorney or tax advisor regarding their individual situations. Please see the endorsement for more detailed information. May not be available in all states or on all currently-marketed products. State variations may apply. All payments and all guarantees are subject to the claims-paying ability of Protective Life Insurance Company.

Protective Advantage Choice UL (UL-20) is a universal life insurance policy issued by Protective Life Insurance Company, Nashville, TN. 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 or sex. In Montana unisex rates apply.

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