Annuity New Business Checklist

Protective Life Insurance Company[1]
West Coast Life Insurance Company[1]
Protective Life and Annuity Insurance Company

☐ APPLICATION

- ☐ ***Customer information completed in its entirety where applicable.***
- ☐ ***Beneficiary information completed in its entirety.*** *Please note the following:*
  - ✓ Beneficiary allocations must equal 100% for both Primary and Contingent Beneficiaries.
  - ✓ Percentage and Designation are required for each beneficiary.
  - ✓ Any additional beneficiaries not included on the application must be submitted in writing with a signature of the owner(s) and dated.
- ☐ ***Plan Type.*** *Please note the following:*
  - ✓ Include the plan type that we are to issue the contract and ensure that it is applicable to the product being sold.
  - ✓ Include the amount being submitted as well as any transfer and tax information applicable to this contract.
- ☐ ***Fund Allocations must equal 100%.***
- ☐ ***Replacement Questions completed in their entirety by both customer and agent.***
- ☐ ***Customer Signature.*** *All owners must sign.*
  - ✓ Annuitant signature is required if different than the owner(s).
  - ✓ Complete Date, City and State fields.
- ☐ ***Agent Signature.*** *To ensure timely processing, please include the following:*
  - ✓ Agent's name printed, Agency name, and Agent's phone number.
  - ✓ Florida License ID # if applicable.
- ☐ ***Indexed Annuities 14 Calendar days.*** *Application and funds or Application and Transfer/Exchange form* ***must be received within 14 calendar days of sign date.***
  - ✓ All Initial Premiums should be identified on application (checks & transfers) - funded premium (checks) must accompany the new business – do not wait to forward
  - ✓ Client-initiated transactions – 60 day rate/cap lock given if completed LAD 1120 Transfer/Exchange form, with Client Initiated box checked, is completed

☐ SUITABILITY FORM

Required for all annuity business submitted through an IMO/BGA. Where FINRA firms have a certified program for Protective to accept your firm's Registered Principal approval, the form is not required.

☐ REPLACEMENT FORM(S)

Please complete all applicable Replacement Forms.

☐ TRANSFER / ROLLOVER / EXCHANGE FORM

Please complete all applicable forms.

☐ TRUST DOCUMENTATION

If the owner is a Trust, we must receive a copy of the Trust Certification form or the first and last page of the trust in order to issue the contract.

☐ POWER OF ATTORNEY DOCUMENTATION

If applicable, POA documentation is required.

[1] *Not authorized in New York*

FOR AGENT / BROKER DEALER INFORMATION ONLY. NOT FOR USE WITH CONSUMERS.

"Annuity contracts issued by Protective Life Insurance Company (PLICO-*not authorized to sell insurance in NY*), West Coast Life Insurance Company (WCL - *not authorized to sell insurance in NY*) and Protective Life and Annuity Insurance Company (PLAICO-*authorized to sell life insurance in NY*). Securities offered by Investment Distributors, Inc. (IDI). PLICO, PLAICO, and IDI are located at Birmingham, AL 35223, WCL located at San Francisco, CA 94104. All are subsidiaries of Protective Life Corporation. Protective Life Corporation is a separate company and is not responsible for the financial condition or the contractual obligations of PLICO, WCL, PLAICO, or IDI.

INDIVIDUAL ANNUITY APPLICATION

Protective Life Insurance Company

Send Applications to:
Overnight: 2801 Hwy 280 South, Birmingham, Alabama 35223
U. S. Mail: P. O. Box 10648, Birmingham, Alabama 35202-0648
(800) 456-6330

Select Product: ☑ Protective Secure Saver
A Fixed Deferred Annuity Contract

Contract #________________________

PRIMARY OWNER *(If mailing address is a P.O. Box, please provide a physical address in the 'Remarks' area.)*

Name: ________________________ Daytime Phone: ________________

Address: ________________ City: ________________ State: ______ Zip: ________

SSN/Tax ID: ______________ DOB: ______________ ☐M ☐F Email: ________________

JOINT OWNER *(If applicable.)*

Name: ________________________ Daytime Phone: ________________

Address: ________________ City: ________________ State: ______ Zip: ________

SSN/Tax ID: ______________ DOB: ______________ ☐M ☐F Email: ________________

ANNUITANT *(If different from Primary Owner. Must be a living person.)*

Name: ________________________ Daytime Phone: ________________

Address: ________________ City: ________________ State: ______ Zip: ________

SSN/Tax ID: ______________ DOB: ______________ ☐M ☐F Email: ________________

PLAN TYPE ☐ Non-Qualified ☐ Traditional IRA ☐ Roth IRA ☐ Other ______________
(Please choose one.)

TOTAL ESTIMATED INITIAL PURCHASE PAYMENT: $ ________________
(Minimum: $10,000)

FUNDING SOURCE: *(Please check all that apply.)*

☐ Transfer - $ ____________ ☐ Cash - $ ____________
☐ Rollover - $ ____________ ☐ 1035 Exchange - $ ____________
☐ IRA or Roth IRA Contribution - $ ____________ for Tax Year __________

WITHDRAWAL CHARGE PERIOD and PRIMARY GUARANTEE PERIOD: ☐ 5 Years ☐ 7 Years
(Please choose one period length – same for both withdrawal charge period and primary guarantee period.)

REMARKS: ____
____
____
____
____
____

An annuity contract is not a deposit or obligation of, or guaranteed by any bank or financial institution. It is not insured by the Federal Deposit Insurance Corporation or any other government agency.

IMPORTANT NOTICE

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

REPLACEMENT:

- Will this annuity change or replace an existing life insurance policy or annuity contract? ☐ NO ☐ YES
- Do you currently have a life insurance policy or annuity contract? ☐ NO ☐ YES
  (If 'YES', please provide the company name and policy or contract number below.)

Company - ______________________ Policy or Contract # ______________

Company - ______________________ Policy or Contract # ______________

Company - ______________________ Policy or Contract # ______________

NOT INSURED BY ANY GOVERNMENT AGENCY · NO BANK GUARANTEE · NOT A DEPOSIT

I understand this application will become part of my annuity contract. I have read the completed application and confirm that the information it contains is true and correct, to the best of my knowledge and belief. However, these statements are representations and not warranties. If this application has a Joint Owner, Protective Life may accept instructions from either Owner on behalf of both Owners.

I have read and understand the "Annuity Buyer's Guide" and the annuity Disclosure Statement provided to me by my financial advisor.

I believe this annuity meets my current needs and financial objectives.

I understand that during the withdrawal charge period, withdrawals from the contract that exceed any available free-withdrawal amount are subject to a limited market value adjustment and a withdrawal charge.

Application signed at: ______________________ on ______________
(City and State) *(Date)*

______________ ______________ ______________

Owner's Signature | Joint Owner's Signature (*if applicable*) | Annuitant's Signature *(if not an Owner)*

Federal law requires the following notice: We may request or obtain additional information to establish or verify your identity.

Use Administrative Form LAD-1225 to name or change a beneficiary anytime before the death of an owner.

PRODUCER REPORT:
*(To prevent delays processing this application, please complete **all** questions in this section.)*

To the best of your knowledge and belief:

- Does this annuity purchase change or replace any existing life insurance policy or annuity contract? ☐ NO ☐ YES
- Does the applicant have any existing life insurance policy(s) or annuity contract(s)? ☐ NO ☐ YES

Type of unexpired government issued photo I.D. used to verify the applicant's identity? ______________ *(Type)* ______________ *(Number)*

I determined the suitability of this annuity to the applicant's current financial needs, goals, and situation by asking about the applicant's financial status, tax status, financial goals and objectives, and other relevant information.

I have accurately recorded the information provided by the applicant(s). I have not used any written sales materials other than those approved by Protective Life. I have reasonable grounds to believe the purchase of this annuity is suitable for the applicant(s).

Producer 1 Signature ______________ Producer 1 # ______________ Share ________%

Producer 1 Printed Name ______________ Producer 1 Florida Lic. # *(if applicable)* ______________

Broker/Agency Name ______________ Phone # ______________ Email ______________

Producer 2 Printed Name ______________ Producer 2 # ______________ Share ________%

An annuity contract is not a deposit or obligation of, or guaranteed by any bank or financial institution. It is not insured by the Federal Deposit Insurance Corporation or any other government agency.

Select Commission Option: __ A __ B __ C

Protective Life Insurance Company [1]
West Coast Life Insurance Company [1]
Protective Life and Annuity Insurance Company
Post Office Box 1928 / Birmingham, AL 35201-1928
Toll Free: 800-456-6330 / Fax: 205-268-6479

Beneficiary Information Request
Use this form for initial beneficiary designations.

Owner's Name: ______________________ Annuitant's Name: ______________________

Contract Number: ______________________ Owner's SSN/TIN: ______________________

PLEASE NOTE: If multiple beneficiaries are named, proceeds will be paid equally to all primary beneficiaries surviving the owner (or annuitant if non-material owner) unless instructed otherwise. If all primary beneficiaries have predeceased the owner, proceeds will be paid to the named contingent beneficiaries equally unless instructed otherwise. If there are no surviving beneficiaries, proceeds will be paid to the owner's estate.

BENEFICIARY INFORMATION:

Beneficiary Type: (select one) ☐ Primary ☐ Contingent	Name: ______________________ Social Security Number: ______________ Address: ______________________ Date of Birth: ______________ Telephone Number: ______________ Relationship to Owner: ______________ (select one) ☐ Spouse ☐ Non-spouse Percentage: _______%
Beneficiary Type: (select one) ☐ Primary ☐ Contingent	Name: ______________________ Social Security Number: ______________ Address: ______________________ Date of Birth: ______________ Telephone Number: ______________ Relationship to Owner: ______________ (select one) ☐ Spouse ☐ Non-spouse Percentage: _______%
Beneficiary Type: (select one) ☐ Primary ☐ Contingent	Name: ______________________ Social Security Number: ______________ Address: ______________________ Date of Birth: ______________ Telephone Number: ______________ Relationship to Owner: ______________ (select one) ☐ Spouse ☐ Non-spouse Percentage: _______%
Beneficiary Type: (select one) ☐ Primary ☐ Contingent	Name: ______________________ Social Security Number: ______________ Address: ______________________ Date of Birth: ______________ Telephone Number: ______________ Relationship to Owner: ______________ (select one) ☐ Spouse ☐ Non-spouse Percentage: _______%
Beneficiary Type: (select one) ☐ Primary ☐ Contingent	Name: ______________________ Social Security Number: ______________ Address: ______________________ Date of Birth: ______________ Telephone Number: ______________ Relationship to Owner: ______________ (select one) ☐ Spouse ☐ Non-spouse Percentage: _______%
Beneficiary Type: (select one) ☐ Primary ☐ Contingent	Name: ______________________ Social Security Number: ______________ Address: ______________________ Date of Birth: ______________ Telephone Number: ______________ Relationship to Owner: ______________ (select one) ☐ Spouse ☐ Non-spouse Percentage: _______%

SPECIAL INSTRUCTIONS:

SIGNATURES:

______________________ ______________________ __________
Owner's Name (please print) Owner's Signature Date

______________________ ______________________ __________
Joint Owner's Name (please print) Joint Owner's Signature Date

[1] Not authorized in New York

Protective Secure Saver
A Limited Flexible Premium Deferred Fixed Annuity
with a Limited Market Value Adjustment
Form Series: LDA-P-2012

Protective Life Insurance Company
www.protective.com
2801 Hwy 280 South, Birmingham, AL 35223
800-456-6330

DISCLOSURE STATEMENT

This document reviews important points to consider before you buy a *Protective Secure Saver.*
It is a summary document and not part of your contract with us. The contract governs your rights and our obligations.

WHAT IS AN ANNUITY?

An annuity is a legal contract between you and an insurance company. An annuity should be used to accumulate money for *long-term* financial goals, like retirement. An annuity is the only financial product that can create a stream of income payments *guaranteed to last as long as you live*.

The *Protective Secure Saver* is a limited flexible premium deferred fixed annuity. *Limited flexible premium* means that you may – but are not required to – send us additional premium, but only during the first contract year. The minimum initial premium required to issue a contract is $10,000. Each additional premium must be at least $50. The maximum total premium we will accept is $1 million per contract. In a *deferred annuity*, the income payments you receive begin in the future. The interest credited to a *fixed annuity* is determined by interest rates which we set from time to time, and which we guarantee for a specified period. You do not pay taxes on the interest earned until the money is actually paid to you.

DEFINITIONS

Annuitant – The person whose life is used to determine the income payments.

Annuity Date – The date on which the income payments begin.

Beneficiary – The person who will receive the death benefit if the owner dies before the annuity date.

Owner – The person who purchases a contract, and the person from whom we accept instructions regarding the contract.

HOW DOES MY ANNUITY EARN INTEREST?

- *Primary Guarantee Period* – Your purchase payment (premium) is applied to the contract's Primary Guarantee Period. It begins on the contract's issue date. The length of the Primary Guarantee Period is the same as the withdrawal charge period you select when you purchase a contract. Interest is credited daily at a rate that, when compounded, yields the fixed annual rate that is set at the time the purchase payment is applied to the Primary Guarantee Period. The annual interest rate for purchase payments applied on the issue date is guaranteed for the entire Primary Guarantee Period. The annual interest rate for purchase payments applied at a later date is guaranteed for the time remaining in the Primary Guarantee Period.

- *Renewal Guarantee Periods* – When the Primary Guarantee Period ends, your contract value is immediately applied to a one-year Renewal Guarantee Period. Interest is credited daily at a rate that, when compounded, yields the fixed annual rate that is set at the time the contract value is applied to the Renewal Guarantee Period. The annual interest rate is guaranteed for one year. Successive one-year Renewal Guarantee Periods automatically begin (with interest credited at the one-year renewal rate then in effect) when the existing Renewal Guarantee Period ends, until the contract ends or income payments begin.

- *Minimum Interest Rate* – We may set different interest rates for purchase payments applied to the Primary Guarantee Period at different times. We may set different interest rates for contract value applied to different Renewal Guarantee Periods at different times. However, the interest rates we set will never be less than the contract's minimum interest rate.

- *Contract Value* – Any time before the annuity date, the contract value is equal to the sum of all purchase payments and all interest credited, minus withdrawals from the contract (including applicable withdrawal charges and any market value adjustment), and minus any applicable premium tax. The contract value is the basis used to determine the surrender value, death benefit and the income payments.

HOW DO I GET MONEY OUT OF MY ANNUITY BEFORE THE INCOME PAYMENTS BEGIN?

The *Protective Secure Saver* is designed to grow your contract value during the accumulation period and on the annuity date, convert the contract value to a regular, predictable stream of income payments according to your instructions. However, you may access all or a portion of the contract value before the annuity date by taking a withdrawal, or surrendering the annuity.

- *Free-Withdrawal Amount* – Each contract year, you may withdraw up to 10% of the contract value as of the prior contract anniversary without having the market value adjustment ("MVA") applied or incurring a withdrawal charge. (During the 1st contract year, you may withdraw up to 10% of the initial purchase payment.) Aggregate withdrawals during any contract year ***that exceed the free-withdrawal amount*** are subject to the MVA and the withdrawal charge, which are described below.

- *Market Value Adjustment ("MVA")* – The market value adjustment ("MVA") adjusts the amount we deduct from the contract value to satisfy your withdrawal request. When it applies, it can increase, decrease, or have no effect on that amount. Including an MVA in the contract means you participate in changes in market interest rates if you request a withdrawal (in excess of the free-withdrawal amount) during the contract's withdrawal charge period.

  We calculate the MVA according to the formula described in your contract. In general, however, if interest rates are *higher* on the withdrawal date than on the contract's issue date, the MVA will ***increase*** the amount we deduct from the contract value to satisfy your withdrawal request. Conversely, if interest rates are *lower* on the withdrawal date than on the issue date, the MVA will ***decrease*** the amount we deduct from the contract value. The MVA formula also includes a component that reduces the impact of the MVA over time. So, if all other things are equal, a withdrawal taken later in the withdrawal charge period will have a smaller MVA than the same withdrawal taken earlier.

- *Withdrawal Charge* – You select the contract's withdrawal charge period when you purchase the annuity. Longer withdrawal charge periods are typically associated with the opportunity to earn interest at higher rates. *Protective Secure Saver* offers withdrawal charge periods of 5 and 7 years. The withdrawal charge period determines the length of the Primary Guarantee Period for interest applied to your purchase payment.

  The withdrawal charge is a set percentage of the net reduction to the contract value needed to satisfy your withdrawal request (in excess of the free-withdrawal amount), including the MVA. The withdrawal charge ***increases*** the total amount we deduct from the contract value.

- *Withdrawal Charge Percentage* – The withdrawal charge percentage that applies each contract year is a function of the number of complete contract years that have elapsed since the contract issue date.

# of Complete Years Elapsed Since the Contract Issue Date	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7+**
5-Year Withdrawal Charge Period	9%	8%	7%	6%	5%	0%	0%	0%
7-Year Withdrawal Charge Period	9%	8%	7%	6%	5%	4%	3%	0%

- *MVA and Withdrawal Charge Waivers* – Neither the market value adjustment nor the withdrawal charge apply after the withdrawal charge period for your contract expires. Subject to state approval, we also waive any MVA and withdrawal charge that would otherwise apply if, after the contract issue date, you or your spouse meet the qualifying conditions described in the contract and…

  a) enter a nursing home or are diagnosed with a terminal illness that is expected to result in death within 12 months; or

  b) become unemployed.

  Finally, the MVA and withdrawal charge do not apply when we pay the death benefit or when, on the annuity date, the contract value is withdrawn, surrendered or applied to an annuity option.

All withdrawals reduce the contract value, death benefit and future income payments. Withdrawals are subject to income tax and may be subject to a 10% federal tax penalty if taken before age 59½. You should consult a professional to assess the impact to your personal tax situation of a withdrawal from the contract.

IS THERE A DEATH BENEFIT?

- *Death Benefit* – The contract pays a death benefit to the beneficiary if an owner dies before the annuity date. The death benefit is the contract value.

- *Payment of the Death Benefit* –The Internal Revenue Code controls how the death benefit must be paid. The death benefit may be taken in one lump sum immediately, and the contract will terminate. If not taken immediately, the death benefit will continue to earn interest according to the terms of the contract and must be fully distributed either: a) within 5 years of the owner's death; or, b) over the life (or life expectancy) of the beneficiary with payments beginning within one year of the owner's death.

- *Additional Option for a Spouse* – If the deceased owner's spouse is the *sole primary beneficiary*, instead of taking the death benefit, the surviving spouse may continue the contract and become the owner. Note, however, that *unmarried* civil union or domestic partners are not treated as spouses under ***federal*** law. Therefore, this 'spousal continuation' option is not available even though these relationships may be fully recognized in your state.

HOW DO I BEGIN INCOME PAYMENTS?

- *Annuity Date* – On the annuity date, you may apply the contract value to an annuity option and begin the income payments. Or, you may take that amount in a lump sum. The latest annuity date is the oldest owner's or annuitant's 95^{th} birthday, but you may choose an earlier date, provided it occurs after the first contract anniversary.

- *Income Payments* – You customize the income payments by selecting the annuity option and the payment frequency. Once established, however, your income payments may not be altered or surrendered. Two basic annuity options are available: Income payments for a specified time (called a "certain period"); or, Income payments for life, with or without a certain period.

- *Payment Frequency* – Income payments must occur at least once a year, but you may have them made monthly, quarterly or semi-annually. More frequent payments will result in slightly lower annual amounts than less frequent payments. So, for example, the sum of 12 monthly payments will be a little bit less than the sum of 4 quarterly payments which, in turn, will be smaller than a single annual payment.

- *Payments for a Certain Period* – We will make periodic income payments for the entire certain period you select. No certain period may be less than 10 years, unless we agree to a shorter period.

- *Payments for Life with or without a Certain Period* – Income payments can be based on the life of either one or two living persons called 'annuitants'. Income payments under a 'single life' annuity option end upon the death of the annuitant. Income payments under a 'joint life' option end when the last surviving annuitant dies. If you select a joint life option, you may – but are not required – to specify a reduction in the income payments to a surviving annuitant.

  You may add a certain period to either a single or joint life annuity option. If you do, the income payments are guaranteed for at least as long as the certain period you select, and continue beyond that time for as long as the annuitant (or if joint life, the last surviving annuitant) lives.

- *Default Annuity Option* – If you do not select an annuity option, on the annuity date we will begin making monthly income payments for the life of the named annuitant with a 10-year certain period.

- *Minimum Annuity Rates* – The minimum annuity rates for the annuity options are described in the contract and guaranteed. If, at the time your income payments begin, we are offering higher rates for the same annuity option, your income payments will be based on the higher rates.

HOW DOES THIS ANNUITY AFFECT MY FEDERAL INCOME TAXES?

The information is this section is based on information you provide and our understanding of current federal tax law. Protective Life does not provide tax advice. You should always consult with a trusted professional to determine the impact of any financial transaction on your personal tax situation.

- *Tax Status* – You have indicated your contract will be: ☐ Non-Qualified ☐ IRA, or other Tax Qualified Plan
- *Deferred Taxation of Interest Earned* – An annuity contract is a tax deferred financial instrument. You are not taxed on the interest credited to the contract until it is paid to you. At that time, you will pay tax at the same rate as other ordinary income. You may also be subject to a 10% federal tax penalty if the withdrawal occurs before age 59½, unless an exception applies (*e.g.*, death, disability, substantially equal periodic payments, etc.).
- *Tax-Qualified Plans* – If this annuity is a traditional IRA (or other tax qualified plan), you will pay taxes on the entire amount withdrawn because – generally – the money that funds the contract has not yet been taxed. *These plans provide the same tax deferral as an annuity contract,* so the annuity *does not* provide any additional tax benefits. However, an annuity may have other valuable features that enhance these plans.
- *Tax-Free Exchanges* – You can exchange one tax-deferred annuity for another without paying taxes on the earnings when you made the exchange. Before you do, compare the benefits, features, and costs of the two annuities. You may be assessed a charge by the company who issued your current annuity, and you may be subject to company charges under the new annuity if you take withdrawals from it.

WHAT ELSE SHOULD I KNOW ABOUT THIS ANNUITY?

- *Fees and Charges* – We do not charge a fee to issue a contract, and there are no ongoing or annual fees associated with owning it. The market value adjustment and withdrawal charge (explained above) are the only charges we will assess, and you may avoid them by not withdrawing more than the free withdrawal amount in any contract year during the withdrawal charge period.
- *Dividends* – This contract does not pay dividends, nor does it share in our surplus or profits.
- *Contract Changes* – We may change the contract to comply with any federal or state statutes, rules or regulations. If this occurs, we will notify you about the changes in writing.
- *Sales Commission* – We pay a commission to the financial professional who sells the annuity to you. In some cases, the commission paid for selling this annuity may be more than the commission earned by selling another product.
- *Right to Cancel* – If you purchase a contract, you may cancel it for any reason within a specified number of days (not less than 10) after the date you receive it by returning it to us or the person who sold it to you with a written request for cancellation. If cancelled, we will promptly return all the money you paid to purchase the contract.

PROTECTIVE LIFE INSURANCE COMPANY

P.O. Box 10648
Birmingham, AL 35202-0648
Telephone: 1-800-456-6330

IMPORTANT NOTICE: REPLACEMENT OF LIFE INSURANCE OR ANNUITIES

This document must be signed by the applicant and the insurance producer/agent, if there is one, and a copy left with the applicant.

You are contemplating the purchase of a life insurance policy or annuity contract. In some cases this purchase may involve discontinuing or changing an existing policy or contract. If so, a replacement is occurring. Financed purchases are also considered replacements.

A replacement occurs when a new life insurance policy or annuity contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing life insurance policy or annuity contract, or an existing life insurance policy or annuity contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed purchase.

A financed purchase occurs when the purchase of a new life insurance policy involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the life insurance policy values, including accumulated dividends, of an existing life insurance policy, to pay all or part of any premium or payment due on the new life insurance policy. A financed purchase is a replacement.

You should carefully consider whether a replacement is in your best interests. You will pay acquisition costs and there may be surrender costs deducted from your life insurance policy or annuity contract. You may be able to make changes to your existing life insurance policy or annuity contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing life insurance policy and may reduce the amount paid upon the death of the insured.

We want you to understand the effects of replacements and ask that you answer the following questions and consider the questions on the back of this form.

1. Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer, or otherwise terminating your existing life insurance policy or annuity contract? ☐ Yes ☐ No

2. Are you considering using funds from your existing policies or annuity contracts to pay premiums due on the new life insurance policy or annuity contract? ☐ Yes ☐ No

If you answered "yes" to either of the above questions, list each existing life insurance policy or annuity contract you are contemplating replacing (include the name of the insurer, the insured or annuitant, and the life insurance policy or annuity contract number if available) and whether each life insurance policy or annuity contract will be replaced or used as a source of financing:

	INSURER NAME	ANNUITY CONTRACT OR LIFE INSURANCE POLICY #	INSURED OR ANNUITANT	REPLACED (R) OR FINANCING (F)
1.				
2.				
3.				

Make sure you know the facts. Contact your existing company or its insurance producer/agent for information about the old life insurance policy or annuity contract. If you request one, an in-force illustration, life insurance policy summary or available disclosure documents must be sent to you by the existing insurer. Ask for and keep all sales material used by the insurance producer/agent in the sales presentation. Be sure that you make an informed decision.

The existing life insurance policy or annuity contract is being replaced because ___________________________.

I certify that the responses herein are, to the best of my knowledge, accurate:

_______________________________________ _______________________________
Applicant's Signature and Printed Name Date

_______________________________________ _______________________________
Insurance Producer's/Agent Signature and Printed Name Date

I do not want this notice read aloud to me. ____ (Applicants must initial only if they do not want the notice read aloud.)

A replacement may not be in your best interest, or your decision could be a good one. You should make a careful comparison of the costs and benefits of your existing life insurance policy or annuity contract and the proposed life insurance policy or annuity contract. One way to do this is to ask the company or insurance producer/agent that sold you your existing life insurance policy or annuity contract to provide you with information concerning your existing life insurance policy or annuity contract. This may include an illustration of how your existing life insurance policy or annuity contract is working now and how it would perform in the future based on certain assumptions. Illustrations should not, however, be used as a sole basis to compare policies or annuity contracts. You should discuss the following with your agent to determine whether replacement or financing your purchase makes sense:

PREMIUMS:

Are they affordable?

Could they change?

You're older – are premiums higher for the proposed new life insurance policy?

How long will you have to pay premiums on the new life insurance policy? On the old life insurance policy?

POLICY VALUES:

New policies usually take longer to build cash values and to pay dividends.

Acquisition costs for the old life insurance policy may have been paid; you will incur costs for the new one.

What surrender charges do the policies have?

What expense and sales charges will you pay on the new life insurance policy?

Does the new life insurance policy provide more insurance coverage?

INSURABILITY:

If your health has changed since you bought your old life insurance policy, the new one could cost you more, or you could be turned down.

You may need a medical exam for a new life insurance policy.

(Claims on most new policies for up to the first two years can be denied based on inaccurate statements. Suicide limitations may begin anew on the coverage.)

IF YOU ARE KEEPING THE OLD LIFE INSURANCE POLICY AS WELL AS THE NEW LIFE INSURANCE POLICY:

How are premiums for both policies being paid?

How will the premiums on your existing life insurance policy be affected?

Will a loan be deducted from death benefits?

What values from the old life insurance policy are being used to pay premiums?

IF YOU ARE SURRENDERING AN ANNUITY OR INTEREST SENSITIVE LIFE PRODUCT:

Will you pay surrender charges on your old annuity contract?

What are the interest rate guarantees for the new annuity contract?

Have you compared the annuity contract charges or other life insurance policy expenses?

OTHER ISSUES TO CONSIDER FOR ALL TRANSACTIONS:

What are the tax consequences of buying the new life insurance policy?

Is this a tax-free exchange? (See your tax advisor.)

Is there a benefit from favorable "grandfathered" treatment of the old life insurance policy under the Federal Internal Revenue Tax Code?

Will the existing insurer be willing to modify the old life insurance policy?

How does the quality and financial stability of the new company compare with your existing company?

WHEN A REPLACEMENT OCCURS, YOU HAVE A THIRTY (30) DAY RIGHT TO RETURN THE CONTRACT

Return the contract within thirty (30) days of the delivery of the contract and receive an unconditional refund of premiums paid, including any policy fees or charges.

In the case of a variable or market value adjustment policy or contract, receive a refund of the cash surrender value provided under the contract plus any fees and charges deducted from the gross premiums paid.

PROTECTIVE LIFE INSURANCE COMPANY
P.O. Box 10648
Birmingham, AL 35202-0648
Telephone: 1-800-456-6330

SALES LITERATURE CERTIFICATION AND CUSTOMER NOTIFICATION FORM

I certify that I used only insurer-approved sales materials and copies of all sales materials used were left with the applicant.*

Producer’s Signature	Producer's Printed Name	Date
Owner/Annuitant Printed Name	Contract Number (if known)	

*This form will be delivered to the owner with the annuity contract.

Dear Valued Customer,

At the time of application, you should have received copies of all insurer-approved sales materials from our producer.

It is important that you retain these sale materials for future reference.

If you did not receive copies of the sale materials, please contact a Protective Life Service Representative toll-free at 1-800-456-6330.

Sincerely,

New Business Retirement Solutions

Protective Life Insurance Company [1]
West Coast Life Insurance Company [1]
Protective Life and Annuity Insurance Company
Post Office Box 10648 / Birmingham, AL 35202-0648
Toll Free: 800-456-6330 / Fax: 205-268-3151

Request for Transfer or Exchange of Assets

Existing Protective Contract Number: __________________ (for additional payments only)

☐ Check here and complete Box 4 if this is being submitted for a Rate Lock only. (If Rate Lock request is for a CD, you **must** include proof of maturity from the Financial Institution.)
Please *do not* select this option for the *Protective Indexed Annuity*, because the interest crediting elements for that product are determined as of the date the contract is purchased.

Complete this form to transfer assets to Protective Life Insurance Company, West Coast Life Insurance Company or Protective Life and Annuity Insurance Company (each, the "Company") for the issuance of a new annuity contract.

EXISTING ACCOUNT, CONTRACT OR POLICY TO BE TRANSFERRED

Company Name __________________ Telephone Number __________________

Email Address __________________ Fax Number __________________

Company (Overnight) Address __________________

Owner's Name ________ Owner's SSN/Tax ID ________ Joint Owner's Name ________ Jt Owner's SSN/Tax ID ________

Contract/Account Number ________ Annuitant Name & SSN (If different than Owner/Joint Owner) ________

The contract is:
☐ attached
☐ lost or destroyed

☐ Please check this box if the existing contract being surrendered is a Fixed Annuity. (If box is checked, and your new Protective Life annuity is being issued in the state of Nevada, please complete form A-1128-NEV-Annuity.)

EXISTING ACCOUNT, CONTRACT OR POLICY TO BE TRANSFERRED

☐ CLIENT/AGENT INITIATED **☐ INTERNAL EXCHANGE** **☐ EXTERNAL EXCHANGE**

Non-Qualified:

☐ 1035 Exchange
☐ Non-1035 Exchange
- ☐ Mutual Fund
- ☐ Bank CD
- ☐ Other Non-1035 Exchanges

Qualified:

1. Plan Type:
   - ☐ IRA
   - ☐ 401(k)
   - ☐ Mutual Fund
   - ☐ CD
   - ☐ Roth IRA
   - ☐ 403(b)/TSA
   - ☐ Other __________________
2. Transfer Type:
   - ☐ Trustee Transfer
   - ☐ Direct Rollover

<u>Proposed Plan Type:</u> ☐ Non-Qual ☐ IRA ☐ Roth IRA ☐ Other __________________

TRANSFER INSTRUCTIONS

☐ See Attached LOI

1. Amount to be transferred:
   ☐ Complete: Liquidate and transfer all assets in my account, contract or policy
   ☐ Partial: Liquidate and transfer assets totaling $__________________
2. When should transfer occur:
   ☐ Immediately
   ☐ Upon maturity date of ______/______/______ (mm/dd/yy)
3. Current estimated value of the assets to be transferred are $__________________
4. **RATE LOCK** ☐ I wish to lock in the interest rate that is in effect when this signed form is received by the Company. **If this box is not checked, you will receive the interest rate in effect on the day we receive the transferred amounts.**
   (Please *do not* select this option for the *Protective Indexed Annuity*, because the interest crediting elements for that product are determined as of the date the contract is purchased.)

[1] Not authorized in New York

Complete 1035 Exchange: I hereby make a complete and absolute assignment and transfer all rights, title and interest of every nature in the above contract to the accepting insurance company indicated below.

Partial 1035 Exchange: I hereby direct the issuer of the above-referenced existing annuity contract to process a partial 1035 exchange to the accepting insurance company indicated below. I intend for this transaction to qualify as a tax-free exchange for Federal income tax purposes.

Based on our understanding of IRS guidance in Rev. Proc. 2011-38, if a contract is involved in a tax-free partial exchange under Internal Revenue Code section 1035 that is completed on or after October 24, 2011, and an amount is withdrawn from or received in surrender of either contract within 180 days of the exchange, the IRS will apply general tax principles to determine the substance, and hence the treatment of the partial exchange and the subsequent withdrawal or surrender. Such a withdrawal or surrender could affect how the partial exchange and the withdrawal or surrender is reported to you and the IRS.

For Other Transfers: Unless it is noted above to hold for a future date, I request the surrendering company to immediately complete the transfer or rollover. Do not withhold any amount for taxes from the proceeds.

SIGNATURES:

Owner's Signature	Date	Joint Owner's Signature	Date
Annuitant's Signature	Date		

FOR HOME OFFICE USE ONLY

NOTICE OF ACCEPTANCE: The Company will accept the assets and credit them to an annuity contract as described above. The Company has received an application from the Owner to establish an annuity contract for this transaction.

Authorized Signature	Title	Date

SETTLEMENT: Please make check payable for the proceeds and mail to:

- ☐ Protective Life Insurance Company
- ☐ Protective Life and Annuity Insurance Company (New York Only)
- ☐ West Coast Life Insurance Company

Mailing Address:	PO Box 10648 Attn: 3-1 Annuity New Business Birmingham, AL 35202-0648	Overnight Address:	2801 Highway 280 South Attn: 3-1 Annuity New Business Birmingham, AL 35223

Introduction

The Kentucky Department of Insurance is pleased to offer this "Annuity Buyer's Guide" as an aid to assist you in determining your insurance needs and the products that will fill those needs. This guide contains only a brief description of various annuity products. For specific information about a particular type of annuity, you should consult an agent. This guide is not meant to offer legal, financial or tax advice. You may want to consult independent advisors for those specific questions. This guide does not endorse any company, agent or policy type.

What is an Annuity?

An annuity is a contract where an insurance company promises to make payments to an annuitant over a specified period of time or for life. One of the purposes for an annuity is to make sure a person does not outlive his income. An annuity is a type of insurance to protect against the risk of financial hardship during retirement.

There are three participants in an annuity contract: the owner, the annuitant and the beneficiary. Most of the time, the annuitant and the owner are the same person, but it is not required. The owner is the purchaser of the annuity, pays the premiums and has the right to surrender the annuity. The owner also is responsible for any taxes due upon surrender or payout and is usually the person who names the beneficiary of the contract. The annuitant is the person whose age and life expectancy is going to be used to calculate the benefits of the annuity and who will receive the annuity payments. The beneficiary receives the death benefit upon death of the annuitant or the owner.

Various Types of Annuities

Fixed annuity – This type of annuity accumulates interest on the funds deposited into the annuity on a fixed rate basis. Every fixed annuity has a current interest rate and a minimum guaranteed interest rate. The current interest rate will always be equal to or higher than the minimum guaranteed interest rate. Although this varies from company to company and contract to contract, the current interest rate is declared on an annual basis, usually after an initial guarantee period. With a fixed annuity, the insurance company assumes the risk of paying at least the minimum guaranteed interest rate.

Variable annuity – Different than a fixed annuity, a variable annuity pays varying rates of interest on the funds placed inside the annuity based upon the investment options chosen by the annuity owner. If the investment choices do well, the annuity will do well. If the investment choices do poorly, the annuity will not grow as well or even could lose value. Because the growth of a variable annuity is not guaranteed by the insurance company, the contract holder assumes the risk.

Immediate annuity – This type of annuity begins paying a benefit very soon, usually within 30 days to one year after it is purchased, and usually requires a lump sum payment.

Indexed annuity – This is a fairly new product in the annuity market. Indexed annuities pay an interest rate that is tied to the performance of a common or well-known index such as the S&P 500, the Russell 1000 or the S&P 100. The growth of an indexed annuity is based upon the participation rate of the index it is tied to. For example, if an indexed annuity has a defined participation rate of 70 percent and the index it follows goes up by 10 percent, the annuity's accumulation value will increase by 7 percent (10 percent increase times the 70 percent participation rate). On the downside, most indexed annuities specify a "floor" that the annuity growth rate cannot go below or offer a minimum interest rate. Typically this minimum rate is 1 percent to 3 percent.

Things Common to all Annuities

There are two distinct phases to an annuity - the accumulation phase and the payout phase. The accumulation phase is the first phase where all the premiums are paid into the annuity and the money grows tax-deferred. The second phase is the payout phase, which is when the annuity actually starts to pay the benefits to the annuitant. There are several payout options; a few of these options will be discussed in the following section. Make sure your agent goes over each option with you thoroughly so that you choose the one most appropriate for your needs. It is very important to understand that once a payout option is chosen and you start receiving payments, that option cannot be changed.

Examples of Payout Options (Settlement Options)

- Life income (no refund) – Pays an income as long as the annuitant is alive. Payments stop when the annuitant dies.

- Life income with period certain (10, 15 or 20 years) – Pays an income as long as the annuitant is alive. If the annuitant dies before the period certain has expired, payments are made to the beneficiary for the balance of the period.

- Life income with installments (refund) – This option provides a monthly annuity payment during the lifetime of the annuitant with a guarantee that payments will be made for a certain number of months (not necessarily for the annuitant's full lifetime). The number of months is determined by dividing the accumulated amount of the annuity by the amount of the first monthly annuity payment. Only the number of months is guaranteed so there is no guarantee of a full refund.

The following payout options assume there are two individuals that will be receiving benefits from the annuity.

- Joint and full to survivor (no refund) – This option pays an income as long as one or more annuitant is living. Payments stop when both annuitants are deceased.

- Joint and 2/3 to survivor (no refund) – This option pays an income while both annuitants are alive. When one dies, 2/3 income payments continue during the survivor's lifetime. Payments stop when the second annuitant dies.

- Joint and full to survivor with period certain (10, 15 or 20 years) – Pays an income while at least one annuitant is alive. If both annuitants die before the specified period expires, payments of the balance of the period certain continue to the beneficiary.

- Joint and full to survivor with installments (refund) – This option pays a monthly payment during the lifetime of the annuitant with a guarantee that payments will be made for a certain number of months. The number of months is determined by dividing the accumulated amount of the annuity by the amount of the first monthly annuity payment. Only the number of months is guaranteed so there is no guarantee of a full refund.

- Joint and 2/3 to survivor with period certain (10, 15 or 20 years) – Pays an income while both annuitants are living. When one dies, 2/3 of the income payment continues during the survivor's lifetime. If the second annuitant dies before the period certain expires, the 2/3 payment amount continues to the beneficiary for the balance of the period.

Guaranteed Living Benefits

Guaranteed living benefits may be found as a provision in an annuity contract or added by rider endorsement or amendment to an annuity contract. There are 3 different types and can be very complicated. One important thing to consider is whether or not the particular contract you are considering purchasing allows these benefits to be assignable or not. Be sure to read your contract carefully before purchasing. These different guarantees provide a downside protection to an annuity contract. They are tools to aid in the management of risk by transferring different risks from the buyer to the insurer. There are different types of guarantees defined as follows:

1. **Guaranteed Minimum Withdrawal Benefits (GMWB)** – guarantees the return of at least the owner's investment, or that investment plus an interest component (the benefit base) through periodic partial withdrawals of a certain percent or less of the benefit base, even if the annuity cash value falls to zero. There is usually no waiting period.

2. **Guaranteed Minimum Income Benefit (GMIB)** – guarantees that, regardless of actual policy performance, the buyer is assured a certain minimum future income, but only in the form of a regular annuity payout. It does not guarantee a lump sum.

3. **Guaranteed Minimum Accumulation Benefit (GMAB)** – unlike the other guarantees the GMAB guarantees a minimum lunp sum at the end.

Will You be Penalized if You Withdraw Money From Your Annuity?

In most cases "Yes." However, some annuities have a provision that permits you to withdraw a certain amount each year, usually 10 percent of the annuity value, without having to pay a surrender charge. Please remember, even though you may not have to pay a surrender charge, there may be taxes to be paid on some or all of the money you withdraw. It is recommended that you consult a tax advisor or your annuity insurance company regarding the tax consequences before you make the withdrawal.

Important Things to Consider

1. Review your own insurance needs and circumstances. Choose the kind of contract that has benefits that most closely fit your needs. Ask an agent or company to help you.
2. Be sure that you can handle the premium payments. Ask about any possible increases in premium amounts and what may cause an increase.
3. Don't sign an application until you review it carefully to be sure all the answers are complete and accurate.
4. Don't drop one contract and buy another without a thorough study of the new contract and the one you have now. Replacing your insurance may be costly.
5. Read your policy carefully. Ask your agent or company about anything that is not clear to you.
6. Periodically review your insurance program with your agent or company to keep up with changes in your income and your needs.
7. Do not buy a contract until you have a good understanding of how it works.

Are You Considering Dropping or Replacing an Existing Annuity Contract?

If you are thinking about dropping or replacing an annuity contract, here are some things you should consider:

- If you decide to replace your contract, do not cancel your old contract until you have received the new one. You usually will have a minimum of 30 days to review your new contract to decide if it is what you want.

- It may be costly to replace a contract. There may be substantial surrender charges that you will incur. Remember that if you have held your existing contract long enough and no longer have to pay surrender charges, purchasing a new contract may start a new period of surrender charges.
- Consider consulting a tax advisor to see if dropping your contract could affect your income taxes.
- You may have valuable rights and benefits in your existing contract that are not in the new contract.
- If the annuity contract you have now no longer meets your needs, you may not have to replace it. You might be able to adjust your existing contract or purchase an additional contract to get the coverage or benefits you now need.
- In all cases, if you are thinking of buying a new contract to replace your existing one, check with the agent or company that issued your existing contract. Before replacing, ask your agent or company for an updated illustration (in-force illustration). Check to see how the contract has performed and what you should expect in the future based on the guarantees.

How Can You Find Missing Contracts?

If the deceased's estate went through probate, there is a chance that the contract might have been listed as an asset.

Begin by contacting insurance companies. Try to narrow your search as much as possible. For example, start with those companies most prominent where the deceased lived or worked. Contact the benefits coordinator at the deceased's place of employment. Remember, unless you are the beneficiary, the company is not required to offer any information. Try to provide as much information as possible, including the deceased's name and any aliases, Social Security number, date of birth, etc.

Ask the estate's executor to request copies of all bank statements and other records. If a check has been written or an automatic payment has been made to an insurance company, this might provide a lead.

Contact the deceased's insurance agent for homeowners, renters, or auto insurance. Although he may not have sold your friend or relative an annuity contract, many agents keep records of their client's insurance purchases.

Final Points to Consider

Remember to read your annuity contract carefully when you receive it. Ask your agent or insurance company to explain anything you don't understand. If you have a specific complaint or can't get the answers you need from the agent or company, contact your state insurance department.

Insurer Rating Organizations

Other sources of information related to the financial strengths of companies are insurance rating organizations. Some of these are A.M. Best, Fitch Ratings, Moody's Investors Service, Standard and Poor's, and Weiss Ratings Inc. You can use these sources to help you research and determine which companies you would like to contact about your insurance needs. The Kentucky Department of Insurance can provide you with ratings from A.M. Best or you can contact the companies directly to get information about their ratings.

A.M. Best
www.ambest.com
Telephone: 908-439-2200

Fitch Ratings
www.fitchratings.com
Telephone: 800-893-4824

Moody's Investors Service
www.moodys.com
Telephone: 212-553-0377

Standard and Poor's
http://www.standardandpoors.com
Telephone: 212-208-1199

Weiss Ratings Inc.
www.weissratings.com
Telephone: 800-289-9222

Other Important Terms

Amendment, Endorsement or Rider – forms that are used to effect contract changes requested by an owner to an individual annuity contract.

Annuitize - This is a term used when the owner elects to convert the lump sum of the accumulated value of the annuity contract to begin receiving a series of payments.

Assignment – transfer of rights under an annuity contract to another person or business in exchange for partial or total ownership rights to the contract.

Guaranteed Living Benefits - a contract provision or added to a contract by rider. These different guarantees provide a downside guarantee to an annuity contract. They are tools to aid in the management of risk by transferring risk from the owner to the insurer. There are different types of guarantees, as follows:

1. **Guaranteed Minimum Withdrawal Benefit (GMWB)** – the benefit guarantees the return of at least the owner's investment, or that investment plus an interest component (the benefit base) through periodic partial withdrawals of a certain percent or less of the benefit base, even if the annuity cash value falls to zero. There is usually no waiting period.
2. **Guaranteed Minimum Income Benefit (GMIB)** – the benefit guarantees that, regardless of actual contract performance, the owner is assured a certain minimum future income, but only in the form of a regular annuity payout. It does not guarantee a lump sum.
3. **Guaranteed Minimum Accumulation Benefit (GMAB)** – unlike the other guarantees the GMAB guarantees a minimum lump sum at the end.

Long-Term Care Riders - a provision which may or may not require an extra premium that allows for the reduction of the annuity value based upon long term care expenses without applying surrender charges. A benefit above the value of the annuity also may be purchased for an additional cost.

Market Value Adjustment – increase or decrease in the surrender charge of the annuity contract depending on the current financial markets. The cash value is adjusted upward if the policy interest rate is greater than the current interest rate on new money and thus, if interest rates decline after the date the annuity contract is purchased, the surrender charge decreases. However, if the cash value is adjusted downward if the policy interest rate is less than the current interest rate on new money and thus, if interest rates rise after the purchase date of the annuity contract, the surrender charge increases.

Tax-Free Exchange (1035 Exchange) – under Section 1035 of the Internal Revenue Code stipulations that the exchange of one life insurance policy for another life insurance policy generally will not result in a recognized gain for the purposes of federal income tax purposes to the policy owner. The insured must be the same on both policies. Life policies can be exchanged for life policies, life policies can be exchanged for annuities and annuities can be exchanged for annuities. Annuities cannot be exchanged for life policies. With annuities, the annuitant must be the same on both contracts.

Ten Day Free Look – a contract provision notifying purchasers of new insurance that they have ten days after delivery of the annuity contract to inspect it and if not satisfied, return it to the agent or company for a full refund of all premiums paid.