UNDERSTANDING LIFE INSURANCE

Protection for the unexpected

Investment and insurance products are:	• Not FDIC insured • Not insured by any federal government agency • Not a deposit or other obligation of, or guaranteed by, the bank or any of its affiliates • Subject to investment risks, including possible loss of the principal amount invested

More than just protection

Life insurance can help ease financial pressures for family members in the event of an unexpected death.

But it can do so much more besides that, with features and options that can protect you while you're living.

That's why life insurance is a valuable planning tool, as part of an overall financial strategy or stand-alone protection. With it, you can secure your dreams and take care of those you love.

Protective℠

What life insurance can do for you

Life insurance can provide financial protection for your beneficiaries, for both personal and business reasons.

In the event of your death, the benefit payment can help meet the long-term protection needs of your beneficiaries.

Long-term protection needs

Family income replacement
Life insurance benefits can help survivors maintain their standard of living, despite the loss of your earnings.

Mortgage protection
Death benefits can be used for mortgage payments or paying off the balance so your family can stay in their current home.

Children's education
A properly structured life insurance policy can provide college funding in the event of your death.

Retirement income for your surviving spouse
Insurance benefits can help a surviving spouse continue saving for retirement.

Business protection and continuation
A "buy/sell" agreement funded with life insurance proceeds can be a powerful tool for business continuity.

Estate planning
Death benefits can cover estate taxes and other liabilities so that survivors can avoid the sale of a home or business.

Two basic types of life insurance

Term Life	is a less expensive choice that provides only death benefit protection for a specific period of time.
Permanent Life	may provide more value in addition to death benefit protection and coverage can last a lifetime.

Understanding term life insurance

Term life insurance provides pure death benefit coverage for a specific period of time and is usually a less expensive option than permanent life insurance.

Type of insurance	Pros	Cons
Term Life Enables you to purchase just the amount of death benefit coverage you need and can be a good choice when you know your need for coverage will disappear in the future.	• Typically the least expensive life insurance • Purchase only the amount of coverage that you need	• No cash value for you to access • Renewal premiums can be expensive if you extend coverage beyond your term • Extending or converting your policy may include additional medical or underwriting requirements

Consider term life insurance if you have:

- A limited budget
- A family with young children
- Short-term insurance needs
- A need to supplement an existing life insurance policy

Understanding permanent life insurance

Permanent life insurance can provide flexible, lifelong protection as long as required premium payments are maintained. Each type of coverage offers its own advantages and disadvantages.

Type of insurance	Pros	Cons
Whole Life This straightforward policy features a level premium, and offers both a death benefit and cash-value potential.	• Lifetime death benefit coverage • Fixed interest rate • Cash-value growth and access	• Typically the most expensive • Non-adjustable premiums and face amount
Universal Life Offers more flexibility around the death benefit amount, premium payment amount and optional features.	• Lifetime death benefit coverage • The most flexible • Fixed interest rate • Most policies offer cash-value growth	• May be more expensive than term insurance • Options and features can be confusing • Interest rate may be lower than other investments

Consider permanent life insurance if you want:

- Your life insurance coverage to last a lifetime
- Both life insurance protection and tax-advantaged cash-value growth
- Access to your policy's cash value through loans or withdrawals for estate planning, wealth transfer or retirement planning
- A solution for advanced planning such as business continuation or key person protection

Life is complicated — protecting it shouldn't be

Life insurance is a valuable financial tool because it can be tailored to your specific needs.

Work with an insurance professional to develop a strategy for determining which type of life insurance will be best for you, now and down the road.

Please remember, this brochure is simply a general overview of life insurance basics. Every company's products are different and many products offer various features and options that act like hybrids or combinations of the products we've outlined in this guide. It's important to talk with your insurance professional to help you find the type of policy with features and options that best suit your specific requirements.

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

Life insurance issued by Protective Life Insurance Company (PLICO), founded in 1907, located in Omaha, NE. Product features and availability may vary by state.

Consult policy for benefits, riders, limitations, and exclusions. Policies are subject to underwriting and a two-year contestable and suicide period. Benefits adjusted for misstatements of age or gender. All payments or 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. Purchasers should consult their legal or tax representative regarding their individual situation.

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