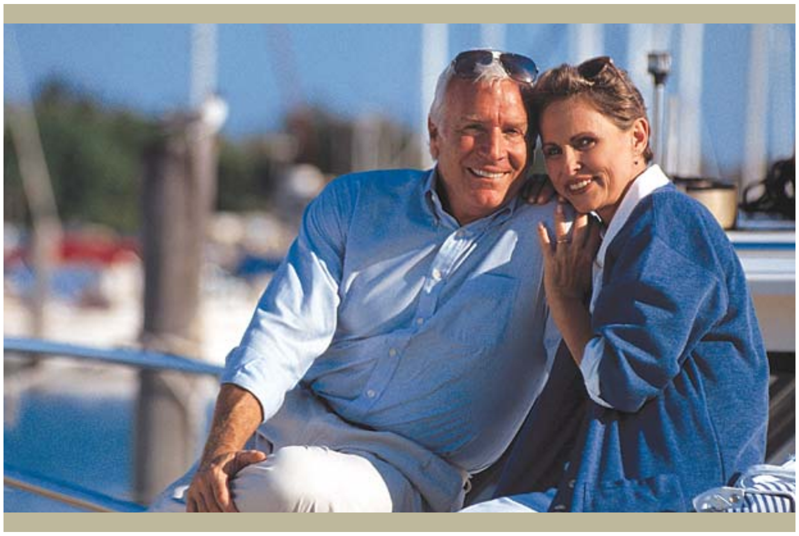
For Agent/Broker Dealer Information Only.
Do Not Use With Consumers.

Protective *Survivor Select* *UL℠ III*

Producer Guide

Protective Life Insurance Company
Doing the right thing is smart business.®

PLAG.2574.10.05 10/05



Your clients have spent years building their lives, working hard, and carefully securing their financial future. Help them secure the financial resources they want to leave behind for others with *Protective Survivor Select UL℠ III*.

Protective Survivor Select UL℠ III is a second-to-die universal life policy, insuring two lives under one policy, with the death benefit payable to the beneficiary following the surviving insured's death. *Protective Survivor Select UL℠ III* allows your clients to combine level premiums for the life of the policy with our lifetime lapse protection provision.

Protective Survivor Select UL℠ III may be the solution to your clients' needs, including.

- **Estate planning:** Death benefits can provide funds for estate taxes and other liabilities, and may help your clients' survivors avoid the sale of a home or business in order to meet those obligations.
- **Asset accumulation:** The tax-deferred accumulation potential of universal life insurance can be a major advantage when compared to traditional taxable investments, which require your clients to pay income taxes on the growth of their money each year.
- **Wealth preservation:** A properly structured life insurance policy may provide a benefit that can help secure your clients' assets and pass as much inheritance to their loved ones as possible.
- **Business protection and continuation:** A "buy/sell" agreement, funded with life insurance proceeds, can be a powerful tool to ensure business continuity.

Not a Deposit	Not Insured By Any Federal Government Agency	
No Bank Guarantee	Not FDIC Insured	May Lose Value

POLICY FLEXIBILITY

Lifetime Lapse Protection

This built-in lapse protection provision can ensure the policy stays in force[1] by guaranteeing death benefit coverage up to age 120 of the younger insured, regardless of policy value, provided premium requirements *(paying the minimum monthly premium or an amount equivalent to the minimum monthly premium, net of loans and withdrawals, by the monthly anniversary day)* are met *(net of loans and withdrawals)*. The lapse protection premiums will vary according to both proposed insureds' issue ages, gender, and underwriting class.

If the face amount is increased or decreased during the lapse protection period, the minimum monthly premium will need to be adjusted. In the case of increased death benefits, your clients may continue the lapse protection at the higher coverage level simply by paying the additional premium required for the lapse protection guarantee.

Catch-up provision

If your clients' situations change or they fall behind on premium payments, they may "catch-up" the lapse protection by paying any missed premiums plus interest *(subject to the premium requirements of the lapse protection provision)*. The catch-up provision is available as long as the policy is still in force *(or in the 61-day Grace Period)*.

Premium Flexibility

Premium payments can be increased, decreased, or even skipped, depending on the amount of premium your client has paid into the policy, the policy value, policy disbursements *(loans or withdrawals)*, and the current credited interest rate.

Death Benefit Flexibility

The death benefit amount may be adjusted *(within the plan limits)* without having to buy a new, separate policy. This can reduce costs and simplify the process of meeting your clients' changing coverage needs.

POLICY PERFORMANCE

Interest Rates

The guaranteed annual effective interest rate is 3.0%. The current credited interest rate will be determined periodically by the Company.

Premium Payments

Premium payment amounts and schedules are left to the policyholder's discretion, subject to policy required minimums and IRS Guideline premium maximums. The policy may lapse unless the premiums paid are equal to or greater than the accumulated minimum monthly guaranteed premiums *(MMGP)*. Premium payments can be adjusted to maintain the lapse protection feature, if policy changes are made.

1) In order for the lapse protection to be in force, accumulated premiums paid *(less loans and withdrawals)* must be equivalent to or greater than the accumulated minimum monthly guaranteed premium. If only the minimum monthly guaranteed premium is paid, there may be little or no surrender value upon maturity. This policy is subject to a two-year contestable and suicide period.

PRODUCT SPECIFICATIONS

Issue Ages and Risk Classifications

- Preferred issue age 18 through 85
- Non-Tobacco issue age 0 through 85
- Tobacco issue age 15 through 85

NOTE: At least one insured must be age 20 or greater.

Face Amount

Minimum Face Amount – $250,000

Maturity Age

The standard maturity age is the younger insureds' age 120. Both policy value and death benefit will be maintained to this extended maturity age in accordance with the contract. There are zero costs at the younger insured's attained age 100 and thereafter for cost of insurance rates, surrender charges, unit loads, monthly administrative fee, and base policy ratings. There will be continuing costs for any loan interest or partial surrender fee.

Premium Payment Modes

Annual minimum premium is $120
Semi-annual minimum premium is $60
Quarterly minimum premium is $50
Monthly *(PAC)* minimum premium is $10

First Year Premiums Over $1 Million

Policies involving first-year premiums *(including both target and excess premiums)* of $1 million or more require home office approval prior to an application being submitted.

Signed Illustrations

A signed illustration is required at the time the application is submitted to Protective Life regardless of the state in which your client resides.

ACCESS TO POLICY VALUE

Loan Details

Loan interest is charged at 5.0% the first 10 policy years and 3.0% thereafter. There will be a 2.0% net interest spread in years 1 through 10 and 0.0% net interest spread thereafter. Interest on all policy loans will be compounded. Loans and/or withdrawals may negatively impact policy performance, the death benefit, and the lapse protection.

Partial Surrender

Partial surrenders may reduce the death benefit and affect policy accumulation. A flat fee of $25 will be charged for each partial surrender. A partial surrender may not reduce the face amount below the minimum face amount. A partial surrender will reduce the total paid premium amount used to test for the MMGP required for the lapse protection period. Withdrawals may negatively impact policy performance, the death benefit, the lapse protection, and may reduce the face amount. Taxation may occur upon lapse or surrender.

Full Surrender

After the policy has been in force for at least one year, a full surrender may be made. A surrender charge will be assessed during the 15-year period following the date of issue. Surrender charges do not increase or decrease with face amount changes. Taxation may occur upon lapse or surrender.

POLICY CHANGES

Decreases in Coverage

After the policy has been in force for at least three years, decreases may be requested. The face amount remaining in effect after any decrease may not be less than the minimum face amount. Surrender charges do not increase or decrease with face amount changes.

Increases in Coverage

After the policy has been in force for at least one year, increases may be requested. The minimum face amount of increase is $25,000 and is subject to evidence of insurability. For the first 12 months following an increase in face amount, there is an expense charge of $0.06 per thousand of increase plus $23.50 *(subject to maximum of $250 a month)*. Surrender charges do not increase or decrease with face amount changes.

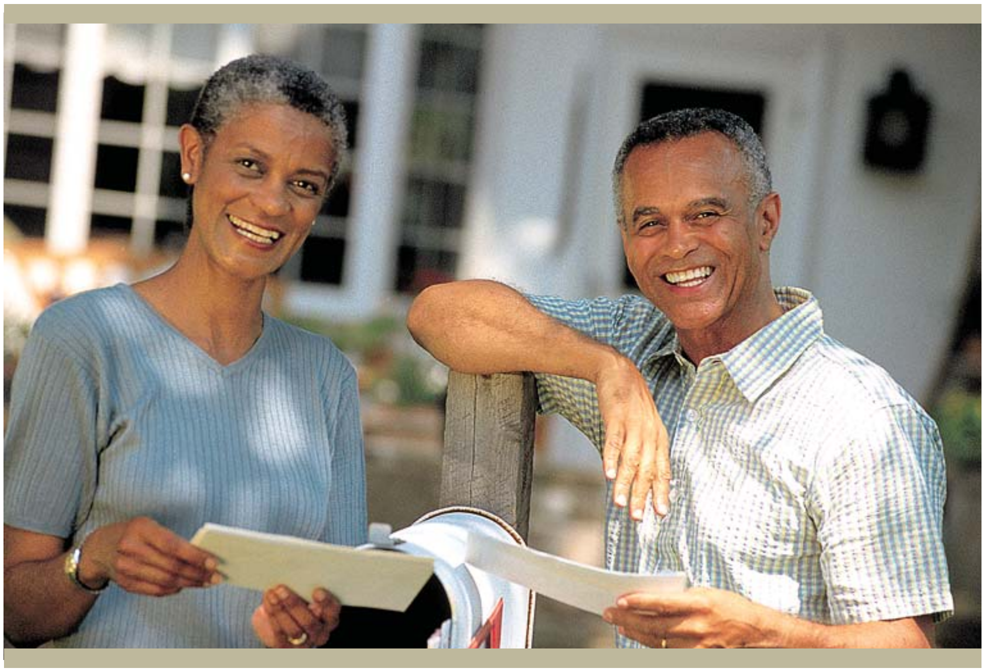
Change of Plan

Not available.

POLICY LAPSES

Unlike conventional life insurance policies, failure to make a planned periodic premium payment will not necessarily cause a policy to lapse. However, even if planned periodic premiums are made, due to the variable nature of the policy, the policy may still lapse unless the lapse protection is in effect. Whether or not a policy lapses will depend upon whether or not the surrender value is sufficient to cover the monthly deduction on the monthly anniversary day. Loans may negatively impact the lapse protection.

If the surrender value on a monthly anniversary day is less than the amount of the monthly deduction due on that date and the lapse protection is not in effect, the policy will be in default and the grace period will begin. The policy owner has 61 days to make a premium payment sufficient to cover the current and past due monthly deductions. The policy will remain in force during the grace period. If the premium payment is not received by the end of the grace period, the policy will lapse. If the insured dies during the grace period, the death benefit will be paid; however, any proceeds payable will be reduced by the amount of the monthly deduction(s) due on or before the date of the insureds' death.



COST AND EXPENSE STRUCTURE

- Policy fee - $60 commissioned
- 25% premium load
- Monthly per unit load varies by issue age
- $5 monthly administrative charge
- Full surrender charge in policy years 1-15; charge will vary by both insureds' issue ages, gender, and underwriting class
- $25 charge per partial surrender/withdrawal
- $23.50 plus $0.06 per thousand of increase in coverage *(subject to maximum of $250 a month)*
- Cost of Insurance Charges *(COI)* are deducted each month from the policy value. COI for this product is based on both insureds' issue ages, number of years the policy has been in force, gender, underwriting class, and any applicable ratings. The current COI rates will never exceed the guaranteed COI rates in the policy contract. For this product, there are no charges after the youngest insured reaches age 100.

POLICY OWNER INFORMATION

Annual Report

A personalized Annual Report will be sent to the policy owner after each policy anniversary. The report will show premium payments, interest credits, cost of insurance charges, and expense charges since the last policy anniversary. It will also show loans, partial surrenders, surrender value, and policy value as of the anniversary date.

Policy Form

The policy form will provide basic information about the policy and endorsements that govern all benefits provided. The minimum monthly premium test is described in a policy endorsement, with a related table of guaranteed values. The policy form will describe other basic policy information in relation to premium payments, the guaranteed interest rate, and other provisions and charges contained in the policy.

Special Product Features

Estate Protection Endorsement *(Form L601)*

This endorsement provides a level term benefit amount of 122% of the initial face amount of the base plan in the event of the last death of the insureds within 4 years following the policy issue date. The Estate Protection Endorsement is provided at no additional cost up to age 75 provided neither insured is rated more than Table 4. If either insured is older than 75 or rated greater than Table 4, the endorsement will be excluded. The insured may choose to opt out of this endorsement at time of initial application.

Estate Tax Repeal Endorsement *(Form L605)*

Protective Life will waive surrender charges on *Protective Survivor Select UL℠ III* policies surrendered within 90 days of either a minimum 3-year extension of the current estate tax repeal or a permanent estate tax repeal, provided that any such repeal takes place before December 31, 2010.[1]

Terminal Illness/Accelerated Death Benefit *(Form L584)*

The Terminal Illness/Accelerated death benefit provision allows the policy owner to access a portion of the policy's death benefit if the surviving insured has a qualifying terminal illness and meets all terms and conditions of the endorsement. The benefit payment is intended to provide funds to help the insured cope with the substantial financial and emotional costs associated with a terminal illness.

General provisions:

- There is no cost or premium charge.
- Maximum accelerated death benefit is lesser of 60% of the current face amount or $1,000,000.
- A lien equal to the accelerated death benefit will be established against the policy and will accumulate interest.
- The primary impact of the lien and any accumulated interest will be the reduction of the amount of the death benefit by the amount of the lien plus accumulated interest.
- State variations may apply *(not available in NY, MA, and other select states)*.

Policy Split Option *(Form L587)*

Certain unforeseeable events may cause your clients to no longer need a last survivor policy. If this situation arises *(divorce, certain changes in estate tax laws, or business dissolution between insureds)*, the Policy Split Option provides your client with the opportunity to divide the *Protective Survivor Select UL℠ III* policy into two individual Protective Life UL, VUL, or term policies. This may result in higher premium payments and is subject to underwriting.

MARKETING MATERIALS

Marketing materials and supplies include:

- Application Packets
- Producer Guides for Producers
- Product Guides for consumers
- ELI Illustration System
- Plus, much more...

Please note: Forms may be state specific.

SUBMITTING NEW BUSINESS

Forward all New Business forms and applications to your Underwriting Services Department.

PROCESSING POINTERS

Items that prevent an application from processing:

1. **The wrong state application is submitted.** Make sure the application is the correct version for the state where the business is being solicited.
2. **The application is not filled out completely.** Check for possible items left off of the application such as: plan of insurance, face amount, death benefit option, premium mode, complete beneficiary information, and life insurance in force.
3. **Incomplete illustrations - pages missing, missing signatures for the client, agent, or both.** Make sure that all pages of the illustration are sent and that both the clients' and your signature are on the illustration.
4. **Missing replacement forms, wrong state replacement forms.** Make sure that if you are replacing any other life insurance policy, you and your client complete the appropriate state replacement forms.
5. **Missing signatures on the application.** Make sure that there is a signature by the appropriate party *(including witness signatures, if necessary)* in all places on the application where a signature is needed.

For questions and information regarding universal life processing, call the Field Response Center at 1-800-567-8247.

What does "lapse protection" mean?

The lapse protection provision guarantees that the policy will remain in force for a specified period of time or up to the lifetime of the surviving insured, regardless of policy value *(subject to the requirements explained below)*. As long as your client pays a premium sufficient *(net of any loans and withdrawals)*[1] to satisfy the required accumulated Minimum Monthly Premium, the policy will not lapse even if the cash value of the policy is zero.

Where does it say my clients' policy is guaranteed?

In the basic illustration . . .

The "Minimum Monthly Premium Provision" paragraph in the Narrative Summary section of the illustration provides a description of the lapse protection feature and outlines the length of the lapse protection based on illustrated values. The policy year and attained ages at which the lapse protection will remain in effect is stated, assuming timely payment of illustrated premiums. In addition, the Tabular Detail section of the illustration provides a year-by-year numerical overview of projected policy performance, based on current and guaranteed assumptions. When the illustration indicates zero cash value under both guaranteed and current assumptions, the policy continues to provide the death benefit coverage under the lapse protection provision.

In the policy contract . . .

The Table of Guaranteed Values printed on page 3B in your clients' *Protective Survivor Select UL℠ III* policy contract illustrates the year that the policy will terminate under guaranteed assumptions, assuming timely payment of planned premiums. This table will be identical to the Guaranteed Assumptions column on the Tabular Detail section of the signed Basic Illustration. The Minimum Monthly Premium and Minimum Monthly Premium Test for lapse protection are determined by a formula described in the contract. The values used in the formulas are printed on page 3C of the policy and vary according to both insureds' issue ages, gender, underwriting class, and policy year.

1) In order for the lapse protection to be in force, accumulated premiums paid *(less loans and withdrawals)* must be equivalent to or greater than the accumulated minimum monthly guaranteed premium. If only the minimum monthly guaranteed premium is paid, there may be little or no surrender value upon maturity. This policy is subject to a two-year contestable and suicide period.

How is Lapse Protection determined?

Protective Life performs a Minimum Monthly Premium Test on the Monthly Anniversary Date for each *Protective Survivor Select UL℠ III* policy and compares the results to the actual premiums received *(net of any loans and withdrawals)* to check for lapse protection.

What is the Minimum Monthly Premium Test?

This test is used to determine the status and availability of the lapse protection provision. When the results of the test conclude that the required accumulated Minimum Monthly Premium for that month has been met, the policy qualifies for guaranteed coverage under the lapse protection provision and will not lapse, even if the cash value of the policy is zero. This test is performed each month regardless of whether the policy passed or failed the test in prior months. The monthly test is for internal testing purposes only and has no bearing on the policy value or cash value accumulation.

How is the required Minimum Monthly Premium calculated?

The calculation used to determine the required Minimum Monthly Premium needed to maintain lapse protection is comprised of three components: (1) the Minimum Monthly Premium; (2) the Annual Threshold Value; and (3) the interest rate factor listed on page 3C in your clients' policy.

How does Protective Life determine if the policy qualifies for lapse protection?

Each month, as a part of Protective Life's normal monthly processing, we perform the Minimum Monthly Premium test to each *Protective Survivor Select UL℠ III* policy. A comparison of the following calculations *(A and B)* is used to determine the status of the guaranteed lapse protection provision:

(A) the cumulative premium payments received *(net of loans and withdrawals)* plus interest credited *(factor listed on page 3C of the policy contract)*

(B) the required accumulated Minimum Monthly Premium

As long as (A) equals or exceeds (B), the policy will qualify for lapse protection. This means for that month, your clients' policy is guaranteed not to lapse, even if the cash value is zero.

What happens if the policy fails the test in a given month?

If the policy has sufficient cash value for monthly deductions, it will continue in force just like any other universal life policy.

If your clients' cumulative premiums (A) are less than the policy's required accumulated Minimum Monthly Premium (B), the policy will not have lapse protection for that month, and if policy cash values are insufficient to cover current monthly deductions, the policy will enter the grace period *(i.e. pre-lapse)*.

Why is the timing of premium payments so important?

The Minimum Monthly Premium test, described above, uses an interest factor when determining the required premium to maintain lapse protection. If the premium is not received by the Monthly Anniversary Date of the Minimum Monthly Premium test *[calculation (A)]*, the interest that would have been earned for that month is lost, and the lapse protection may terminate earlier than originally illustrated. For this reason, it is extremely important that all planned premiums are paid in full on or before the policy date. Therefore, Monthly Pre-authorized Checking *(PAC)* bank draft dates are limited to a date on or before the monthly policy effective date.

Can my clients "catch up" premiums needed for lapse protection?

Yes. If your clients fail to meet the lapse protection test, premiums can be paid to "catch-up" the required accumulated Minimum Monthly Premium *(subject to the premium requirements of the lapse protection provision)*. Your clients have the option to "catch-up" premiums anytime during the life of the policy. The "catch-up" premium amount will include back premiums and interest in order to meet the Minimum Monthly Premium test. The lapse protection would then continue as long as future Minimum Monthly Premium tests are met. If a payment is late or skipped, Policyholder Services can determine the effect, if any, to the lapse protection duration of the contract and calculate the "catch-up" premium amount if needed.

What if my clients do not want lifetime lapse protection?

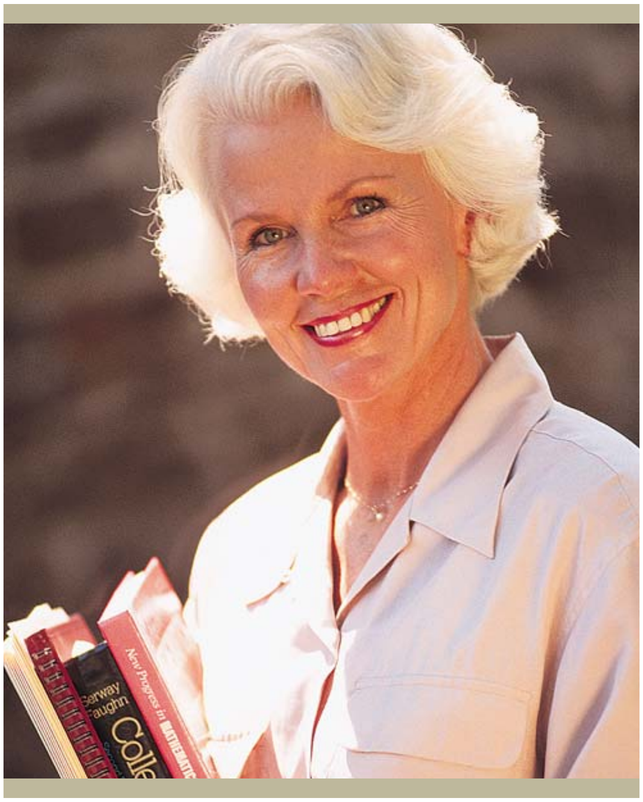
Your clients can elect any length of lapse protection duration as long as it meets the minimum policy requirements based on both insureds' age, gender, and underwriting class.

How is the lapse protection affected by premium changes?

At the initial sale, Protective Life's ELI illustration system can be utilized to illustrate planned changes to specified premiums and determine the impact these changes may have on the lapse protection duration. The premium mode illustrated will have an impact on the required lapse protection premium. If your clients choose to change modes, Protective Life's Policyholder Service team can quote the new premium amount required to maintain the lapse protection provision. If a payment is late or skipped, Policyholder Services can determine the effect, if any, to the lapse protection duration of the contract and calculate the "catch-up" premium amount if needed (subject to the premium requirements of the lapse protection provision).

Can my clients adjust the face amount and still have lapse protection?

Yes. However, changes to the face amount result in a change to the Minimum Monthly Premium required to keep the lapse protection. If the death benefit is increased, the lapse protection provision can continue at the higher coverage level simply by paying the new required Minimum Monthly Premium.



Does *Protective Survivor Select UL℠ III* have cash values? If so, can my clients take withdrawals or borrow against the policy?

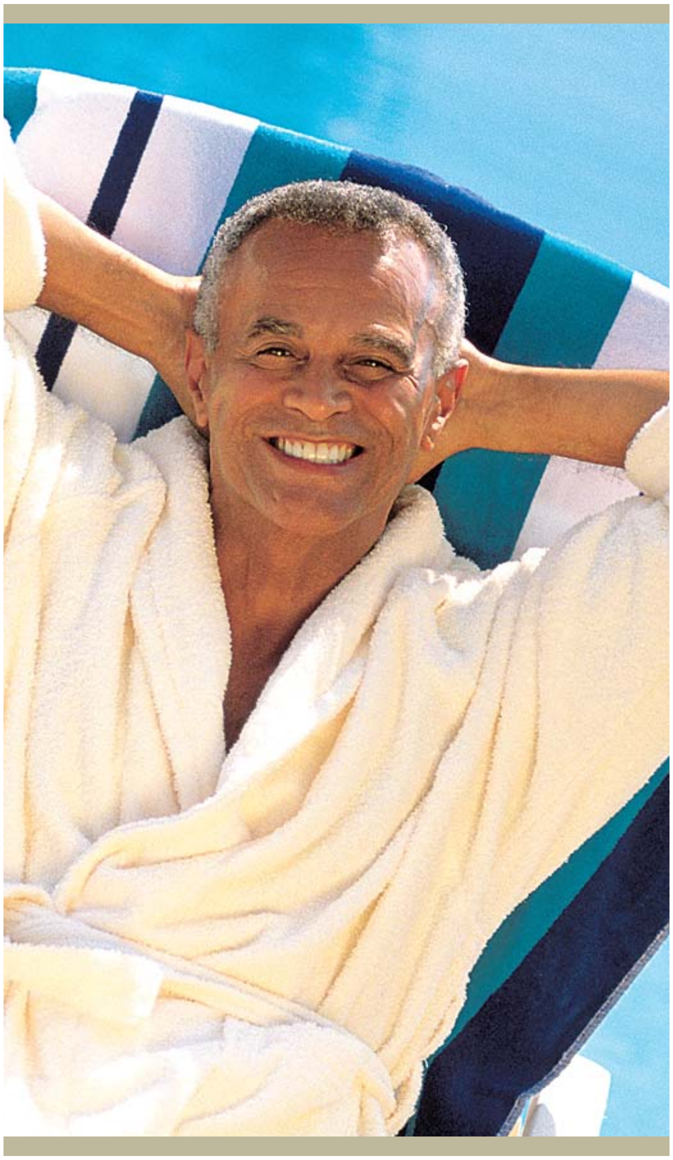
Yes. A portion of each premium payment goes into the "policy value" which is the part of the base policy that earns interest. These values are illustrated on the Tabular Detail section of the Basic Illustration under guaranteed and current assumptions. Cash values accumulate on a tax-deferred basis, and the policy surrender value is available for partial surrenders or loans when the policy has a positive cash surrender value. Neither the policy value nor cash value has an impact on the Minimum Monthly Premium Provision.

At what age does the policy mature?

The policy matures at age 120 of the younger insured. There are zero costs at the younger insured's attained age 100 and thereafter for cost of insurance *(COI's)*, monthly administration fee, and base policy ratings.

If my clients' policy is in force under the lapse protection provision at age 100, what is the death benefit?

The initial death benefit will be maintained to the maturity age of 120 of the younger insured, in accordance with the contract.



About Protective Life

Protective Life Insurance Company was established on a profound belief in the American dream. Since 1907, Protective Life Insurance Company has remained true to its core beliefs: quality, serving people, and growth. This unwavering commitment to treating people the way we would like to be treated has been rewarded with stable, long-term relationships, and growth. Today, Protective Life is one of the nation's leading insurance companies, proving the wisdom of our Company's vision: *Doing the right thing is smart business.®*

Protective Life Insurance Company has more than $150 billion of coverage in force to date* and has insurer financial strength ratings** of:

- A+ *(Superior, 2nd highest of 15 ratings)* from A.M. Best
- AA *(Very Strong, 3rd highest of 21 ratings)* from Standard & Poor's
- AA- *(Very Strong, 4th highest of 22 ratings)* from Fitch
- Aa3 *(Excellent, 4th highest of 21 ratings)* from Moody's Investors Service

Each of these independent rating agencies has assigned its rating based on a variety of factors including Protective Life Insurance Company's operating performance, asset quality, financial flexibility, and capitalization.

Protective Life Insurance Company is also a member of the Insurance Marketplace Standards Association *(IMSA)* and has adopted its Principles of Ethical Market Conduct. IMSA is a voluntary membership organization created by life insurance chief executives to establish a uniform set of standards against which companies can verify that they have appropriate market conduct policies and procedures in place for their individual life and annuity products. Its central goal is to maintain high standards of ethical company behavior in the life insurance marketplace.

* As of 12/31/04
** These ratings are current as of October 2005. For more current information, please visit www.protective.com.

Policy form UL-12, and state variations thereof, are flexible premium second-to-die universal life insurance policies. Product features and availability may vary by state. Subject to underwriting. Consult policy for benefits, riders, limitations, and exclusions. Subject to a 2-year contestable and suicide period. Benefits adjusted for misstatements of age or gender. Protective Life does not render legal or tax advice. Information in this summary is based on current tax laws that are subject to change. May not be available in all states. Guarantees are subject to the claims paying ability of Protective Life Insurance Company.

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IMSA
INSURANCE MARKETPLACE STANDARDS ASSOCIATION

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