Protective

AN INTRODUCTION TO INDEXED ANNUITIES

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

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

Grow and protect your assets

Indexed annuities are a special type of fixed annuity that offers market-linked growth with no risk of loss due to market downturns. They have the potential for returns higher than those of traditional fixed annuities because returns are based on the performance of a specific equity market index.

Regardless of your vision for retirement, you'll want a comfortable lifestyle, growth of your assets and protection for your loved ones. Not to mention income for as long as you live.

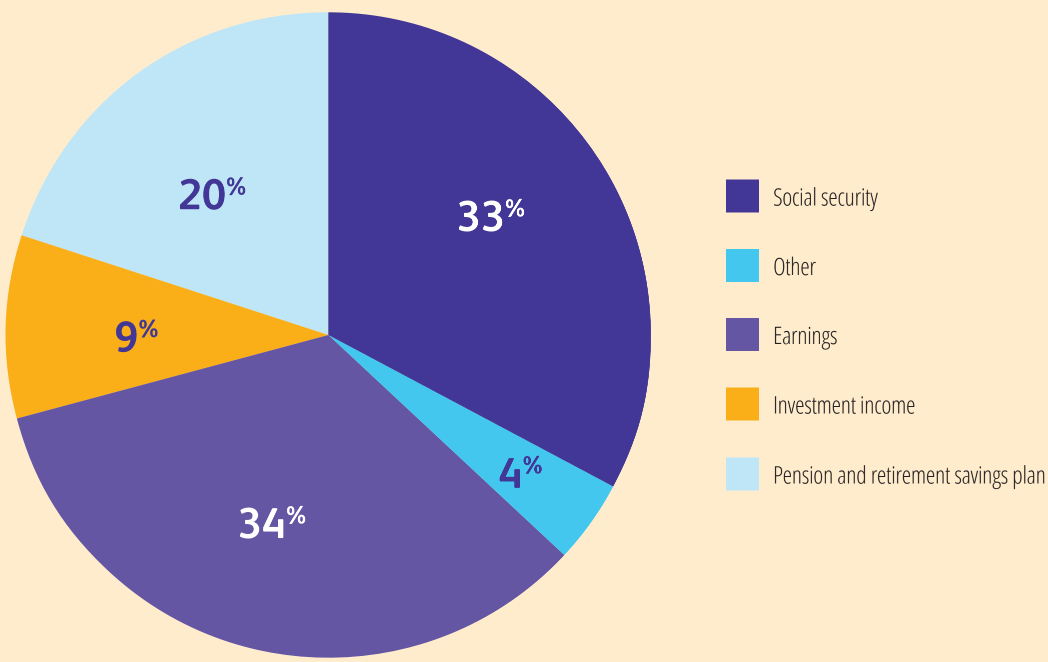
Learn how an indexed annuity can be part of a customized financial strategy for protecting tomorrow's financial goals so that you can embrace today.

Protective[SM]

Funding your retirement

Traditional sources of retirement income, such as employer-sponsored pension plans and social security benefits, will only partially fund retirement for most. In fact, relying too much on social security could compromise your ability to meet your income needs for retirement. Having a comfortable retirement will mean having to bridge this gap. Growing and protecting your assets becomes even more critical because you'll be depending more on your own money.

Typical sources of retirement income



Source: U.S. Government Accountability Office, The Nation's Retirement System, October 2017.

Indexed annuity benefits

Whether you're retired now or planning for retirement, an indexed annuity, which is a contract between you and a life insurance company, could help secure your personal financial future. It is one of the few investments that can provide an income stream for life with no market risk to your investment.

Indexed annuities offer a combination of investment and insurance benefits, such as:

- Fixed and index-linked growth
- Tax-deferred growth
- Access to your money (withdrawal charges may apply)
- Choice of annuity income payment options, including income for life
- Optional protected lifetime income benefits
- Estate planning benefits

Some may even offer return of purchase payments and withdrawal charge waivers in case of a terminal illness, nursing home stay and/or unemployment.

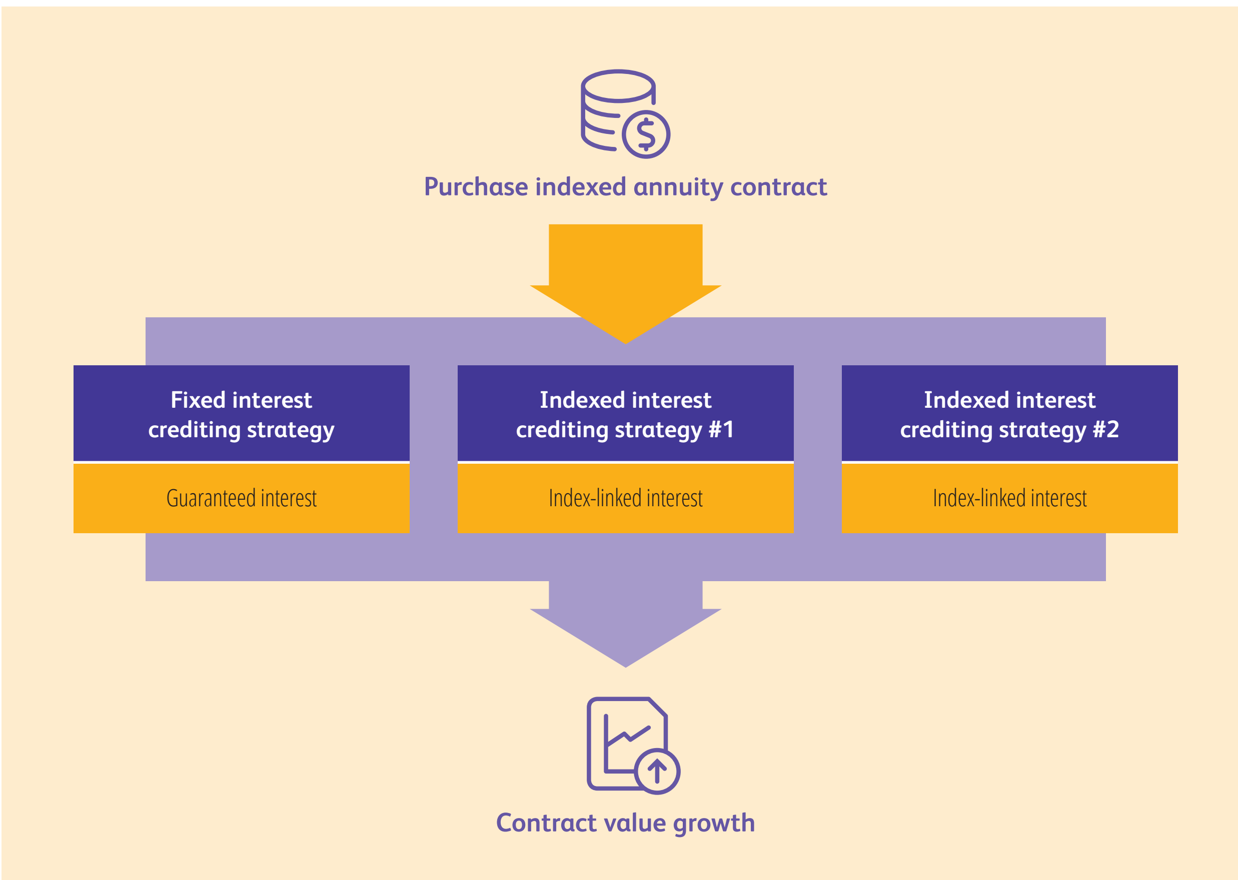
Deferred fixed indexed annuities provide benefits for two phases of retirement planning:

- Accumulation, when you are investing and growing your retirement savings.
- Distribution, when you are using the annuity's value for retirement income.

Fixed and indexed growth of the contract value

You purchase an indexed annuity contract by making one or more purchase payments with the insurance company. You then allocate your contract value to your choice of interest crediting strategies. With fixed strategies, you earn a guaranteed rate of interest. With indexed strategies, any interest earned is dependent on positive market performance. You bear no risk of loss due to market performance, since your principal is protected from market downturns. In exchange for this protection, the growth of your contract value is capped at rates specified in your contract and may not reflect the full return of the market index used for interest crediting.

Interest crediting strategies



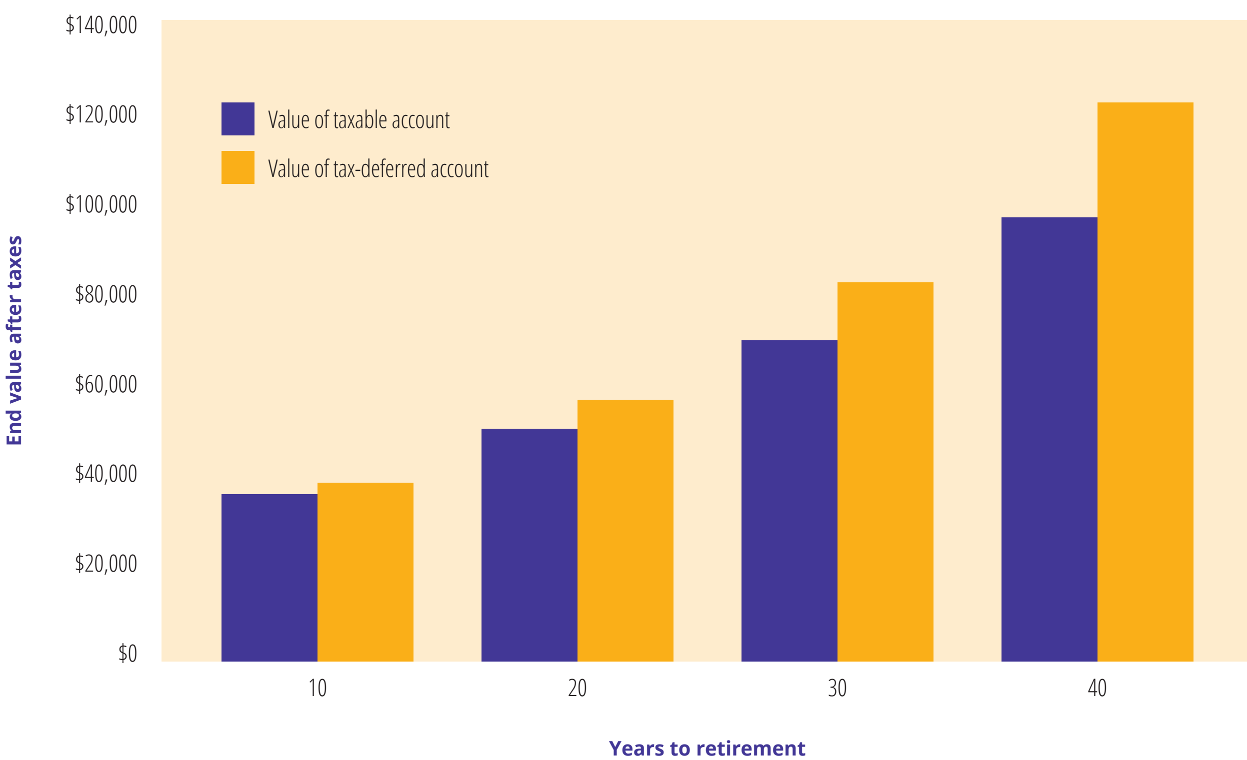
Because each interest crediting strategy is unique with a varying level of potential return, you have the opportunity to allocate your contract value according to your personal objectives. The growth of your indexed annuity contract value depends on the individual performance of each interest crediting strategy selected, which can be positive or flat but never negative. You can reallocate your contract value among the various interest crediting strategies at specific times designated by the issuing life insurance company. This gives you an element of flexibility over the life of the contract.

The power of tax-deferred investing

Tax deferral delays taxes on your accumulated earnings until they are withdrawn. Since the gain in an indexed annuity isn't taxed until it's withdrawn, it compounds, or accumulates at a faster rate. Because your earnings become part of your contract value, they contribute to future gains. Especially in the long term, the boost that compounding provides to your total return can be substantial.

Indexed annuities can also help you control when you'll pay taxes on the gain in your contract. Since you can choose when you'll withdraw money from the contract, you may be able to determine when the taxation of your gain occurs. It's likely that you'll make interest withdrawals from the contract in retirement, when you may be in a lower tax bracket.

Benefits of deferring taxes



Each account assumes a 4% annual rate of return and no withdrawals. Taxable account assumes a federal income tax rate of 28% and a capital gains tax rate of 15%.

This hypothetical illustration shows $25,000 invested in both a taxable and tax-deferred account. The difference in value is not that significant during the first 10 years; however, the tax-deferred account value grows substantially more than the taxable account during subsequent years.

Neither Protective nor its representatives offer legal or tax advice. Purchasers should consult an attorney or tax advisor regarding their individual situations.

Indexed annuities in tax-qualified plans

Because an IRA or workplace savings plan already provides tax-deferred growth of earnings, using a tax-deferred indexed annuity within those accounts does not offer any additional deferral of taxes.

There may be associated costs, so it's important to determine if the benefits of having an indexed annuity within a tax-advantaged plan are worthwhile. Be sure to consult a qualified tax and/or financial advisor who can determine the financial pros and cons regarding the use of an indexed annuity contract within a qualified plan or in connection with other employee benefit plans.

Access to your money

Indexed annuities offer varying degrees of liquidity during the accumulation phase. There is generally a withdrawal charge, or a fee for withdrawing money from or surrendering your contract within a specified number of years. Withdrawal charges are often applied for the first few years of an indexed annuity contract, depending on the type of contract. These charges usually decrease over the specified withdrawal charge period.

When you withdraw money from or cancel your contract during the withdrawal charge period, the insurance company will charge a fee that is a percentage of your withdrawal.

Once the withdrawal charge period ends, however, you can withdraw money from your contract any time without a fee. Some indexed annuities also offer "free" withdrawal options that allow you to withdraw a certain percentage of your contract value or initial purchase payment any time without withdrawal charges.

Withdrawals reduce the annuity's remaining death benefit, contract value, cash surrender value and future earnings. Withdrawals may be subject to income tax and, if taken prior to age 59½, an additional 10% IRS tax penalty may apply. More frequent withdrawals may reduce earnings more than annual withdrawals.

Designing your retirement income

Creating a stream of payments is one of the most important benefits of an indexed annuity in your retirement strategy. Protective's indexed annuities give you flexibility when the time comes to receive your annuity income payments.

Annuity income payments

To create a stream of payments from your indexed annuity, you can annuitize your contract. This means your contract value is exchanged for a stream of guaranteed income payments, and there is no fee. You choose when to annuitize, or begin your annuity income payments, and for how long — over your lifetime, for example, or over the joint lifetime of you and your spouse.

Annuity income payment options are available for single or joint life:

- Lifetime income
- Specific term (certain period)
- Lifetime income with a specific term (certain period)
- Lifetime income with a cash refund
- Lifetime income with an installment refund (principal refund)

For non-qualified annuities, a portion of each annuity payment generally is considered to be a return of your investment, which is not taxed. The remaining portion of the payment consists of earnings and is taxable as ordinary income. After you have recovered your investment, all of your annuity payments will be taxable.

Optional protected lifetime income benefits

You can also create a retirement income stream from your indexed annuity with an optional protected lifetime income benefit, if available. There are different types and their features vary among companies.

These optional, protected lifetime income benefits can typically be added to your indexed annuity for an extra cost and may change some of the features of the underlying contract. They can provide additional features such as guaranteed growth and/or guaranteed retirement income.

Contract value withdrawals

You may decide to simply withdraw your contract value to meet your retirement income needs. Withdrawals are usually taken in a lump sum, on a predetermined schedule or as needed. This option gives you the most flexibility but also needs to be managed carefully. It offers no guarantees and can result in greater tax liability. When values are withdrawn in a lump sum, the full gain will be taxed all at once rather than allowing a portion of the value to continue growing tax-deferred.

Protection for loved ones

Many want to provide a legacy to beneficiaries as part of a financial strategy. An indexed annuity offers estate planning benefits that can help transfer your assets to beneficiaries more efficiently by avoiding the delay, cost and publicity of probate.

Grow and protect your assets

As you prepare for retirement, you need options for customizing a personal financial plan that will meet your individual needs. But you also need assurance that the company you're working with will be there to see you through.

Ask your financial professional about Protective Life's strength and stability — and how our indexed annuities can help grow and protect your assets.

Be sure to work with your financial professional to explore the many options available and determine which ones can best meet your needs.

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Indexed annuities are not an investment in any index, are not a security or stock market investment, do not participate in any stock or equity investment, and do not contain dividends.

All payments and guarantees are subject to the claims-paying ability of Protective Life Insurance Company, located in Nashville, TN. Neither Protective Life nor its representatives offer legal or tax advice. Purchasers should consult with their legal or tax advisor regarding their individual situations before making any tax-related decisions.

Annuities are long-term insurance contracts intended for retirement planning.

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