

3Q

2014

Protective Life Insurance Company

We are financially strong, strategically focused and confident in our future.

Investment Portfolio

As of September 30, 2014, our investment portfolio totaled approximately \$45.7 billion. Our portfolio consists primarily of fixed maturity securities and commercial mortgage loans. We generally purchase our investments with the intent to hold to maturity by purchasing investments that match future cash flow needs.

We invest primarily in highly-rated fixed maturity securities such as corporate bonds, U.S. Government bonds, and high-quality bonds backed by mortgages or other assets. Disciplined asset liability management is a key component of our investment strategy. This approach helps minimize the long-term impact of prolonged low interest rates. Our current assets and in-force liabilities are well matched.

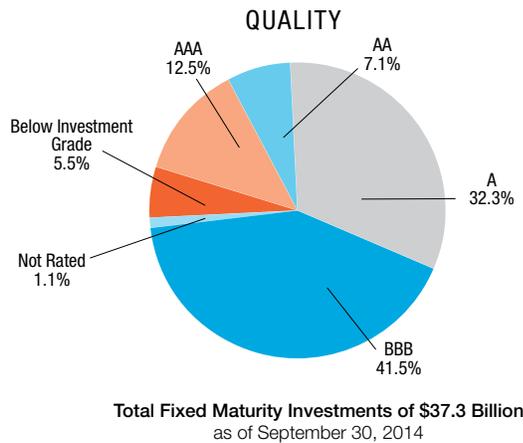
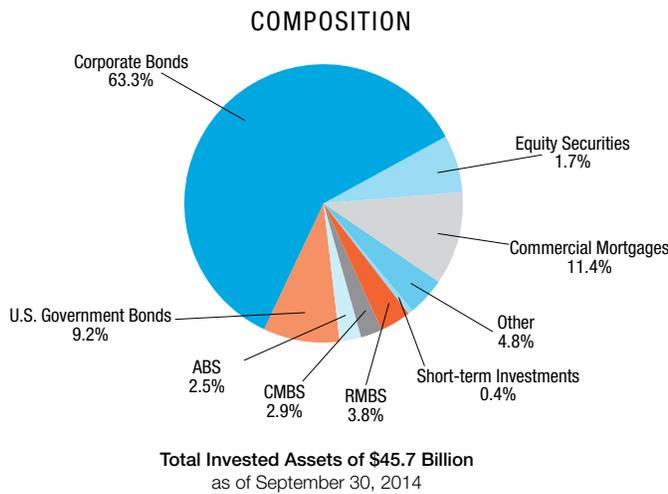
Commercial mortgage loans comprise \$5.2 billion of our investment portfolio. Approximately 61% of the loan portfolio is concentrated in retail properties. Our disciplined approach in this asset category has helped produce a long history of solid performance.

As of September 30, 2014:

- Total mortgage loan portfolio consists of approximately 1,851 loans with an average loan size of \$2.8 million
- Less than 1% of the mortgage loan portfolio is considered nonperforming or restructured*

The following table includes a breakdown of the Company's commercial mortgage loan portfolio wby property type as of September 30, 2014:

Type	Percentage of Mortgage Loans on Real Estate
Retail	61.3%
Office Buildings	14.1%
Apartments	10.3%
Warehouses	7.4%
Other	6.9%
	100.0%



* Includes: (1) loans not subject to a pooling and servicing agreement and (2) those subject to a contractual pooling and servicing agreement

Risk Management

Limiting bond exposure to any single creditor group is one of the ways we manage credit risk. As of September 30, 2014, less than 1% of our invested assets were exposed to any one creditor group. The types of assets in which we may invest are influenced by various state laws which prescribe qualified investment assets. Additionally, we carefully consider factors such as liquidity needs, investment quality, matching of assets and liabilities and the overall composition of the investment portfolio by asset type.

Balance Sheet Summary

Balance Sheet Summary	
As of September 30, 2014 (\$ in Billions)	
Total Assets	\$70.1
Liabilities	64.5
Shareowner's Equity	5.6
Total Liabilities and Shareowner's Equity	\$70.1

Noteworthy Company Strengths

- Core business is life insurance, sensibly and conservatively managed
- Majority of earnings from a stable block of life insurance policies that we have produced or acquired from other insurers
- Limited exposure to equity securities
- Asset/liability matching disciplines designed to provide liquidity to meet our projected obligations without reliance on new external sources of financing

- Strong balance sheet
- Robust integrated risk management function
- Diversified liability structure supported by strong cash flows

Insurer Financial Strength Ratings

Protective Life Insurance Company and West Coast Life Insurance Company (neither authorized to sell insurance in New York)

A+ (Superior, 2nd highest of 15 ratings) from A.M. Best

AA- (Very Strong, 4th highest of 21 ratings) from Standard & Poor's

A (Strong, 6th highest of 22 ratings) from Fitch

A2 (Good, 6th highest of 21 ratings) from Moody's Investors Service

Protective Life and Annuity Insurance Company (authorized to sell insurance in New York)

A+ (Superior, 2nd highest of 15 ratings) from A.M. Best

AA- (Very Strong, 4th highest of 21 ratings) from Standard & Poor's

A (Strong, 6th highest of 22 ratings) from Fitch

These ratings are current as of November 20, 2014. For more current information, please visit www.protective.com.

"Protective", "Company", "we", "us", or "our" refers to the consolidated group of Protective Life Insurance Company and its subsidiaries, including West Coast Life Insurance Company and Protective Life and Annuity Insurance Company. Policies sold by these insurers are backed by the company that issued the policy. Please refer to Protective's most recent periodic report filed with the Securities and Exchange Commission on Form 10-K/10-Q for important additional financial information.

This update includes "forward-looking statements," which express our plans, intentions, objectives or expectations of future events and/or results. All statements based on future expectations rather than on historical facts are forward-looking statements that involve a number of risks and uncertainties, and the Company cannot give assurance that such statements will prove to be correct. Please refer to the Company's most recent periodic report filed with the Securities and Exchange Commission on Form 10-K/10-Q for more information about risks and uncertainties that could affect future results.

On June 3, 2014, Protective Life Corporation and Dai-ichi Life Insurance Company announced a definitive agreement under which Dai-ichi Life Insurance Company will acquire all outstanding shares of Protective Life Corporation. Upon closing, this strategic transaction will create the 13th largest global insurer, with total assets of \$424 billion.