

# AGENT'S INFORMATION BULLETIN

**SUBJECT: Introducing Protective BENEFIT*choice* LifePriority<sup>SM</sup>  
Critical Illness Coverage through a term policy.  
Subject: Products/Markets # 147 - August 2003**

We are pleased to announce that Protective BENEFIT*choice* LifePriority<sup>SM</sup> is available for sale in approved states. This exciting new life insurance policy provides critical illness benefits in the form of an advance of up to 100% of the face amount of the base policy.

BENEFIT*choice* LifePriority provides a lump sum payment to the policy owner upon first diagnosis by a physician that the insured has a covered critical illness. And since the critical illness benefit is provided as an advance on a term life insurance policy, the available face amount (less any accelerated benefits paid) is payable to the beneficiary upon the insured's death.

While we have been offering critical illness coverage through our worksite marketing division, Benefit Plans Group (BPG), it is now available for distribution as a fully underwritten product by all producers.

To sell LifePriority to your clients, simply contact your Regional Sales Manager and they will coordinate getting you appointed with BPG. Once appointed, BPG will send you an agent kit, which will include an illustration system, product guide, and marketing materials. In addition, application packets are available on our website – [www.protectivelife.com/ppga](http://www.protectivelife.com/ppga).

Please read the following information carefully. If you have any questions or need help with a particular case, please call your Regional Sales Manager or BPG at 1-888-645-2524.

Good Selling!



Larry J. Adams, CLU, ChFC  
Vice President, PPGA Sales

# Protective BENEFITchoice LifePriority<sup>sm</sup>

*Critical Illness Coverage through Term Life Insurance*

The Protective BENEFITchoice LifePriority<sup>sm</sup> brings together the value of a term life insurance policy with a critical illness rider that protects against the financial challenges that may be associated with surviving a critical illness. This additional protection provides the policy owner with a living benefit upon first diagnosis by a physician that the insured has a covered critical illness. This living benefit is an advance of the base policy's face amount and is payable as a lump sum. And, if a critical illness claim is never filed, the available face amount is payable to the beneficiary upon the insured's death.

Under the Critical Illness Rider, coverage includes the following conditions:

- Heart Attack
- Cancer: Invasive
- Cancer: Carcinoma in Situ  
(25% of the face amount)
- Stroke
- Kidney Failure
- Major Organ Transplant
- Paralysis
- Dismemberment
- Blindness
- Severe Burns
- Coronary Artery Bypass  
(25% of the face amount)
- Angioplasty  
(10% of the face amount)
- Terminal Illness  
(60% of the face amount)

The benefit amount paid for the above conditions vary by state. Once 100% of the face amount has been advanced, the policy and all riders terminate.

See the enclosed policy (TL-11) and Critical Illness Rider (L596) for complete details.

## KEY SELLING POINTS

### Lump-Sum Critical Illness Payment

The Critical Illness Accelerated Death Benefit Rider (Rider L-596) provides a lump-sum payment in the form of an advance of up to 100% of the base policy's face amount upon first diagnosis by a physician that the insured has a covered critical illness. The purpose of this rider is to provide funds to help one cope with the substantial financial and emotional costs that are associated with a critical illness. See rider for full details including all limitations.

- The maximum benefit is 100% of the base policy's current benefit amount. The benefit amount varies by covered condition.
- A lien equal to the critical illness benefit paid will be established against the base policy, interest free. The primary impact of the lien will be a reduction in the amount of the death benefit by the amount of the lien.
- Once 100% of the base policy benefits have been paid out, the rider and base policy will terminate.
- The lump-sum payment can be used any way the policy owner sees fit – to pay off the mortgage, credit card debt, automobile loans, to pay for experimental procedures, child care, and medical bills not covered by health insurance.

### No Survival Period

There is no survival period required before benefits can be paid out. The benefit is payable upon first diagnosis.

## Product Specifications

<b>Issue Age and Risk Class</b> (Attained Age)	Unisex 18 - 65 Non-Tobacco Unisex 18 - 65 Tobacco
<b>Minimum Face Amount</b>	The greater of the face amount purchased by \$35 a month or \$25,000
<b>Maximum Face Amount</b>	\$250,000
<b>Waiting Period</b>	There is a 30-day waiting period beginning on the Critical Illness Rider effective date. If the insured's covered condition first occurs or is diagnosed during this period, no critical illness benefit will be payable and the Critical Illness Rider will terminate.
<b>Pre-Existing Exclusion</b>	Benefits are not payable for a pre-existing condition unless such condition is first diagnosed more than 12 months after the critical illness rider effective date. A pre-existing condition is a condition misrepresented or not revealed on the application for the critical illness rider for which: (a) symptoms existed within two years prior to the rider effective date that would cause an ordinarily prudent person to seek diagnosis, care, or treatment; and (b) medical advice or treatment was recommended by or received from a medical professional within twelve months after the rider effective date.

## OPTIONAL BENEFITS & RIDERS\*

In order to help you better serve your clients and ensure they get a policy designed to meet their specific needs, a number of optional benefits and riders are available to help customize the *BENEFITchoice* LifePriority insurance policy:

**Accidental Death Benefit Rider** (Rider L503) provides additional affordable coverage that pays a death benefit if the insured dies as the result of a covered accident.

- The issue age is 18 through 60.
- The coverage terminates at age 70.
- The maximum issue amount is equal to base policy, not to exceed \$150,000.

**Children's Term Rider** (Rider L502) is designed to provide affordable term insurance for children of the insured. This rider provides death benefit protection for all natural, adopted, and stepchildren who are listed on the application and within issue age limits. All future children from age 15 days or date of adoption will automatically be covered. The annual premium is a fixed amount and remains constant, regardless of the number of children covered under the rider.

- The issue age is 15 days up to the 18th birthday.
- Coverage can continue to age 25, the expiry date of the rider, or termination of the policy, whichever is earliest for all covered children.
- There is a guaranteed right to convert for 12 months at age 25, up to 5 times the initial benefit amount of the rider, without evidence of insurability.
- The minimum issue amount is \$1,000 (one unit).
- The maximum issue amount is \$20,000 (20 units), not to exceed amount of initial benefit amount of the base policy.
- The annual premium is \$6 per \$1,000 of coverage.
- If the primary insured dies, each child receives a paid-up policy equal to the face amount of the rider until the child's 25th birthday, at which time the policy can be converted without evidence of insurability to a face amount equal to 5 times the paid-up policy amount.

\* Optional riders are available at additional costs. Actual terms and conditions contained in each rider govern all benefits provided. Assumes medical and financial underwriting qualifications at time of initial application. Not available in all states.

## COMPENSATION

New commission schedules are currently being distributed. For more information, please call your Regional Sales Manager.

## ILLUSTRATIONS

Illustrations for this new plan will be distributed to you with the product kit upon appointment with BPG.

## SALES MATERIALS

Upon appointment with BPG, agent kits will be mailed to you. That agent kit will include the following marketing materials:

- Product Guide (Not for use with consumers)
- Critical Illness Fact Sheet
- Prospect Letter
- Small Consumer Brochure
- Large Consumer Brochure

## AVAILABILITY

Protective BENEFIT*choice* LifePriority<sup>sm</sup> is available for sale in all states/jurisdictions **EXCEPT** Connecticut, Florida, Georgia, Maryland, Massachusetts, Minnesota, Montana, North Dakota, Oregon, Pennsylvania, South Carolina, Texas, Utah, and Vermont. As this product become available in the above states, we will update the state approvals on our website [www.protectivelife.com/ppga](http://www.protectivelife.com/ppga).

Protective BENEFIT*choice* LifePriority<sup>sm</sup> is not available in American Samoa, Guam, and Puerto Rico.

## CHOICES THEY WANT, A POLICY YOU CAN SELL

At Protective, our goal is to provide our policyholders with the best possible coverage at the most affordable rates. And we strive to give them choices so they can be sure they are purchasing a policy that's right for them, along with the flexibility to keep their policy for many years.

It is also our goal to provide you with the products, support, and information you need to do your job. We believe Protective BENEFIT*choice* LifePriority<sup>sm</sup> is just such a product. We believe it offers the choices and flexibility your clients want and that makes it a policy you can easily sell with confidence.

## ***For product information, illustration details, and new business procedures, please call your Regional Sales Manager.***

Policy form TL-11 is a term life insurance policy. Premiums are guaranteed to remain level for the first 5 years. During policy years 6 through 20, should the premium increase, it can only increase to a guaranteed maximum through year twenty. After the twentieth year, premiums will increase every 5 years, but will not exceed the guaranteed maximum for each 5-year period. The policy will terminate at age 70. Consult policy for benefits, riders, and limitations. Not available in all states. Limitations and exclusions may vary by state.

The Critical Illness Rider has exclusions, limitations, reductions of benefit, and terms under which the policy may be continued in force or discontinued. Any advance critical illness payment(s) will reduce the base policy's death benefit. For costs and complete details of the coverage, refer to rider L596 or call Benefit Plans Group at 1-888-645-2524. Application is subject to acceptance or approval by the insurer. Not available in all states. Benefits may vary by state.

The Critical Illness lump sum payment(s) may be taxable. The tax treatment of life insurance is subject to change. Neither Protective Life Insurance Company nor its representatives offer legal or tax advice. Please consult your attorney or tax advisor regarding your situation.

Riders are available at additional cost.