

SERFF Tracking Number: PRTD-125433103 State: Arkansas  
Filing Company: Protective Life Insurance Company State Tracking Number: 37916  
Company Tracking Number: CLC.1004.10.07  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.002 Non Qualified  
Product Name: HeritageGuard SPWL  
Project Name/Number: HeritageGuard SPWL/CLC.1004.10.07

## Filing at a Glance

Company: Protective Life Insurance Company

Product Name: HeritageGuard SPWL

TOI: LTC03I Individual Long Term Care

Sub-TOI: LTC03I.002 Non Qualified

Filing Type: Advertisement

SERFF Tr Num: PRTD-125433103 State: ArkansasLH

SERFF Status: Closed

Co Tr Num: CLC.1004.10.07

Co Status:

Author: Leann Brown

Date Submitted: 01/16/2008

State Tr Num: 37916

State Status: Filed-Closed

Reviewer(s): Marie Bennett, Harris Shearer

Disposition Date: 05/22/2008

Disposition Status: Filed

Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

## General Information

Project Name: HeritageGuard SPWL

Project Number: CLC.1004.10.07

Requested Filing Mode:

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 05/22/2008

State Status Changed: 05/22/2008

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile: Not Filed

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Deemer Date:

This advertising material is being filed for use in your state. It will be used to explain rider P-6030 - a Long Term Care Rider. This rider was approved in your state on 10/25/2007. This filing does not contain any unusual or possibly controversial items from company or industry standards.

## Company and Contact

### Filing Contact Information

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Leanne Brown, aundi.brown@protective.com  
2801 Hwy 280 South (205) 268-1614 [Phone]  
Birmingham, AL 35223

**Filing Company Information**

Protective Life Insurance Company CoCode: 68136 State of Domicile: Tennessee  
P O Box 2606 Group Code: 458 Company Type: Life  
Birmingham, AL 35202 Group Name: Protective Life State ID Number:  
Insurance  
(800) 866-3555 ext. [Phone] FEIN Number: 63-0169720  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$25.00  
Retaliatory? No  
Fee Explanation:  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Protective Life Insurance Company	\$25.00	01/16/2008	17519390

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	05/22/2008	05/22/2008

*SERFF Tracking Number:*     *PRTD-125433103*                     *State:*                     *Arkansas*  
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## **Disposition**

Disposition Date: 05/22/2008

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Form</b>	HeritageGuard SPWL		Yes

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## Form Schedule

**Lead Form Number:** CLC.1004.10.07

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	CLC.1004.10.07	Advertising	HeritageGuard SPWL	Initial		0	Ad-CLC.1004.10.07_121007.pdf

# Protective HeritageGuard SPWL®



## Long-Term Care Accelerated Death Benefit Rider

Long-term care costs often exceed what the average person can afford using income and other resources. By planning ahead, you may be able to save your assets and income for uses other than long-term care, including the preservation of quality of life for your loved ones.

### Average Costs for Long-Term Care (2006)

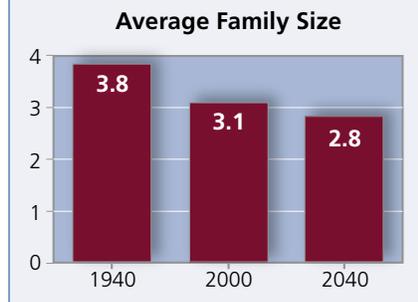
\$171	per day for a semi-private room in a nursing home
\$194	per day for a private room in a nursing home
\$2,691	per month for care in an assisted living facility (one-bedroom unit)
\$25	per hour for a home health aide
\$17	per hour for a homemaker service
\$56	per day for care in an adult day health care center

### Long-Term Care Statistics

- The population of U.S. seniors (ages 65 and older), is expected to more than double by the year 2040. This increase, along with a continuing rise in life expectancy, will likely produce a surge in the demand for long-term care services.

- At least 60% of people over the age of 65 will require long-term care services at some point in their lives, and 20% will need care for more than five years.
- In 1999, The CBO projected that total long-term care expenditures for seniors (including government and private spending, but not the value of donated care), would rise from approximately \$123 billion in 2000, to \$346 billion by 2040. Spending could be even higher if the prevalence of health impairment stays the same or increases in the future.
- The cost of long-term care will likely increase at a faster rate than general price inflation since the growth of health care costs has historically grown faster than the general economy.

The size of the average American family has declined, reducing the number of adult children available to care for elderly parents.



### The Role of Medicare and Medicaid

Many people believe they can depend on Medicare to pay for all long-term care services they might require. However, Medicare only pays for long-term care if you need skilled services or recuperative care for just a short period of time. Medicare does not generally pay for non-skilled assistance with personal or custodial care and may apply only to specifically approved facilities.

Medicaid, which is a joint Federal and state program, will cover most long-term care services, but only if a person meets certain financial and functional criteria. The coverage that Medicaid provides does not protect wealth, and may not provide the same quality of care and number of choices that would be available to someone with private long-term care insurance.

Another drawback to Medicaid and Medicare coverage is that the long-term care benefits might even be reduced in the likely event that budgets are strained in the near future.

Congressional Budget Office (CBO), "Financing Long-Term Care for the Elderly," April 2004.

U.S. Dept. of Health and Human Services, National Clearinghouse for Long-Term Care Information, [www.longtermcare.gov/LTC](http://www.longtermcare.gov/LTC)



Not authorized to sell insurance in NY

Not a Deposit | No Bank Guarantee | Not FDIC Insured  
Not Insured By Any Federal Government Agency



Authorized to sell insurance in NY

# Protective HeritageGuard SPWL<sup>®</sup>



## Long-Term Care Accelerated Death Benefit Rider

Nursing home and community care benefits may be paid for qualified long-term care service received as the result of chronic illness. Chronic illness means that a doctor has certified within the preceding 12 months that the insured needs substantial assistance in performing at least two of six activities of daily living (*generally bathing, continence, dressing, toileting, eating and transferring*).

### Nursing Home or Community Care

If the insured's chronic illness requires nursing home or community care (*i.e., home health care, assisted living care, or adult day care*) for at least 90 consecutive days, and the owner is eligible to receive a benefit, a payment will be made to the owner each month at a rate of 2% of the initial Face Amount of the policy for Nursing Home Care and 1% of the initial Face Amount for Community Care. The monthly benefit cannot exceed \$7,500 and is subject to the Maximum Accelerated Death Benefit.

### Maximum Accelerated Death Benefit

The Maximum Accelerated Death Benefit that can be received is 100% of the net Face Amount (*current Face Amount less any withdrawals, policy loans and accrued interest*), not to exceed \$500,000, less the amount of any accelerated benefits already received under the policy.

#### Sample Calculation

Initial Face Amount at Issue	\$50,000
Nursing Home Benefit	\$1,000 per month (2% of initial Face Amount)
Community Care Benefit	\$500 per month (1% of initial Face Amount)
Maximum Accelerated Death Benefit	\$50,000 (100% of Face Amount)

### Benefit Payments

Once qualification for benefits has been met, the owner will receive a benefit payment on a monthly basis (*confirmation of continued nursing home confinement or type of community care may be required each month*).

As long as the insured continues to receive nursing home or community care and the rider is in force, the benefits will be paid up to the Maximum Accelerated Death Benefit amount (*subject to conditions of the rider*).

### Impact of Withdrawals and Loans

The Maximum Accelerated Death Benefit will generally be reduced by any withdrawals and policy loans, including loan interest. A portion of each monthly benefit payment will be used to repay any accrued loan interest and a fixed percentage of any outstanding loan balance until the loan is fully repaid. In most states, no additional loans may be taken once accelerated benefits commence under this rider.

### Impact of Accelerated Death Benefit Payments on the Policy

After accelerated death benefit payments are taken, the death benefit and amount available for surrender and withdrawals will be reduced. Withdrawals taken after benefit payments begin will reduce the Maximum Accelerated Death Benefit on a pro-rata basis.

### Residual Death Benefit

This rider also includes a Residual Death Benefit which ensures a minimum death benefit of 10%

(*up to a maximum of \$25,000*) of the Death Benefit adjusted for any outstanding loans, withdrawals, and Terminal Illness accelerated benefit payments.

### For More Information

This highlight sheet provides only an overview of the rider. For more information, please consult your sales agent and review the Outline of Coverage for the Comprehensive Long-Term Care Rider.

This rider may not be available in all states. State variations may apply.

The **Protective HeritageGuard SPWL** product is non-participating single premium whole life insurance, policy form series P-4012, P-6030 issued by Protective Life Insurance Company (*not authorized to sell insurance in NY*) and Protective Life and Annuity Insurance Company (*authorized to sell insurance in NY*). Both located at 2801 Hwy 280 South, Birmingham, AL 35223. Product features and availability may vary by state. Consult policy for benefits, riders, limitations, and exclusions. Subject to underwriting. Two-year contestable and suicide period. Benefits adjusted for misstatements of age or gender.

Single premium whole life insurance generally becomes a modified endowment contract. If a policy is a modified endowment contract, loans are also taxable, and loans, withdrawals and surrenders are treated first as distributions of the policy gain subject to ordinary income taxation and may be subject to an additional 10% federal tax penalty if made prior to age 59 ½.

Loans, if not repaid, and withdrawals reduce the policy's death benefit and cash value. The tax treatment of life insurance is subject to change. Neither Protective nor its representatives offer legal or tax advice. Investors should consult their legal or tax advisor regarding their individual situation.

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## **Rate Information**

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