

Exclusive offer for Costco members

Member Advantage Life[®] UL

Universal Life Insurance

Product Guide



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Every day, you make decisions regarding your future. Some come naturally while others are thoughtfully planned out. When it comes to your loved ones, decisions you make about their future are just as important. One factor to consider is their livelihood in the wake of your untimely death. This is where a life insurance policy may help.

Protective Life Insurance Company is proud to offer life insurance to Costco members. We've been helping families secure their financial futures for more than 100 years. Through our relationship with Costco, now we can help do the same for yours. There's no better time to demonstrate responsibility, security and care for your loved ones.

What You Should Know About Life Insurance

Life insurance is about protection. It helps provide security for your loved ones when they need it most.

Protecting them with life insurance can help ensure they do not face the added burden of financial pressures, should the unexpected happen. But a life insurance policy can do more than just pay a death benefit. Many policies offer features and options that can also protect you while you're living with added flexibility to adapt to your changing needs.

There are two basic types of life insurance:

Term Life

This type of life insurance is designed to provide pure death benefit protection for a specific period of time, typically between 10 and 30 years. There is no cash value to access while you're living, and the premium to maintain coverage at the end of the term is often quite expensive.

Permanent Life

Universal life insurance, such as Member Advantage Life UL, is a type of permanent life insurance. This policy can last a lifetime and provides additional value beyond the security and assurance of death benefit protection, provided timely payment of the required premiums. It offers flexibility with both the death benefit amount and premium payment amounts along with optional features to help tailor the policy to fit your exact needs.

Member Advantage Life UL (universal life insurance) special features include:

- Affordable protection for your loved ones
- Coverage for up to 20 years with options to extend it further
- Flexibility to adjust your death benefit amount as your needs change over time
- Generous 61-day grace period for making premium payments
- Policy cancellation any time at no charge
- Additional savings for Costco Executive members
- Streamlined online application process to get coverage quickly and easily (subject to eligibility and underwriting)

Protection for Your Loved Ones

The death benefit from your Member Advantage Life UL policy can be paid directly to your beneficiaries to help them replace your income and maintain their standard of living. It may also help cover things like burial and final expenses and recurring or future expenses.

Death Benefit Coverage

With Member Advantage Life UL, you can customize the duration of your life insurance coverage. You choose the amount of coverage you want with an initial level death benefit period of either 10 or 20 years. During this time, as long as you timely pay the scheduled premiums, your death benefit is guaranteed to remain level and your policy will never lapse.¹

To help you get started with providing valuable protection for your loved ones, your annual premium payment amount is reduced during the first five policy years. It then modestly increases and remains level for the duration of your chosen initial level death benefit period.

Adjusting Your Coverage

You have the option of adjusting your death benefit amount without having to buy a new, separate policy if your needs change. During your chosen initial level death benefit period, you may increase the death benefit amount after the first policy year (subject to underwriting), or you may decrease it after the third policy year (subject to minimums). Your death benefit coverage can even be guaranteed up to your lifetime, meaning your policy will not lapse as long as your planned premiums are paid.²

¹ In order for the lapse protection to be in force, accumulated premiums paid (less pro rata adjustments for loans and withdrawals) must be equivalent to or greater than the accumulated Minimum Monthly Guaranteed Premiums.

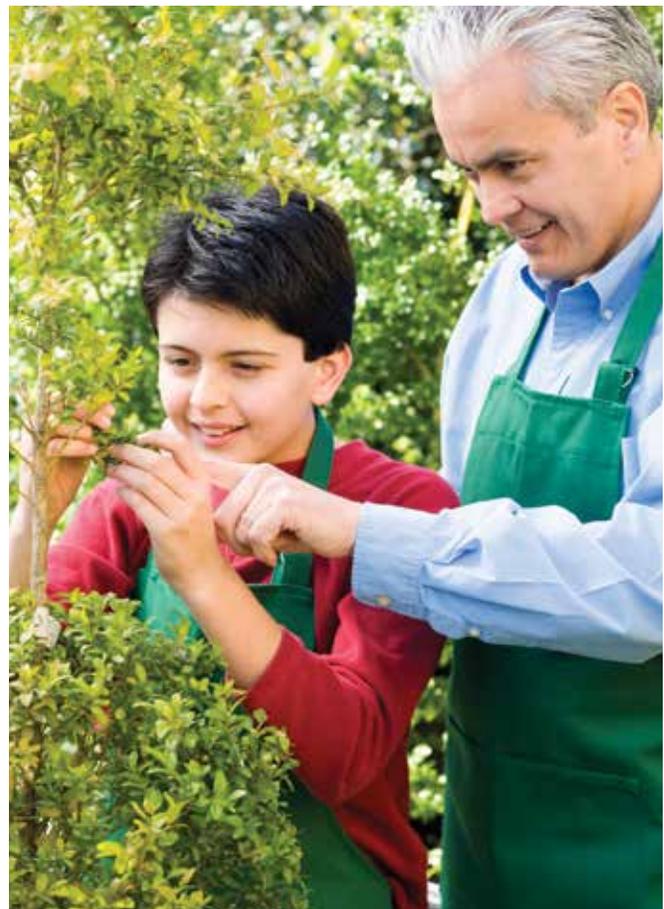
² The death benefit will decrease each year after the initial level death benefit period ends. Lapse protection guarantees the policy death benefit for the duration of the guarantee and does not cover cash or surrender value. Loans, withdrawals, and other policy and premium changes will affect the cost and length of protection. Failure to make premium payments as planned may cause the policy to lose lapse protection and premiums required to restore it could be significantly higher. Refer to the policy and endorsements for complete terms, conditions and limitations.

Extending Your Coverage

You can still maintain coverage beyond your initial level death benefit period at no additional cost. When your initial level death benefit period ends, your guaranteed death benefit will begin to decrease while your premium payment amount remains the same. The death benefit amount will decrease each year until it reaches the minimum of \$10,000. At that point, your premiums will increase each year. You can always cancel your policy any time at no charge.

You also have the option to exchange your policy for another permanent universal life insurance option designated by Protective Life anytime during your first 20 policy years (up to age 70) without going through more medical exams. The premium to maintain coverage under the new, permanent policy will not be comparable to that under your Member Advantage Life UL policy; however, the evidence-free exchange ensures you don't go through the underwriting process again and that your current health status doesn't factor into the new premium calculation.

The example on the next page illustrates how the policy works.



Consider This Example

To help you understand how a Member Advantage Life UL policy works, let's meet Harry and address his life insurance needs.



Harry, age 45, is a small business owner with a family. He wants to protect his loved ones and his business interests. Once in retirement, he anticipates the need for life insurance will decrease over time.

As a Costco member, Harry purchases a \$500,000 Member Advantage Life UL policy with a 20-year initial level death benefit period.

If Harry needs to maintain his \$500,000 in coverage for more than 20 years, he could choose to exchange the policy for something permanent without the need for additional underwriting. This option is available at the end of the initial level death benefit period or anytime during the first 20 policy years up to age 70.

At age 66, Harry's death benefit amount begins to decrease each year, but his annual premium remains the same. His need for life insurance has lessened in retirement.

HARRY'S AGE	DEATH BENEFIT	ANNUAL PREMIUM
45 – 50	\$500,000	\$587.36
51 – 65	\$500,000	\$711.72
66	\$170,145	\$711.72
75	\$ 59,256	\$711.72
85	\$ 18,940	\$711.72
91	\$ 10,000	\$718.37

Harry pays less for the first five policy years to help him start providing valuable protection for his family and business interests. He can cancel the policy any time at no charge.

Once Harry's death benefit has reached \$10,000, it will no longer reduce; however, the annual premium to maintain the policy begins to increase each year thereafter.

About Member Advantage Life UL

A Customer Care Team Member will be glad to discuss the application process with you. Just call 844.740.5433.

When you apply for a Member Advantage Life UL policy, you will be classified in an underwriting category as Select Preferred, Preferred, Non-Tobacco or Tobacco. This classification will be based on your current health and medical history and will also determine your policy rates. Each initial level death benefit period also has issue age restrictions.

10-Year Initial Level Death Benefit	18 – 75
20-Year Initial Level Death Benefit	18 – 65 (18 – 63 for Tobacco class)

Minimum Policy Face Amount (death benefit):	\$100,000
Maximum Policy Face Amount (death benefit):	\$5 million
Minimum Death Benefit After Initial Level Death Benefit Period:	\$10,000

Fees and administration charges are included in your premium payments and will not change during the initial level death benefit period. Please consult a Customer Care Team Member and the contract for details.



Additional Options to Customize Your Coverage

Because Member Advantage Life UL is designed for maximum flexibility, it offers a variety of benefits and riders to help fill any gaps in your long-term plans.

Terminal Illness Accelerated Death Benefit Endorsement (included at no extra charge)

Being diagnosed with a terminal illness can take a serious emotional and financial toll on you and your loved ones. Our Terminal Illness Accelerated Death Benefit is included in your policy at no extra charge to help you cope with those emotional and financial costs. If you become terminally ill, this benefit can accelerate up to 60% of your policy's death benefit or \$1 million, whichever is less. While there is no cost for this benefit, your death benefit is reduced by the amount paid plus accumulated interest at a rate specified in the endorsement.

Not available in all states. State variations may apply. Please review the endorsement for complete terms, conditions and limitations.

Children's Term Life Insurance Rider (optional with extra charge)

By considering life insurance coverage, you are already looking out for the financial needs of your loved ones. But what about starting your children out on the right path in life? In addition to the base policy's coverage for yourself, we also offer a Children's Term Life Insurance Rider to cover the lives of your children. You can use this rider to provide death benefit protection at the time your policy is issued for all natural and adopted children and stepchildren ages 15 days through 18 years. The rider also covers future children from age 15 days or date of adoption prior to age 18.

The Children's Term Life Insurance Rider provides term coverage up to age 25, the expiry date of the rider or termination of the policy—whichever is earlier—for all covered children of the insured. The annual premium is a fixed amount and remains level, regardless of the number of children covered under the rider. Coverage is available in \$1,000 increments ranging from \$1,000 up to \$20,000.

After the covered child reaches age 25, he or she can maintain life insurance coverage by converting to a permanent life insurance policy from Protective Life for up to five times the amount of the Children's Term Life Insurance Rider coverage.

Primary insured applicants ages 18 – 64 are eligible for the Children's Term Life Insurance Rider.

Income Provider Option Endorsement (optional at no extra charge)

With a typical life insurance policy, you know that your loved ones will receive the death benefit amount in one lump sum after you die. That might help with immediate and short-term needs, but what about help for ongoing financial expenses? With the Income Provider Option, you have the ability to select a guaranteed income stream of up to 30 years as your death benefit payout. In addition, a portion of the death benefit is payable as a lump sum to help cover immediate obligations, such as final expenses and debt.

The Income Provider Option not only gives you more flexibility and control over your death benefit, but it is available at no extra charge at policy issue. Adding it to your policy could even result in lower premiums than a traditional, lump-sum death benefit policy. You may change the death benefit schedule if needs or plans change during your lifetime, but your beneficiaries will not be able change the schedule after your death.

A portion of periodic payments under the Income Provider Option may be reported as taxable income to the beneficiary. Please consult your attorney or tax advisor regarding your individual situation.

Disability Benefit Rider (optional with extra charge)

When purchasing a life insurance policy, you want to be absolutely certain the death benefit protection remains available to your loved ones for the period of time you've specified. Life often brings unexpected turns, however. That's why we offer the Disability Benefit Rider, which can help you be even more prepared and ensure your policy premiums are paid if you face the hardship of total disability and are unable to work.

With this rider, you can specify a monthly benefit amount to be paid toward your policy premium, allowing you to maintain life insurance coverage. The gross monthly benefit amount is credited to your policy after you have been totally disabled for six months and meet all conditions of the rider. You will continue to receive benefits from this rider for as long as your total disability continues and all conditions of the rider are met. Your death benefit amount is not impacted. The Disability Benefit Rider is available for applicants ages 18 – 55, and rider coverage ends at age 60.

Accidental Death Benefit Rider (optional with extra charge)

The Accidental Death Benefit Rider can provide even more life insurance coverage and increase the death benefit paid to your beneficiaries if your death results from an accident.

Applicants ages 18 – 60 are eligible for the Accidental Death Benefit Rider with coverage and premiums stopping at age 70. Your additional coverage can range from your base policy's death benefit amount up to \$250,000.

Actual terms and conditions contained in each rider govern all benefits provided. Unless otherwise noted, these optional benefits and riders are available at additional cost. Assumes medical and financial underwriting qualifications at time of initial application. May not be available in all states.

What Happens Next?

If you decide a Member Advantage Life UL policy is right for you, the application process begins by either visiting www.Protective.com/Costco or calling 844.740.5433.

A Customer Care Team Consultant will ask you some questions to better understand your need for life insurance. You will then select your face amount (death benefit) and any optional benefits or riders.

A Protective Life representative will contact you to conduct a 20-minute medical history phone interview. In most cases, you will then schedule a life insurance physical examination, usually completed in your own home. You will then review, complete and sign the application.

At this point, your application will be sent to Protective Life for the underwriting process.

This is where we review the information on your application and the results of your physical examination. Depending on your medical history and exam results, medical records or additional underwriting requirements may be required to determine your health risk and qualification for the policy. This process generally takes a few weeks.

If approved, you will receive an electronic copy of your policy. You should file this with your other important documents and also notify your beneficiaries.

To retain the guarantee of coverage, you should timely pay your premiums based on the amount and frequency scheduled.

It is important to regularly review your policy and annual report to make sure your strategy is still aligned with your goals.

Universal life insurance can provide a variety of benefits and features that may be appropriate for your financial circumstances.

Member Advantage Life UL can specifically offer you options to provide valuable life insurance protection that meets your specific needs today with flexibility to help provide continuing protection should your needs change tomorrow.

Be your family's protector, even if you're not around. To learn more about this exclusive life insurance offer for Costco members and to get a free quote, visit www.Protective.com/Costco. Or, call 844.740.5433.

Member Advantage Life UL (ICC12-UL22/UL-22) is a universal life insurance policy issued exclusively to Costco members by Protective Life Insurance Company (PLICO), Birmingham, AL. Not available in New York. Policy form numbers, product features and availability may vary by state. Consult policies for benefits, riders, limitations, and exclusions. Coverage and pricing is subject to eligibility and underwriting criteria. Up to a two-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. Any quote that is present is only an estimate and the actual premium and rate class will be determined after the underwriting process is completed.

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