



Protective[®] Executive Universal Life Group Term Carve Out

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Group Term Carve Out

What Is It?



Corporate Case

The **case** is within the world of Executive Benefits.



Corporate Sale

The **sale** is to the CFO, CEO, etc. The sale is an aggregate premium sale and is not predicated on one person's premium.

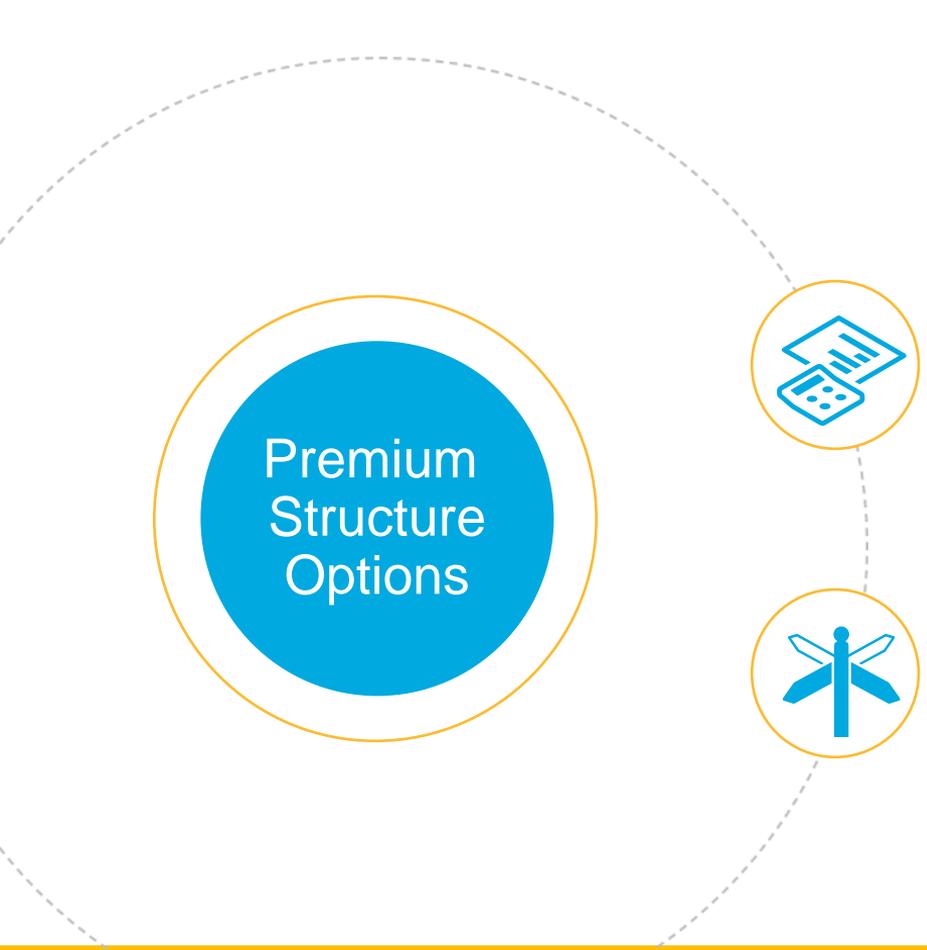


Corporate Purchase

The **purchase** is driven by a firm's wants and needs.

Designed specifically for the
Group Term Carve Out market





Premium Structure Options



Minimum Premiums (COIs):

Increases every year to drive only the death benefit – rate schedule guaranteed for 5 years

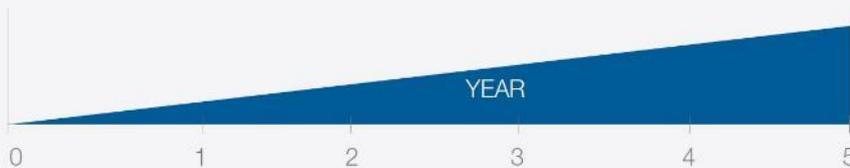


Premium Flexibility:

Level Premium for 3 or 5 years (followed by the regular increasing premium schedule)

Minimum Premium

starts at the lowest possible premium (COIs & Expenses) and increases every year to drive only the death benefit.



Mid-Point Premium

is structured in between the Minimum and Level Premium options (at a mid-point) and increases every year.



Level Premium

allows consistent premium payments for three or five years (followed by an increasing premium schedule).



Specifications



Minimum Lives: **25**



Age Availability: **18-85**
Additional underwriting for Age 71-85



Employee Prospects: **White-Collar Employees Earning \$100,000+**



Classifications: **Gender Distinct, Unismoker**



Minimum Premiums: **Rate Schedule Guaranteed for 5 years**



Minimum Death Benefit: **\$100,000**



Maximum Death Benefit: **\$5,000,000**
Case size and demographics determine maximum death benefit amount



Guaranteed Issue Type Underwriting

Minimum Group Size:
25 lives

Maximum Face Amount per Employee:

25-49 lives: \$40,000 X Number of lives

50+ lives: \$50,000 X Number of lives



Case Level Underwriting

One Risk Class:
Gender Distinct, Unismoker

Two Eligibility Questions:

“In the past 90 days, have you been actively at work on a full-time basis?”

“In the past 90 days, have you missed more than 5 days due to illness or medical treatment?”

*May consider foreign nationals working outside the U.S. (further restrictions apply)



Executive benefits represent approximately 90% of cases.

As an executive benefit, life insurance allows employers to provide a more meaningful incentive to a group of highly compensated employees.



STRUCTURE

| | |
|--------------------------|--------------------------|
| Policy owner and insured | Employee |
| Beneficiary | Personal to the employee |
| Payor | Employer |

Premium Comparison, Year 1

| Insurer | Product Type | \$1M – 50-Year-Old Male |
|------------|----------------|-------------------------|
| Protective | Individual UL | \$1,277.04 |
| MassMutual | GUL | \$1,369.20 |
| MetLife | GVUL | \$1,596.00 |
| Banner | Individual ART | \$1,540.00 |
| PacLife | Individual UL | \$2,578.00 |
| Principal | Individual T10 | \$2,781.00 |
| Ameritas | Individual T10 | \$3,199.44 |

Why do companies buy this?



Benefits for Employer

- Tool to retain highly compensated employees by providing a strong life insurance program
- Comfort of a 5-year rate schedule guarantee
- Value of partnering with a significant national insurer, Protective Life



Benefit for Executive

- Employer paying 100% of the minimum premium
- Portable without change to death benefit or pricing
- Can structure for long term insurance needs
- Option to fund cash value element

Company Profiles

Companies With

At least 25 highly compensated employees

Earning \$100,000 or more



Example of Industries

- Health Care
- Law
- Retail
- Technology
- Consulting
- Education
- Engineering
- Financial Services



Sales Process



DYE & ESKIN, INC.
Creating Victories®

Executive UL National Administrator

- Been in business for 40+ years
- Been a Carve-Out Administrator for 20+ years
- SOC2 accredited
Highest level of Data Security Accreditation

1 Organize the payment of premiums

2 Handle any changes

- Additions of new insureds
- Insureds leaving employment
- Face increases due to salary increases
- Other employment changes

3 Gather requirements

- Initiate contact with D&E early
- Use D&E's standard census template
- Send to D&E for initial quote

4 Manage the Executive UL insureds

Online Enrollment



D&E has a fully functional Online Enrollment system called **eVictoryEnroll**.



Each case will have a designated D&E Account Manager to provide administrative services at implementation and ongoing.



D&E will deliver policies electronically.



Estate Planning – Individual Life Sales



Executive Benefits – Multi-Life Sales



Employee Benefits – Group Insurance Sales



Property & Casualty – P&C

Carve out a better coverage model



POLICY OWNER:

Employee

*Employer pays 100%
of the premium*

BENEFICIARY:

Personal to the employee



ENGLETON ENGINEERING

Engleton Engineering offers group term life for all its employees but wants to provide a more comprehensive life insurance benefit to its high-earning leaders.

Using Protective Executive UL, the organization carves out a plan for 52 employees that earn \$100,000 or more, with a benefit of two-times their salary up to \$1,000,000.

Unlike group term life, Executive UL coverage is portable without changes to death benefit or pricing, and there are no automatic reductions at ages 65, 70 or 75. By carving out highly compensated employees, the group insurance cost for staff employees will generally decrease.

Create more death benefit coverage



POLICY OWNER:

Employee

*Employer pays 100%
of the premium*

BENEFICIARY:

**Personal to the
employee**



PIERCE, ROSS & MCGUIRE LAW

Pierce, Ross & McGuire Law has group term coverage that will not allow the delivery of enough life insurance to the firm's 91 insured partners.

With Protective Executive UL, the firm creates a more meaningful life insurance benefit by increasing the death benefit to \$4,000,000 for each partner.

Replace a competitor plan



POLICY OWNER:

Employee

*Employer pays 100%
of the premium*

BENEFICIARY:

**Personal to the
employee**



LAKE VALLEY GENERAL HOSPITAL

Lake Valley General Hospital has a group variable universal life program that is confusing and causes administrative headaches. The plan's portability restrictions also cause liability concerns.

The hospital replaces the plan for 134 executives and physicians with Protective Executive UL for a lower cost and better provisions. The result is premiums that are 15% lower per year and the benefit of a five-year premium rate schedule guarantee. Plus, Protective Executive UL is portable without changes, resolving the liability issue.

Executive UL Leads to More Sales Opportunities

- The Advisor completes enrollment for the Executive UL Program
 - 93 lives
 - \$1M of coverage each
 - Advisors earns \$55,000 of commission
- Under D&E's direction, the Advisor asked his contact (COO) for permission to reach out to each insured to do some personal insurance planning.
- COO sends out an email to all 93 insureds.
- Advisor contacts all 93 insureds and makes 24 Sales (21 Term Sales + 3 IUL Sales).
- Advisor earns over \$67,000 of additional commission on these 24 sales.
- Total commissions for Advisor; Over \$120,000 stemming from Executive UL.

What Now?

Who do you know that....

- Is a CEO, CFO, HR Director of a Large Company?
 - Fortune 500
 - 250+ Employees and or 25+ Highly Compensated Executives
- Works as an Executive in one of these companies?
 - Clients
 - Prospects
 - Friends and Business Associates
- Is an owner of a LARGE privately held company?

Approaching Executives

Agent: “Do you have a group term insurance plan at your work?”

Executive: Yes

Agent: “Great, would you be interested in the ability to obtain higher life insurance benefits or better life insurance options, that are paid for by your employer?”

CEO: Of course.

Agent: “Will you connect me with your HR Director or CFO to discuss options?”

Approaching Companies

Agent: “Mr CEO, do you have a group term insurance plan for your employees?”

CEO: Yes

Agent: “Great, would you be interested in hearing about an insurance benefit for your highly compensated employees, that offers more benefit with very little underwriting - no exam, no blood work, and would offer more death benefit coverage, and it’s portable so the executive can take it with them when they retire.”

CEO: That sounds great. Please talk to my HR Director or my CFO.

Important Information

Protective Executive UL (ICC20-EUL1/EUL-1 10-20) is a current-assumption universal life insurance policy issued by Protective Life Insurance Company in all states except New York where it is issued by Protective Life & Annuity Insurance Company under form number (EUL-1-NY 10-20). Protective Life Insurance Company is located Brentwood, TN and Protective Life & Annuity Insurance Company is located in Birmingham, AL. Policy form numbers, product features and availability may vary by state. Consult policies for benefits, riders, limitations and exclusions. Subject to underwriting. Up to a two-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. In Montana, unisex rates apply.

The tax treatment of life insurance is subject to change. Neither Protective Life nor its representatives offer legal or tax advice. Employees should consult with their legal or tax advisor regarding their individual situation before making any tax-related decision.

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