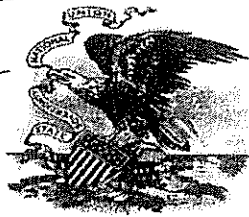


STATUTE OF ILLINOIS
DEPARTMENT OF INSURANCE



IN THE MATTER OF THE EXAMINATION OF
PROTECTIVE LIFE INSURANCE COMPANY
1620 WESTGATE CIRCLE, SUITE 200
BRENTWOOD, TN 37027-8035

MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 132, 401, 401.5, 402, 403 and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/401.5, 5/402, 5/403, and 5/425) do hereby appoint Scott A. Hanfling, Mark Wilson, Tim Kelly, and Meghan Welch, each of Kerns Frost & Pearlman, LLC, as Examiners, to assist the Illinois Department of Insurance ("Department") in the completion of the market conduct examination of Protective Life Insurance Company, NAIC #68136, (the "Company") by reviewing and completing the examination report prepared by Examiner-in-Charge, Danny Talkington, including the review of any objections or rebuttals submitted by the Company regarding the findings of such reports, and drafting of any related Stipulation and Consent Order for the review and approval of the Director. The costs of this examination shall be borne by the Company.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of the Company.



IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed this Seal.

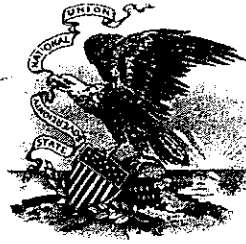
Done at the City of Chicago, this 10th day of December, 2012.

Andrew Boron

Andrew Boron

Director

STATE OF ILLINOIS



Department of Financial and Professional Regulation Division of Insurance

IN THE MATTER OF
THE EXAMINATION OF

PROTECTIVE LIFE INSURANCE COMPANY
1620 WESTGATE CIRCLE, SUITE 200
BRENTWOOD, TENNESSEE 37027-8035

MARKET CONDUCT EXAMINATION WARRANT

I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 131.21, 132, 401, 402, 403 and 425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425) do hereby appoint Danny Talkington, Examiner-In-Charge, Alvin Hysler, John Staples and associates as the proper persons to examine the insurance business and affairs of Protective Life Insurance Company of Brentwood, Tennessee, and to make a full and true report to me of the examination made by them of Protective Life Insurance Company with a full statement of the condition and operation of the business and affairs of Protective Life Insurance Company with any other information as shall in their opinion be requisite to furnish me a statement of the condition and operation of its business and affairs and the manner in which it conducts its business.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of Protective Life Insurance Company.

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of my office.
Done at the City of Springfield, this 27th day of March, 2006.

Michael T. McRaith

Michael T. McRaith

Director



STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

I personally served a copy of the within Warrant by leaving
said copy with LYNN WILLIAMS, at the hour of 3:08 PM
on 16 SEPTEMBER, A.D., 2008.

Danny L. Lutz
Examiner

This Market Conduct Examination was conducted pursuant to Sections 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402, 5/403 and 5/425). It was conducted in accordance with standard procedures of the Market Conduct Examination Section by duly qualified examiners of the Illinois Department of Insurance.

This report is divided into five parts. They are as follows: Summary, Background, Methodology, Findings and Technical Appendices. All files reviewed were reviewed on the basis of the files' contents at the time of the examination. Unless otherwise noted, all overcharges (underwriting) and/or underpayments (claims) were reimbursed during the course of the examination.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

The Examiner-in-Charge was responsible for the conduct of this examination. The Examiner-in-Charge did approve of each criticism contained herein and has sworn to the accuracy of this report.

Amanda J. Kimble
Assistant General Counsel
Illinois Department of Insurance
Amanda.Kimble@illinois.gov

PROTECTIVE LIFE INSURANCE COMPANY

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION: September 16, 2008 through January 30, 2009

EXAMINATION OF: Protective Life Insurance Company

COMPANY ADDRESS: P. O. Box 2606
Birmingham, Alabama 35202

PERIOD COVERED
BY EXAMINATION: January 1, 2007 through December 31, 2007

EXAMINERS: John J. Staples
Alvin N. Hysler
Danny L. Talkington
Examiner in Charge

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I. SUMMARY

1. The Company was criticized under 215 ILCS 5/500-80 for payment of commissions to producers/entities not duly licensed.
2. The Company was criticized under 215 ILCS 5/224(1)(l) for failure to notify the insured's beneficiary of the availability of interest payment due to delayed claim processing as required.
3. The Company was criticized under 50 Ill. Adm. Code 919.50(a)(1) for failure to provide to insureds the "Notice of Availability of the Department of Insurance" on denied claims as required.
4. The Company was criticized under 50 Ill. Adm. Code 919.30(c) for failure to provide detailed documentation for the reconstruction of claim files as required.
5. The Company was criticized under 50 Ill. Adm. Code 919.70(a)(2) for failure to provide insureds with the "Notice of Availability of the Department of Insurance" on the 45 day delay letter as required.
6. The Company was criticized under 215 ILCS 5/224(1)(l) for failure to make payment of interest to the insured's beneficiary due to delayed claim payment as required.
7. The Company was criticized for the overpayment of one (1) claim.
8. The Company was criticized under 215 ILCS 5/234.1 for failure to provide insureds with a "Notice of Enactment of the Non-forfeiture Options" as required.

II. BACKGROUND

Protective Life Insurance Company (Protective), a life and health insurance company, was incorporated in the State of Alabama on July 24, 1907, and commenced business on September 1, 1907. Protective re-domesticated to the State of Tennessee on December 29, 1992. The Company received its certificate of authority to operate in the State of Illinois on September 19, 1973. The Company is authorized to do business in 49 states plus the District of Columbia, American Samoa, Guam, Puerto Rico, the Commonwealth of the Northern Mariana Islands and the U.S. Virgin Islands. The Company is not licensed to do business in the State of New York.

Protective markets a full line of fixed and variable individual life and annuity products through independent agents, stockbrokers and financial institutions. The Company also has a division devoted to the acquisition of insurance policies from other insurers, as well as entire insurance companies. The Company's credit life and credit disability insurance products are marketed by employee field representatives and general agents representing Protective.

In July, 2006 Protective and affiliated companies acquired five insurance companies from J P Morgan Chase & Company. Through various transactions, the business of three of those companies was merged into Protective effective January 1, 2007. Also on January 1, 2007, Empire General Life Assurance Corporation was merged into Protective.

III. METHODOLOGY

The Market Conduct Examination places emphasis on evaluating an insurer's system and procedures used in dealing with insureds and claimants. The following categories are the general areas examined.

1. Producer Licensing & Production
2. Claims Analysis
3. Non-forfeiture Analysis
4. Policy Forms & Advertising Materials Review
5. Insurance Department and Consumer Complaints

The review of these categories was accomplished through examination of producer files, claim files, cash surrendered policy files, policy forms & advertising material, Department of Insurance files, and consumer complaint files. Each of these categories was examined for compliance with Department Regulations and applicable State laws.

The report concerns itself with improper practices performed with such frequency as to indicate general practices. Individual criticisms were identified and communicated to the insurer, but not cited in the report if not indicative of a general trend, except to the extent that underpayments and/or overpayments in claim surveys or undercharges and/or overcharges in underwriting surveys were cited in the report.

The following methods were used to obtain the required samples and to assure a methodical selection:

Producer Licensing and Production

Populations for the producer file reviews were determined by whether or not the producers were licensed by the State of Illinois. New business listings were retrieved from Company records by selecting newly solicited insurance applications that reflected Illinois addresses for applicants.

The examination period for the producer analysis was January 1, 2007 through December 31, 2007.

Claims

1. Paid Claims - Payment for claims made during the examination period.
2. Denied Claims – Denial of benefits for losses not covered by policy provisions.

All claims were reviewed for compliance with policy contracts and endorsements, and applicable Sections of the Illinois Insurance Code (215 ILCS 5/1, et. Seq.), and the Illinois Administrative Code (50 Ill. Adm. Code 101, et. Seq.).

Median payment periods were measured from the date all necessary proofs of loss were received to the date of payment to the insured or the beneficiary. The examination period of the claims survey was January 1, 2007 through December 31, 2007.

Non-Forfeiture Analysis

Listings were requested of all life and annuity policies that were cash surrendered, placed on extended term insurance status, or converted to reduced paid-up insurance during the examination period. These listings were retrieved by a search of Illinois life policies that were either lapsed for nonpayment of premium or were requested non-forfeiture option conversions made by the policyholders. The examination period for the Non-Forfeiture Analysis was January 1, 2007 through December 31, 2007.

Policy Forms & Advertising Material Review

All policy forms, form letters, riders and advertising materials used in Illinois during the examination period were requested. These were reviewed for compliance as to format, content and terminology as required by Illinois Law. The examination period for the Policy Forms & Advertising Material Review was January 1, 2007 through December 31, 2007.

Insurance Department and Consumer Complaints

The Company was requested to provide all files relating to complaints received via the Department as well as those received directly by the Company from the insured or his/her representative. A copy of the Company's complaint register was also reviewed.

Median periods were measured from the date of notification by the complainant to the date of response to the Department. The examination period for the Complaint survey was January 1, 2007 through September 15, 2008.

SELECTION OF SAMPLE

<u>Survey</u>	<u>Population</u>	<u># Reviewed</u>	<u>% Reviewed</u>
<u>Producers Analysis</u>			
Producers/Applications	995/3315	995/3315	100.00
Terminated Agents Review	1	1	100.00
<u>Claims Analysis</u>			
Paid Individual Life	458	129	28.16
Denied Individual Life	4	4	100.00
Paid Individual Major Medical	3	3	100.00
Paid Individual Medicare Supplement	343	105	30.61
Denied Individual Medicare Supplement	17	17	100.00
Paid Individual Disability	6	6	100.00
Paid Credit Disability	362	110	30.38
Denied Credit Disability	68	68	100.00
Paid Credit Life	93	93	100.00
Denied Credit Life	14	14	100.00
Paid Individual Cancer	325	105	32.30
Denied Individual Cancer	80	80	100.00
Annuity Death Settlements	329	113	34.34
<u>Non-Forfeiture Analysis</u>			
Life Cash Surrenders	978	126	12.88
Extended Term Insurance (ETI)/Reduced Paid Up (RPU)	38	38	100.00
Annuity Cash Surrenders	943	120	12.72
<u>Policy Forms & Advertising</u>	1734	1734	100.00
<u>Complaint Analysis</u>			
Department of Insurance Complaints	24	24	100.00
Consumer Complaints	38	38	100.00

IV. FINDINGS

A. Producer Analysis

1. A review of the 995 producers and 3315 commission payments produced one criticism. A general criticism was written under 215 ILCS 5/500-80 for payment of \$117,884.47 in commissions to nine (9) producers/entities not duly licensed on 565 applications. The Company agreed that two (2) of the producers/entities were not licensed but disagreed that the other seven (7) producers/entities were not licensed.
2. There were no agents terminated for cause.

B. Claims Analysis

1. Paid Individual Life

One hundred twenty-nine (129) Paid Individual Life claim files were reviewed. Thirty-eight (38) files, or 29% of the Paid Individual Life claim files reviewed were criticized. A general trend criticism was written under 215 ILCS 5/224(1)(l) for failure to notify the insured's beneficiary of the availability of interest payment due to delayed claim processing. The Company agreed that it failed to provide the insured's beneficiary notice of the availability of interest due to delayed claim processing.

The median for payment was three (3) days.

2. Denied Individual Life

Four (4) Denied Individual Life claim files were reviewed. All four (4) Files, or 100% of the Denied Individual Life claim files reviewed were criticized. A general trend criticism was written under 50 Ill. Adm. Code 919.50(a)(1) for failure to provide insureds with the "Notice of Availability of the Department of Insurance" on denied claims as required.

The Company agreed that it failed to provide insureds with the “Notice of Availability of the Department of Insurance” on denied claims as required. The median for denial was five (5) days.

3. Paid Individual Major Medical

A review of the Paid Individual Major Medical claim files produced no criticisms.

The median for payment was five (5) days.

4. Paid Individual Medicare Supplement

A review of the Paid Individual Medicare Supplement claim files produced no criticisms.

The median for payment was one (1) day.

5. Denied Individual Medicare Supplement

Seventeen (17) Denied Individual Medicare Supplement claim files were reviewed. Seventeen files (17), or 100%, of the Denied Individual Medicare Supplement claim files reviewed were criticized.

A general trend criticism was written under 50 Ill. Adm Code 919.50(a)(1) for failure to provide insureds with the “Notice of Availability of the Department of Insurance” on denied claims as required. The Company agreed that it failed to provide insureds with the “Notice of Availability of the Department of Insurance” on denied claims as required.

A general trend criticism was written under 50 Ill. Adm. Code 919.30(c) for failure to provide detailed documentation for the reconstruction of claim files. The Company disagreed that it failed to provide detailed

documentation for the reconstruction of claim files, however the Company was unable to provide the Examiners with a copy of the explanation of benefits (EOB) for any of the seventeen claims denied.

The median for denial was two (2) days.

6. Paid Individual Disability

A review of the Paid Individual Disability claim files produced no criticisms.

The median for payment was one (1) day.

7. Paid Credit Disability

A review of the Paid Credit Disability claim files produced no criticisms.

The median for payment was four (4) days.

8. Denied Credit Disability

Sixty-eight (68) Denied Credit Disability claim files were reviewed.

Sixty-eight (68) files, or 100% of the Denied Credit Disability claim files reviewed were criticized.

A general trend criticism was written under 50 Ill. Adm. Code 919.50(a)(1) for failure to provide insureds with the “Notice of Availability of the Department of Insurance” on denied claims as required.

The Company agreed that it failed to provide insureds with the “Notice of Availability of the Department of Insurance” on denied claims as required.

The median for denial was nine (9) days.

9. Paid Credit Life

Ninety-three (93) Paid Credit Life claim files were reviewed. Thirty-one (31), or 33% of the Paid Credit Life claim files reviewed were criticized.

A general trend criticism was written under 50 Ill. Adm. Code 919.70(a)(2) for failure to provide insureds with the “Notice of availability of the Department of Insurance” on the 45 day delay letter as required. The Company agreed that it failed to provide insureds with the “Notice of Availability of the Department of Insurance” on the 45 day delay letter as required.

An individual criticism was written under 215 ILCS 5/224(1)(l) for failure to make payment of interest to the insured’s beneficiary due to delayed claim payment on one (1) claim in the amount of \$22.84. The Company agreed that it failed to make payment of interest to the insured’s beneficiary due to delayed claim payment on one (1) claim in the amount of \$22.84 and cut a check to the beneficiary in this amount and furnished a copy of the check to the Examiners.

A general trend criticism was written under 215 ILCS 5/224(1)(l) for failure to notify the insured’s beneficiary of the availability of interest payment due to delayed claim processing. The Company agreed that it failed to provide the insured’s beneficiary with the availability of interest payment due to delayed claim processing.

An individual criticism was written for the overpayment of one (1) claim in the amount of \$30.79. The Company agreed that it overpaid one (1) claim in the amount of \$30.79. The median for payment was twenty six days.

10. Denied Credit Life

Fourteen (14) Denied Credit Life claim files were reviewed. Fourteen (14) files, or 100% of the Denied Credit Life claim files reviewed were criticized.

A general trend criticism was written under 215 ILCS 5/224(1)(l) for failure to notify the insured's beneficiary of the availability of interest payment due to delayed claim processing. The Company agreed that it failed to provide the insured's beneficiary with the availability of interest due to delayed claim processing.

A general trend criticism was written under 50 Ill. Adm. Code 919.50(a)(1) for failure to provide insureds with the "Notice of Availability of the Department of Insurance" on denied claims as required. The Company agreed that it failed to provide insureds with the "Notice of Availability of the Department of Insurance" on denied claims as required.

A general trend criticism was written under 50 Ill. Adm. Code 919.70(a)(2) for failure to provide insureds with the "Notice of Availability of the Department of Insurance" on the 45 day delay letter as required. The Company agreed that it failed to provide insureds with the

“Notice of Availability of the Department of Insurance” on the 45 day delay letter as required. The median for denial was fifteen days.

11. Paid Individual Cancer

A review of the Paid Individual Cancer claim files produced no criticisms. The median for payment was one (1) day.

12. Denied Individual Cancer

Eighty (80) Denied Individual Cancer claim files were reviewed. All eighty (80) files, or 100% of the Denied Individual Cancer claim files were criticized.

A general trend criticism was written under 50 Ill. Adm. Code 919.50(a)(1) for failure to provide insureds with the “Notice of Availability of the Department of Insurance” on denied claims as required. The Company agreed that it failed to provide insureds with the “Notice of Availability of the Department of Insurance” on denied claims as required.

A general trend criticism was written under 50 Ill. Adm. Code 919.30(c) for failure to provide detailed documentation for the reconstruction of claim files. The Company disagreed that it failed to provide detailed documentation for the reconstruction of claim files, however the Company was unable to provide the Examiners with a copy of the EOB for any of the eighty claim files reviewed. The median for denial was one (1) day.

13. Annuity Death Settlements

A review of the Annuity Death Settlement claim files produced no criticisms.

The median for payment was five (5) days.

C. Non-forfeiture Analysis

1. Life Cash Surrenders

A review of the Life Cash Surrender claim files produced no criticisms.

The median for payment was ten (10) days.

2. ETI/RPU

Thirty-eight (38) ETI/RPU claim files were reviewed. Fifteen (15) files, or 39% of

the ETI/RPU claim files reviewed, were criticized.

A general trend criticism was written under 215 ILCS 5/234.1 for failure to provide a “Notice of Enactment of the Non-forfeiture Options” as required. The Company disagreed that it failed to provide a “Notice of Enactment of the Non-forfeiture Options” as required. The Company feels that by referring the policyholder to its contract it is in compliance with this section.

3. Annuity Cash Surrenders

A review of the Annuity Cash Surrender claim files produced no criticisms. The median for payment was two (2) days.

D. Policy Forms & Advertising Material

A review of the policy forms and advertising material used during the survey period produced no criticisms.

E. Complaint Analysis

1. Department of Insurance Complaints

A review of the Department of Insurance Complaints produced no criticisms.

The median for response was eighteen days.

2. Consumer Complaints

A review of the Consumer Complaints produced no criticisms.

The median for response was eleven days.

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK)

Danny Talkington, being first duly sworn upon his oath, deposes and says:

That he was appointed by the Director of Insurance of the State of Illinois (the "Director") as Examiner-In Charge to examine the insurance business and affairs of:

Protective Life Insurance Company, NAIC #68136

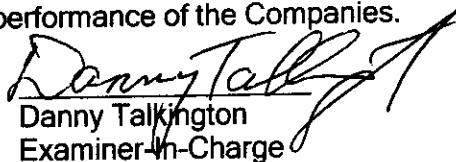
That, as Examiner-In-Charge, he was directed to make a full and true report to the Director of the examination with a full statement of the condition and operation of the business and affairs of the Companies with any other information as shall in the opinion of the Examiner-In-Charge be requisite to furnish the Director with a statement of the condition and operation of the Company's business and affairs and the manner in which the Companies conduct their business;

That neither he nor any other persons designated as examiners nor any members of their immediate families is an officer of, connected with, or financially interested in the Company nor any of the Company's affiliates other than as policyholders, and that neither he nor any other persons designated as examiners nor any members of their immediate families is financially interested in any other corporation or person affected by the examination;

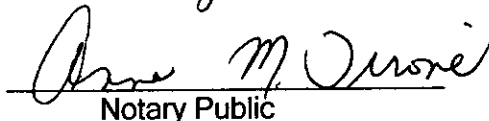
That an examination was made of the affairs of the Company pursuant to the authority vested in the Examiner-In-Charge by the Director of Insurance of the State of Illinois;

That he was the Examiner-in-Charge of said examination and the attached report of examination is a full and true statement of the condition and operation of the insurance business and affairs of the Company for the period covered by the Report as determined by the examiners;

That the Report contains only facts ascertained from the books, papers, records, or documents, and other evidence obtained by investigation and examined or ascertained from the testimony of officers or agents or other persons examined under oath concerning the business, affairs, conduct, and performance of the Companies.


Danny Talkington
Examiner-In-Charge

Subscribed and sworn to before me
this 21 day of June, 2013.


Notary Public

ANNA M TIRONE
Notary Public - State of New York
No. 01TI6101625
Qualified in Richmond County
My Commission Expires Nov. 17, 2015

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE



IN THE MATTER OF:

PROTECTIVE LIFE INSURANCE COMPANY
P.O. BOX 2606
BIRMINGHAM, ALABAMA 35202

STIPULATION AND CONSENT ORDER

WHEREAS, the Director (Director) of the Illinois Department of Insurance (Department) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Protective Life Insurance Company (Company) is authorized under the insurance laws of this State and by the Director to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by duly qualified examiners of the Department pursuant to Sections 131.21, 132, 401, 402 and 425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425); and

WHEREAS, the Department examiners have filed an examination report as an official document of the Department as a result of the Market Conduct Examination; and

WHEREAS, said report cited various areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company.

WHEREAS, the Company is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Company and the Director as follows:

1. That the Market Conduct Examination indicated various areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and/or Department Regulations; and
2. That the Director and the Company consent to this order requiring the Company to take certain actions to come into compliance with provisions of the Illinois Insurance Code and/or Department Regulations.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

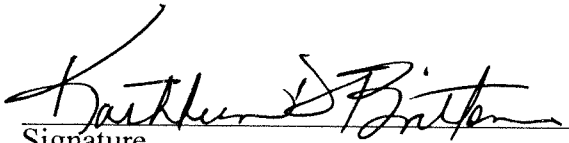
1. Institute and maintain procedures whereby the Company does not pay commissions to producers/entities not duly licensed as required by 215 ILCS 5/500-80.
2. Institute and maintain procedures whereby the Company notifies the insured's beneficiary of the availability of interest payment due to delayed claim processing as required by 215 ILCS 5/224(1)(l).
3. Institute and maintain procedures whereby the Company includes the "Notice of Availability of the Department of Insurance" on all denied claims as required by 50 Ill. Adm. Code 919.50(a)(1).
4. Institute and maintain procedures whereby the Company maintains and, when requested, provides detailed documentation for the reconstruction of claim files as required by 50 Ill. Adm. Code 919.30(c).
5. Institute and maintain procedures whereby the Company provides the insured with the "Notice of Availability of the Department of Insurance" in the 45 day delay letter as required by 50 Ill. Adm. Code Section 919.70(a)(2).
6. Institute and maintain procedures whereby the Company makes payment of interest to the insured's beneficiary due to delayed claim payment as required by 215 ILCS 5/224(1)(l).
7. Institute and maintain procedures whereby the Company provides a "Notice of Enactment of the Nonforfeiture Options" as required by 215 ILCS 5/ 234.1.
8. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the Amount of \$40,000.00, to be paid within 30 days of the execution of these

Orders.

9. Submit to the Director of Insurance, State of Illinois, proof of compliance with the above eight (8) orders within 30 days of the execution of this Stipulation and Consent Order.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent order or any provisions of the Illinois Insurance Code or Department Regulations.

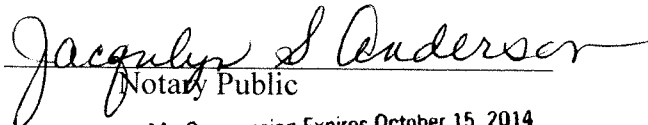
On behalf of Protective Life Insurance Company:


Signature

Kathleen D. Britton
Name

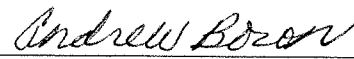
Vice President, Insurance Administration and Compliance
Title

Subscribed and sworn to before me this
16th day of July A.D. 2013.


Notary Public
My Commission Expires October 15, 2014

DEPARTMENT OF INSURANCE of the
State of Illinois;

DATE July 17, 2013


Andrew Boron
Director



Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

October 25, 2013

*Sent via USPS certified mail
return receipt requested*

Laura Bagby
Regulatory Analyst, Compliance
Protective Life Insurance Company
P.O. BOX 2606
Birmingham, AL 35202

Re: Protective Life Insurance Company Market Conduct Exam, NAIC #68136

Dear Ms. Bagby

The Department is in receipt of your letter dated October 8, 2013 in which Protective Life Insurance Company provided additional proof of compliance. The Department has reviewed the proof and found that it is satisfactory. As a result, the Department is closing its files on this exam. As mentioned in previous correspondence, this exam will be made public by posting on the Department's website as authorized by 215 ILCS 5/132.

Should you have any questions, please contact me at (312) 814-5420.

Sincerely,

A handwritten signature in blue ink that reads "Amanda J. Kimble".

Amanda J. Kimble
Assistant General Counsel
Illinois Department of Insurance
Amanda.Kimble@illinois.gov