

Protective's goal is to provide the best level of consumer value possible in our retirement products. I feel confident we have delivered on that promise since we launched our PGI product and hope you feel the same. However, as with many of your carrier partners, it's no surprise the low interest rate environment continues to pose a significant challenge. In addition, over the past several weeks, there has been a rapid spread compression in the investment markets. Unfortunately, this necessitates we make the following changes to the Protective Guaranteed Income FIA:

1. **Effective Friday, September 4, 2020 – we will be reducing street compensation from 7% to 6%.**

**TRANSITION RULES APPLYING TO COMPENSATION CHANGE EFFECTIVE 09/04/2020 – PLEASE READ:**

- Tickets/Applications with a signed date of 09/04/2020 or after will receive the new compensation rates.
- Tickets/Applications must be received within 14 calendar days of the signed date.

2. **Effective Tuesday, September 8, 2020 – the following rates will apply:**

Protective Guaranteed Income	Interest Rate	Effective Date	Old Rate	Change	Notes
Holding Account	1.00%	09/08/20	1.00%	0.00%	** Holding Account Minimum = 0.25% **
<b>10 Year Protective Guaranteed Income</b>					
<b>Account Value &lt; \$100k</b>					
Fixed Account	1.15%	09/08/20	1.65%	-0.50%	
Point-To-Point Account, Cap	2.30%	09/08/20	3.30%	-1.00%	** Minimum Cap Rate = 1.50% **
Cap-For-Term Account	2.20%	09/08/20	3.20%	-1.00%	** Minimum Cap Rate = 1.50% **
Participation Rate	52.00%	09/08/20	72.00%	-20.00%	** Minimum Participation Rate = 50.00% **
<b>Account Value &gt; \$100k</b>					
Fixed Account	1.30%	09/08/20	1.80%	-0.50%	
Point-To-Point Account, Cap	2.60%	09/08/20	3.60%	-1.00%	** Minimum Cap Rate = 1.50% **
Cap-For-Term Account	2.50%	09/08/20	3.50%	-1.00%	** Minimum Cap Rate = 1.50% **
Participation Rate	60.00%	09/08/20	80.00%	-20.00%	** Minimum Participation Rate = 50.00% **

**TRANSITION RULES APPLIED TO INTEREST RATE CHANGE EFFECTIVE 09/08/2020 – PLEASE READ:**

- New business MUST BE signed by 09/07/2020 or earlier:
  - Ticket/Application with check (funded cases) must be received at Protective within 14 calendar days of sign date.
  - Ticket/Application with transfer/exchange paperwork (unfunded cases) must be received at Protective within 14 calendar days of sign date.
    - Business submitted with our transfer/exchange form gets 60 days from sign date for funds to be received.
  - If client-initiated, include Page 1 of our transfer/exchange form (no signature needed) with the Client Initiated box checked – we must have information to track the 60 days.

- For cases with both cash (check) and transfer/exchange premium, the cash portion of the premium must be received within 14 calendar days of the sign date – do not wait to send the cash portion.

**CONSIDERATIONS – PLEASE READ:**

- Product training (see attached) – we will not make exceptions if your producers do not complete their regulatory product training requirement. See the attached training directions.
- RATE LOCK PROCEDURES
  - There continues to be confusion regarding our process – here’s the key takeaway: If the application you are submitting will have **any type of transfer** associated with it, the **transfer form is REQUIRED** to be in our office within 14 calendar days of the application sign date.
- The above communication is specific to our BGA-only limited distribution annuity product, Protective Guaranteed Income FIA.

Consumer value in our products will continue to be the highest priority – while the above changes are significant, I remain convinced that Protective Life’s PGIIA is a quality choice for your agents and their clients in providing for guaranteed lifetime income.

Thank you for your time, your trust and your business – if you have questions or would like to discuss in more detail, please contact me.