



## Memo

**To:** West Coast Life Independent  
Marketing Organizations and  
Brokerage General Agents

**Date:** January 14, 2011

**From:** John B. Deremo  
Senior Vice President &  
Chief Distribution Officer

**Subject:** Strategic Repositioning –  
West Coast Life and  
Protective Life Insurance  
Companies

Over the past several years, the life insurance industry has experienced dramatic change. In 2008 our Company (West Coast Life and Protective Life) began to evolve our life business to a more balanced model with greater emphasis on permanent life insurance products.

To that end, we have implemented many changes in our products, underwriting, compensation, systems, and process improvements. These changes have helped to promote sales of our Universal Life products, streamline our organizational structure, improve our operations and manage our overall expenses.

From a distribution standpoint, we have seen our Brokerage and PPGA distribution become quite similar. In fact, the insurance industry as a whole has seen the PPGA channel decline 23% over the past decade while independent brokerage has increased 8 percent. LIMRA estimates that the brokerage channel is 6 1/2 times larger than PPGA. We would attribute much of the decline in the PPGA channel to independent agents shifting their business model to offer products from a broader choice of carriers.

Due to the clear convergence of these channels, and the fact that the brokerage channel has become the dominant form of life distribution for our Company, the decision has been made to combine our life marketing efforts through Independent Agents into one brokerage distribution channel under the Protective Life brand.

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We anticipate this change to be made over the next year and be fully effective **January, 2012**. Over the course of this year we will be working on the transition efforts to migrate the West Coast Life brokerage model onto the Protective Life label. We will work to do this as seamless as possible for our distributor partners so as to minimize any disruption of business.

There are many details that we need to cover within these major points, and as our partners in the field, there are likely many questions to address with respect to the transition. We will be hosting conference calls over the course of the next few weeks to address your question. Please expect to see more details about those calls under separate cover.

Thank you for your support of West Coast Life as we navigate through this transition period, and strive to become an even stronger force in the insurance business.

If you have any questions or would like additional information, please contact the Sales Desk at 877-778-3500, option 2.

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