

# 4Q 2010

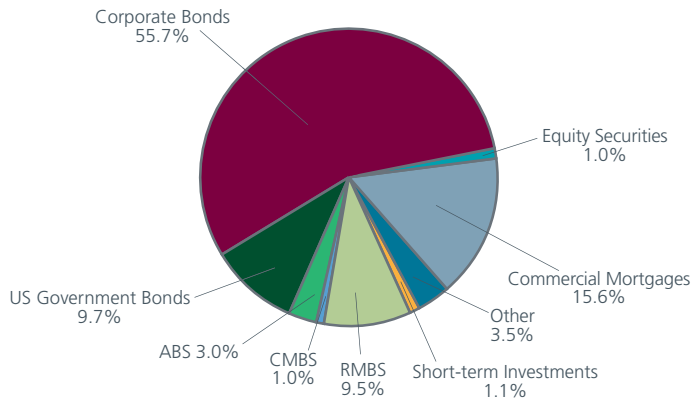
## Protective Life Insurance Company Financial Highlights

The fourth quarter of 2010 was a strong quarter for the Company, indicative of our financial strength.

### INVESTMENT PORTFOLIO

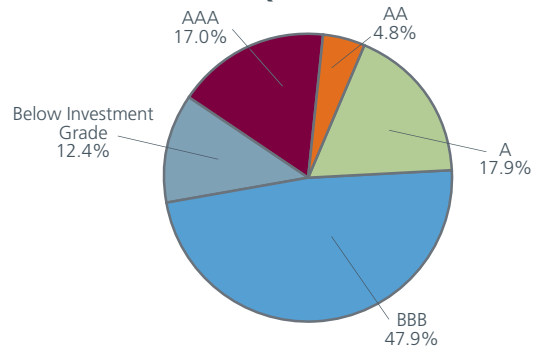
As of December 31, 2010, our investment portfolio totaled approximately \$31.3 billion. Our portfolio consists primarily of fixed maturity securities and commercial mortgage loans. We generally purchase our investments with the intent to hold to maturity by purchasing investments that match future cash flow needs.

#### COMPOSITION



**Total Invested Assets of \$31.3 Billion**  
as of December 31, 2010

#### QUALITY



**Total Fixed Maturity Investments of \$24.6 Billion**  
as of December 31, 2010

We invest primarily in highly-rated fixed maturity securities such as corporate bonds, U.S. Government bonds, and high-quality bonds backed by mortgages or other assets. The residential mortgage backed securities (RMBS) portfolio has a short average life. Again this quarter, there was a substantial amount of paydowns in this portfolio.

Our investment portfolio includes \$3.0 billion in RMBS. The vast majority of our RMBS portfolio is comprised of senior bonds, collateralized by fixed-rate mortgages from prime borrowers.

Commercial mortgage loans comprise \$4.9 billion of our investment portfolio. This amount includes approximately \$1.0 billion of loans that were previously a part of variable interest entity securitization and therefore subject to a contractual pooling and servicing agreement. Approximately 66% of the loan portfolio is concentrated in retail properties. Our disciplined approach in this asset category has helped produce a long history of solid performance.

As of December 31, 2010:

- Total portfolio consists of 1,845 loans with a weighted average loan size of \$2.7 million.
- There were no delinquent mortgage loans or foreclosed properties.
- \$19.3 million or 0.4% of the mortgage loan portfolio is considered nonperforming or was restructured under the terms of the pooling and servicing agreement.

#### As of December 31, 2010:

- Prime..... \$2,527.2 million
- Alt-A..... \$401.0 million
- Sub-prime ..... \$42.1 million

Not a Deposit	Not Insured By Any Federal Government Agency
No Bank or Credit Union Guarantee	Not FDIC/NCUA Insured

