

Ratings Update

As noted in previous communications, independent ratings agencies continue to be very active in evaluating the financial strength of insurance companies in response to the continuing challenges posed by the current economic and investment environment.

Yesterday, Standard & Poor's (S&P) announced that the insurer financial strength ratings of Protective Life Insurance Company and West Coast Life Insurance Company are being lowered by one notch, from "AA" to "AA-", with a stable outlook. The "AA-" financial strength rating is described by Standard & Poor's as "very strong".

This ratings review was a part of Standard & Poor's broader evaluation of the U.S. life insurance industry at large, as it concurrently announced ratings revisions for ten life insurance groups. While acknowledging the current challenges faced by life insurers, Standard & Poor's noted that "the credit fundamentals of the U.S. life insurance sector are strong", "the U.S. life insurance sector remains well capitalized", and "the industry's long-term fundamental strengths remain intact."

Both Protective Life and West Coast Life are highly rated life insurers, with these current financial strength ratings:

A.M. Best	A+ (Superior)	2 nd highest of 15 ratings
Standard & Poor's	AA- (Very Strong)	4 th highest of 21 ratings
Fitch	A+ (Strong)	5 th highest of 22 ratings
Moody's	A2 (Good)	6 th highest of 21 ratings

A.M. Best states that its "A+" (Superior) rating is assigned to those companies that have, in its opinion, a superior ability to meet their ongoing obligations to policyholders.

S&P states that an insurer rated "AA" (Very Strong) has very strong financial security characteristics that outweigh any vulnerabilities, and is highly likely to have the ability to meet financial commitments.

Fitch states that "A" (Strong) rated insurance companies are viewed as possessing strong capacity to meet policyholder and contract obligations.

Moody's states that insurance companies rated "A" (Good) offer good financial security.

Protective Life and West Coast Life continue to be companies you can rely on for quality products and service, and we remain confident in our ability to address the challenges presented by the current economic environment. We thank you for your business, your confidence and your loyalty.

Please contact your company representative if you have questions.