

PROTECTIVE LIFE CORP
Form 11-K
June 26, 2012
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

COMMISSION FILE NUMBER 0-9924

PROTECTIVE LIFE CORPORATION
401(k) AND STOCK OWNERSHIP PLAN

Protective Life Corporation (Issuer)

2801 Highway 280 South

Birmingham, Alabama 35223

(205) 268-1000

Table of Contents

TABLE OF CONTENTS

Financial Statements and Exhibits

		Sequentially Numbered Page(s)
(a)	<u>Financial Statements</u>	
	<u>Report of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm</u>	3
	(i) <u>Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010</u>	4
	(ii) <u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2011</u>	5
	(iii) <u>Notes to Financial Statements December 31, 2011 and 2010</u>	6-13
(b)	<u>Supplemental Schedule</u>	
	I. <u>Schedule H, Line 4i – Schedule of Assets (Held at End of Year) December 31, 2011</u>	15
<p>Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.</p>		
(c)	<u>Exhibits</u>	
	23 Consent of PricewaterhouseCoopers LLP	1

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of

Protective Life Corporation 401(k) and Stock Ownership Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Protective Life Corporation 401(k) and Stock Ownership Plan (the Plan) at December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) at December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/PRICEWATERHOUSECOOPERS LLP

Birmingham, Alabama
June 26, 2012

Table of Contents**PROTECTIVE LIFE CORPORATION 401(k) AND STOCK OWNERSHIP PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

	As of December 31,	
	2011	2010
Assets		
Investments, at fair value (Notes 3 and 8):		
Protective Life Corporation common stock	\$ 43,572,119	\$ 49,656,246
Mutual funds	93,838,465	86,712,730
Collective trust fund	24,310,574	22,938,521
Total investments at fair value	161,721,158	159,307,497
Notes receivable from participants	5,043,834	4,706,448
Total assets	166,764,992	164,013,945
Liabilities		
Accrued expenses and other liabilities	38,033	20,981
Total liabilities	38,033	20,981
Net assets available for benefits at fair value	166,726,959	163,992,964
Adjustment from fair value to contract value for investment in fully benefit-responsive contract	(588,827)	(226,525)
Net assets available for benefits	\$ 166,138,132	\$ 163,766,439

The accompanying notes are an integral part of these financial statements.

Table of Contents**PROTECTIVE LIFE CORPORATION 401(k) AND STOCK OWNERSHIP PLAN****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

	For The Year Ended December 31, 2011	
Additions		
Contributions		
Participant contributions	\$	10,254,502
Rollovers		7,021,614
Employer contributions		5,631,021
Total contributions		22,907,137
Investment income		
Dividends		3,541,587
Net appreciation/(depreciation) in the fair value of investments (Note 3)		(11,117,557)
Total investment income		(7,575,970)
Interest income		222,968
Total additions		15,554,135
Deductions		
Benefits paid to participants		13,005,978
Administrative fees		176,464
Total deductions		13,182,442
Net increase		2,371,693
Net assets available for benefits		
Beginning of year		163,766,439
End of year	\$	166,138,132

The accompanying notes are an integral part of these financial statements.

Table of Contents

PROTECTIVE LIFE CORPORATION 401(k) AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Protective Life Corporation 401(k) and Stock Ownership Plan (the Plan) are maintained on the accrual basis of accounting and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Protective Life Corporation is also referred to as the Employer or the Company .

Investment Valuation and Income Recognition

The mutual funds and common stock investments are carried at fair value based on quoted market prices.

Quoted market prices are based on the last reported sales price on the last business day of the Plan year as reported by the principal securities exchange on which the security is traded.

Units in the collective trust fund are valued at the unit value, as reported by the trustee of the collective trust fund on each valuation date. The collective trust fund invests in investment contracts which are required to be reported at fair value if held by a defined-contribution plan. However, contract value is considered the relevant accounting measurement because it is the amount participants in the fund will receive when they initiate permitted transactions under the terms of the underlying plan. In accordance with GAAP, the statements of net assets available for benefits present the fair value of the investment in the collective trust fund as well as an adjustment of the investment in the collective trust fund from fair value to contract value. The statement of changes in net assets available for benefits is presented on a contract value basis.

Purchases and sales of investments are reflected as of the trade date. Interest income is recorded when earned.

Dividend income is recorded on the ex-dividend date.

The Plan presents, in the statement of changes in net assets available for benefits, the net change in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments.

Notes Receivable from Participants

Notes receivable from participants are measured at the unpaid principal balance plus any accrued but unpaid interest.

Payment of Benefits

Benefits paid to participants are recorded when paid. As of December 31, 2011, \$7,225 was allocated to accounts of participants who had elected to withdraw from the Plan but to whom disbursement of funds from the Plan had not yet been made. As of December 31, 2010, \$12,996 was allocated to accounts of participants who had elected to withdraw from the Plan but to whom disbursement of funds from the Plan had not yet been made.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and the changes therein. Actual results could differ from those estimates.

Accounting Pronouncements Recently Adopted

In January 2010, the Financial Accounting Standards Board (FASB) issued Update No. 2010-06, which amends the Fair Value Measurements and Disclosures topic of the Codification. The amendments in this Update require

Table of Contents

new disclosures about transfers in and out of Level 1 and Level 2 fair value measurements and the activity in Level 3 fair value measurements and, in addition, clarify existing disclosures required for levels of disaggregation and inputs and valuation techniques. These amendments also added requirements to separately present information about purchases, sales, issuances, and settlements in the reconciliation of Level 3 fair value measurements. These amendments were effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about activity in Level 3 fair value measurements, which is effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Plan adopted this amendment for the period ended December 31, 2010. The Level 3 activity disclosures required for the period ended December 31, 2011, had no impact as the Plan has no Level 3 investments.

In September 2010, the FASB issued Update No. 2010-25 *Plan Accounting - Defined Contribution Pension Plans*. The objective of the amendments in this Update is to clarify how loans to participants should be classified and measured by defined contribution pension benefit plans. Participant loans were previously classified as plan investments, and were subject to the fair value measurement and disclosure requirements of FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. In practice, most participant loans are carried at their unpaid principal balance plus any accrued but unpaid interest, which was considered a good faith approximation of fair value. This approximation does not conform to the definition of fair value. This Update amends the guidance to require participant loans to be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The Plan adopted this amendment for the period ended December 31, 2010.

Accounting Pronouncements Not Yet Adopted

In May 2011, the FASB issued Update No. 2011-04 *Fair Value Measurement (Topic 820) - Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. The FASB issued this Update as part of their convergence efforts with the International Accounting Standards Board (IASB) to achieve a global standard for fair value measurement and disclosures. The amendments in this Update change the wording used to describe many of the requirements in U.S. GAAP for fair value measurements and disclosures but were not intended to change the application of the requirements of Topic 820, *Fair Value Measurements and Disclosures*. The Plan will adopt the provisions of this Update as of January 1, 2012, but does not expect a material impact to the Plan's statements of net assets available for benefits or statement of changes in net assets available for benefits. The Plan is evaluating the impact this standard will have on disclosures related to fair value measurements.

2. PLAN DESCRIPTION

Protective Life Corporation shareowners approved the Plan to provide retirement benefits for eligible employees of the Employer. The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Participation in the Plan is available to all eligible employees of the Employer, as defined in the Plan document.

Edgar Filing: PROTECTIVE LIFE CORP - Form 11-K

The assets of the Plan are held and invested by Fidelity Management Trust Company (the Trustee) who serves as the Trustee of the Plan. Accordingly, all investment transactions with the Trustee qualify as party-in-interest transactions. The Trustee or its affiliates also provides recordkeeping services for the Plan.

In general, full-time and part-time employees of Protective Life Corporation and its participating subsidiaries who are listed in and paid through the Company s payroll system, may enroll in the Plan as soon as administratively practicable after their date of hire. Independent contractors, employees who work for the Company through a third-party agency (such as a contracting services firm or a temporary agency) and union members (unless the collective bargaining agreement provides for participation in the Plan) are not eligible to participate.

Protective Life Corporation matches employees pre-tax and/or Roth contributions dollar-for-dollar on the first 4% of eligible pay contributed to the Plan. The Employer provides cash matching for participant contributions to the

Table of Contents

Plan. These cash matching contributions are invested according to the participants' investment elections for their pre-tax and/or Roth contributions.

Participants' Accounts/Benefits

An account is maintained for each participant in the Plan. The accounts are credited with the participants' pre-tax, Roth and rollover contributions, Employer matching contributions, and investment earnings. Distributions, withdrawals, and allocated expenses are subtracted from the account balances. Participants' vested account balances represent the benefits available to the participants upon retirement, disability, death, or termination of service.

A participant may elect to receive a lump-sum distribution equal to the vested balance of his/her account or may leave it in the Plan if the vested balance is \$1,000 or more. However, benefit payments must commence no later than April 1 following the year the participant reaches age 70½. Investment of a participant's account in Employer common stock shall be distributed in the form of a lump-sum distribution of either Employer common stock or cash as the participant (or beneficiary) elects.

Contributions

The Plan is funded by pre-tax and designated Roth participant contributions, not to exceed \$16,500 in 2011 (plus certain catch-up contributions for eligible participants), employee rollover contributions, and Employer matching contributions. Participant contributions cannot exceed 25% of total eligible employee compensation. Participant contributions made on a pre-tax basis qualify as a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code (IRC).

The Employer matches 100% of participant contributions up to a maximum of 4% of eligible employee compensation deposited to the Plan during the year.

Participating employees elect to authorize the Employer to withhold amounts from their salary and deposit the amounts, in varying percentages, into various investment options offered by the Plan. As of December 31, 2011, the Plan offered thirteen mutual funds and one collective trust fund, as well as Employer common stock, as investment options. All Employer matching contributions are made in cash and are invested according to the participants' elections.

Participant pre-tax contributions and Employer matching contributions, and earnings thereon, are not subject to Federal income tax until the funds are disbursed from the Plan. Roth contributions are subject to Federal income tax when made to the Plan, but are not subject to taxation thereafter; earnings on Roth contributions are not subject to Federal income tax when distributed from the Plan if paid as part of a qualified distribution under the IRC.

Edgar Filing: PROTECTIVE LIFE CORP - Form 11-K

All participant contributions, rollover contributions, and Employer matching contributions are fully vested at all times.

Notes Receivable from Participants

Provisions of the Plan allow participants to obtain loans based on their individual account balance. Personal loans are made for terms of twelve to sixty months at a rate of interest equal to the prime rate plus 1%. Loans to acquire a principal residence are made for terms up to 15 years. Interest earned on the loans is reinvested in the Plan. Interest rates on outstanding participant loans ranged from 4.25% to 10.50% as of December 31, 2011 and 2010.

Administrative Expenses

Administrative expenses for the Plan are paid by the Employer, except for brokerage commissions paid on Employer stock transactions, investment management fees, fees for certain specific types of transactions, and administrative participant fees through the Plan's fee sharing arrangement. Commissions paid on Employer stock fund transactions are reflected in the financial statements as either a reduction of participant contributions or reduction of proceeds on sales. Transaction fees paid by the Plan for 2011 were \$79,219, as reflected in the statement of changes in net assets available for benefits. These transaction fees are collected from the accounts of the individual participants for whom the specific transactions are executed. Beginning in 2010, the Plan implemented a fee sharing arrangement where plan participants share a portion of the administrative fees. Administrative participant fees paid by the Plan for 2011 were

Edgar Filing: PROTECTIVE LIFE CORP - Form 11-K

Table of Contents

\$97,245 and are reflected in the statement of changes in net assets available for benefits. These fees are collected from participant accounts each quarter based on the participant's status.

3. INVESTMENTS

Investment information as of December 31, 2011 and 2010 is as follows:

	Fair Value	
	2011	2010
Protective Life Corporation common stock	\$ 43,572,119	\$ 49,656,246
<u>Mutual Funds</u>		
Columbia Mid Cap Index Fund	9,618,108	8,871,998
Columbia Large Cap Index Fund	12,473,454	11,912,823
Dodge & Cox International Stock Fund	9,113,312	9,818,202
Dodge & Cox Stock Fund	14,999,870	15,960,567
Legg Mason Batterymarch Emerging Markets Fund	717,355	1,463,954
Neuberger Berman Genesis Trust	14,614,708	13,374,620
PIMCO Real Return Fund	3,482,799	1,100,254
T. Rowe Price Growth Stock Fund	12,563,708	11,808,607
T. Rowe Price Retirement 2015 Fund	2,465,216	1,714,660
T. Rowe Price Retirement 2025 Fund	3,877,020	2,541,645
T. Rowe Price Retirement 2035 Fund	2,342,463	1,461,718
T. Rowe Price Retirement 2045 Fund	1,696,834	982,778
Vanguard Total Bond Market Index Fund	5,873,618	5,700,904
Total mutual funds	93,838,465	86,712,730
<u>Collective Trust Fund</u>		
Fidelity Managed Income Portfolio II Class 1	24,310,574	22,938,521
Total investments at fair value	\$ 161,721,158	\$ 159,307,497

During the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated/(depreciated) in value as follows:

Mutual funds	\$ (4,347,345)
Collective trust fund	337,239
Protective Life Corporation common stock	(7,107,451)
	\$ (11,117,557)

The following is a summary of assets held in excess of 5% of the Plan's net assets available for benefits as of December 31, 2011 and 2010:

	2011	2010
Protective Life Corporation common stock		

Edgar Filing: PROTECTIVE LIFE CORP - Form 11-K

(1,928,465 and 1,863,900 shares, respectively)	\$	43,572,119	\$	49,656,246
Columbia Mid Cap Index Fund		9,618,108		8,871,998
Columbia Large Cap Index Fund		12,473,454		11,912,823
Dodge & Cox International Stock Fund		9,113,312		9,818,202
Dodge & Cox Stock Fund		14,999,870		15,960,567
Neuberger Berman Genesis Trust		14,614,708		13,374,620
T. Rowe Price Growth Stock Fund		12,563,708		11,808,607
Fidelity Managed Income Portfolio II Class 1, at contract value		23,721,747		22,711,996

Table of Contents

4. INCOME TAX STATUS

The Plan received a favorable determination letter from the Internal Revenue Service (IRS) dated April 4, 2008, related to the Plan Document. In January 2012, the Plan filed for a new determination letter but has not yet received a response from the IRS.

The Plan's administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and therefore, the Plan, including amendments, continues to qualify under Section 401(a) and the related trust continues to be tax-exempt as of December 31, 2011 and 2010. Therefore, no provision for income taxes is included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2003.

5. TERMINATION PRIORITIES

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the plan subject to the provisions of ERISA. In the event the Plan is terminated, the amount of each participant's account balance becomes fully vested and shall not thereafter be subject to forfeiture. Any asset not required to be distributed to participants will be returned to the Employer.

6. RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of stocks, mutual funds, collective trust funds, and other investment securities. Generally, all investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances, the amounts reported in the statements of net assets available for benefits, and the amounts reported in the statement of changes in net assets available for benefits.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

Edgar Filing: PROTECTIVE LIFE CORP - Form 11-K

	As of December 31,	
	2011	2010
Net assets available for benefits per the financial statements	\$ 166,138,132	\$ 163,766,439
Amounts allocated to withdrawing participants	(7,225)	(12,996)
Fair value adjustment	588,827	226,525
Net assets available for benefits per Form 5500	\$ 166,719,734	\$ 163,979,968

Edgar Filing: PROTECTIVE LIFE CORP - Form 11-K

Table of Contents

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to the Form 5500:

	For The Year Ended December 31, 2011
Net increase per the financial statements	\$ 2,371,693
Change in adjustment from contract value to fair value for investment in fully benefit-responsive contract	362,302
Change in amounts allocated to withdrawing participants	5,771
Net increase per Form 5500	\$ 2,739,766

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	For The Year Ended December 31, 2011
Benefits paid to participants per the financial statements	\$ 13,005,978
Add: Amounts allocated to withdrawing participants at December 31, 2011	7,225
Less: Amounts allocated to withdrawing participants at December 31, 2010	(12,996)
Benefits paid per Form 5500	\$ 13,000,207

8. FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the Codification provides a definition of fair value that focuses on an exit price rather than an entry price, establishes a framework for measuring fair value which emphasizes that fair value is a market-based measurement and not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with the Fair Value Measurements and Disclosures Topic, the Plan may use valuation techniques consistent with the market, income, and cost approaches to measure fair value.

To increase consistency and comparability in fair value measurement and related disclosures, the Plan utilizes the fair value hierarchy required by the Fair Value Measurements and Disclosures Topic which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 Quoted prices in active markets for identical debt and equity securities.
- Level 2 Prices determined using other significant observable inputs that other market participants would use in pricing a security, including quoted prices for similar securities.

Edgar Filing: PROTECTIVE LIFE CORP - Form 11-K

- Level 3 Prices determined using significant unobservable inputs. Unobservable inputs reflect the Plan's own assumptions about the factors that other market participants would use in pricing an investment that would be based on the best information available in the circumstances.

There have been no changes in the valuation methodologies used at December 31, 2011 and 2010 to value the Plan's assets at fair value, a summary of which is as follows:

Mutual funds are valued at the Net Asset Value of shares held by the Plan at year end.

The collective trust fund is valued at the unit value, which approximates fair value, as reported by the trustee of the collective trust fund on each valuation date. The fund does not, to the best of our knowledge, have any unfunded commitments. It has daily liquidity with trades settling between one and three days and is fully benefit responsive to participant transactions at the measurement date.

The Protective Life Corporation common stock is valued based on the closing price of the common stock as quoted on the NASDAQ Global Select Market.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are

Edgar Filing: PROTECTIVE LIFE CORP - Form 11-K

Table of Contents

appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

2011	Level 1	Level 2	Level 3	Total
Mutual funds				
Index funds	\$ 22,091,562	\$	\$	22,091,562
Bond funds	9,356,417			9,356,417
Growth funds	42,178,286			42,178,286
Balanced funds	10,381,533			10,381,533
International funds	9,830,667			9,830,667
Employer common stock	43,572,119			43,572,119
Collective trust fund				
Income/Bond fund		24,310,574		24,310,574
Total assets at fair value	\$ 137,410,584	\$ 24,310,574	\$	161,721,158

For the year ended December 31, 2011, there were no transfers between levels.

2010	Level 1	Level 2	Level 3	Total
Mutual funds				
Index funds	\$ 20,784,821	\$	\$	20,784,821
Bond funds	6,801,158			6,801,158
Growth funds	41,143,794			41,143,794
Balanced funds	6,700,801			6,700,801
International funds	11,282,156			11,282,156
Employer common stock	49,656,246			49,656,246
Collective trust fund				
Income/Bond fund		22,938,521		22,938,521
Total assets at fair value	\$ 136,368,976	\$ 22,938,521	\$	159,307,497

During 2010, the Plan liquidated the remaining assets that were invested in the Level 2 Northern Trust funds. The balance was automatically mapped to the corresponding Level 1 fund already offered in the Plan as described below:

Northern Trust Funds	Fidelity Offered Funds	Amount Transferred
Northern S&P 500 Index Fund	Columbia Large Cap Index Fund	\$ 6,936,975
Northern Aggregate Bond Index Fund	Vanguard Total Bond Market Index Fund	2,403,645
Northern Russell 3000 Index Fund	Columbia Large Cap Index Fund	1,349,467
Northern Midcap S&P 400 Index Fund	Columbia Mid Cap Index Fund	5,027,673

For the year ended December 31, 2010, there were no other transfers between levels.

9. RELATED PARTY TRANSACTIONS

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan, including the Company. The Plan invests in shares of mutual funds or a commingled trust fund managed by an affiliate of the Trustee. The Plan invests in common stock of the Company and issues loans to participants, which are collateralized by the balances in the participants' accounts. During the year ended December 31, 2011, the Plan purchased 412,967 units of Protective Life Corporation Common Stock for \$7,331,748 and disposed of 348,199 units for \$7,821,754. A quarterly dividend of \$0.14 per share was declared and paid by the Company during the first quarter of

Table of Contents

2011 and quarterly dividends of \$0.16 per share were declared and paid by the Company on various dates throughout the remainder of the year. The Plan received \$1,166,748 in dividend payments related to the common stock of the Company for the year ended December 31, 2011. These transactions qualify as party-in-interest transactions.

Fidelity Management Trust Company is the Trustee of all the assets of the Plan and is considered to be a party-in-interest with respect to the Plan. Fees incurred by the Plan to the Trustee amounted to \$176,464 for the year ended December 31, 2011.

10. SUBSEQUENT EVENTS

Management has evaluated the effects of events subsequent to December 31, 2011, and noted no items requiring adjustment of the financial statements or additional disclosures.

Table of Contents

SUPPLEMENTAL SCHEDULE

Table of Contents**PROTECTIVE LIFE CORPORATION 401(k) and STOCK OWNERSHIP PLAN****EIN 95-2492236 Plan 003****SUPPLEMENTAL SCHEDULE I****SCHEDULE H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)****December 31, 2011**

a.	b. Identity of Issue Borrower, Lessor, or Similar Party	c. Description of Investments			d. Cost	e. Current Value
*	Protective Life Corporation	Common Stock	1,928,465	shares	A	\$ 43,572,119
	Columbia Mid Cap Index Fund	Mutual Fund	901,392	shares	A	9,618,108
	Columbia Large Cap Index Fund	Mutual Fund	513,706	shares	A	12,473,454
	Dodge & Cox International Stock Fund	Mutual Fund	311,666	shares	A	9,113,312
	Dodge & Cox Stock Fund	Mutual Fund	147,578	shares	A	14,999,870
	Legg Mason Batterymarch Emerging Markets Fund	Mutual Fund	38,137	shares	A	717,355
	Neuberger Berman Genesis Trust	Mutual Fund	303,210	shares	A	14,614,708
	PIMCO Real Return Fund	Mutual Fund	295,403	shares	A	3,482,799
	T. Rowe Price Growth Stock Fund	Mutual Fund	394,703	shares	A	12,563,708
	T. Rowe Price Retirement 2015 Fund	Mutual Fund	212,886	shares	A	2,465,216
	T. Rowe Price Retirement 2025 Fund	Mutual Fund	333,958	shares	A	3,877,020
	T. Rowe Price Retirement 2035 Fund	Mutual Fund	200,896	shares	A	2,342,463
	T. Rowe Price Retirement 2045 Fund	Mutual Fund	153,838	shares	A	1,696,834
	Vanguard Total Bond Market Index Fund	Mutual Fund	533,965	shares	A	5,873,618
		Collective Trust			A	
*	Fidelity Managed Income Portfolio II Class 1	Fund	24,310,574	shares	A	24,310,574
*	Notes receivable from participants	Loans, various maturities and interest rates ranging from 4.25% to 10.50%			A	5,043,834
						\$ 166,764,992

Table of Contents

SIGNATURE PAGE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PROTECTIVE LIFE CORPORATION
401(k) AND STOCK OWNERSHIP PLAN

BY: PROTECTIVE LIFE CORPORATION
RETIREMENT COMMITTEE
(Plan Administrator)

By: /s/ Steven G. Walker
Steven G. Walker

Date: June 26, 2012