

PROTECTIVE LIFE CORP
Form 10-Q
November 06, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-Q

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2015

or

o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 001-11339

PROTECTIVE LIFE CORPORATION

(Exact name of registrant as specified in its charter)

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DELAWARE

(State or other jurisdiction of incorporation or organization)

95-2492236

(IRS Employer Identification Number)

2801 HIGHWAY 280 SOUTH

BIRMINGHAM, ALABAMA 35223

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code **(205) 268-1000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated Filer

Non-accelerated filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Number of shares of Common Stock, \$0.01 Par Value, outstanding as of October 29, 2015: 1,000

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FOR QUARTERLY PERIOD ENDED SEPTEMBER 30, 2015

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PROTECTIVE LIFE CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(Unaudited)

	Successor Company			Predecessor Company		
	For The Three	February 1, 2015	January 1, 2015	For The Three	For The Nine	
	Months Ended	to	to	Months Ended	Months Ended	
	September 30, 2015	September 30, 2015	January 31, 2015	September 30, 2014	September 30, 2014	
	(Dollars In Thousands)			(Dollars In Thousands, Except Per Share Amounts)		
Revenues						
Premiums and policy fees	\$ 797,741	\$ 2,138,837	\$ 261,866	\$ 759,038	\$ 2,426,736	
Reinsurance ceded	(306,774)	(793,419)	(89,956)	(277,136)	(947,817)	
Net of reinsurance ceded	490,967	1,345,418	171,910	481,902	1,478,919	
Net investment income	440,620	1,165,783	175,180	558,174	1,647,153	
Realized investment gains (losses):						
Derivative financial instruments	(74,590)	53,654	(123,274)	3,781	(191,495)	
All other investments	5,348	(132,045)	81,153	1,194	153,456	
Other-than-temporary impairment losses	(14,906)	(28,301)	(636)	(1,142)	(2,026)	
Portion recognized in other comprehensive income (before taxes)	4,842	12,503	155	(1,212)	(3,379)	
Net impairment losses recognized in earnings	(10,064)	(15,798)	(481)	(2,354)	(5,405)	
Other income	108,312	284,669	36,421	105,389	311,359	
Total revenues	960,593	2,701,681	340,909	1,148,086	3,393,987	
Benefits and expenses						
Benefits and settlement expenses, net of reinsurance ceded: (2015 Successor - \$266,287 and \$687,238); (2015 Predecessor - \$87,674; 2014 Predecessor - three months: \$217,641; nine months: \$851,028)	676,181	1,857,086	267,287	630,285	2,106,620	
Amortization of deferred policy acquisition costs and value of business acquired	8,722	76,713	4,072	134,918	242,031	
Other operating expenses, net of reinsurance ceded: (2015 Successor - \$49,717 and \$134,494) (2015 Predecessor - \$35,036; 2014 Predecessor - three months: \$49,196; nine months: \$139,507)	188,430	490,885	68,368	198,000	573,038	
Total benefits and expenses	873,333	2,424,684	339,727	963,203	2,921,689	
Income before income tax	87,260	276,997	1,182	184,883	472,298	
Income tax expense (benefit)	26,853	89,889	(327)	65,974	161,773	
Net income	\$ 60,407	\$ 187,108	\$ 1,509	\$ 118,909	\$ 310,525	
Net income - basic			\$ 0.02			