

PROTECTIVE LIFE CORP
Form 424B4
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Prospectus Supplement to Prospectus dated January 12, 2005.

\$200,000,000

Protective Life Corporation

7.25% Capital Securities due 2066

This is an offering by Protective Life Corporation of \$200,000,000 of its 7.25% Capital Securities due 2066, which we refer to as "subordinated debt securities" in the accompanying base prospectus and as the "capital securities" in this prospectus supplement. The capital securities are junior subordinated debentures issued by Protective Life Corporation under a subordinated indenture. Interest on the capital securities will accrue from the issue date until maturity at a fixed rate equal to 7.25% per year. Such fixed interest rate on the capital securities will be payable in arrears quarterly on March 31, June 30, September 30 and December 31 of each year, commencing on September 30, 2006, subject to our right or, in certain circumstances, requirement to defer interest payments as described in this prospectus supplement under "Description of the Capital Securities."

We may redeem the capital securities in whole or in part at their aggregate principal amount, together with any accrued and unpaid interest, on or after June 30, 2011, for cash in an amount equal to 100% of the principal amount of the capital securities to be redeemed, plus accrued and unpaid interest, together with any compounded interest, on the capital securities to the date of redemption, which amount we refer to as the "par redemption amount".

Prior to June 30, 2011, we may redeem the capital securities in whole, but not in part, and only upon the occurrence of a "tax event," as defined in this prospectus supplement, for cash in an amount equal to the par redemption amount. See "Description of the Capital Securities Redemption."

The capital securities will be issued in denominations of \$25 and integral multiples of \$25, will be our junior subordinated unsecured obligations and will rank junior to our existing senior indebtedness, as defined in this prospectus supplement, and any other senior indebtedness that we or any of our subsidiaries incur in the future.

As further described in this prospectus supplement, if we have optionally deferred interest payments for a period of more than five consecutive years or if we have failed to satisfy certain financial tests, which failure we refer to as a "trigger event," and such failure continues for more than one year, we will be required to make commercially reasonable efforts to sell common stock and to pay interest on the capital securities only from the net proceeds of those sales. An event of default will occur if non-payment of interest, due to an optional deferral or otherwise, continues for 10 consecutive years without all accrued and unpaid interest (including compounded interest) having been paid in full. In certain events of our bankruptcy, insolvency or receivership prior to the maturity or redemption of any capital securities, whether voluntary or not, a holder of capital securities will have no claim for interest that is unpaid as a result of certain consequences of a trigger event (including compounded interest thereon) and has not been settled through the application of the alternative coupon satisfaction mechanism (as described herein) to the extent the amount of such interest exceeds 25% of the then outstanding principal amount of such holder's capital securities. The capital securities will not be subject to redemption at the option of the holder or to any sinking fund payments.

We have applied to list the capital securities on the New York Stock Exchange under the symbol "PLPrD". Trading of the capital securities on the New York Stock Exchange is expected to commence within 30 days of the date of the initial delivery of the capital securities.

See "Risk Factors" beginning on page S-8 of this prospectus supplement to read about important factors you should consider before buying the capital securities.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.

Total

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	Per Capital Security	_____
Initial public offering price(1)	\$25.00	\$200,000,000
Underwriting discounts and commissions(2)	\$0.78	\$6,242,500
Proceeds, before expenses, to Protective(1)	\$24.22	\$193,757,500

- (1) The initial public offering prices set forth above do not include accrued interest, if any. Interest on the capital securities will accrue from July 3, 2006 and must be paid by the purchasers if the capital securities are delivered after such date.
- (2) Protective will pay total underwriting commissions of \$6,242,500, which is \$0.78 per capital security on average: For resales to retail investors, the underwriting commission will be \$0.7875 per capital security, and for resales to certain institutions, the underwriting commission will be \$0.50 per capital security.

The underwriters expect to deliver the capital securities in book-entry form only through the facilities of The Depository Trust Company on or about July 3, 2006.

Joint Bookrunners

Goldman, Sachs & Co.

(Sole Structuring Coordinator)

Merrill Lynch & Co.

Wachovia Securities

Senior Co-Managers

Citigroup

Morgan Stanley

UBS Investment Bank

Prospectus Supplement dated June 28, 2006.

FORWARD-LOOKING INFORMATION

This prospectus supplement, the accompanying base prospectus and any pricing supplement and the information incorporated by reference in such documents may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that reflect Protective's current view with respect to future events and financial performance. The words "believe", "expect", "estimate", "project", "budget", "forecast", "anticipate", "plan", and similar expressions identify forward-looking statements which are based on future expectations rather than on historical facts and are therefore subject to a number of risks and uncertainties, and neither Protective nor any of its agents can give assurance that such statements will prove to be correct. You should not place undue reliance on these forward-looking statements, which speak only as of their dates. Protective and its agents shall not undertake any obligation to update or review forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events, or changes to projections over time.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of capital securities and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus. The second part, the accompanying base prospectus, gives more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying base prospectus, the information contained in this prospectus supplement prevails.

You should rely only on information contained in this prospectus supplement and the accompanying base prospectus or information to which we have referred you. No one has been authorized to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Protective is not, and any of its agents are not, making an offer to sell the securities in any jurisdiction where the offer to sell the securities is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying base prospectus, as well as information we previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate as of the date on the front cover of those respective documents only. Protective's business, financial condition, results of operations and prospects may have changed since the respective dates of those documents.

Unless otherwise indicated, or the context otherwise requires, references in this prospectus supplement and the accompanying base prospectus to "Protective," "we," "us" and "our" or similar terms are to Protective Life Corporation, without its subsidiaries.

SUMMARY

The following summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this prospectus supplement and in the accompanying base prospectus.

Protective

Protective is a holding company whose subsidiaries provide financial services through the production, distribution and administration of insurance and investment products. Protective had consolidated revenues of \$2.1 billion for the year ended December 31, 2005, and \$593 million for the three-month period ended March 31, 2006. As of March 31, 2006, Protective had consolidated assets of \$28.9 billion. Protective Life Insurance Company, founded in 1907, is our principal operating subsidiary. Our principal executive offices are located at 2801 Highway 280 South, Birmingham, Alabama 35223, and our telephone number is (205) 268-1000.

Recent Developments

On February 7, 2006, Protective Life Insurance Company signed a definitive agreement to acquire from JPMorgan Chase & Co. the stock of five life insurance companies that manufacture and distribute traditional life insurance and annuities products and four related non-insurance companies (together, the "Chase Insurance Group"). The transaction is subject to certain regulatory approvals (which have been obtained) and is currently expected to close during the third quarter of 2006. We provide a more detailed description of the acquisition of the Chase Insurance Group under "Acquisition of the Chase Insurance Group," "Selected Historical Financial Data of the Chase Insurance Group" and "Unaudited Pro Forma Condensed Combined Financial Information" in this prospectus supplement.

The Offering

Issuer	Protective Life Corporation.
Securities	7.25% Capital Securities due 2066 (the "capital securities"). The capital securities will be junior subordinated debentures which we will issue under our Subordinated Indenture dated as of June 1, 1994 between us and The Bank of New York (as successor to AmSouth Bank, N.A.), as subordinated indenture trustee, as supplemented by a Supplemental Indenture between us and the subordinated indenture trustee. The capital securities will be issued in denominations of \$25 principal amount and integral multiples of \$25.
Aggregate Principal Amount	\$200,000,000.
Maturity Date	The capital securities will mature on June 30, 2066.
Interest	Subject to certain requirements during any optional deferral period or following a trigger event, as described below, interest on the capital securities will accrue from the issue date to but not including the maturity date or earlier redemption at an annual rate of 7.25%, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on September 30, 2006.

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Use of Proceeds	<p>We estimate that, after deducting expenses and underwriting discounts and commissions, our net proceeds from this offering will be approximately \$193,057,500. We anticipate that we will contribute a majority of the net proceeds from this offering to Protective Life Insurance Company to finance a portion of the purchase price of its pending acquisition of the Chase Insurance Group and use the balance of the net proceeds for general corporate purposes.</p>
Ratings	<p>Moody's: Baa2 (Stable)Fitch: BBB+(Stable)</p> <p>Standard & Poor's: BBB (Stable)A.M. Best: bbb+(Stable)</p> <p>An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The rating of the capital securities should be evaluated independently from similar ratings of other securities. A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
Redemption	<p>We may redeem the capital securities on or after June 30, 2011, in whole or in part at a cash redemption price equal to the par redemption amount, as defined herein. However, if the capital securities are not redeemed in whole, we may not effect such redemption unless at least \$50 million aggregate principal amount of the capital securities, excluding any capital securities held by us or any of our affiliates, remains outstanding after giving effect to such redemption.</p> <p>Additionally, we may, at our option, redeem the capital securities prior to June 30, 2011, if a "tax event" has occurred, as defined herein. Such redemption must be in whole and not in part at a cash redemption price equal to the par redemption amount. See "Description of the Capital Securities Redemption."</p>
Capital Replacement	<p>We intend that, to the extent that the capital securities provide us with equity credit at the time of repayment at maturity or earlier redemption, we will repay the principal amount of the capital securities at maturity or upon such redemption with amounts that include net proceeds received by us from the sale or issuance, during the 180-day period prior to the date of maturity or redemption, as the case may be, by us or our subsidiaries to third-party purchasers, other than a subsidiary, of securities, for which we will receive equity credit, at the time of sale or issuance, that is equal to or greater than the equity credit attributed to the capital securities at the time of such repayment or redemption.</p>

Optional Deferral

So long as no event of default with respect to the capital securities or trigger event, as described below, has occurred and is continuing, we may elect to defer one or more interest payments on the capital securities at any time and from time to time for up to five years. During that five-year period, we may pay deferred interest out of any source of funds. Deferred interest will continue to accrue and compound quarterly to the extent permitted by applicable law, at the rate of interest. If interest remains unpaid after five years of optional deferral, the alternative coupon satisfaction mechanism described below in this summary under "Alternative Coupon Satisfaction Mechanism" will apply, with the consequence, among others, that we must (except upon an event of default with respect to the capital securities) make commercially reasonable efforts to sell common stock to satisfy our interest payment obligations. If such efforts are successful, we must pay optionally deferred interest out of the net proceeds from the sale of common stock on the next succeeding interest payment date following such five-year period, but we cannot pay such optionally deferred interest from sources other than the net proceeds from the sale of common stock. Additionally, during any optional deferral period the restrictions on payment by us of dividends and other distributions on capital stock described below in this summary under "Payment Restrictions" will apply. An event of default will occur if non-payment of interest, due to an optional deferral or otherwise, continues for 10 consecutive years without all accrued and unpaid interest (including compounded interest) having been paid in full.

Upon the termination of any optional deferral period and the payment of all amounts then due, we may commence a new optional deferral period, subject to the above requirements. There is no limit to the number of such new optional deferral periods that we may begin. See "Description of the Capital Securities - Optional Deferral of Interest."

Trigger Event

If we fail to meet the capital adequacy or net income and shareholders' equity levels specified under "Description of the Capital Securities - Trigger Event" as of any interest payment date, a "trigger event" will have occurred. A "trigger period" is a period commencing upon the occurrence of a trigger event and continuing until the first interest payment date thereafter on which payment of interest is not restricted because of the occurrence of a trigger event. The subordinated indenture provides that if as of an interest payment date (and regardless of whether a notice of an optional deferral has been delivered) a trigger event has occurred and a trigger period caused thereby is continuing, the alternative coupon satisfaction mechanism described in this summary under "Alternative Coupon Satisfaction Mechanism" will apply.

Any interest that is accrued and unpaid during a period when a trigger event has occurred and a trigger period caused thereby is continuing will continue to accrue and compound quarterly, to the extent permitted by applicable law, at the rate of interest applicable to the capital securities, and the restrictions on payment by us of dividends and other distributions on capital stock described below in this summary under "Payment Restrictions" will apply. For more information, see "Description of the Capital Securities - Trigger Event" and "Consequences of a Trigger Event."

Alternative Coupon Satisfaction Mechanism

On any interest payment date during the period commencing upon the occurrence of a trigger event and continuing until the related trigger period is no longer continuing (regardless of whether notice of an optional deferral has been delivered), we may satisfy our obligation to pay interest on the capital securities only to the extent of net proceeds from the sale of common stock received by us during the 180 days prior to such interest payment date (and designated by Protective at or before the time of such sale as available to pay interest on the capital securities) or received by us after such interest payment date, and we may not pay interest on any such interest payment date (other than interest that had accrued during an optional deferral period of less than five years and prior to the occurrence of a trigger event, which may remain unpaid or be paid out of any source of funds) except to the extent of such net proceeds from the sale of common stock.

If:

we have optionally deferred interest payments otherwise due on the capital securities for a period of more than five years, or

a trigger event has occurred and the related trigger period has continued for more than one year (regardless of whether notice of an optional deferral has been delivered), then we must make commercially reasonable efforts to satisfy our obligation to pay interest in full on the capital securities (subject to the limitations described below)

by selling common stock, the sale of which will provide a cash amount to be paid to the holders of the capital securities in satisfaction of accrued and unpaid interest, together with any compounded interest. Such obligation will continue until all unpaid interest has been paid in full (subject to the limitations described below). Our obligation to make commercially reasonable efforts to sell common stock to satisfy our obligation to pay interest is subject to market disruption events (as defined herein), does not apply to interest that has accrued during an optional deferral period of less than five years or during the first year after occurrence of a trigger event, and does not apply if an event of default with respect to the capital securities has occurred and is continuing. The net proceeds received by us from the sale of common stock (i) during the 180 days prior to any interest payment date on which we are required to use the alternative coupon satisfaction mechanism and (ii) designated by us at or before the time of such sale as available to pay interest on the capital securities will, at the time such proceeds are delivered to the subordinated indenture trustee to satisfy the relevant interest payment, be deemed to satisfy our obligations to pay interest on the capital securities pursuant to the alternative coupon satisfaction mechanism.

Payment Restrictions

On any date on which accrued interest through the most recent interest payment date has not been paid in full, whether because of an optional deferral, the consequences of a trigger event or otherwise, we will not declare or pay any dividends or any distributions on, or make any payments of interest, principal or premium, or any guarantee payments on, or redeem, purchase, acquire or make a liquidation payment on, any of our capital stock, debt securities that rank equal or junior to the capital securities or guarantees that rank equal or junior to the capital securities, other than pro rata payments on debt securities and guarantees that rank equally with the capital securities and except for certain exceptions detailed in "Description of the Capital Securities - Certain Restrictions during Optional Deferral Periods or Following a Trigger Event."

Subordination

The payment of principal of and interest on the capital securities, to the extent provided in the subordinated indenture, will be subordinated to the prior payment in full of all present and future senior indebtedness, as described in "Description of the Capital Securities - Subordination," and will be effectively subordinated to all indebtedness of our subsidiaries.

The subordinated indenture places no limitation on the amount of additional senior indebtedness that we may incur. We expect from time to time to incur additional indebtedness constituting senior indebtedness.

Limitation on Claims in the Event of Our Bankruptcy, Insolvency or Receivership

In certain events of our bankruptcy, insolvency or receivership prior to the maturity or redemption of any capital securities, whether voluntary or not, a holder of capital securities will have no claim for, and thus no right to receive, interest that is unpaid as a result of certain consequences of a trigger event (including compounded interest thereon) and has not been settled through the application of the alternative coupon satisfaction mechanism to the extent the amount of such interest exceeds 25% of the then outstanding principal amount of such holder's capital securities.

Events of Default

The subordinated indenture will provide the following events of default with respect to the capital securities:

default for 30 calendar days in the payment of any interest on the capital securities when it becomes due and payable (whether or not such payment is prohibited by the subordination provisions); however, a default under this provision will not arise if we have properly deferred the interest in connection with an optional deferral period or when the alternative coupon satisfaction mechanism applies;

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any non-payment of interest, whether due to an optional deferral, during a trigger period or otherwise, that continues for 10 consecutive years without all accrued and unpaid interest (including compounded interest) having been paid in full;

default in the payment of the principal of, and premium, if any, on the capital securities when due; or

certain events of bankruptcy, insolvency, or receivership, whether voluntary or not.

The subordinated indenture does not include as an event of default failure to comply with covenants, including the alternative coupon satisfaction mechanism.

Material U.S. Federal Income Tax Consequences

A holder will generally take into account interest on the capital securities at the time it is accrued or received, in accordance with such holder's method of accounting for U.S. federal income tax purposes. During any deferral period, a holder will be required to include interest in income as it accrues, regardless of such holder's method of accounting for U.S. federal income tax purposes, using a constant yield method. Consequently, holders of capital securities would be required to include interest in income even though no cash payments would be made during the deferral period. See "Material U.S. Federal Income Tax Consequences."

Form

The capital securities will be represented by one or more global securities registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Beneficial interests in the capital securities will be evidenced by, and transfers thereof will be effected only through, records maintained by the participants in DTC.

Trustee and Principal Paying Agent

The Bank of New York.

Governing Law

New York.

Listing

We have applied to list the capital securities on the New York Stock Exchange under the symbol "PLPrD". Trading of the capital securities on the New York Stock Exchange is expected to commence within 30 days of the date of the initial delivery of the capital securities. You should be aware that the listing of the capital securities will not necessarily ensure that an active trading market will be available for the capital securities or that you will be able to sell your capital securities at the price you originally paid for them.

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RISK FACTORS

Your investment in the capital securities will involve certain risks described below. However, this prospectus supplement and the accompanying base prospectus do not describe all of the risks involving an investment in securities of Protective. You should also read the Risk Factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2005 and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006. You should note, however, that the business, financial condition, results of operations and prospects of Protective may have changed since the respective dates of those reports.

In consultation with your own financial and legal advisors, you should carefully consider the information included in or incorporated by reference in this prospectus supplement and the accompanying base prospectus, and pay special attention to the following discussion of risks before deciding whether an investment in the securities is suitable for you. The capital securities will not be an appropriate investment for you if you are not knowledgeable about significant features of the securities or financial matters in general. You should not purchase the capital securities unless you understand, and know that you can bear, these investment risks.

Risks Related to the Ownership of the Capital Securities

We may elect to defer interest payments on the capital securities.

So long as no event of default with respect to the capital securities or trigger event, as described below, has occurred and is continuing, we may elect to defer one or more interest payments on the capital securities at any time and from time to time for up to five years. During that five-year period, we may pay deferred interest out of any source of funds. If interest remains unpaid after five years of optional deferral, the alternative coupon satisfaction mechanism described below under "Description of the Capital Securities – Alternative Coupon Satisfaction Mechanism" will apply, with the consequences, among others, that we must (except upon an event of default with respect to the capital securities) make commercially reasonable efforts to sell common stock as described under "Description of the Capital Securities – Alternative Coupon Satisfaction Mechanism" and may pay optionally deferred interest only out of the net proceeds from the issuance of common stock. Additionally, during any optional deferral period the restrictions on payment by us of dividends and other distributions on capital stock as described under "Description of the Capital Securities – Certain Restrictions during Optional Deferral Periods or Following a Trigger Event" will apply. An event of default will occur if non-payment of interest, due to an optional deferral or otherwise, continues for 10 consecutive years without all accrued and unpaid interest (including compounded interest) having been paid in full. Upon termination of any optional deferral period and the payment of all amounts then due, we may commence a new optional deferral period, subject to certain requirements. There is no limit to the number of such new optional deferral periods that we may begin. See "Description of the Capital Securities – Optional Deferral of Interest." Holders of the capital securities are subject to the risk that we will not be able to pay the capital securities following deferral, or that such payments, if made, will not adequately compensate them for not having been paid on the interest payment dates.

We will be required to pay interest on the capital securities with proceeds from the issuance of common stock if we fail to achieve specified capital adequacy or net income and shareholders' equity levels.

If we fail to achieve specified capital adequacy or net income and shareholders' equity levels, a trigger event will occur and, if it continues for more than one year, we will only be able to make interest payments in accordance with the alternative coupon satisfaction mechanism, as described under "Description of the Capital Securities – Alternative Coupon Satisfaction Mechanism."

We may not be able to sell common stock when and in the amount necessary to pay interest on the capital securities.

Our ability to raise proceeds by issuing common stock after five years of optional deferral or a trigger period continuing more than one year will depend on, among other things, market conditions at the time, the acceptability to prospective investors of the terms of the common stock issued, our financial performance and a variety of other factors beyond our control, including our ability to obtain any required consents or approvals, such as any corporate, stockholder, governmental or regulatory authorization that may be required. Accordingly, there could be circumstances in which we would wish to or be required to pay interest on the capital securities and sufficient cash is available for that purpose, but we cannot do so because we have not been able to obtain proceeds from sales of common stock sufficient for that purpose. For example, we will not be obligated to make commercially reasonable efforts to satisfy our obligation to pay all unpaid interest on the capital securities by selling common stock up to our shares available for issuance when the alternative coupon satisfaction mechanism applies if a market disruption event has occurred and for so long as it continues, as described under "Description of the Capital Securities - Alternative Coupon Satisfaction Mechanism." Additionally, if the number of shares of our common stock necessary to raise sufficient proceeds to pay all unpaid interest would exceed our shares available for issuance as defined under that caption and consent of our shareholders to increase the amount of our authorized shares has not been obtained (our having used commercially reasonable efforts to obtain such consent) then no breach of our obligations under the alternative coupon satisfaction mechanism will occur by reason of our failure to sell common stock to raise sufficient proceeds to satisfy our obligation to pay unpaid interest.

Holders of the capital securities have limited rights to accelerate payments of the amounts due under the capital securities.

Holders of the capital securities may accelerate payment of the capital securities only upon the occurrence and continuation of the following events:

default for 30 calendar days in the payment of any interest on the capital securities when it becomes due and payable (whether or not such payment is prohibited by the subordination provisions); however, a default under this provision will not arise if we have properly deferred the interest in connection with an optional deferral period, or when the alternative coupon satisfaction mechanism applies;

any non-payment of interest, whether due to an optional deferral, during a trigger period or otherwise, that continues for 10 consecutive years without all accrued and unpaid interest (including compounded interest) having been paid in full;

default in the payment of the principal of, and premium, if any, on the capital securities when due; or

certain events of bankruptcy, insolvency or receivership, whether voluntary or not.

A failure to comply with or breach of our other covenants in the subordinated indenture with respect to the capital securities (an "other covenant default"), including the covenants to sell common stock through the alternative coupon satisfaction mechanism to meet certain interest payment obligations, and to use our commercially reasonable efforts to seek consent of our shareholders to increase the number of our authorized shares of common stock if, at any date, our shares available for issuance will fall below the amount specified under "Description of the Capital Securities - Alternative Coupon Satisfaction Mechanism" will not result in the acceleration of payment of the capital securities. Although an other covenant default will not constitute an event of default, it will otherwise constitute a default under the subordinated indenture and could give rise to a claim against us relating to the specific breach; however, the remedy of holders of the capital securities may be limited to direct monetary damages (if any).

The aftermarket price of the capital securities may be discounted significantly if we defer interest payments or we are unable to pay interest.

If we defer interest payments on the capital securities due to an optional deferral or we are unable to pay interest as a result of an optional deferral period of more than five years or certain consequences of a trigger event, you may be unable to sell your capital securities at a price that reflects the value of deferred amounts. To the extent a trading market develops for the capital securities, that market may not continue during such a deferral period or following a trigger event, or during periods in which investors perceive that there is a likelihood of a deferral or a trigger event, and you may be unable to sell capital securities at those times, either at a price that reflects the value of required payments under the capital securities or at all.

An active after-market for the capital securities may not develop.

The capital securities constitute a new issue of securities with no established trading market. We cannot assure you that an active after-market for the capital securities will develop or be sustained or that holders of the capital securities will be able to sell their capital securities at favorable prices or at all. Although the underwriters have indicated to us that they intend to make a market in the capital securities, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue any such market-making at any time without notice. Further, while we intend to list the capital securities on the New York Stock Exchange, listing of the capital securities will not necessarily ensure that an active trading market will be available. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the capital securities.

A classification by the National Association of Insurance Commissioners ("NAIC") may impact U.S. insurance investors and the value of the capital securities.

The Securities Valuation Office (the "SVO") of the NAIC may from time to time classify securities in U.S. insurers' portfolios as either debt, preferred equity or common equity instruments. Under the written guidelines outlined by the SVO, it is not always clear which securities classify as debt, preferred equity or common equity or which features are specifically relevant in making this determination. We understand that the SVO is currently reviewing a number of securities for classification, some of which may have structural features similar to the capital securities offered hereby. We also are aware of several securities that have some features similar to the capital securities offered hereby and that the SVO, either definitively or preliminarily, has classified as common equity. In addition, on June 12, 2006, a task force of the NAIC determined that it would continue to review its classification of hybrid securities. For these reasons, there is a risk that the capital securities may be classified as common equity. The NAIC classification of an investment directly affects U.S. insurance company investors because it affects the capital required for such investment by such investors, but it is not determinative in any way in respect of other tax, accounting or legal considerations for investors generally. If the NAIC were to classify the capital securities as common equity, the willingness of U.S. insurance investors to hold the capital securities could be reduced, which in turn could reduce the price of the capital securities in any available after-market. As of the date hereof, the NAIC has not provided a view on the classification of the capital securities. There can be no assurance of the classification that the SVO will initially assign to the capital securities or that the capital securities will not be negatively reclassified by the SVO thereafter.

Interest payments on the capital securities may be deferred or delayed because of a market disruption event when the alternative coupon satisfaction mechanism applies and, in such case, holders of the capital securities will be required to recognize income for U.S. federal income tax purposes in advance of the receipt of cash attributable to such income.

If interest payments on the capital securities are deferred or delayed because of a market disruption event when the alternative coupon satisfaction mechanism applies, each holder will thereafter be required to accrue interest income in respect of the capital securities for U.S. federal income tax purposes using a constant yield method, regardless of such holder's method of accounting for such purposes, before such holder receives any cash payment attributable to such income. See "Material U.S. Federal Income Tax Consequences – United States Holders Interest Income and Original Issue Discount."

We may redeem the capital securities prior to the maturity date and you may not be able to reinvest in a comparable security.

We have the option to redeem the capital securities for cash, in whole or in part, from time to time on or after June 30, 2011. The redemption price will equal 100% of the principal amount of the capital securities to be redeemed, plus accrued and unpaid interest, together with any compounded interest, on the capital securities to the redemption date (the "par redemption amount"). Additionally, if a "tax event" (as defined herein) has occurred, we have the option to redeem the capital securities for cash, in whole, but not in part, prior to June 30, 2011 at a redemption price equal to the par redemption amount of the capital securities to be redeemed. See "Description of the Capital Securities Redemption." In the event we choose to redeem your capital securities, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the capital securities.

The capital securities are effectively subordinated to almost all of our other indebtedness.

Our obligations under the capital securities are subordinate and junior in right of payment to all of our senior indebtedness (including the senior notes and our junior subordinated notes underlying the trust preferred securities issued by statutory trusts), except any indebtedness that by its terms is subordinated to, or ranks on an equal basis with, the capital securities and certain other indebtedness, including indebtedness incurred in the ordinary course of business. This means that we cannot make any payments on the capital securities if we default on a payment of senior indebtedness and do not cure the default within the applicable grace period, if the holders of the senior indebtedness have the right to accelerate the maturity of the senior indebtedness and request that we cease payments on the capital securities or if the terms of our senior indebtedness otherwise restrict us from making payments to junior creditors.

On a pro forma basis, our indebtedness as of March 31, 2006, after giving effect to this offering, would have been approximately \$997.8 million, \$797.8 million of which would be senior in priority to the capital securities. This senior indebtedness includes approximately \$324.8 million of junior subordinated indebtedness that we issued to statutory trusts, which will rank senior to the capital securities and at least equally with any other junior subordinated debt that we might issue in the future, but which is subordinated and junior in right of payment to our current and future senior debt securities. As of March 31, 2006, our subsidiaries had approximately \$34.8 billion of outstanding liabilities on a pro forma basis that effectively ranks and would rank senior to our current and future senior debt securities and the capital securities, unless the senior debt securities are guaranteed on a senior basis by these subsidiaries. See "Risk Factors – Our ability to pay principal, interest and/or dividends on offered securities is limited" in the accompanying base prospectus."

Due to the subordination provisions described in "Description of the Capital Securities – Subordination," in the event of our insolvency, funds which we would otherwise use to pay the holders of the capital securities will be used to pay the holders of senior indebtedness to the extent

necessary to pay the senior indebtedness in full. As a result of those payments, our general creditors may recover less, ratably, than the holders of our senior indebtedness and these general creditors may recover more, ratably, than the holders of the capital securities. In addition, the holders of our senior indebtedness may, under certain circumstances, restrict or prohibit us from making payments on the capital securities.

There are no terms in the subordinated indentures or the capital securities that limit our ability to incur additional indebtedness, and we expect from time to time to incur additional indebtedness constituting senior indebtedness.

Upon the occurrence of a bankruptcy, insolvency or receivership with respect to us, claims for payment may be limited.

In certain events of our bankruptcy, insolvency or receivership prior to the maturity or redemption of any capital securities, whether voluntary or not, a holder of capital securities will have no claim for interest that is unpaid as a result of certain consequences of a trigger event (including compounded interest) and has not been settled through the application of the alternative coupon satisfaction mechanism to the extent the amount of such interest exceeds 25% of the then outstanding principal amount of such holder's capital securities. See "Description of the Capital Securities - Limitation on Claims in the Event of Our Bankruptcy, Insolvency or Receivership."

Moreover, the claims of capital security holders in a bankruptcy, insolvency or similar proceeding are subject to the broad equitable powers of the court. For example, although we do not believe such an argument should prevail, a party in interest in such a proceeding might argue that such holders should be treated as equity holders rather than creditors, and the court could rule in favor of such party. This could further limit or reduce any amounts that a holder of capital securities could receive in a bankruptcy, insolvency, receivership or similar proceeding.

General market conditions and unpredictable factors could adversely affect market prices for the capital securities.

There can be no assurance about the market prices for the capital securities. Several factors, many of which are beyond our control, will influence the market value of the capital securities. Factors that might influence the market value of the capital securities include, but are not limited to:

whether interest payments have been made and are likely to be made on the capital securities from time to time;

our creditworthiness, financial condition, performance and prospects;

whether the ratings on the capital securities provided by any ratings agency have changed;

regulatory investment classifications of the capital securities for purposes of certain types of investors and whether those classifications have changed;

the market for similar securities; and

economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

If you purchase capital securities, whether in this offering or in the secondary market, the capital securities may subsequently trade at a discount to the price that you paid for them.

We are not obligated to redeem the capital securities prior to their maturity date and could at a future date make a covenant in favor of a class or classes of our senior indebtedness restricting our right to redeem the capital securities.

During the past year, a number of issuers have entered into covenants generally called "declarations of covenant" or "replacement capital covenants" in connection with their issuance of preferred stock or other junior securities. In the covenants, the issuers have agreed in favor of

specified classes of "covered debt" not to redeem, or in some cases repurchase, such preferred stock or other junior securities except out of the proceeds from the issuance of other specified securities that have equity-like characteristics that are the same as or more equity-like than the characteristics of the subject securities at the time of redemption. In the future, we could choose to make such a covenant in favor of a specified class or classes of our senior indebtedness. If we were to make such a covenant, there could be circumstances where we would wish to redeem or repurchase some or all of the capital securities but be restricted from doing so because of the covenant. The entering into by us of such a covenant could adversely affect trading prices for the capital securities.

Risk Factors in Connection with the Pending Acquisition of the Chase Insurance Group

While we currently expect to consummate our pending acquisition of the Chase Insurance Group, its consummation is subject to customary closing conditions and cannot be assured. If consummated, we may not be able to achieve the expected results of the acquisition.

On February 7, 2006, our wholly-owned subsidiary Protective Life Insurance Company ("Protective Life") signed a definitive agreement to acquire the Chase Insurance Group from JPMorgan Chase & Co. ("JPMC") and affiliates thereof. While this transaction is currently expected to close during the third quarter of 2006, the transaction is subject to customary closing conditions and there is no assurance it will be consummated. If the transaction is not consummated, we will use the proceeds of this offering for general corporate purposes. If consummated, integration of the Chase Insurance Group may be more expensive, more difficult, or take longer than expected. As discussed below, under "Acquisition of the Chase Insurance Group," the acquisition may have a different and more expensive purchase price, funding structure and net investment than currently contemplated. In addition, we may not achieve the returns projected from our analysis of the acquisition opportunity. As discussed below, the effects of purchase GAAP accounting on Protective's consolidated financial statements may be different than presented in this prospectus supplement. For a more detailed description of the acquisition of the Chase Insurance Group, see "Acquisition of the Chase Insurance Group," "Selected Historical Financial Data of the Chase Insurance Group" and "Unaudited Pro Forma Condensed Combined Financial Information" in this prospectus supplement.

The timing, purchase price and funding for the acquisition, and our net investment in the acquired companies, depend on regulatory approvals, third-party consents and other factors beyond our control and may vary significantly from the currently assumed timing, purchase price, funding and net investment discussed in this prospectus supplement.

The timing of, the purchase price for, and the funding for our acquisition of the Chase Insurance Group, and our net investment in the Chase Insurance Group upon consummation of the acquisition, depend on various factors beyond our control and may vary significantly from the currently assumed timing, purchase price, funding and net investment discussed in this prospectus supplement under "Acquisition of the Chase Insurance Group" and "Unaudited Pro Forma Condensed Combined Financial Information." The principal factors resulting in this uncertainty are:

The aggregate purchase price of approximately \$1.165 billion (which Protective Life is obligated to fund), which is equal to the estimated fair value of the Chase Insurance Group's net assets at June 30, 2006, will be reduced by Pre-Closing Dividends (as defined under "Acquisition of the Chase Insurance Group" in this prospectus supplement) to be paid by the acquired companies to JPMC on or prior to the closing. These Pre-Closing Dividends are subject to regulatory approvals, all of which have been obtained, subject to the transaction's consummation generally as described herein. We expect approximately \$272 million of Pre-Closing Dividends to be paid resulting in an aggregate purchase price of approximately \$893 million. If and to the extent this level of Pre-Closing Dividends does not

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occur, we would need to finance the short-fall by other sources and our net investment in the acquired companies would increase.

Protective Life has separate arrangements committing two third-party reinsurance groups to reinsure all of the variable annuity business and up to 49% of the remaining business of the acquired companies immediately following the closing of the acquisition of the Chase Insurance Group. If these reinsurance transactions are consummated as described below, the reinsurers are currently expected to pay the acquired companies ceding commissions aggregating approximately \$228 million on an after-tax basis, which will be reflected in dividends to Protective Life to assist funding for the transaction and thereby reducing our net investment in the acquired companies. Consummation of each reinsurance transaction is subject to its own regulatory approvals (which have been obtained) and other closing conditions separate from the regulatory approvals and closing conditions applicable to the acquisition of the Chase Insurance Group. While we expect to execute the related reinsurance and coinsurance agreements immediately after the closing of the acquisition, there can be no assurance that both of these reinsurance transactions will be consummated in full, and Protective Life is obligated to purchase the Chase Insurance Group on the terms described herein even if none of such reinsurance transactions is consummated; in this event, we would need to finance a portion of the purchase price by other sources and our net investment in the acquired companies would increase. In addition, even if consummated, the aggregate amount of reinsurance to be obtained is subject to certain third-party consents. Based on third-party consents received to date, we currently expect to reinsure approximately 40% of the aggregate non-variable annuity business.

Availability of financing to Protective Life is not a condition to our obligation to close the acquisition. While we currently expect to obtain the foregoing funding amounts, we have arranged a bridge facility should such amounts not be achieved; while we do not currently anticipate utilizing the facility, any need to use it, and any permanent refinancing thereof, will add costs not reflected in this prospectus supplement.

We are obligated in certain circumstances to compensate JPMC for delays in consummation of the acquisition and our expenses in consummating the acquisition may exceed those currently anticipated. In addition, we currently anticipate that we will incur acquisition-related integration costs with respect to the Chase Insurance Group of approximately \$42.4 million. We cannot assure that our actual integration costs will not be significantly higher than currently anticipated. Depending on the nature of these costs, they will either be included in the purchase price allocation or be treated as period costs and charged to our statement of income.

The unaudited pro forma condensed combined financial information in this prospectus supplement is based on assumptions that may turn out to be wrong.

We have prepared the unaudited pro forma condensed combined financial information in this prospectus supplement to illustrate what our financial condition and our results of operations would have been if we had completed the acquisition of the Chase Insurance Group and the related reinsurance arrangements (as described above) as of the dates indicated in the pro forma financial statements. In preparing the pro forma financial statements, we have used certain assumptions which at the time of preparation we believed were reasonable, including the assumptions as to the level of pre-closing dividends and ceding commissions described above. However, we cannot assure you that any or all of our assumptions will be borne out. Our actual financial condition and our actual results of operations following the completion of the acquisition and the related reinsurance arrangements may be materially different than presented herein.

USE OF PROCEEDS

We estimate that, after deducting expenses of approximately \$700,000 and underwriting discounts and commissions, our net proceeds from this offering will be approximately \$193,057,500. We anticipate that we will contribute a majority of the net proceeds from this offering to Protective Life to finance a portion of the purchase price of its pending acquisition of the Chase Insurance Group and use the balance of the net proceeds for general corporate purposes.

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ACQUISITION OF THE CHASE INSURANCE GROUP

On February 7, 2006, Protective Life, a wholly-owned subsidiary of Protective, entered into a Stock Purchase Agreement (which we refer to as the "Agreement") with JPMC and two of its wholly-owned subsidiaries (collectively, the "Sellers"). The Agreement is filed as an exhibit to our Current Report on Form 8-K dated February 13, 2006, and the following summary of the Agreement (as well as the guarantee discussed below) is qualified in its entirety by reference thereto.

Pursuant to the Agreement, Protective Life has agreed to acquire from the Sellers the Chase Insurance Group, which consists of five insurance companies that manufacture and distribute traditional life insurance and annuity products and four related non-insurance companies (which collectively in this section we sometimes refer to as the "Acquired Companies"). Protective executed a guarantee in favor of the Sellers, by which Protective has unconditionally guaranteed the performance of Protective Life's obligations under the Agreement, related documents and the related transactions contemplated by the Agreement.

The aggregate purchase price for the Acquired Companies is approximately \$1.165 billion (which Protective Life is obligated to fund), which is equal to the estimated fair value of the Chase Insurance Group's net assets at June 30, 2006, and which will be reduced by dividends paid to the Sellers by the Acquired Companies on or prior to the closing date (which we refer to as the "Pre-Closing Dividends"). The payment and amount of Pre-Closing Dividends by these Acquired Companies is subject to separate regulatory approvals in their domicile states, all of which have been obtained, subject to the transactions consummation generally as described herein. We anticipate Pre-Closing Dividends aggregating approximately \$272 million, resulting in a purchase price of approximately \$893 million (*i.e.*, \$1.165 billion less \$272 million). In addition, the purchase price is subject to post-closing adjustment payments from the Sellers or Protective Life, as the case may be, to reflect the final adjusted book value of the Acquired Companies.

Protective Life has separate arrangements with Allmerica Financial Life Insurance and Annuity Company (which we refer to as "AFLIAC"), a subsidiary of The Goldman Sachs Group, Inc., committing it to reinsure to AFLIAC immediately following the closing of the acquisition 100% of the variable annuity business of the Acquired Companies, and with Wilton Reinsurance Company and Wilton Reinsurance Bermuda Limited (which collectively we refer to as the "Wilton Re Group") committing it to coinsure to the Wilton Re Group up to 49% of the remaining business of the Acquired Companies. These reinsurance transactions are each subject to regulatory approvals (which have been obtained) and closing conditions which are separate from the regulatory approvals required for, and other closing conditions to, Protective Life's acquisition of the Chase Insurance Group pursuant to the Agreement. While we expect to execute the related reinsurance and coinsurance agreements immediately after the closing of the acquisition, consummating these reinsurance transactions is not a condition to Protective Life's obligation to purchase the Chase Insurance Group from JPMC. The size of the Wilton Re Group co-insurance transaction is also subject to the obtaining of third-party consents. Based on third-party consents received to date, we currently expect reinsurance to the Wilton Re Group to be approximately 40% of the aggregate non-variable annuity business.

While not assured, we presently anticipate that the principal Acquired Companies will receive, after taxes, ceding commissions (the "Ceding Commissions") of approximately \$228 million, consisting of \$65 million from AFLIAC and, based on third-party consents received to date, \$163 million from the Wilton Re Group, and that the Acquired Companies will dividend approximately \$318 million to Protective Life following closing of the reinsurance transactions (in effect funding a portion of the acquisition purchase price). While not assured, assuming Ceding Commissions and Pre-Closing Dividends at these levels, our net investment in the Acquired Companies would be approximately \$575 million, *i.e.*, the purchase price of \$893 million less approximately \$318 million in dividends from the Acquired Companies to Protective Life following the reinsurance transactions.

The availability of financing to Protective Life is not a condition to our obligation to close the acquisition. Protective has obtained a commitment letter for a \$750 million bridge financing facility from Goldman Sachs Credit Partners L.P. in the event it closes the acquisition of the Chase Insurance Group and the aggregate amount of the Pre-Closing Dividends, the Ceding Commissions and the amount raised in this offering make usage of such facility advisable or necessary. Protective will pay interest at an annual rate equal to LIBOR plus a margin of 30 basis points on amounts drawn under the facility. We currently do not expect it will be necessary to use the bridge financing facility.

The closing of the acquisition pursuant to the terms of the Agreement is to occur on the first business day after the last calendar day of the month in which the last of the conditions to closing are satisfied or waived. Protective Life, however, has the right to delay closing of the acquisition for one month under certain circumstances. If Protective Life exercises this right to delay, the Sellers may elect between two alternative methods of calculating the purchase price, which is intended to compensate them for the delay: under the first alternative, the purchase price would be calculated based on adjusted book value as of the delayed closing date; and under the second alternative, the purchase price would be calculated as of the originally scheduled closing date with interest thereon accruing at a 6% annualized rate to the delayed closing date. In addition, if the insurance regulatory approvals that are conditions to closing of the acquisition have not been received by July 7, 2006 (or, if Protective Life elects to amend the applications for such insurance regulatory approvals, by September 5, 2006), the Sellers will be entitled to receive interest payments at a 6% annualized rate accruing from July 7 or September 5, 2006, as the case may be, on the amount of the purchase price calculated as of June 30 or August 31, 2006, respectively, until the closing or until the Agreement is terminated pursuant to its terms.

The closing of the transactions contemplated by the Agreement is conditioned on, among other things, that the Acquired Companies shall not have experienced a material adverse change and other customary closing conditions.

CAPITALIZATION

The following table sets forth our actual consolidated capitalization as of March 31, 2006, on a historical basis, and on an adjusted basis to give effect to this offering, without any adjustments to reflect the pending acquisition of the Chase Insurance Group, the related reinsurance arrangements or any other subsequent or anticipated events. The following data are qualified in their entirety by, and should be read in conjunction with, our consolidated financial statements and notes thereto incorporated in this prospectus supplement and the accompanying base prospectus by reference.

	March 31, 2006 (Unaudited)	
	Actual	As Adjusted
(in thousands)		
Long-term senior debt:		
Notes payable to banks	\$ 58,500	\$ 58,500
7.45% Medium-Term Notes, due 2011	9,852	9,852
4.30% Senior Notes, due 2013	250,000	250,000
4.875% Senior Notes, due 2014	150,000	150,000
Mortgage notes on investment real estate	4,680	4,680
Total long-term debt	\$ 473,032	\$ 473,032
Long-term subordinated debt:		
7.50% Subordinated Debentures, due 2031	103,093	103,093
7.25% Subordinated Debentures, due 2032	118,557	118,557
6.125% Subordinated Debentures, due 2034	103,093	103,093
Total subordinated debt securities	\$ 324,743	\$ 324,743
Capital Securities to be offered	\$	\$ 200,000
Total Debt	\$ 797,775	\$ 997,775
Share-owners' equity:		
Preferred stock, \$1 par value; shares authorized: 4,000,000, issued: none;		
Common stock, \$.50 par value; shares authorized: 160,000,000, issued: 73,251,960	36,626	36,626
Additional paid-in capital	441,964	441,964
Treasury stock, at cost (3,366,616 shares)	(12,079)	(12,079)
Unallocated stock in Employee Stock Ownership Plan (377,616 shares)	(1,231)	(1,231)
Retained earnings	1,674,232	1,674,232
Accumulated other comprehensive income	(35,242)	(35,242)
Total share-owners' equity	\$ 2,104,270	\$ 2,104,270
Total Capitalization	\$ 2,902,045	\$ 3,102,045

SELECTED CONSOLIDATED FINANCIAL DATA OF PROTECTIVE

The selected consolidated financial data of Protective and its subsidiaries at and for each of the years ended on December 31, 2005, 2004, 2003, 2002 and 2001 are derived from our audited financial statements for those years, and the selected consolidated financial data at and for the three months ended March 31, 2006 and 2005 are derived from our unaudited financial statements for those periods. The following data should be read in conjunction with the financial statements and the related notes thereto incorporated by reference in this prospectus supplement and the accompanying base prospectus and the pro forma financial information included in this prospectus supplement.

	Three Months Ended March 31,		Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001(1)
(\$ in thousands, except per share amounts)							
INCOME STATEMENT DATA							
Premiums and policy fees	\$ 507,694	\$ 468,514	\$ 1,955,780	\$ 1,821,094	\$ 1,667,725	\$ 1,561,717	\$ 1,389,820
Reinsurance ceded	(280,670)	(282,152)	(1,226,857)	(1,125,646)	(934,435)	(751,396)	(771,151)
Net of reinsurance ceded	227,024	186,362	728,923	695,448	733,290	810,321	618,669
Net investment income	299,065	287,953	1,180,502	1,084,217	1,030,752	1,022,953	880,141
Realized investment gains (losses)							
Derivative financial instruments	13,337	(6,368)	(30,881)	19,591	12,550	28,308	(1,114)
All other investments	5,153	27,878	49,393	28,305	58,064	910	(8,740)
Other income	48,536	44,284	181,267	161,014	122,869	100,196	120,647
Total revenues	593,115	540,109	2,109,204	1,988,575	1,957,525	1,962,688	1,609,603
Benefits and expenses	482,458	448,239	1,732,191	1,603,374	1,632,113	1,697,645	1,400,007
Income tax expense	38,520	31,787	130,446	134,820	108,362	87,688	68,538
Income (loss) from discontinued operations(1)							(30,522)
Change in accounting principle(2)				(15,801)			(7,593)
Net income	\$ 72,137	\$ 60,083	\$ 246,567	\$ 234,580	\$ 217,050	\$ 177,355	\$ 102,943

PER SHARE DATA