

# The Marquis Centennial 7 & 10

## INDEXED ANNUITIES

### Indexed Annuities Product Guide

#### Product Type

Individual Flexible Premium Deferred Indexed Annuity designed for long-term accumulation needs, such as retirement income.

#### Minimum Annual Premiums

\$1,000 per year (or \$84 per month)

**Issue Ages:** 0–85

#### Flexible Premiums

Premiums can be paid at any time, according to the terms and conditions of the contract. The minimum premium is \$1,000 annually. Initial premium cannot exceed \$500,000 without prior consent of the company.

#### Allocation Options

Premium payments may be allocated to a fixed option and/or any other of the alternative index interest crediting methods under the index option. The alternative index interest crediting methods under the index option are linked, in part, to the S&P 500® Index (S&P 500).<sup>1</sup>

#### Allocation Dates

The allocation of your net premiums to the selected interest crediting methods will be done on an allocation date, which is the 15th of the month. If your premium is received on an allocation date, your net premium will be immediately divided between the fixed and indexed alternatives you have selected. If your premium is received on a date other than an allocation date, your net premium will receive a short-term interest rate declared by us until the next allocation date, when your net premium and any short-term interest credited will be allocated to the fixed and indexed alternatives you have selected.

<sup>1</sup> "Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500" and "500" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by The Lafayette Life Insurance Company. This policy is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representations regarding the advisability of purchasing this policy. The Standard and Poor's Composite Price Index does not include dividends paid by the S&P 500® companies.

#### Guaranteed Minimum Surrender Value

The guaranteed minimum surrender value of your contract will be 87.5% of all net premiums (less any withdrawals) accumulated at 1%–3% interest. The interest rate will be determined at policy issue and will remain fixed through the withdrawal charge period. It will be re-determined after the withdrawal charge period and every 5 years thereafter. The rate will be based on the 5-year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve. Net premiums are premiums less any applicable premium tax and costs of supplemental benefits, if any.

#### Interest Earning Periods

Under the fixed option and index option, the interest calculations are based upon a one-year measuring period. This one-year measuring period is referred to as an interest earning period. For each premium, the interest earning periods start on an allocation date and end one year later. Interest is calculated differently under each option.

#### Fixed Interest

For each premium allocated to the fixed option, the interest rate is declared in advance of each successive interest earning period, and it is guaranteed not to change during such period. The minimum fixed interest rate is 1.0%.

#### Index Interest and Caps

For each premium allocated to any one of the alternative index interest crediting methods under the index option, there is a cap that applies to each alternative that is used to calculate the index interest rate. The caps are used to set the upper limit on the index interest rate for an interest earning period. These caps are declared in advance of each interest earning period and are guaranteed not to change during such period. Any interest attributable to a change in the index is credited only at the end of an interest earning period. There is no guarantee the index interest rate credited under any of the index interest alternatives will be equal to its cap or even greater than 0%.

## Alternative Index Interest Crediting Methods

- A Annual Point-to-Point**—The index interest rate for this method is measured by calculating the percentage of change in the S&P 500® from the beginning of the interest earning period to the end of the interest earning period limited by the applicable cap.
- B Monthly Average**—The index interest rate for this method is measured by calculating the percentage of change between the S&P 500® at the beginning of the interest earning period and the average of the 12 monthly S&P 500® indices on the allocation dates immediately following the beginning of the interest earning period limited by the applicable cap.
- C Monthly Cap**—The index interest rate for this method is measured by calculating the sum of the percentage change in the S&P 500® for each of the 12 one-month periods within the interest earning period. Each monthly percentage increase is capped at the declared monthly cap rate; each monthly decrease is included in its entirety.

Under each method (A, B or C), the interest rate credited to the annuity at the end of an interest earning period is the index interest rate. This rate will not be less than 0% for an interest earning period, nor more than the applicable cap. Any index interest is added at the end of the interest earning period.

The S&P 500®, which does not include dividends paid by the S&P 500® companies, is used only as a measure of performance to help determine any index interest. Your premiums are not invested in any of the equities that comprise the S&P 500®. Your surrender value, assuming you have made no withdrawals, will not be at risk to fall below the guaranteed minimum surrender value. This makes the Marquis Centennial a sound financial vehicle for your long-term retirement income needs. The Marquis Centennial Indexed Annuities are fixed annuity contracts and do not represent an investment in the stock market.

The Marquis Centennial Indexed Annuities are offered through Lafayette Life and are not FDIC-insured. Lafayette Life stands behind the guarantees under the Marquis Centennial Indexed Annuities.

## Interest “Locked-In”

Interest credited, whether through the index or fixed option is “locked in” once it is credited and cannot be lost by any declines in the index in future years.

## Withdrawal Charges:

### Marquis Centennial 7

There are declining withdrawal charges for the first seven policy years. After the withdrawal charge period the policy will continue without withdrawal charges. The withdrawal charges are as follows:

POLICY YEAR	1	2	3	4	5
Charge	8%	7%	6%	5%	4%
POLICY YEAR	6	7			
Charge	3%	2%			

### Marquis Centennial 10

There are declining withdrawal charges for the first ten policy years. After the withdrawal charge period the policy will continue without withdrawal charges. The withdrawal charges are as follows:

POLICY YEAR	1	2	3	4	5
Charge	9%	9%	8%	7%	6%
POLICY YEAR	6	7	8	9	10
Charge	5%	4%	3%	2%	1%

## Downside Protection

If there is no change in the S&P 500® or the change is negative over the interest earning period, under an index interest crediting method the index interest rate to be credited is 0%, but the surrender value will not be less than the guaranteed minimum surrender value.

## Payout Options

One of the most valuable options of any annuity is its ability to provide a guaranteed income. This income may be paid to you for a fixed period, over your lifetime, or the joint lifetimes of you and your spouse. Exercising one of the annuity payout options in the Marquis Centennial Annuity can provide you with a guaranteed income that you cannot outlive.

## Death Benefit

In the event of the death of the annuitant and/or the policyowner, the Marquis Centennial Annuity will pay a death benefit equal to the policy value on the date of death. This benefit will pass free of probate to your named beneficiary.

## Spousal Continuation

Under current tax law, the surviving spouse, if the designated beneficiary, may elect to continue the annuity as the owner and annuitant after the death of the spouse annuitant if the annuitant is the owner and prior to the maturity date. This allows the surviving spouse beneficiary to continue the policy without beginning a new withdrawal charge period.

## Withdrawals

Annuities are designed for long-term accumulation and not for short-term liquidity; however, limited liquidity is available in the early years of this policy while withdrawal charges are in effect.

Starting in the first year you may take automatic monthly withdrawals of the interest credited to your policy on all net premiums allocated to the **fixed option**.

After the first policy year and while withdrawal charges are in effect, 10% of the policy value calculated as of the beginning of the policy year may be withdrawn without a withdrawal charge.

Cumulative withdrawals in one policy year exceeding 10% of the policy may be subject to withdrawal charges. If an annuitant is confined to an approved nursing facility, the free withdrawal amount is increased to 25% after the annuitant has been confined for 60 consecutive days. Withdrawal charges are waived if the annuitant suffers a terminal illness (as defined in the policy) after the first policy year. Lafayette Life does not credit index interest to amounts withdrawn from an index interest crediting method during an interest earning period.

## Transfers

On each anniversary of a net premium's initial allocation date, you may elect to transfer the value of such net premium between the interest crediting methods without any charges. You must notify us before the allocation date and inform us of the amount you would like transferred.

*Note: Money transferred to a new interest crediting method may require a different interest rate than money already allocated to that interest crediting method.*

This product guide is a list of the key features and is not a substitute for your Marquis Centennial Indexed Annuity policy, but we recommend that you keep this with your annuity policy for reference. Your annuity policy will provide you with a more complete description, along with the specifics of the policy you purchased.

Tax benefits are subject to change with changes in tax law, and you should consult your tax advisor. Tax benefits may also be lost under certain conditions. You should consult your tax advisor if a change in ownership of the policy is contemplated.

For more detailed information about this product, see the Disclosure & Benefit Summary (2282-7 and 2282-10).

All or some of each withdrawal is subject to income taxes. Withdrawals made prior to age 59½ are generally subject to a 10% IRS penalty tax and may be subject to charges. Please consult your tax advisor regarding your specific situations.

## The Lafayette Life Insurance Company

With more than one hundred years of service to policyholders, The Lafayette Life Insurance Company has proven itself a leader in providing individual life insurance, annuities, and retirement and pension products and services.

Lafayette Life is a member of Western & Southern Financial Group, a family of financial services companies whose heritage dates back to 1888 with assets owned and managed in excess of \$60 billion as of March 31, 2013. With the strength of our organization and our ongoing commitment to servicing you, your business and your family, The Lafayette Life Insurance Company is a company you can depend on. Find out more about our financial strength and distinguished history at [www.LafayetteLife.com](http://www.LafayetteLife.com).

Life insurance products are not bank products, are not a deposit, are not insured by the FDIC, or any other federal entity, have no bank guarantee, and may lose value. Life insurance products are issued and guaranteed by The Lafayette Life Insurance Company, Cincinnati, Ohio. Guarantees are based on the claims-paying ability of the company.

The Lafayette Life Insurance Company operates in D.C. and all states except AK and NY, and is a member of Western & Southern Financial Group.

Product approval, availability and features may vary by state. Marquis Centennial Indexed Annuities are for use with contract series LL-11-FPIA-1.

The Lafayette Life Insurance Company and its agents do not offer legal or tax advice. The information contained herein is general in nature and for informational purposes only. Always consult an attorney or tax advisor regarding your specific legal or tax situation.



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Insurance Company**

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