Lafayette Life Insurance Company

A member of Western & Southern Financial Group

SECTION I

Bulletins

Lafayette Life Insurance Company
A member of Western & Southern Financial Group

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 18-12
December 2018

Selling System Guidelines and Principles

The following describes the guidelines and principles by which independent agents may use Selling System[1] materials in the solicitation of life insurance policies and annuity contracts offered by The Lafayette Life Insurance Company ("Lafayette Life").

Independent Agent Role

- Any independent insurance agent appointed by Lafayette Life is only authorized by Lafayette Life to solicit applications for its life insurance policies and annuity contracts, and to service any such issued life insurance policies and annuity contracts.
- Any other services a Lafayette Life independent agent provides to applicants and policyholders, including but not limited to financial planning, college planning, estate and retirement planning, tax planning, or investment planning, are not provided on behalf of, nor authorized to be provided on behalf of, Lafayette Life. Lafayette Life's role is strictly limited to providing life insurance policies and annuity contracts. To the extent that any other services beyond the sale of a life policy or annuity contract are rendered by an independent agent appointed with Lafayette Life, the independent agent must clearly disclose in writing that those services are not being provided for or on behalf of Lafayette Life.

Selling Systems Overview

- Whole Life insurance products have many valuable features in addition to providing a death benefit. At times, agents may choose to use various Selling Systems to show how these features may be utilized to help provide solutions to meet client needs. Agents must be clear that the product being sold is life insurance, though, and must not emphasize certain features so as to minimize the fact that a life insurance policy is being sold.
- Lafayette Life may in its sole discretion communicate the availability of webinars, webcasts, and presentations about Selling Systems to agents. Lafayette Life does not endorse or sponsor any such Selling Systems, however, and agents may not state or imply any connection between Lafayette Life and a Selling System.
- Examples of Selling Systems include (but are not limited to) Infinite Banking, Bank on Yourself, LEAP, MoneyTrax, Wealth Building Stones, Truth Concepts, and Wealth & Wisdom Institute.

[1] For purposes of these "Guidelines and Principles," a "Selling System" is considered to be a sales method or approach presenting life insurance products as an alternative asset class and potential source of liquidity with certain investment-like characteristics when appropriately structured.

- Lafayette Life does not develop, advertise, approve or promote Selling System marketing materials.

Selling Systems Guidelines

- When using a Selling System during the sale of a product, agents must make clear to consumers that life insurance and annuity products are not a banking or savings product, retirement plan, investment, or investment vehicle. Product terms, features, benefits, and limitations must be accurately explained. It must be clear that the product being sold is a life policy or an annuity contract. This information must be prominent, obvious and clearly understood by the applicant.
- **Lafayette Life's name, product information, illustrations, or other identifying information cannot be part of the Selling System's marketing materials or presentations.**
- When Lafayette Life is facilitating third party presentations relating to a third party Selling System, it will not review those presentations. When Lafayette Life provides information about a third party presentation, the communication sent by Lafayette Life about the webinar, presentation, etc. will include the following disclosure: "Lafayette Life makes life insurance and annuity products available to meet the needs of clients, and does not endorse any Selling System used in the marketing of Lafayette Life products. Life insurance and annuity products are not a banking or savings product, retirement plan, investment, or investment vehicle."
- When independent agents utilize Selling System materials in connection with the sale of a Lafayette Life life insurance policy, and an insurance company has not been involved in their creation or approval, they must include the following disclaimer in a reasonably prominent manner on the materials: "No life insurance company has reviewed, approved or endorsed these materials or the sales process used in connection with the sale of the life insurance policy under consideration for purchase." As Lafayette Life does not review Selling System marketing materials, it relies on its agents for compliance with this requirement.

Lafayette Life Insurance Company

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SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 15-5
Replaces BULLETIN 08-11 & 14-5
February 2015

Effective February 1, 2008, the Guaranteed Issue Program has changed as set forth in this bulletin.

GUARANTEED ISSUE PROGRAM FOR QUALIFIED PLANS WITH 5 OR MORE PARTICIPANTS

Life insurance applications for Qualified Pension and Profit Sharing Plans with 5 or more participants are eligible for our Guaranteed Issue Program. Qualified Plans in place before February 1, 2008 are not eligible for this updated program. With the exception of a Qualified Plan that did not include life insurance as a plan investment prior to February 1, 2008 will be eligible for this new Guaranteed Issue Program.

YOU MUST WRITE "GUARANTEED ISSUE" ON THE APPLICATION TO SELECT THIS PROGRAM.

> DO NOT order medical exams or inspections, unless the amount of insurance is over the Guaranteed Issue limit. Please see #14 below. Only order exams or inspections, if the guaranteed issue limits are exceeded. If exams or inspections are ordered when the guaranteed issue limit is not exceeded, then applications will be processed on a regular underwriting basis instead of Guaranteed Issue.

Participants with a previous decline, postpone or rating on ANY previous Lafayette Life application or Trial application: For that participant, regular underwriting rules apply. Complete ALL sections of the application.

Advantages of Guaranteed Issue:

1. NO exam, inspection or medical information is needed.
2. High guaranteed issue limits as described in the chart below.
3. Standard Issue. Only aviation, avocation, and occupation ratings may be charged.

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GUARANTEED ISSUE LIMITS: $10,000 x number of lives* subject to the maximum. (See chart below for maximums.) For participants in more than one plan, there is a maximum face amount per plan size category (see chart below) and per person for all plans combined.

Example Program: 8 Participants – Each is eligible for $80,000 insurance under Guaranteed Issue
101 or More Participants - $500,000 maximum per person applies

* The number of active participants at each anniversary will determine the Guaranteed Issue limit for the plan for that year, which is subject to the maximum.

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1. When the 5 life minimum is reached under a new or existing plan, you may make the election to utilize the Guaranteed Issue Program or not. Once the election is made, it is irrevocable.
2. Commissions are reduced for insurance policies issued on a Guaranteed Issue basis in accordance with the following chart, the terms and conditions of this bulletin and your agent's contract. As indicated in the following chart, for all agent contracts issued after 1993, any **override** commissions payable under the agent's contract pertaining to any issued products are reduced, except for the Sentinel policy where reductions are made to both the base and override commissions as determined by the company. Such reduced commission percentage will be the percentage points listed in the below chart less than the first year commission percentage or the target commission percentage otherwise provided in the Schedule of Compensation. For a plan with more than 25 lives using the Sentinel product, please contact Agent's Accounts for additional information regarding the allocation of the commission reduction. If you have a 5595 series Agent Contract, you must sign a Contract Supplement (Commission Reduction Agreement) in order to participate in the Guaranteed Issue Program.

Commission Percentage Reduction	Plan Number of Lives	Lives time $10,000 Subject to Maximum
0%	0-4 lives	No Guaranteed Issue offered
15%	5-10 lives	Maximum of $100,000
15%	11-25 lives	Maximum of $150,000
20%	26-50 lives	Maximum of $200,000
20%	51-75 lives	Maximum of $300,000
25%	76-100 lives	Maximum of $400,000
25%	Over 100 lives	Maximum of $500,000

This paragraph 2 amends your agent's contract's provision titled "Reduced Commission on Guaranteed Issue Life Insurance" and in the event of any inconsistency this paragraph 2 will control.

3. To receive Guaranteed Issue, 100% of the eligible participants must apply for insurance under the nondiscriminatory formula dictated by the type of plan. In a Defined Contribution plan, the insurance is issued as a percentage of each participant's contribution. Under a Defined Benefit plan, it is issued as a multiple of the monthly retirement benefit.
4. Increases and additions to existing plans are eligible for the Guaranteed Issue Program if there are at least 5 active plan participants in any given year. For example, if a plan is written with 4 lives, there is no Guaranteed Issue. But, if in the second year there are 3 new participants, Guaranteed Issue can now be selected for the participants since there are 5 or more participants. The plan now has $70,000 (7 x $10,000) of Guaranteed Issue for these new participants and for increases on previous participants. Note: Previous in-force Guaranteed Issue amounts count toward each participant's limit.
5. Only Guaranteed Issue amounts are counted towards the above limit. Any prior Lafayette Life amounts that were not Guaranteed Issue are disregarded.
6. All insurance must be applied for at the same time each year.
7. Maximum issue age for Guaranteed Issue is 65 (actual age). For ages 66 and above, Guaranteed Issue is not available and regular underwriting rules apply to those participants.
8. Waiver of Premium: Available only for groups of 10 participants or more, and only when the plan provides it to ALL participants through age 55.
9. Smoker and non-smoker rates are available.
10. Employee must have been actively at work on a full time basis for at least the past 3 months, no absence due to disability or sickness or any other reason.
11. Plans available:
    All Whole Life and Universal Life Plans
    Normal minimum face amount limits for qualified plans.
12. Use Application Form LL-1459 approved for your state. Complete Part 1 Questions 1-10, 31 (only if the Pension Trust is **not** the beneficiary), 35, and 36 and Part 2 Questions 1 (a-d) through 4, 7 along with the signature page.
13. Once a group is processed as Guaranteed Issue, all future applications must be Guaranteed Issue.
14. Face amounts IN EXCESS of the Guaranteed Issue limit –
    a. Complete ALL sections on the application.
    b. Regular underwriting rules apply on that person for the amount that is in excess of the Guaranteed Issue limit.
    c. Full regular commissions are paid on the amount of insurance over the Guaranteed Issue limit.
15. LAPSED POLICIES – In order to reinstate, regular Underwriting rules apply.

BEFORE WRITING GUARANTEED ISSUE APPLICATIONS:
You will need to secure approval from the Retirement Services Department pertaining to the allowable amount of Guaranteed Issue insurance. This is to assure understanding and compliance with the above qualifications as they may pertain to any individual plan or policy within the plan. This bulletin applies to all Qualified Pension and Profit Sharing Plans including those written through ABRS.

Lafayette Life Insurance Company

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SPECIAL BULLETIN

FIELD ASSOCIATES' BULLETIN

BULLETIN 14-6
May 2014

LAFAYETTE LIFE TO IMPLEMENT 10 PAY WHOLE LIFE (ICC14 LL-01 1404) ON MAY 19, 2014

The 10 Pay Whole Life is available May 19, 2014 in approved states. The new product is available in all states except CA, CT, DE & DC.

New applications on the 10 Pay Whole Life product will be accepted from the field in all states where the product is approved on the date of the general announcement of the product's availability to the field. Applications received with application dates prior to the applicable announcement date for the state in which the application was signed will not be accepted.

Applications on products other than the 10 Pay Whole Life, however, that are in house prior to the announcement of the 10 Pay Whole Life but not yet issued may be changed to a 10 Pay Whole Life product by notifying us of the client's desire to apply for the 10 Pay Whole Life instead. Necessary amendments and illustrations may be signed on delivery.

Policies issued within 60 days of the announcement may be re-issued to the new 10 Pay Whole Life provided they are re-issued for the same underwritten amount, the original policy is returned to us and a new, fully completed application is submitted. For all other replacements published internal replacement rules will apply.

Back dating to save age will be permitted. The policy may not be backdated more than the time allowed (six months in most states). When backdated the policy date will be the date to which the policy was backdated. The application date will remain the date on the application.

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 13-10
August 2013

Lafayette Life to Implement New Level Premium Paid-Up Additions (LPUA-13) Rider in Maryland and Montana on August 26, 2013

Effective August 26, 2013, sales of the current LPUA-05 rider in Maryland and Montana will be discontinued and replaced with a new LPUA-13 rider. The new LPUA-13 rider will require a minimum premium of $500 in the first policy year or the first year of being added to an existing policy. Thereafter, a minimum total premium of $120 per year will be required in order to keep making premium payments to the rider. The standard issue ages are 0-68 and the preferred issue ages are 18-68. Premium payments to the LPUA-13 rider will not be accepted after age 70.

Applications for the current LPUA-05 rider must be signed and received by the Home Office prior to August 26, 2013.

We will continue the practice of underwriting the LPUA rider for increased amounts at risk in order to accept higher future premiums. However, underwriting guidelines will change and will be reflected in the underwriting requirements on the illustration. Maximum premiums established at issue may not exceed $100,000 per year with a cumulative maximum premium of $1,000,000 per life, including all LPUA-13 riders an insured may have.

When the rider is issued, annual premium payments may be made ranging between the minimum and the maximum annual premium elected at issue for the first 7 rider years. After the first 7 rider years, the maximum amount that may be paid into the policy during a policy year will be determined by the average of the premiums paid within the first 7 rider years.

If, during the first 7 rider years, the premiums paid are lower than the cumulative maximum annual premiums, an additional "excess" premium payment may be made. The excess payment may not exceed the lesser of $25,000 or the maximum annual premium at the time of the premium. This cumulative catch up provision is only available in the first seven rider years and is subject to restrictions.

The illustration system will be changed to reflect these requirements. In the meantime, if you are working on product designs that include the LPUA rider and are likely to be received in the home office on or after August 26, 2013, you may wish to keep these restrictions in mind when designing the case. These premium limitations will be reviewed periodically.

For questions, please contact the Lafayette Life Sales Development Center at 1.866.937.5542.

Lafayette Life Insurance Company

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SPECIAL BULLETIN

FIELD ASSOCIATES' BULLETIN

BULLETIN 13-9
June 2013

Lafayette Life to Implement New Level Premium Paid-Up Additions (LPUA-13) Rider on July 15, 2013

Effective July 15, 2013 sales of the current LPUA-05 rider will be discontinued and replaced with a new LPUA-13 rider. The new LPUA-13 rider will require a minimum premium of $500 in the first policy year or the first year of being added to an existing policy. Thereafter, a minimum total premium of $120 per year will be required in order to keep making premium payments to the rider. The standard issue ages are 0-68 and the preferred issue ages are 18-68. Premium payments to the LPUA-13 rider will not be accepted after age 70.

In states where the LPUA-13 rider has been approved, applications for the current LPUA-05 rider must be signed and received in the Home Office prior to July 15, 2013.

We will continue the practice of underwriting the LPUA rider for increased amounts at risk in order to accept higher future premiums. However, underwriting guidelines will change and will be reflected in the underwriting requirements on the illustration. Maximum premiums established at issue may not exceed $100,000 per year with a cumulative maximum premium of $1,000,000 per life, including all LPUA-13 riders an insured may have.

When the rider is issued, annual premium payments may be made ranging between the minimum and the maximum annual premium elected at issue for the first 7 rider years. After the first 7 rider years, the maximum amount that may be paid into the policy during a policy year will be determined by the average of the premiums paid within the first 7 rider years.

If, during the first 7 rider years, the premiums paid are lower than the cumulative maximum annual premiums, an additional "excess" premium payment may be made. The excess payment may not exceed the lesser of $25,000 or the maximum annual premium at the time of the premium. This cumulative catch up provision is only available in the first seven rider years and is subject to restrictions.

The illustration system will be changed to reflect these requirements. In the meantime, if you are working on product designs that include the LPUA rider and are likely to be received in the home office on or after July 15, 2013, you may wish to keep these restrictions in mind when designing the case. These premium limitations will be reviewed periodically.

Please Note: The following states have NOT approved the new LPUA-13 rider.

CA, CT, MT, MD,MA, and MN.

Subsequent approvals will be communicated through our website LIIC.com, as well as the e-Focal publication newsletter. Each notification will include the approval date and transition rules for the new rider in the applicable states.

For questions, please contact the Lafayette Life Sales Development Center at 1.866.937.5542.

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 13-8
June 2013

Change in Maximum Premium Limits for Liberty (SPWL-05) & SPUA (SPUA-05) Rider: Effective 7/1/2013

During 2013, we have continued to see strong interest in our Liberty product and Single Premium Paid Up Additions Rider. As a result of the continuing low interest rate environment during this year, several of our competitors have taken action to either discontinue their single premium products or set limits on the maximum premium that they are willing to accept on a single premium sale.

One of our concerns is that single premium business requires substantial early reserves which puts immediate pressure on dividends and earnings in an environment already constrained by historically low interest rates. In addition, large premiums are invested at current interest rates putting downward pressure on our overall portfolio yield which can impact our dividend scale for all policyholders.

We understand that providing real value to our customers and keeping them in the forefront of our vision are the keys to our success. It is essential for us to meet policyholder needs and expectations by maintaining competitive life insurance and annuity products and services. Our primary concern is to continue to provide our existing and new policyholders with competitive dividends in order to build meaningful whole life policy values and death benefit protection for their families and businesses. By limiting our single premium business, we are better positioned to provide long term value to premium paying whole life insurance policyholders.

With these reasons in mind, effective July 1, 2013, we have decided to reduce the amount of single premium we will accept as follows:

a). Liberty policies including any SPUA Riders: $200,000 per insured.

b). SPUA Riders included with any level pay Whole Life policy: $100,000 per policy.

Applications for the Liberty product and SPUA Rider received in the Home Office on or after July 1, 2013 will have the new maximum premium limitations as outlined above.

Please keep in mind that Lafayette Life Whole Life products are among the most flexible in the market place and contain market leading living benefits. Since we are in the business for the long term benefit of our policyholders, taking this action is a prudent business decision and emphasizes our commitment to taking a long term view of value creation for all of our existing and new policyholders.

If you have any questions, please do not hesitate to contact your Regional Sales Vice President or the Sales Development Team at 1-866-937-5542.

Lafayette Life Insurance Company
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SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 13-7
May 2013

Columbus Life and Lafayette Life Inter-Company Term Conversions

Effective immediately, Columbus Life and Lafayette Life will allow inter-company term conversions as outlined below. Producers for both Columbus Life and Lafayette Life will now have access to a full range of competitive, permanent insurance products to offer their term policyholders, including Columbus Life's portfolio of competitive universal life and variable universal life insurance products and Lafayette Life's comprehensive whole life portfolio.

Policies Eligible for Inter-Company Term Conversions:

Inter-company term conversions will be allowed for Term policies meeting the following requirements:

1. The insured must be age 60 or under at the time of conversion; and
2. The policy must be within the first 10 policy years.
3. The insured's underwriting status is preferred or standard (no rated cases are eligible for this inter-company exchange program).

Because definitions vary between the two companies, waiver of premium and other additional benefits may be added to the new policy only with appropriate underwriting.

Commission Adjustments

1. Regular commissions will be payable for conversions within the first 5 policy years.
2. There will be a 5% commission reduction for conversions in policies in years 6 – 10.

Converting Columbus Life Term to Lafayette Life Policies

1. Lafayette Life Form 1280 "Application for Conversion of Term Life Insurance" will be required at the time of conversion of a Columbus Life term policy to a Lafayette Life whole life policy. This form can be obtained from the Lafayette Life Marketing Department at (866) 937-5542. Product information and policy illustrations may also be obtained from the Marketing Department.
2. Applications should be sent to the Lafayette Life New Business Department at 400 Broadway, Cincinnati, OH 45202-3341 or faxed to (888) 558-9329. For assistance, please call (800) 443 8793.

Converting Lafayette Life Term to Columbus Life Policies

1. Columbus Life form CL 45.98, "Application for Policy Change Not Requiring Underwriting" will be required at the time of conversion of a Lafayette Life term policy to a Columbus Life Universal Life or Variable Universal Life policy. This form can be obtained from the Columbus Life Producer Extranet under Forms Online, or from the Columbus Life Sales Desk at (800) 677-9696, Option 4. Also call the Columbus Life Sales Desk for product information as well as policy illustrations.
2. Applications should be sent to the Columbus Life New Business Department at PO Box 5737, Cincinnati, OH 45201-5737, or can be faxed to (513) 361-6930. (Original copies of the application should be sent to the address listed for the Columbus Life New Business Department.

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SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 12-11
Effective September 16, 2012

2012 MARQUIS CENTENNIAL INDEXED ANNUITY PRODUCT LINE CHANGES

Low interest rates and low investment yield continue to be a challenge for all life insurance companies. These low yields have been present since 2008 and are projected to continue through 2014, and perhaps beyond that. In an effort to seek higher yields, some companies may have elected to invest in lower quality instruments, thereby creating asset quality risk. Other companies may have elected to extend the duration of their investments, potentially creating an asset/liability mismatch risk. Both of these strategies can compromise the quality of a company's balance sheet if "things don't work out just right." These strategies can also compromise the ratings of a carrier.

In today's environment, lower yields are a fact of investment life. Incorporating this fact and balancing it against our company's strengths is an important part of Lafayette Life's and Western & Southern Financial Group's long term strategy of client value creation. We believe a strong balance sheet, sustained over time, provides great value for your clients and helps separate us from the competition.

Actions Taken:
Our indexed annuity crediting rates, especially first year, continue to drop in response to the environment and are now near the guarantees provided in the product. Our 2012 Marquis Centennial series composed of a 7 and 10 year surrender charge period product contractually carry a 1% fixed interest guarantee. Our current first year fixed crediting rates are at 1.00% for the 7 year and 1.10% for the 10 year products. In addition, many of our Producers have told us our first year rates are difficult to sell, given how low they are today. To keep these products available for sale, the only remaining choice we have to increase first year crediting rates is to lower agent compensation in these products. Lafayette Life plans to reduce agent compensation by 1% in both the 7 and 10 year products and remove the trail compensation paid after the surrender charge period. However, even after this change, these products have a very competitive compensation schedule. In addition, we will also begin to grade away from the first year/portfolio investment strategy for the 2012 Marquis Centennial series to a simpler portfolio rate strategy gradually over the course of the next year.

We believe the compensation trade-off for consumer rate (which nearly all companies have initiated) represents a reasonable balance between the Producer and end consumer. If we were to make these changes today, the first year fixed rate on the 7 year product would increase from 1.00% to 1.70%. First year point to point cap rate would increase from 1.75% to 3.25%. The 10 year product (first year) would look like this: fixed rate increase from 1.10% to 2.20%, point to point cap rate increase from 2.00% to 4.25%. (Actual rates will be set in advance of September 16, 2012.) Portfolio rates are not affected by this change.

Next Steps:
These changes will become effective as of September 16, 2012. Any applications submitted prior to that date (in good order) and with premium payment can either be issued with the lower first year crediting rate and the higher commission or you can request holding the premium until September 16 for the higher first year crediting rate and slightly reduced commission. If you do not tell us, we will proceed to credit at the rate in effect when the premium is received. Any application involving 1035 funds will get the rate and commission based on the date of the receipt of the funds (e.g. if received after September 16, the higher crediting rate and reduced compensation version of the product will be issued). If this is not the outcome you desire, your choice is to pay a premium at the time the application is submitted while we wait for the 1035 to come to Lafayette Life.

Essentially, this works as a "point in time" contract change – point in time being as of September 16 for premiums received and applications in good order. After that date, the modified crediting rates apply.

While we appreciate and recognize this is a difficult decision, we have delayed it as long as possible. These changes will make our contracts more competitive in the marketplace and will allow Lafayette Life to continue to offer these products. We hope you agree and we urge you to continue to place your indexed annuity business with Lafayette Life knowing your client's product is supported by the financial strength of a carrier with a Comdex of 97, among the highest in the insurance industry.

California and New Mexico Rate:

Since California and New Mexico have not yet approved the 2012 Marquis Centennial series and continue to offer the 2007 version of the Marquis Centennial series, which differs in guaranteed fixed interest rate and the guaranteed caps. The 2012 series guarantees a fixed interest rate of 1%, while the 2007 series guarantees 1.5%. This is very valuable to the consumer in this low interest rate environment, especially if interest rates remain low for an extended period of time which is believed to be highly likely. The current new money fixed interest rate for the 7 year product from the 2012 series is 1%, while this product is crediting 1.5% to the 2007 product. For the 10 year 2012 product, the new money fixed rate is 1.10% and the new money rate on the 2007 product is at 1.5%.

As a result, the change will affect California and New Mexico cases as follows:

Agent level commissions will be reduced by one point on new business issued on or after September 16, 2012 and the post surrender charge period trail commissions will be eliminated. The 2007 series will not receive the improvement in new money rates noted above but will continue to enjoy the higher guaranteed fixed and cap rates as compared to the 2012 series.

We anticipate approval soon by the California and New Mexico Insurance Departments of the 2012 series. Once this occurs, the changes described above will apply.

The Comdex, which is current as of 8/15/12, is subject to change. It is a composite of financial strength ratings as determined by Standard & Poor's, Moody's, A.M. Best and Fitch ratings. It gives the average percentile ranking in relation to all other companies that have been rated by the ratings services.

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 12-10
Replaces BULLETIN 08-12
Effective August 2012

REVISED COMMISSION ADJUSTMENTS FOR INTERNAL LIFE INSURANCE REPLACEMENTS*

Please carefully review these revised replacement rules as follows:

1. For all permanent policies issued in replacement of another Lafayette Life permanent policy, first year commissions will be paid on the increase in premium only. In addition, the amount of the replacing premium will earn the appropriate renewal commission or service fee. Normal renewal commissions and service fees will be paid beginning with the second year of the replacing policy. All Century 2000, marquis UL and Centennial IUL replacement requests must be pre-approved by the Home Office. The replacement of inforce UL policies with the new Centennial IUL policy will be evaluated on an individual basis. If any replacements were to occur, at the time of the replacement the policy values in the replaced policy would have to be in the fixed option or the replaced policy would have to be on anniversary.
2. For all term policies issued in replacement of another Lafayette Life term policy, first year commissions will be paid on the increase in premium only and there will not be an impact on persistency for the previously issued term policy that is being replaced. Normal renewal commissions and service fees will be paid beginning with the second year of the new replacing term policy. If the existing term policy that is being replaced has a higher annual premium than the new replacing term policy, there will be no first year commissions paid and a partial premium refund for unearned premium under the existing term policy being replaced, if any, will be made to the policy owner. If the existing term policy has a lower annual premium than the new replacing term policy, there will be a first year commission paid on the increased premium only. Normal renewal commissions and service fees will be paid beginning with the second year of the new replacing term policy. If the existing term policy that is being replaced has a payment frequency other than annual, the new commission, if any, on the new replacing term policy will be paid as earned. In addition, there will be no performance bonus adjustment on the replaced existing term policy and the appropriate unearned premium refund on the replaced existing term policy will be made, if any.

3. For permanent policies replacing a Lafayette Life term policy, normal term conversion rules and commissions apply.

Permanent policy means any traditional Whole Life policy, Universal Life policy or Current Assumption policy.

First year commissions for Universal Life policies means target commissions.

Renewal commissions for Universal Life policies means excess commission.

Increase in premium means:

- For a premium paying replaced policy, the annual or target premium for the replacing policy less the annual or target premium for the replaced policy immediately prior to replacement,
- For a reduced paid-up replaced policy, the annual or target premium for the replacing policy less the annual or target premium for the replaced policy immediately prior to becoming paid up, or
- For a fully paid-up replaced policy, simply the entire annual or target premium for the replacing policy (i.e., full first year commissions are payable).

*For all rollovers from other companies within the Western & Southern Financial Group, there are no commissions paid.

Life insurance products are issued and guaranteed by The Lafayette Life Insurance Company, Cincinnati, Ohio. 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.

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 12-9
Effective January 16, 2012

GUARANTEED MINIMUM SURRENDER VALUE CHANGES AND TRANSITION RULES FOR THE MARQUIS CENTENNIAL INDEXED ANNUITIES (LL-11-FPIA-1)

Guaranteed Minimum Surrender Value Changes*
Lafayette Life is making the following changes to the Marquis Centennial Indexed Annuity Product Line:

1. The guaranteed minimum surrender value will be 87.5% of all net premiums (less any withdrawals) accumulated at a guaranteed minimum interest rate. Net premiums are premiums less any applicable premium tax and costs of supplemental benefits, if any.

2. The initial guaranteed minimum interest rate will be determined at policy issue and will remain unchanged during the withdrawal charge period. The guaranteed minimum interest rate will be reevaluated at the beginning of every five policy years thereafter.

3. Each guaranteed minimum interest rate will be based on the average of the five-year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve for the first five business days of the prior calendar quarter rounded to the nearest 0.05% less 1.25%.

4. The Settlement Option minimum income interest rate is 1%. In addition, there is an age setback feature added to the policy ranging from one to four years depending on the calendar year the payee elects to begin the payment plan.

*This summary is meant to describe the changes to the guaranteed minimum surrender value of the Marquis Centennial 7 and the Marquis Centennial 10 only. Please consult your Agent Reference Manual for a more detailed description of the product.

Transition Rules
Please carefully review these transition rules as follows:

- On Monday, January 16, 2012, the above changes to the Marquis Centennial Indexed Annuities product line will be announced to all agents. Included in this announcement will be a list of states that have already approved the changes. These states will be the first to implement the product change on Thursday, February 16, 2012. All Marquis Centennial Indexed Annuity applications dated on or after this date will be assigned the new product line.

- Each month thereafter on the 16th, beginning February 16, 2012, a list of states having approved the product change since the previous month's announcement will be announced to all agents. These states will implement the product change on the 16th of the next month. If the 16th falls on a weekend, the next business day will apply. All Marquis Centennial Indexed Annuity applications dated on or after this implementation date will be assigned the new product line.

- In order for an agent's business to be processed for a Marquis Centennial product prior to the above changes, the following must occur:

  a. Applications must have an application date prior to the implementation date for the applicable state.

  b. Applications must be received in our Cincinnati home office (considered the Lafayette Life application submission date) in good order by the close of business the day before the implementation date for the applicable state.

  c. Applications, except for 1035 rollover/transfers, must include the minimum first months premium for the policy.

  d. Applications with 1035 rollover/transfers will be given a maximum of 90 calendar days to be issued.

There will be no exceptions to these rules without officer approval.

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

BULLETIN 12-8
Replaces BULLETIN 08-7 & 08-8
January 2012

Annuity Commission Adjustments for Non-Elective Events

The following Non-Elective events or requirements are commissionable as follows:

1). Benefit Sensitive Events involving Group Annuities

For Benefit Sensitive Events, there is a payment of commissions involving distributions from qualified group annuities to any Lafayette Life individual annuity. Benefit Sensitive Events include the following: death, disability, termination of employment and retirement of the participant. Waiver of withdrawal charges for benefit sensitive events is only included in the qualified group annuity contracts (Horizon G, Group Marquis Flex, Group Marquis Centennial). For a qualifying event, a partial withdrawal from one of these policies is made and paid to the owner, which is the plan/trust.

Plan terminations are not benefit sensitive events. However if a participant from a plan termination purchased an annuity from Lafayette Life, the new annuity would be commissionable.

2). Required Minimum Distributions from Qualified Individual Annuities

For Required Minimum Distributions attributable to the specific policy that the RMD is taken from, there is a payment of commissions involving distributions from qualified annuities to any Lafayette Life non qualified annuity. Unless Required Minimum Distributions for the current year are netted from the initial premium, there will be surrender charges imposed for distributions during the first policy year. Any applicable surrender charges will be assessed on any withdrawal in excess of the RMD for the given policy. Any RMD withdrawal is counted towards cumulative withdrawals in determining the free withdrawal amount. The RMD will be taken from the specific annuity and will not pool among various LLIC annuities. Our RMD calculations will pertain only to LLIC annuities. The calculation will not include assets from other carriers.

3). For Individual Annuities: Death of the Annuitant or Policy Owner

There is a payment of commissions involving death proceeds from individual annuities to a new Lafayette Life individual annuity. Spousal continuations are excluded.

Annuity Commission Adjustments for Elective Events

All other Elective Events are non-commissionable such as the following:

1). Internal Rollovers

For all internal rollovers, including any rollovers from companies within the Western & Southern Enterprise, there are no commissions paid.

Miscellaneous

1). Pension Side Fund Transfer to any Group Indexed Annuity
There is a payment of commissions on transfers from the Pension Side Fund to any Lafayette Life Group Indexed Annuity.

2). SPIA Premiums in Excess of $1 Million
There will be a 50 basis point reduction in the writing agent commissions on premiums for all Lafayette Life single premium immediate annuities in excess of $1 million. There will be no reduction in writing agent commissions on the first $1 million of premium.

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

LIFE AND ANNUITY CENTER 10-17
Replaces 99-8
July 2010

ILLUSTRATION PROCEDURES FOR ALL LIFE APPLICATIONS EFFECTIVE JANUARY 1, 1997

As mentioned in a recent "Customer Focus" newsletter, Lafayette Life is implementing the NAIC Illustration Model Regulation in **ALL STATES**. As a result of this Regulation, a signed Illustration is required for all life applications, whether with the application, at policy delivery, or both times. The following procedures must be followed for all Whole Life, Term and Universal Life **APPLICATIONS DATED ON OR AFTER JANUARY 1, 1997**.

Signatures of the applicant and agent are **REQUIRED** on all illustrations. The signature area is located on the Numeric Summary page.

Application requirements
(includes Term Conversion, GPO Conversion and First Year Policy Changes)

1. When an illustration is used in the application process, signed copies (ALL PAGES), including any Supplemental Illustration, are needed for the following:
   a. The Home Office (along with the application/conversion form)
   b. The Applicant
   c. Your files

2. Certification Form 1772 must be sent to the Home Office when:
   a. No illustration was used in the application process.
   b. The illustration doesn't match the application.
   c. A computer screen illustration was shown to the applicant and no hard copy was furnished to the applicant.

   Check and/or complete the appropriate box. You and the applicant must date and sign the form.

The signed illustration or Certification Form 1772, as applicable, must be submitted with the application.

Please review applications carefully before the applicant signs. If an application is properly completed at the time it is taken and matches the illustration used, you may avoid amendments and/or a Revised Illustration, that require signatures on delivery of the policy.

If the signed illustration or Certification Form 1772 is not received within 10 business days of receipt of the application in the Home Office, the application will be incomplete and a new application with a signed illustration or Certification Form 1772 must be submitted for underwriting.

Policy Delivery Requirements

We will send a Revised Illustration for you to get signed by the policyowner at policy delivery when:

- changes were made during the underwriting process, including:
    - change of policy classification such as
        - preferred or nonsmoker classification
        - sub-standard classification
        - decline of a rider or benefit

Three copies of a Revised Illustration, including any Supplemental Illustration will be mailed with the policy.

1. All illustration copies are to be signed, dated and witnessed.
2. Leave one signed copy with the applicant.
3. Retain one copy for your file.
4. Send one signed copy (ALL PAGES) to the Home Office along with any other requirements.
5. You have 60 days to deliver policies and return requirements to us.

*** In all other situations, it is the agent's responsibility to run a revised illustration and get signatures.**

Please be aware:

1035 EXTERNAL EXCHANGES issued before 1035 money is received (SPUA Rider to be added later) will require a Revised Illustration (without the Rider) to be signed at policy delivery so that the illustration matches the issued policy. Another Revised Illustration will be required when the Rider is later added.

POLICY SUMMARY (COST DISCLOSURE) – These will continue to be enclosed with policies in those states requiring them to be given to the policyowner.

For questions concerning:

1. Running illustrations, please contact the Sales Development Center
2. These procedures, please contact Amy Lucas, Manager New Business, in the Life and Annuity Center Department. Her extension is 1218.
3. Revised illustrations received with policies
    a. New Business – Ext. 3750
    b. Customer Services: Ext. 3700

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Lafayette Life Insurance Company

A member of Western & Southern Financial Group

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

MARKETING SUPPORT 10-10
Replaces MARKETING SUPPORT 09-10
March 12, 2010

WHOLE LIFE AND TERM INSURANCE FACE AMOUNT REDUCTIONS

Effective immediately, the Company will not allow face amount decreases or reductions for whole life or term insurance policies except in the following four (4) limited circumstances:

1. As expressly allowed by the terms and conditions of a policy through the exercise by the policy owner of a policy right (for example, through the exercise by the policy owner of the paid-up insurance option, if available);

2. Any whole life or term insurance policy that is part of a qualified pension plan pursuant to which an appropriate decrease or reduction is requested and required because of pension plan death benefit requirements; (Final details will be released in another Special Bulletin.);

3. Any existing "levelized" GPWL policy; and

4. To meet a specific need of Lafayette Life as determined by Lafayette Life.

Exceptions 2, 3 and 4 require Company approval. Any approval by the Company of a face amount decrease or reduction shall be within the sole and absolute discretion of the Company and is not guaranteed. The Company may reject any request for any face amount decrease or reduction for any reason. In no event shall any determination by the Company to allow a face amount decrease or reduction require the Company to allow any future face amount decreases or reductions under the same or similar circumstances or otherwise. This paragraph does not apply to exception 1 above.

If you have any questions, please do not hesitate to contact your Regional Sales Vice President or the Marketing Department.

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SPECIAL BULLETIN

FIELD ASSOCIATES' BULLETIN

BULLETIN 09-16
Replaces BULLETINS 98-8 & 05-4
December 2009

PAYMENT OF LICENSE APPOINTMENT FEES

Effective January 1, 2010, the following are the qualifications for our payment of agent licensing appointment fees in resident and non-resident states. Please carefully review the following:

Initial License Appointment Fees

1. Resident State: Lafayette Life will pay.
2. Non-Resident States: The agent will pay all fees.

Renewal License Appointment Fees

1. Resident State: Lafayette Life will pay.
2. Non-Resident States: Lafayette Life will only pay in those states where the agent has paid for at least one new policy in the prior or current calendar year. Otherwise, the agent will pay the fees in the non-resident states.

The qualifications described above will be implemented in all states except for South Carolina, which requires insurance companies to pay all licensing fees.

Please contact your RSVP or the Marketing Department if you have any questions or concerns.

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SPECIAL BULLETIN

FIELD ASSOCIATES' BULLETIN

BULLETIN 09-14
March 2009

SURRENDER OF ANNUITY AND PAYMENT PLAN ELECTION PRIOR TO ANNUITY MATURITY DATE

- Commission Recapture for Early Annuitization of Deferred Annuities
- Surrender Value will be used for Payment Plan Calculation

For those deferred annuity products listed in the below charts, if an annuity owner elects to terminate the annuity prior to the annuity's maturity date and elects at that time a payment plan under the annuity, there will be commission chargeback (expresses as a percentage of the total premiums paid on the annuity) as specified in the below chart.

Please contact Agent's Accounts if you have any questions.

Marquis Centennial 10

Commission Chargeback by Issue Ages & Policy Year of Annuitization
(expressed as a percentage of total premiums paid)

Policy Year of Annuitization	Issue Ages & Commission Chargeback Percentages		
	0-70	71-81	81+
1	6%	6%	4%
2	5%	5%	3%
3	4%	4%	2%
4	3%	3%	1%
5	2%	2%	1%
6 & later	0%	0%	0%

Marquis Centennial 7

Commission Chargeback by Issue Ages & Policy Year of Annuitization
(expressed as a percentage of total premiums paid)

Policy Year of Annuitization	Issue Ages & Commission Chargeback Percentages		
	0-70	71-81	81+
1	3.5%	3.5%	2.5%
2	2.5%	2.5%	1.5%
3	1.5%	1.5%	0.5%
4	0.5%	0.5%	0%
5 & later	0.0%	0%	0%

In accordance with the terms of the annuity products listed, if an owner elects to terminate the annuity prior to its maturity date and elects at that time a payment plan under the annuity, the surrender value is used to calculate the payment plan amount. The Company does not encourage the use of the early annuitization option prior to the annuity's maturity date.

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SPECIAL BULLETIN
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BULLETIN 08-13
June 2008

GUIDELINES FOR PREMIUM FINANCING

The following are the guidelines for Premium Financing. Please contact the Underwriting Department before taking an insurance application involving Premium Financing.

1. Reinsurer approval of premium financing guidelines:
   a. All LLIC automatic and facultative reinsurance companies must give approval to premium financing specifications
2. Acceptance of lender and its premium financing program:
   a. Prior LLIC acceptance of lender and its program
   b. LLIC receipt of loan documents
   c. Recourse loans only – no guarantee agreement as part of collateral
   d. Loan must be minimum 100% collateralized by personal or business assets of insured / applicant (no signature loans)
3. Producer Requirements:
   a. Two years under contract with LLIC, and
   b. Proven performance with LLIC and Joint Chief Level Production
   c. If otherwise, visit to Home Office / Marketing Department due diligence / final authorization by Sr. Management
4. Insured / Applicant Requirements:
   a. Insured less than age 65
   b. Final rate class must be D or better
   c. Must have minimum personal or business net worth of $5,000,000
   d. Must have demonstrated long term documented financial need for life insurance
   e. Demonstrated insurable interest of owner / beneficiary
   f. If Irrevocable Life Insurance Trust is owner, trustee must be insured or loved one
5. Administrative Requirements / Changes:
   a. Questions on application over signature asking about premium source and possible life settlement intentions
   b. Whole life insurance only (term insurance rider okay)
   c. Disclosure Acknowledgement and Hold Harmless form signed by applicant (insured) and owner
   d. Must use LLIC collateral assignment form
   e. Additional premium source and possible settlement intention questions on mandatory inspection report (PHI)

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Lafayette Life Insurance Company
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SPECIAL BULLETIN
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BULLETIN 08-8
Replaces BULLETIN 07-8
February 2008

TRANSITION PROGRAM FOR MARQUIS ANNUITIES

Following are guidelines for the Marquis Annuities internal transition program. These guidelines will determine any waiver of surrender charges and any payment of commissions at the time of transition. Internal exchange of policies that do not abide by these guidelines will be assessed full surrender charges and no commissions paid.

The annuities that qualify for transition include:

1. Marquis Flex – 1 (1.5% & 3% guarantee)
2. Marquis Flex – 5 (1.5% & 3% guarantee, excluding 412(e)(3) business)
3. Marquis Flex – 10 (1.5% & 3% guarantee)
4. Marquis AdvantEdge – 5 (2%/3% guarantee)
5. Marquis AdvantEdge – 10 (2%/3% guarantee)
6. Marquis Centennial to another Marquis Centennial with a longer surrender charge.
7. Group Marquis Flex to Group Marquis Centennial

The annuities that may be transitioned to include:

1. Marquis Centennial – 3 (90% @ 3% guarantee)
2. Marquis Centennial – 5 (90% @ 3% guarantee)
3. Marquis Centennial – 7 (90% @ 3% guarantee)
4. Marquis Centennial – 10 (90% @ 3% guarantee)
5. Group Marquis Centennial (90% @ 3% guarantee)

Guideline #1
The transition to the Marquis Centennial or Group Marquis Centennial under this program will only be allowed on the 15th of the month immediately following a policy or premium anniversary. The minimum rollover amount will be $1,000.

Guideline #2
Surrender charges under the Flex, AdvantEdge, Centennial and Group Marquis Centennial will only be waived under this program if the transition results in an equal or longer surrender charge period under the new Centennial than the period under the original policy (ex. a Marquis Flex – 5 at its first policy anniversary would not be allowed to transition under this program to a Marquis Centennial – 3).

Guideline #3
The commission payable at the time of the transition will be the nominal first year commission for the new Marquis Centennial – 3, 5, 7 or 10 or Group Centennial less 1% and then reduced an additional 1% for each year of surrender charge remaining under the original policy.

Guideline #4
If all surrender charges have expired for the original policy or the original policy is within the 60-day window in the case of the Marquis AdvantEdge the transition to the Marquis Centennial will receive the level of commission of a newly issued Marquis Centennial or Group Marquis Centennial less 1%.

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PART B: PARTNERSHIP GROWTH BONUS FOR NEW GENERAL AGENT DEVELOPMENT

If a contracted Lafayette Life General Agent recommends a qualified LLIC Agent assigned to his/her agency for appointment as a LLIC General Agent and the Agent is appointed as a new LLIC General Agent, the recommending General Agent will be eligible for the following PGB.

New GA Contract Month	Partnership Growth Bonus Amount
1-12	10% of earned 1st year Agent level commission produced by the new GA/Agency. Additionally, $1,000 cash bonus will be awarded to the recommending GA if the new GA/Agency produces a minimum of $61,250 NAFYAC during the first contract year.
13-24	5% of earned 1st year Agent level commission produced by the new GA/Agency. Additionally, a $2,500 PGB will be awarded to the Recommending GA if the new GA/Agency produce a minimum of $122,500 NAFYAC during the second contract year.

In order to be recommended for a LLIC General Agency contract, the LLIC Agent must meet the following qualifications:

- 24 months under contract as an LLIC Agent,
- qualification for a minimum of one LLIC Marquis Club during the past three years,
- minimum persistency of 85%, and
- home office approval.

TIME OF PGB PAYMENTS: PGB payment will be made at the end of the new General Agent's third contract month and every third contract month thereafter through contract month 24. Both the recommending/referring General Agent and the new General Agent must hold an active LLIC General Agent contract at time of PGB payment in order to be eligible.

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SPECIAL BULLETIN
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MARKETING SUPPORT 05-9
April 9, 2005

ADJUSTMENT IN COMPENSATION FOR THE SPIA INSTALLMENT INCOME FOR 11 YEARS & LATER

You were recently mailed an updated commission schedule. Unfortunately, there was an error in the SPIA Installment Income for 11 Years & Later. The base commission rates for the SPIA Installment Income for 11 Years & Later will be adjusted to be the same base commission rate as the SPIA Installment Income for 8-10 years. This change is effective on August 9, 2005.

We apologize for this error. An updated commission schedule will be mailed to you in the near future.

If you have any questions, please do not hesitate to contact your RSVP or Agent's Accounts.

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MARKETING SUPPORT 05-8
April 7, 2005

36 MONTH CURRENT PERSISTENCY (36MCP)

The 36 MCP measures how consistently premium payments are made on each life policy. In addition, loans and partial surrenders are taken into account. The objective of the 36 MCP is to encourage agents to write profitable business that generates renewal income. All life policies are evaluated over a 3 year period and continue to be measured on a rolling 3 year basis. There are three parts to the MCP.
Part I measures Ordinary Life.
Part II measures Universal Life.
Part III creates a weighted or combined average of Ordinary Life and Universal Life.

ORDINARY LIFE

The following questions and answers will help clarify the previous definitions.

Q.1. How are Ordinary Life policies (Whole Life, Term, CAWL) analyzed?

A.1. Annualized premiums are used. An example is a monthly $100 PAC premium payment times 12 months = $1,200 which is the annualized premium. Single premium paid-up additions rider premium is not included as part of annualized premium. However, premiums for other optional riders are included as part of annualized premium.

Q.2. How is the Ordinary Life Current Persistency calculated?

A.2. The in-force annualized premiums (A.P.) are divided by the total annualized premiums to obtain the Ordinary Current Persistency.
Example: $250,954 in-force A.P. / $259,463 total A.P. = 96.72%

Q.3. What is considered to be an in-force Ordinary Life Policy?

A.3. Ordinary Life policies are considered to be in-force if the policy status is one of the following: active, suspended, waiver pending, waiver claim or automatic premium loan. Paid up additions riders can be used to pay premiums to keep the policy in-force.

Q.4. When is an Ordinary Life policy not in-force?

A.4. Ordinary Life policies are not considered to be in-force if the policy status is one of the following: lapse, surrendered, pending lapse, extended term, reduced paid-up. In addition, there will be a pro rata lapse for the portion of the annualized premium on an ordinary life policy if the face amount of coverage has been reduced during the first 3 policy years.

Universal Life

Q.5. What is the first step in analyzing a Universal Life policy?

A.5. Step 1. The actual amount of money received on a policy is compared to the amount of premium expected during the 36 month measurement period. If the ratio of actual premium to expected premium is less than 1, then the policy is counted as a "no" and decreases the current persistency. When the actual premium paid is equal to or greater than the expected premium, the policy is counted as a "yes".

Q.6. How is the money actually received on a UL policy calculated?

A.6. The amount of money received is calculated as follows: gross deposits (all premiums received on a policy) minus partial surrenders and loans for each policy. Lump sum deposits are counted as part of the actual premium received.

Q.7. How is the expected premium calculated?

A.7. The expected premium is the minimum monthly premium per $1,000 times the number of months from the policy effective date for each UL policy. The premium for optional benefits is included as part of the expected premium. Lump sum deposits are not counted as expected premiums.

Q.8. How does a UL policy qualify for credit as a “yes” policy?

A.8. In example I, the ration of actual premium to the expected premium is equal to or greater than 1 and therefore the UL policy is categorized as a “yes” and qualifies for credit.

Example I:
Policy effective date is 22 months ago. Actual premium received = $2,200
Expected premium = $100 per month times 22 months = $2,200. 2,200/2,200 = 1
This policy qualifies and is counted as a “yes”.

Q.9. How does a UL policy classify as a “no” policy?

A.9. In example II, the ratio of actual paid premium to expected premium is less than 1 and therefore the policy is categorized as a “no” and does not qualify for credit and reduces your current persistency.

Example II:
Policy effective date is 22 months ago.
Actual premium received = $600
Expected premium = $100 per month times 22 months = $2,200
600/2,200 is less than 1

Q.10. Why should an in-force Universal Life policy count as a “no” policy when the actual premium is less than the expected premium?

A.10. When the minimum expected premium is not being paid, the policy has a high chance of lapsing, and will not be profitable ultimately for you, the policy owner or Lafayette Life.

Q.11. What is the second step in analyzing a Universal Life policy?

A.11. Step 2. The total annualized premiums for the UL policies categorized as “yes” are divided by the total annualized premiums for all UL policies. This calculates the UL persistency.

Example: ($54,312 / $56,860) = 95.51%

COMBINED AVERAGE

Q.12. What is the combined average?

A.12. The combined average combines or averages the Ordinary Life and Universal Life current persistencies.

Q.13. How is the combined average calculated?

A.13. The combined average is calculated as follows: The in-force Ordinary Annualized Premium plus annualized premium for Universal Life policies categorized as a "yes" is divided by the total annualized premium for all Ordinary Life policies plus the total annualized premium for all UL policies.
Example: ($250,954 + $54,132) / ($259,463 + $56,860) = 96.45%

Q.14. How can I improve my persistency if I happen to suffer a large lapse?

A.14. You can begin to improve your persistency at any time during a 36 month period by increasing your current production substantially in order to make up for the lapsed premium.

Q.15. If you have questions, who should be contacted?

A.15. Please contact your Regional Sales Vice President or the Marketing Department, if you have any questions.

We expect your 36 month current persistency to be at least 80%.

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Lafayette Life Insurance Company

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SPECIAL BULLETIN

FIELD ASSOCIATES' BULLETIN

BULLETIN 04-2
March 23, 2004

SALES PRACTICES DIRECTED AT SENIOR CITIZENS RESIDING IN CALIFORNIA

California Senate Bill 620

California recently passed Senate Bill 620 (the "Bill"), which includes numerous new amendments targeting sales practices directed at California residents that are senior citizens. The Bill's intent is to protect senior citizens from abusive sales practices. It imposes additional restrictions on advertising practices that target senior citizens and expands the scope of existing restrictions currently applicable to disability insurance, life insurance and annuities. The Bill (1) revises certain disclosure requirements applicable to the sale of life insurance and annuity products to seniors; (2) imposes restrictions on the sale of life insurance and annuities in the home of a seniorcitizen to require written notice to the senior no less than 24 hours prior to the initial meeting in the senior's home; (3) prohibits an agent or insurer from recommending the unnecessary replacement of an annuity; (4) effective January 1, 2005, requires specific training for life agents in order for these producers to sell annuities, unless the agents are nonresident agents who represent a direct response provider.

Please carefully review the following sections to help ensure your compliance with the recently enacted and updated laws. To review the specific laws amended by the Bill, you may access such laws through the California Department of Insurance website at www.insurance.ca.gov. Click on the Legal Information link on the right side. This will take you to the Insurance Code, click on this link. Then click on the California Insurance Code link which will bring you to the table of contents. The applicable Sections are listed on the right in blue.

Advertising targeting senior citizens; Disclosures relating to lead generating devices; Untrue, deceptive, or misleading advertisements. Article 6.3, Section 787

Any advertisement or other device designed to produce leads based on a response from a potential insured which is directed towards persons age 65 or older shall prominently disclose that an agent may contact the applicant if that is the fact.

No insurer, agent broker, solicitor, or other person or other entity shall solicit persons age 65 and older in this state for the purchase of disability insurance, life insurance, or annuities through the use of a true or fictitious name which is deceptive or misleading with regard to the status, character, or proprietary or representative capacity of the entity or person, or to the true purpose of the advertisement.

An advertisement includes envelopes, stationery, business cards, or other materials designed to describe and encourage the purchase of a policy or certificate of disability insurance, life insurance or an annuity.

No advertisement for an event where insurance products will be offered for sales may use the terms "seminar", "class", "informational meeting" or substantially equivalent terms to characterize the purpose of the public gathering or event unless it adds the words "and insurance sales presentation" immediately following those terms in the same type size and font as those terms.

Sales of annuities to seniors to affect Medi-Cal eligibility prohibited under certain circumstances. Article 6.3, Section 789.

An annuity shall not be sold to a senior in any of the following circumstances:

(1) The senior's purpose in purchasing the annuity is to affect Medi-Cal eligibility and either of the following is true:

(A) The purchaser's assets are equal to or less than the community spouse resource allowance established annually by the State Department of Health Services pursuant to the Medi-Cal Act (Chapter 7 (commending with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(B) The senior would otherwise qualify for Medi-Cal.

(2) The senior's purpose in purchasing the annuity is

to affect Medi-Cal eligibility and, after the purchase of the annuity, the senior or the senior's spouse would not qualify for Medi-Cal.

Requirements for selling or generating leads for sale of life insurance and annuities to senior insureds. Article 6.3, Section 789.10.

(a) This section applies to the sale, offering for sale, of life insurance, including annuities, to senior insureds or prospective insureds by any person.

(b) Any person who meets with a senior in the senior's home is required to deliver a notice in writing to the senior no less than 24 hours prior to that individual's initial meeting in the senior's home. If the senior has an existing insurance relationship and requests a meeting with the agent in the senior's home the same day, a notice shall be delivered to the senior prior to the meeting. The notice shall be in substantially the following form, with the appropriate information inserted, in 14-point type:

(1) During the visit or a follow up visit, you will be given a sales presentation of the following (indicate all that apply):

( ) Life insurance, including annuities

( ) Other insurance products (Specify): __________.

(2) You have the right to have other persons present at the meeting, including family members, financial advisors or attorneys.

(3) You have the right to end the meeting at any time.

(4) You have the right to contact the Department of Insurance for information, or to file a complaint. (The notice shall include the consumer assistance telephone numbers at the department.)

(5) The following individuals will be coming to your home: (list all attendees, and insurance license information, if applicable).

(A sample form is available for your utilization and is attached at the end of this bulletin. Please retain a copy of all completed forms, which are provided to prospects and policyowners, for your records.)

(c) Upon contacting the senior in the senior's home, the person shall, before making any statement other than a greeting, or asking the senior any questions, state that the purpose of the contact is to talk about insurance, or to gather information for a follow up visit to sell insurance, if that is the case, and state all of the following information:

(1) The name and titles of all persons arriving at the senior's home.

(2) The name of the insurer represented by the person, if known.

(d) Each person attending a meeting with a senior shall provide the senior with a business card or other written identification stating the person's name, business address, telephone number, and any insurance license number.

(e) The persons attending a meeting with a senior shall end all discussions and leave the home of the senior immediately after being asked to leave by the senior.

(f) A person may not solicit a sale or order of the sale of an annuity or life insurance policy at the residence of a senior, in person or by telephone, by using any plan, scheme, or ruse that misrepresents the true status or mission of the contact.

Conduct of Licensee, Article 12, Section 1724 and 1725.5

An agent, broker or solicitor who is not an active member of the State Bar of California may not share a commission or other compensation with an active member of the State Bar of California.

Every licensee shall prominently affix, type, or cause to be printed on business cards, written price quotations for insurance products, and print advertisements, distributed in this state for insurance products, the word "Insurance" in type no smaller than the largest indicated telephone number.

Licensing and Continuing Education, Article 13.5, Section 1749.8

(a) Effective January 1, 2005, every life agent who sells annuities shall satisfactorily complete eight hours of DOI approved training prior to soliciting individual consumers in order to sell annuities.
(b) Effective January 1, 2005, every life agent who sells annuities shall satisfactorily complete four hours of training every two years prior to license renewal. For resident agents, this requirement shall be part of, and not in addition to, the continuing education requirements of Section 1749.3.

Requirements for Replacement of Life and Annuity Policies, Article 8, Section 10509.8

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A violation of this article shall occur if an agent recommends that an insured 65 years of age or older purchase an unnecessary replacement annuity.

"Unnecessary replacement" is defined to mean the sale of an annuity to replace an existing annuity that requires that the insured will pay a surrender charge for the annuity that is being replaced and that does not confer a substantial financial benefit over the life of the policy to the purchaser so that a reasonable person would believe that the purchase is unnecessary.

If you have any questions, please do not hesitate to contact the marketing department.

Required Written Meeting Notice

Meeting Notice to Senior Citizens as required by Article 6.3 Senior Insurance.

Any person who meets with a senior in the senior's home is required to deliver a notice in writing to the senior no less than 24 hours prior to that individual's initial meeting in the senior's home. If the senior has an existing insurance relationship and requests a meeting with the agent in the senior's home the same day, a notice shall be delivered to the senior prior to the meeting. Using your letterhead, the notice shall be in substantially the following form, with the appropriate information inserted, in 14-point type:

Meeting Notice

(1) During this visit or a follow up visit, you will be given a sales presentation of the following (indicate all that apply):

( ) Life insurance, including annuities

( ) Other insurance products (Specify):________________________.

(2) You have the right to have other persons present at the meeting, including family members, financial advisors or attorneys.

(3) You have the right to end the meeting at any time.

(4) You have the right to contact the Department of Insurance for information, or to file a complaint by calling 800-927-HELP(4357). Telephone Lines are open from 8:00 AM to 6:00 PM Monday through Friday, excluding state holidays. Out-of-State Callers can call 213-897-8921. For a telecommunication device for the Deaf, please dial 800-482-4TDD(4833).

(5) The following individuals will be coming to your home: (list all attendees, and insurance license information, if applicable). ______________________________

Additional Disclosures Prior to Presentation

In addition to the requirements noted above, all persons who visit a senior's home must verbally provide certain information when first meeting the senior. Upon contacting the senior in the senior's home, the person shall, before making any statement other than a greeting, or asking the senior any other questions, state that the purpose of the contact is to talk about insurance, or to gather information for a follow up visit to sell insurance, if that is the case, and state all of the following information:

a) The name and titles of all persons arriving at the senior's home.

b) The name of the insurer represented by the person, if known.

Please refer to Article 6.3, Section 789.10 of the California Insurance Code for further details. (Note to agent: if you have any questions, please refer to our special bulletin for details or contact the marketing department.)

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A member of Western & Southern Financial Group

SPECIAL BULLETIN
FIELD ASSOCIATES' BULLETIN

MARKETING SUPPORT 05-15
Replaces MARKETING SUPPORT 03-12
Effective April 15, 2012

REQUIREMENT TO MAINTAIN ERRORS AND OMISSIONS (E&O) INSURANCE COVERAGE

All agents shall be responsible for maintaining, throughout the duration of their contract and at their sole expense, E&O insurance coverage satisfactory to The Lafayette Life Insurance Company (Lafayette Life). Lafayette Life will periodically request proof of this E&O coverage, which must be submitted in a timely and acceptable manner to maintain an agent's contract with Lafayette Life. If an agent does not provide timely and acceptable proof of E&O, the agent's contract will be terminated with a 30-day notice or the minimum notice required by the agent's resident state insurance department.

Proof of satisfactory E&O coverage is defined as the following:

1. A certificate of insurance submitted via:
   a. E-mail: llicamle&o@llic.com
   b. Fax: 513-362-2474
   c. Mail: Lafayette Life-Marketing Department, 400 Broadway, Cincinnati, OH 45202
2. The agent should be named as an insured of the policy
3. Coverage should be described as "Errors and Omissions Declaration"
4. Minimum coverage per occurrence of $1,000,000
5. Policy should provide coverage for the solicitation, sale and servicing of life insurance and annuity products
6. If E&O is purchased through a broker-dealer, employer, or purchasing group, the policy should clearly state coverage is to provide for the agent while in independent/outside contracting arrangements

Lafayette Life makes available to its contracted agents an E&O program pursuant to which an agent may purchase E&O coverage from an identified E&O carrier. For qualified agents enrolled in the program, without any obligation to do so, the required annual E&O premium may be paid in advance on the agent's behalf. In the event that an E&O premium is advanced on behalf of an agent and such advanced amount is not repaid by the agent, such amount shall be considered the agent's indebtedness under the agent's contract with Lafayette Life. Any such indebtedness shall be subject to all the terms and conditions of the agent's contract with Lafayette Life, including without limitation Lafayette Life's right to deduct from and set-off against any compensation or the amounts payable under any agent's contract between the agent and Lafayette Life, amounts necessary to pay or partially pay the indebtedness.

If you have any questions regarding this program or the above, please do not hesitate to contact the Marketing Department.

Lafayette Life Insurance Company

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SPECIAL BULLETIN

FIELD ASSOCIATES' BULLETIN

MARKETING SUPPORT 00-9
Replaces MARKETING SUPPORT 98-6
December 1, 2000

This bulletin clarifies the products eligible for Honeymoon Surrenders. This change is reflected in item #1 in the guidelines.

HONEYMOON SURRENDERS

"Honeymoon Surrender" advantages:

1. Reduces the high cost of employee turnover during the first TWO YEARS of plan participation.
2. Eliminates employer objections to the use of Whole Life insurance for rank and file employees in a pension plan.
3. Your persistency is not affected as policies terminated under this provision are not counted as lapses.

Listed below are the guidelines for "Honeymoon Surrenders."

1. Available for all Whole Life and Universal Life policies, except the Marquis UL, in qualified pension and profit sharing plans. This is due to the design of the Marquis UL.
2. Available only on termination of employment within the first two policy years.
3. Terminating Employees must not be "Key Employees" as defined in IRC 416(i)(1).
4. Lafayette Life must be notified within 90 days of the employee's termination.
5. Notification must be made on Form 1472 and must be signed by the Plan's Trustee. Return of the policy is not required.
6. Short Term Premiums (E-7 of the Agent's Reference Manual) will be charged for the period of coverage from policy issue to the termination date.
7. No Commissions are payable on the Short Term.
8. Difference between premium paid and the term charge calculated will be refunded to the Plan Trustee, credited against the next premium due, or invested in a Lafayette Life Group Annuity per Trustee's request.
9. Commissions and bonuses paid on the policy will immediately be reverse from the Agent's Commission Account.
10. Policies terminated under this provision are not to be considered lapses and will not affect the agent's persistency.

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BULLETIN 00-4
Replaces BULLETIN 97-4
September 5, 2000

ILLUSTRATION ACKNOWLEDGEMENT FORM 1792 FOR QUALIFIED PENSION APPLICATIONS

At the request of Field Associates, we have developed a special form which will allow a Qualified Pension Plan Trustee to sign only once confirming receipt of Illustrations. This is an OPTIONAL form which may be used instead of the Trustee having to sign each illustration in a Pension group (3 signatures per policy).

FORM # 1792, ILLUSTRATION ACKNOWLEDGEMENT FOR TRUSTEES OF A QUALIFIED PENSION PLAN, has been developed for this purpose. This form can be used at time of application when Illustrations are give to the Trustee, or at policy delivery when Revised Illustrations are to be signed.

When you give the Trustee Illustrations for the pension group, complete the form. Include:

- Name of the Pension Plan
- Trustee's Signature & Date
- Your Signature, Confirming that:
    - an Illustration for each Plan Participant was given to the Trustee
    - you explained to the Trustee that any non-guaranteed elements illustrated are subject to change and that you have made no statements which are inconsistent with the illustration. (This is the same statement you would sign on the Illustration itself.)
- Attach a list naming the Proposed Insureds whose Illustrations were given to the Trustee. Include the Pension Plan name on the list.

This eliminates the Trustee and you from having to sign multiple forms. Send the original form to the Home Office along with a copy of each complete Illustration. Give one copy of the form to the Trustee along with Illustrations. Keep one copy of the form for your records, along with a copy of each Illustration.

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BULLETIN 97-3
May 7, 1997

EQUITY INDEXED ANNUITIES & DISTRIBUTIONS OF BENEFITS AT AGE 70 ½

When meeting the regular minimum distribution rule at age 70 ½ for individual retirement plans and tax sheltered annuities, Equity Indexed Annuity products will utilize the guaranteed cash values for distributions. This means that withdrawals do not participate in any potential index return. You should carefully evaluate the utilization of Equity Indexed Annuity products for sales situations where the minimum distributions will be required during the initial policy term.

If you have any questions, please contact the Retirement Services Department.

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BULLETIN 95-5
November 8, 1995

IRA AND TSA DIRECT TRANSFER OF FUNDS
NEW FORM 1633

We are pleased to announce a new IRA Direct Transfer of Funds Form which was requested by the President's Advisory Council. The new form is to be used for requesting direct transfers from other Insurance Companies, Mutual Funds, and Banks into a Lafayette Life Qualified Individual Retirement Annuity (IRA).

The enclosed form is now available for your use. We combined our current TSA Direct Transfer Form with the new IRA Direct Transfer Request. Additional forms for your supply are available from Home Office Services Department, phone extension 3439.

For both IRA and TSA Direct Transfers, here is how they will work:

1. At time of application, complete Form 1633 and have the Annuitant sign it. Send it along with the application to us.

2. When the application is approved, a Lafayette Life Officer will sign the Letter of Acceptance. We will then send the request to the other Company.

By using this form, the time that it takes for us to get the money should be faster because the Request and Acceptance will be together. Please note that this new form is to be used ONLY FOR QUALIFIED IRA AND TSA DIRECT TRANSFERS.

In summary, for IRA send the following completed forms to us:

- Annuity Application Form 1460 (special versions in some states)
- IRA Form 1342D (NJ & PA have special versions)
- For Direct Transfer of Funds – Form 1633

If you have any questions, please contact the Retirement Services department or contact your Underwriting Team.

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SPECIAL BULLETIN
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BULLETIN 94-15
Replaces BULLETIN 92-4
August 1, 1994

SIMPLIFIED ISSUE PROGRAM FOR QUALIFIED PLANS WITH 3-19 PARTICIPANTS

Life insurance applications for Qualified Pension and Profit Sharing Plans with 3-19 participants are eligible for our Simplified Issue Program.

APPLICATIONS WILL AUTOMATICALLY BE PROCESSED AS SIMPLIFIED ISSUE unless you request Guaranteed Issue. (See #8 on the next page.)

> DO NOT order medical exams or Inspections, unless amount of insurance is over the Simplified Issue limit. (See #9 on the next page.)
>
> > If ordered, applications will be processed on a regular Underwriting basis instead of Simplified Issue.

Participants with previous Decline, Postpone or rating on ANY previous Lafayette Life application or Trial application: For that participant, regular Underwriting rules apply. Complete ALL sections of the application.

Advantages of Simplified Issue:

1. Exams and Inspections are waived whenever possible. (An Underwriter may order them only if they are determined to be necessary.)
2. Short Form non-medical: Section B of Application 1302-D and Authorization to Release Information.
3. Rating cushion: Any participant that would normally be substandard Table A or B will be issued STANDARD insurance up to the Simplified Issue Limit. Only Aviation, Avocation and Occupation ratings may be changed.
4. Full regular Commissions are paid to you – no reductions.

****

SIMPLFIED ISSUE LIMITS: $10,000 x number of lives* (Maximum $100,000)
Participants on more than one plan: $100,000 maximum per person for all plans combined

Example: 8 Participants – Each eligible for $80,000 insurance under the Simplified Issue Program
10 – 19 or more participants - $100,000 maximum per person applies

* The number of active participants at each anniversary year will determine the Simplified Issue Limit for the plan for that year.

****

1. Maximum issue age for Simplified Issue is 60. For ages 61 and above, Simplified Issue is not available and regular Underwriting rules apply to those participants.
2. Waiver of Premium is available to ALL participants through age 55 elect it.
3. Smoker and non-smoker rates are available.

4. Only Simplified Issue amounts are counted towards the above limit. Any prior Lafayette Life amounts that were not Simplified Issue are disregarded.

5. Previous in-force Simplified Issue amounts count toward each participant's limit. When limit is reached, no additional insurance may be added under Simplified Issue.

Example: $100,000 limit with previous $75,000 Simplified Issue, Participant has $25,000 Simplified Issue available left

6. Employee must have been actively at work for at least the past 3 months, not off due to disability or sickness.

7. Plans available:
   All Whole Life and Universal Life Plans
   Normal minimum face amount limits for Qualified plans

8. Once a group is processed as Simplified Issue, all future applications must be Simplified Issue, even when the group has grown over the 19 participant limit in future years.

9. Face amounts IN EXCESS of the Simplified Issue Limit –
   a. Complete ALL sections of the application
   b. Regular Underwriting rules apply on that person for the amount that is in excess of the Simplified Issue limit.

NOTE: Qualified Pension Plans with 5 or more participants are eligible for our Guaranteed Issue Program. See details in Special Bulletin 08-11.

GUARANTEED ISSUE MUST BE STATED ON APPLICATIONS, IF IT IS WANTED. A Pension Plan may either be Simplified Issue or Guaranteed Issue – not both within the same plan.

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BULLETIN 94-11
Replaces BULLETIN 11-02
March 2, 1994

SINGLE PAID-UP ADDITIONS RIDER – POLICY ISSUE METHOD CHANGES

Many field associates have urged us to change our issue methods for Single Paid-Up Additions Rider to:

1. add SPUA Rider after issue without having to return the policy
2. issue 1035 base policies at time of Underwriter approval, when there is sufficient CWA received to pay the base and 1035 has been requested from other Company, then add SPUA Rider separately without returning the policy when 1035 money is received.

Good News! We are glad to announce that the requested method changes have been approved.

EFFECTIVE MARCH 21, 1994, we will begin following the new methods below.

- SPUA Riders will be added WITHOUT REQUIRING RETURN OF THE POLICY
- The SPUA Rider and policy page will be SENT DIRECTLY FROM THE HOME OFFICE TO THE POLICYOWNER with instructions to keep it with the base policy which you previously delivered.
- This handling will be AUTOMATIC, so you don't have to make any special requests.

WHEN SPUA RIDER MONEY ISN'T RECEIVED BY UNDERWRITING APPROVAL (NON-1035):

1. Base policy will be issued without SPUA Rider, as usual. The deadline date for sending money for SPUA Rider which has been underwritten will be states on Form 604-3. You will find this form under the inside cover of the policy. (When SPUA Rider is underwritten with app., the deadline is 90 days from date app. is received in the Home Office or the 60 day delivery deadline after issue, whichever is later.)
2. You deliver the base policy to the policyowner. Initial premium on the base policy must be received in the Home Office within 60 days of issue, as usual, along with any other delivery requirements such as forms to be signed at policy delivery.
3. SPUA Rider money must be received in the Home Office by the deadline date on Form 604-3 in order for the SPUA to be added.

*** Policy Does NOT have to be returned.

*** indicates new methods

1035 EXTERNAL EXCHANGE TO PAY FOR SPUA RIDER –

(ONLY WHEN FULL CWA HAS BEEN COLLECTED AND IS SUFFICIENT TO PAY BASE POLICY ON THE FREQUENCY METHOD SELECTED ON THE APPLICATION):

*** 1. After Underwriter approval,

a. We will request 1035 Exchange from other Company

b. The base policy will be issued without the SPUA Rider and the CWA money will be used to pay the base policy.

NOTE: The effect of this change means that you will get your commissions sooner, and the policyowners will receive their base policies sooner instead of our delaying issue until all of the 1035 money is received.

*** 2. You deliver base policy to the policyowner within the 60 day delivery period, and get any other delivery requirements completed. Policy does NOT have to be returned for addition of the SPUA Rider.

WHEN SPUA RIDER MONEY IS RECEIVED IN THE HOME OFFICE by the deadline, or when all 1035 External Exchange money is received:

*** We will add the pre-approved rider to our records and prepare a new policy face page 3. The new face page and the new SPUA Rider will be MAILED DIRECTLY TO THE POLICYOWNER along with a letter with instructions to put the rider with the original policy. A copy of this letter will also be sent to you.

When money for SPUA Rider is received after the policy date, it is discounted from the date the money is received in the Home Office back to the policy date. The discounted amount plus interest will equal the full amount of single premium that we received. Interest on the discounted amount is the same percentage as the premium deposit fund which is currently 5%.

REDATING IS NOT AVAILABLE after a policy is "Paid" through our computer system.

These method changes apply ONLY to the addition of the SPUA Rider. Any other changes such as adding or changing other benefits or changing the face amount will continue to require return of the policy.

If you have any questions about these new methods, please contact Amy Lucas, Manager New Business at ext. 1218.

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BULLETIN 94-9
Replaces BULLETIN 91-3
January 31, 1994

SUBMISSION PROCEDURES FOR TRANSFER OF EXISTING TSA FUNDS TO LAFAYETTE LIFE

Revenue Ruling 90-24 provides guidelines for the transfer of all or a portion of existing Tax Sheltered Annuity funds directly from one carrier to another upon request by the TSA participant.

To execute a partial or total transfer of Tax Sheltered Annuity funds to Lafayette Life, we will require the following procedure:

1. The agent will submit the transfer request Form 1633, which is signed by the employer and the employee
2. If it is a total transfer, the existing policy to be surrendered will be submitted with the application for the new insurance and/or annuity contract.
3. The application to be used is the qualified application number 1302-D.
4. If insurance is applied for, the disclaimer Form 1626 will be submitted with the application.
5. The agent will also submit a statement indicating the amount of funds to be transferred.
6. If ongoing contributions will be made to the new contract (i.e., more than a one-time deposit), billing information Form 1642 should be submitted with the application.

NOTE: The agent should NOT initiate the surrender process with the previous carrier. When the new contract is underwritten and approved, the Lafayette Life Home Office will forward the surrender request Form 1633 and the existing policy contract (if applicable) to the previous carrier. When the funds are received, the new contract will be issued and will be made effective the date the funds are received.

Following the above procedure will avoid "constructive receipt" and assure a non-taxable transfer of existing funds from the previous carrier to the new carrier under the guidelines of Revenue Ruling 90-24.

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BULLETIN 94-8
January 28, 1994

GREAT NEWS FOR NON-QUALIFIED EMPLOYEE BENEFIT PLANS!

As of February 15, 1994, most Non-Qualified Employee Benefit Plan Policies will be issued on a Unisex Basis (where available). That means that policies issue for Payroll Deduction Plans, Split Dollar Plans, SUPER Plans (Executive Bonus Plans), and Reverse Split Dollar Plans will have the Unisex rate. Where Unisex is not available, the male rate will be used.

This should make your sales opportunities for these concepts even more competitive. You should use the Unisex rates when illustrating these concepts. All policies issued from the above date will be Unisex even if applied for earlier. You should also clearly indicate the purpose of the insurance on the Agent's report of the application.

If you have any questions concerning this subject, contact the Sales Development Center at 1-866-937-5542.

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