

# The Marquis Centennial Indexed Annuities - Product Guide

<b>Product Type:</b>	Individual Flexible Premium Deferred Indexed Annuity (FPDA 06-1), designed for long-term accumulation needs such as retirement income.
<b>Minimum Annual Premiums:</b>	\$1,000 Qualified and Non-Qualified Plans (\$84 per month)
<b>Issue Ages:</b>	0 - 85
<b>Flexible Premiums:</b>	Premiums can be paid at any time prior to the maturity of the policy. The minimum premium is \$1,000 annually, and total premiums cannot exceed \$1,000,000 without prior consent of the company.
<b>Allocation Options:</b>	With each premium payment the owner may choose to allocate to a fixed option or alternative interest crediting methods under the index option.
<b>Allocation Dates:</b>	The allocation of your net premiums to the selected interest crediting methods will be done on an allocation date, which is the 15th of the month. If your premium is received on an allocation date, your net premium will be immediately divided between the fixed and indexed alternatives you have selected. If your premium is received on a date other than an allocation date, your net premium will receive a short-term interest rate declared by us until the next allocation date, upon which your net premium and any short-term interest credited will be allocated to the fixed and indexed alternatives you have selected.
<b>Guaranteed Minimum Surrender Value:</b>	The guaranteed minimum surrender value of your contract will be 90% of all net premiums (less any withdrawals) accumulated at 3% interest.
<b>Alternative Index Interest Crediting Methods:</b>	<p><b>Annual Point-to-Point (Method A)</b> - the index interest rate for this method is measured by calculating the percentage of change in the S&amp;P 500® index from the beginning of the interest earning period to the end of the interest earning period limited by the applicable cap. The cap will not be less than 1.5%.</p> <p><b>Monthly Average (Method B)</b>- The index interest rate for this method is measured by calculating the percentage of change between the S&amp;P 500® index at the beginning of the interest earning period and the average of the 12 monthly S&amp;P 500® indices on the allocation dates immediately following the beginning of the interest earning period limited by the applicable cap. The cap will not be less than 1.5%.</p> <p><b>Monthly Cap (Method C)</b> - The index interest rate for this method is measured by calculating the sum of the percentage change in the S&amp;P 500® index for each of the 12 one-month periods within the interest earning period. Each monthly percentage increase is capped at the declared monthly cap rate; <u>each monthly decrease is included in its entirety</u>. The cap will not be less than 0.125%. (1.0% in Oregon).</p> <p>Under each method (A, B or C), the interest rate credited to the annuity at the end of an interest earning period is the index interest rate. This rate will not be less than 0% for an interest earning period, nor more than the applicable cap. Any index interest is added at the end of the interest earning period.</p>
<b>Interest Earning Periods:</b>	Under the fixed option and index option, the interest calculations are based upon a one-year measuring period. This one-year measuring period is referred to as an interest earning period. For each premium, the interest earning periods start on an allocation date and end one year later. Interest is calculated differently under each option.
<b>Fixed Interest:</b>	For each premium allocated to the fixed option, the interest rate is declared in advance of each successive interest earning period, and it is guaranteed not to change during such period. The minimum fixed interest rate is 1.5%.
<b>Index Interest &amp; Caps:</b>	For each premium allocated to any one of the alternative index interest crediting methods under the index option, there is a cap that applies to each alternative that is used to calculate the index interest rate. The caps are used to set the upper limit on the index interest rate for an interest earning period. These caps are declared in advance of each interest earning period and are guaranteed not to change during such period. Any interest attributable to a change in the index is credited only at the end of an interest earning period. <u>There is no guarantee the index interest rate credited under any of the index interest alternatives will be equal to its cap or even greater than 0%.</u>
<b>Interest "Locked-In":</b>	Interest credited, whether through the index or fixed option is "locked in" once it is credited and cannot be lost by any declines in the index in future years.



A member of Western & Southern Financial Group®

1905 Teal Road  
P.O. Box 7007  
Lafayette, IN 47903  
www.LafayetteLife.com

### **Marquis Centennial 3**

There are declining withdrawal charges for the first three policy years. After the withdrawal charge period the policy will continue without withdrawal charges.

The withdrawal charges are as follows:

Policy Year	1	2	3
Charge	7%	5%	3%

### **Marquis Centennial 7**

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

The withdrawal charges are as follows:

Policy Year	1	2	3	4	5	6	7
Charge	8%	7%	6%	5%	4%	3%	2%

### **Marquis Centennial 5**

There are declining withdrawal charges for the first five policy years. After the withdrawal charge period the policy will continue without withdrawal charges.

The withdrawal charges are as follows:

Policy Year	1	2	3	4	5
Charge	8%	7%	6%	4%	2%

### **Marquis Centennial 10**

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

The withdrawal charges are as follows:

Policy Year	1	2	3	4	5	6	7	8	9	10
Charge	9%	9%	8%	7%	6%	5%	4%	3%	2%	1%

**Downside Protection:**

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

**Payout Options:**

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

**Death Benefit:**

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

**Spousal Continuation:**

Under current tax law, the surviving spouse, if the designated beneficiary, may elect to continue the FPDA-06-I as the owner and annuitant after the death of the spouse annuitant if the annuitant is the owner and prior to the maturity date. This allows the surviving spouse beneficiary to continue the policy without beginning a new withdrawal charge period.

**Withdrawals:**

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

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

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

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

**All or some of each withdrawal is subject to income taxes and if withdrawals are taken before age 59 ½, they may be subject to a penalty tax. Please consult a tax advisor regarding specific situations.**

**Transfers:**

On each anniversary of a net premium's initial allocation date, the value of such net premium may be transferred between the interest crediting methods without any charges. The policyowner must notify us before the allocation date and inform us of the amount they would like transferred.

Check the Lafayette Life web site ([www.llic.com](http://www.llic.com)) for state specific limitations and availability.

\*In the state of Massachusetts: If an annuitant is chronically ill (as defined in the policy) the free withdrawal amount is increased to 25%. Nursing facility does not apply. This product guide is a list of this products key features. For more detailed information about this product see the Disclosure & Benefit Summary (2282-3, 5, 7 or 10).

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