

THE LAFAYETTE LIFE INSURANCE COMPANY

Illustration Software



OCTOBER 2022



**Lafayette Life
Insurance Company**

A member of Western & Southern Financial Group

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New Business Illustration Software

Accessing the Illustration Software

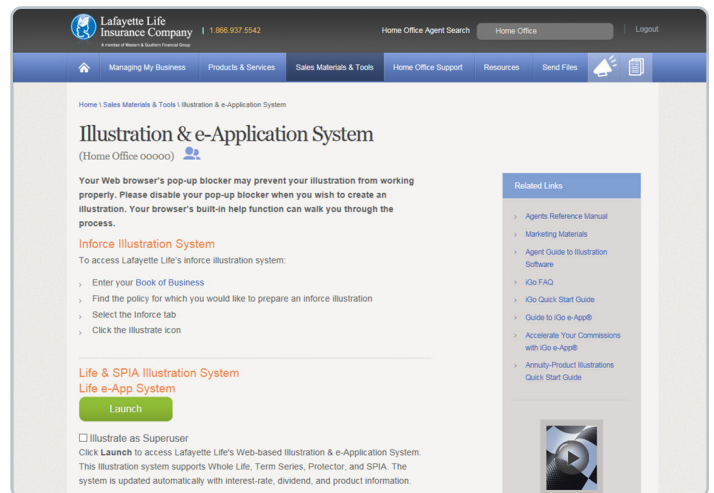
- Log in to the Agent Website
<https://agent.llc.com> or www.llc.com.
- On the Home screen, select the **Illustration & e-Application System** icon.



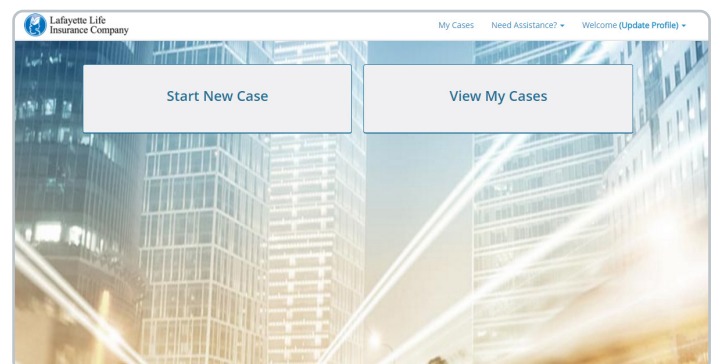
Agent Website Home

- Click the **Launch** button. You will be directed to a new web page. This screen gives you two choices:
 - **Start New Case.**
 - **View My Cases**—listing of previously saved cases.

Use the **iGO® e-Application** system to duplicate information directly from the illustration system.
See the **iGO® Agent Guide (LL-2667)** for more details.



Agent Website: Illustration & e-Application System



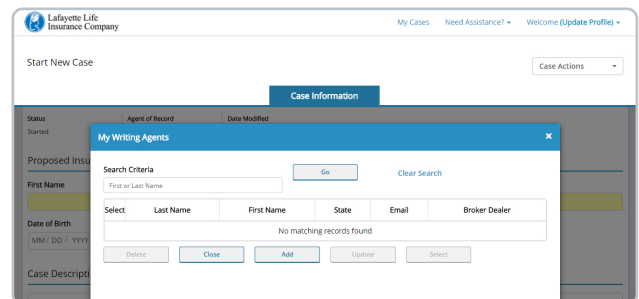
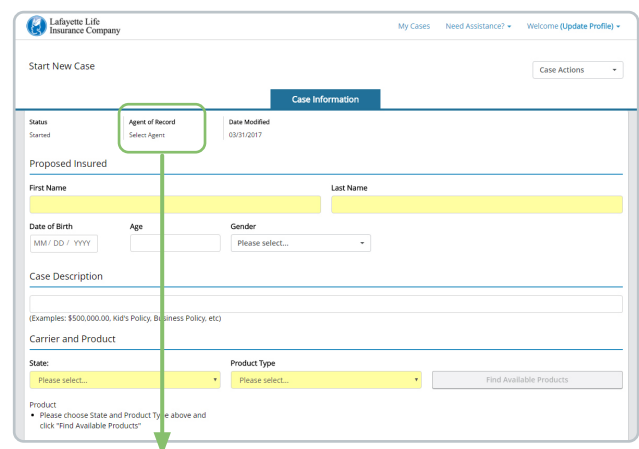
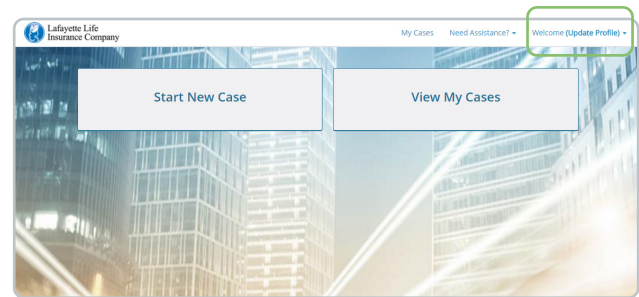
Viewing My Agent Contact Information for Illustrations

The agent contact information that will appear on the illustration can be accessed from the **agent profile** link (shown in green box, right).

Running an Illustration for a Particular Agent

- **Option 1:** Once you have launched the online version of the illustration software, you can go to the **Agent of Record**. This will allow you to add, delete or select a new agent.
- **Option 2:** Prior to launching the online version of the software, click the **Agent** icon  that is located next to the agent's name. This will allow you to select from agents who are within a particular down line and will populate the selected agent's contact information onto the illustration.

When running illustrations for multiple agents, be aware that the agent of record will need to be changed for each case. When running an illustration using this option, the illustration will appear in the agent's saved cases when the agent is logged into the online version of the software.



Select Agent of Record

Basic Navigation While Running Illustrations

- The **Main Panel** displays four tabs to access case information, illustrations, advanced planning and applications. Each tab contains actions that allow you to build a competitive and unique policy design, from illustration to application submission to the home office.
- The **Left Menu** allows you to view or change the illustration you are working on with easy-to-use illustration menu options (client information, solves, premium, riders, dividends, loans and withdrawals and reports).

Main Panel

Left Menu

Top Right

TIP: Client Information is the only required menu option to produce an illustration. Other menu items are optional.

- The top right buttons allow you to view and save the illustration. Click **Calculate Results** to view a policy or premium summary at a glance.

Policy Summary				Premium Summary	
Year	Age	Annual Premium	Loan/Withdrawal	Cash Value	Death Benefit
MEC?	Patriot 2022	Client Name	Term Rider	SPLA Premium	Initial LPLA Premium
No	Standard	Valued Client	None	None	None
		Base Face Amt:	\$100,000	Base Premium:	\$4,470
1	41	4,470	0	1,077	101,059
2	42	4,470	0	4,032	103,750
3	43	4,470	0	7,245	106,847
4	44	4,470	0	10,736	110,358
5	45	4,470	0	14,597	114,373
6	46	4,470	0	18,854	119,003

Calculate Results

Running an Illustration

Running a Whole Life Insurance Illustration

- Launch the online version of the illustration software and start a new case.
- You will begin to build the illustration by entering the necessary information for your client on the **Case Information** tab. Please be aware that fields highlighted in yellow are required.

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My Cases Need Assistance? Welcome (Update Profile)

Start New Case

Case Information

Status	Agent of Record	Date Modified
Started	Select Agent	10/14/2022

Proposed Insured

First Name [] Last Name []

Date of Birth MM / DD / YYYY Age [] Gender Please select...

Case Description []

(Examples: \$500,000.00, Kid's Policy, Business Policy, etc)

TIP: Using the **Case Description** field is a great way to sort your cases!

Case Information

- Under the **Carrier and Product** section, select the state and product type for the case that you are illustrating.
- After this information is selected, click on the **Find Available Products** button to view the different plans we offer.

Carrier and Product

State: Ohio Product Type: Whole Life Find Available Products

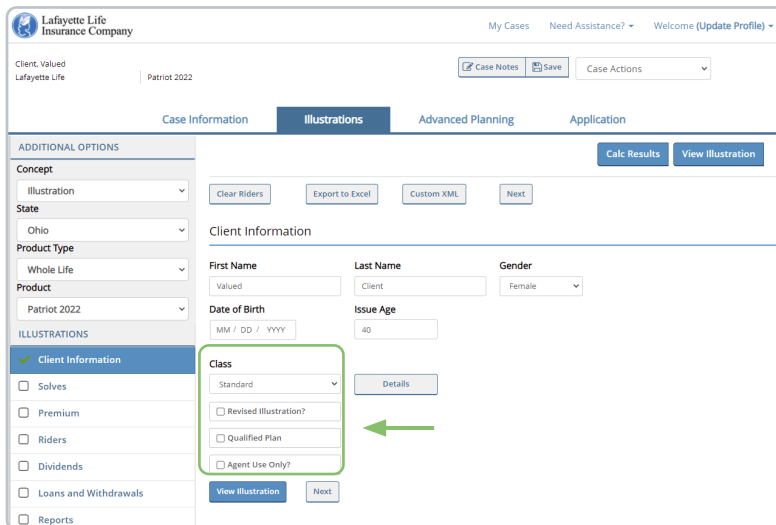
Carrier	Product	Illustrations	Advanced Planning	IGO e-App
Lafayette Life Insurance Company	10 Pay Life 2022	Select	Select	Select e-Sign
Lafayette Life Insurance Company	Contender 2022	Select	Select	Select e-Sign
Lafayette Life Insurance Company	Heritage 2022	Select	Select	Select e-Sign
Lafayette Life Insurance Company	Liberty 2022	Select	Select	Select e-Sign
Lafayette Life Insurance Company	Patriot 2022	Select	Select	Select e-Sign
Lafayette Life Insurance Company	Sentinel 2022	Select	Select	Select e-Sign

Carrier and Product

Entering Policy Details

After selecting a product, you will be directed to the first menu item, **Client Information**. The client's name, gender, date of birth and issue age will prefill with your input from the previous screen.

Here you can identify the **underwriting class** or leave the default set to preferred. If the illustration that you are running is **revised**, a **qualified plan**, or for **agent use only**, make sure to specify that here by checking the appropriate box.

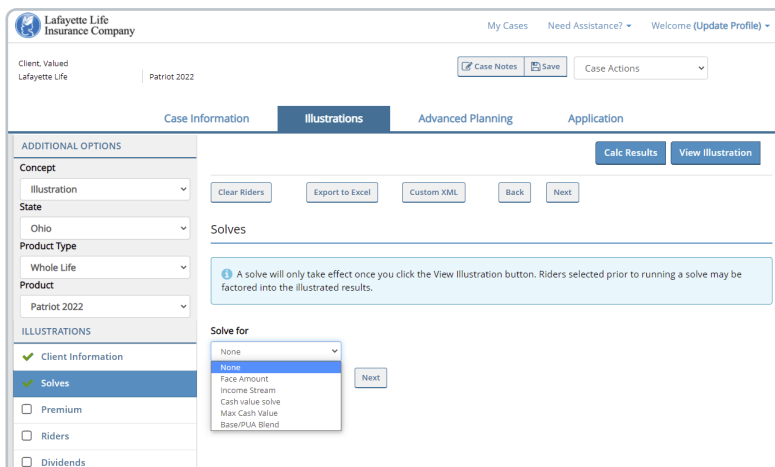


Client Information

Solves

From client information, click the next button or select **Solves** from the left menu. Note: It is not a requirement to run a solve to produce an illustration.

- If you would like to incorporate one of the many options we offer for life products, use the drop down arrow and choose the one that best pertains to your client's needs.
- Note: A solve will only take effect once you click the View Illustration button.
- Riders selected prior to running a solve may be factored into the illustrated results.



Solves

Solves (continued)

Depending on the product you are illustrating, the following solves are available.

Available Solves for Whole Life

- **Face Amount:** Solves for the maximum face amount for a given annual premium.
- **Income Stream:** Solves for an income stream based on the desired resulting cash value at a given age.
- **Cash Value Solve:** Solves for the premium needed to get to a desired cash value at any given age.
- **Max Cash Value:** Solves for the lowest face amount possible, while using the given premium dollars as efficiently as possible between base premium and the LPUA rider.
- **Base/LPUA Premium Blend:** Solves for a specified total annual premium amount by allowing you to identify the percentage of Base and LPUA premium.

Avoid MEC Option

Max Cash Value and Base/LPUA Premium Blend Solves include the additional **Avoid MEC** option. When selected, this option will add enough term coverage for a selected period of time (7, 10, 15, 20, & 30 years) in order for the policy to avoid Modified Endowment Contract (MEC) status while also keeping premiums fixed.

Solves

i A solve will only take effect once you click the View Illustration button. Riders selected prior to running a solve may be factored into the illustrated results.

Solve for
Base/LPUA Blend

Total Annual Premium

⚠ Total allocation should equal 100%

% Base

% LPUA

% FPUA

☒ Avoid MEC Options

Add to 30-yr Term

?

View Illustration

Back

Next

Solve Base/LPUA Premium Blend

Premiums

The **Premium** menu item can be used to identify a specific initial face amount, base premium, payment mode or 1035 contribution. You can also select to illustrate **Premium Offset**, **Switch to Reduced Paid-Up** or **Avoid MEC**.

The screenshot shows the 'Premium' menu item selected in the 'ILLUSTRATIONS' section. The 'Initial Face Amount' is set to \$100,000. The 'Payment Mode' is set to 'Annual'. The 'Total 1035 Amount' is set to 0.00. The 'Premium Offset' checkbox is checked.

Premium

Selecting **Premium Offset** will illustrate a point in time you wish to surrender PUAs and apply them toward the contract premium, reducing or potentially eliminating the out-of-pocket cost. Use the drop down menu to select one of four options:

- As soon as possible.
- Every year starting in year.
- Every year starting at age.
- Specific years/age.

The screenshot shows the 'Premium Offset' selection screen. The 'Specific years/age' dropdown is set to 'All'. The table below shows the results for each year and age.

Year	Age	Full Amount	Partial Amount (\$)
1	40	Yes	0.00
2	41	Yes	0.00
3	42	Yes	0.00
4	43	Yes	0.00
5	44	Yes	0.00

Premium Offset

Selecting **Switch to Reduced Paid-Up** (RPU) at a specific age or year will use the current cash value of the policy to purchase a lump sum of death benefit. No further premiums would be accepted after this election. Many riders terminate upon RPU.

The screenshot shows the 'Switch to Reduced Paid-Up' selection screen. The 'Switch to Reduced Paid-Up?' checkbox is checked. The table below shows the results for each year and age.

Year	Age	Full Amount	Partial Amount (\$)
1	40	Yes	0.00
2	41	Yes	0.00
3	42	Yes	0.00
4	43	Yes	0.00
5	44	Yes	0.00

Reduced Paid Up

Riders

To add a rider(s) onto a policy, click the next button or select **Riders** from the left menu. A list of available riders for the specified state and product will be shown.

Single Paid-Up Additions (SPUA) Rider

- When adding the SPUA rider, enter the amount in the **Single Premium** field.

Level Paid-Up Additions (LPUA) Rider

- When adding funds into the LPUA rider, enter the proposed amount under the **Annual Premium** column. This will assume the **Maximum Underwritten Annual LPUA**. You can also manually enter a Max Annual LPUA in the field provided.
- The Lump-Sum Premium will allow you to add a one-time lump sum during any given year.
 - A minimum deposit of \$500 in year one is required for the LPUA rider. The LPUA rider must maintain a minimum of \$120 per year for all subsequent years for the rider to remain active on the policy.

Fixed Premium Paid-Up Additions (FPUA) Rider

- When adding funds to the FPUA rider, enter the proposed amount under the **Annual Premium** column. This will establish the maximum amount you can pay into the rider.
- Remember, after not funding this amount three times, the maximum becomes the lowest amount paid into the rider.

Calculating the Maximum LPUA Premium

When using the feature to **Calculate Underwritten Annual LPUA Premium**, it should be checked last to get the maximum amount for the application and underwriting requirements.

- When the LPUA rider is added, this feature will calculate the maximum LPUA premium for which you may be underwritten to avoid becoming a Modified Endowment Contract during the first seven-policy years.
- After the first seven-policy years, the software will take an average of the funds provided in years one to seven, and generate a new maximum LPUA amount.
- This feature will set the Max Underwritten LPUA to the highest possible amount based on the other inputs.

Case Information | **Illustrations** | Advanced Planning | Application

Calc Results | View Illustration

Clear Riders | Export to Excel | Custom XML | Back | Next

Riders

☐ Level Premium PUA

☐ Fixed Premium PUA

☒ Single Premium PUA

Single Premium
\$100,000.00

☐ Single Premium amount collected with initial premium?

☐ Total First Year Outlay?

ILLUSTRATIONS

Client Information
Solves
Premium
Riders

SPUA Rider

Case Information | **Illustrations** | Advanced Planning | Application

Calc Results | View Illustration

Clear Riders | Export to Excel | Custom XML | Back | Next

Riders

☐ Level Premium PUA

☐ Single Premium PUA

☐ Fixed Premium PUA

Maximum Underwritten Annual LPUA
Automatically Calculate

Maximum Underwritten Annual LPUA

☐ Year 1 Lump Sum Premium collected with initial premium?

☐ Raise LPUA Premium To MEC Limit

When the LPUA rider is present, this option will raise the maximum LPUA premium for which you may be underwritten to avoid becoming a Modified Endowment Contract during the first 7 years.

Duplicate entries for how many years:
☐ 1 | ☐ 3 | ☐ 10 | ☒ All

Year	Age	Annual Premium*	Lump Sum Premium*	Total PUA*
1	40	0.00	0.00	0.00
2	41	0.00	0.00	0.00
3	42	0.00	0.00	0.00
4	43	0.00	0.00	0.00
5	44	0.00	0.00	0.00
6	45	0.00	0.00	0.00

ILLUSTRATIONS

Client Information
Solves
Premium
Riders

Dividends
Loans and Withdrawals
Reports

LPUA Rider

Dividends

Dividend options can be accessed by clicking the next button or selecting [Dividends](#) from the left menu. Here you may identify how interest earned from dividends is applied to the policy.

There are four dividend options to choose from: PUA, Dividend Accumulation, Reduced Premiums and Cash. If you wish to change the options, select from the drop-down menu or leave the default value set to PUA.

Loans and Withdrawals

To include [Loans and Withdrawals](#) in your illustration, select this option from the left menu.

- When entering an amount in the loan/withdrawal field, the system will default to make that change for every year going forward. If this is not the intention, make sure to change this setting by selecting a duration under *Duplicate entries for how many years*.
- You can also illustrate a loan repayment in this section. Simply type the amount that is to be repaid.

The screenshot shows the 'Loans and Withdrawals' section of the software. On the left, a sidebar menu has 'Loans and Withdrawals' selected. The main area has a header 'Loans and Withdrawals' and a sub-header 'Loans'. Below this, a note states: 'The illustration assumes that loans and loan repayments occur at the beginning of each year.' A section titled 'Duplicate entries for how many years:' contains radio buttons for '1', '5', '10', and 'All', with 'All' selected. Below this is a table with columns: 'Year', 'Age', 'Amount (\$)', and 'Repay Loan Amount (\$)'. The table contains 7 rows of data, all showing 0.00 for both Amount and Repay Loan Amount.

Year	Age	Amount (\$)	Repay Loan Amount (\$)
1	40	0.00	0.00
2	41	0.00	0.00
3	42	0.00	0.00
4	43	0.00	0.00
5	44	0.00	0.00
6	45	0.00	0.00
7	46	0.00	0.00

Loans and Withdrawals

Reports

The [Reports](#) menu item will enable you to include or exclude any of four reports. The available reports are:

- ADBR Plus Report.
- ADBR Plus Guide.
- Agents Use Only.
- Net Cash Value Supplemental Report.

The screenshot shows the 'Reports' section of the software. On the left, a sidebar menu has 'Reports' selected. The main area has a header 'Reports'. Below this, there are four checkboxes: 'Agent Use Only?', 'Revised Illustration?', 'ADBR Plus Report' (which is checked), and 'ADBR Plus Guide'. Below these are two more checkboxes: 'Net Cash Value Supplemental Report' and 'Terminal Dividend Supplemental Report' (which is checked). At the bottom, there are two buttons: 'View Illustration' and 'Back'.

Reports

Running a Term Life Insurance Illustration

- Launch the online version of the illustration software and start a new case.
- Begin building the illustration by entering the necessary information for your client on the [Case Information](#) tab. Please be aware that fields highlighted in yellow are required.
- Under the [Carrier and Product](#) field, select *Term* as the product line you would like to illustrate.
- After this information is selected, click on the [Find Available Products](#) button to view the different plans we offer.
- Once on the [Quotes/Illustrations](#) screen, begin to enter the policy details. If you would like to add any riders, you may do so by clicking the [Add Riders](#) button located in the top left hand corner of the screen.

The screenshot displays the Lafayette Life Insurance Company illustration software interface. The top navigation bar includes the company logo, 'My Cases', 'Need Assistance?', and a 'Welcome (Update Profile)' link. Below this, the 'Case Information' tab is active, showing 'Client: Valued' and 'Lafayette Life' with a '10 Year Continental Term' product. A 'Case Notes' button and a 'Save' button are visible, along with a 'Case Actions' dropdown menu. The main content area is divided into three tabs: 'Case Information', 'Illustrations' (selected), and 'Application'. The 'Illustrations' tab contains a 'Calc Results' button and a 'View Illustration' button. On the left, the 'ADDITIONAL OPTIONS' section includes 'Concept' (Illustration), 'State' (Ohio), 'Product Type' (Term Life), and 'Product' (10 Year Continental Term). Below this, the 'ILLUSTRATIONS' section has a 'Product' checkbox (checked) and an 'Assumptions' checkbox (unchecked). The main form area is titled 'Client Information' and includes fields for 'First Name' (Valued), 'Last Name' (Client), 'Gender' (Female), 'Date of Birth' (MM / DD / YYYY), 'Age' (40), 'Class' (Standard), 'Benefits', 'Initial Amount' (\$100,000), 'Payments', and 'Payment Mode'.

- Once you have entered all of the policy details, you can run the ledger or view the [Calc Results](#).

Running a Single Premium Immediate Annuity Illustration

- Launch the online version of the illustration software and start a new case.
- Begin building the illustration by entering the necessary information for your client on the [Case Information](#) tab. Please be aware that fields highlighted in yellow are required.
- Under the [Carrier and Product](#) field, be sure to select *Immediate Annuity* as the product line you would like to illustrate.
- After this information is selected, click on the [Find Available Products](#) button and the Single Premium Immediate Annuity (SPIA) that Lafayette Life offers will be provided in the space below.
- Once on the [Quotes/Illustration](#) screen, begin to enter the policy details.

The screenshot displays the Lafayette Life Insurance Company illustration software interface. The top navigation bar includes the company logo, 'My Cases', 'Need Assistance?', and a user profile link. Below this, the case name 'Case, Test' and 'Lafayette Life' are shown, along with a 'SPIA' label. A 'Case Actions' dropdown menu is visible. The main content area is divided into two tabs: 'Case Information' and 'Illustrations'. The 'Case Information' tab is active, showing a form with the following sections:

- Client Information:** Fields for First Name (Test), Last Name (Case), Gender (Unisex), Date of Birth (01 / 01 / 1978), and Age (39).
- Payments:** Fields for Tax Qualified (checkbox), Months Since Last Birthday, Policy Type (Single), and Cost Basis (in dollars).
- Payout Options:** Fields for Payout Type (Install), Guaranteed Period (8), Payout Mode (Annual), Solve for (Payout), and Purchase Amount.
- Date Funds Received:** 03 / 31 / 2017
- Date of First Payment:** 03 / 31 / 2018

On the left sidebar, under 'ADDITIONAL OPTIONS', the 'Product' section is highlighted with a green checkmark and the word 'Product'.

- Once you have entered all of the policy details, you can run the ledger or view the [Calc Results](#).

Advanced Markets

Illustrating Advanced Markets Sales Concepts

At the top of the screen, you will note the **Advanced Sales** tab to the right of the Quotes/Illustrations tab.

Once this tab is selected, there are three major categories or markets of supplemental **Advanced Sales Tools** to choose from:

- Individual Insurance
- Business Insurance
- Family/Estate Insurance

The first category or market is **Individual Insurance**. Select this market to view and create the following categories of supplemental **Advanced Sales Tools**.

Lafayette Life Insurance Company

My Cases Need Assistance? Welcome (Update Profile)

Client: Valued Lafayette Life 10 Pay Life 2022

Case Notes Case Actions

Case Information Illustrations Advanced Planning Application

Status: Started Agent of Record: (None Selected) Date Modified: 10/14/2022

Proposed Insured

First Name: Last Name: Client

Date of Birth: MM / DD / YYYY Age: 40 Gender: Female

Case Description

(Examples: \$500,000.00, Kid's Policy, Business Policy, etc)

Carrier and Product

State: Ohio Product Type: Whole Life Find Available Products

TIP: In order to activate the **Advanced Sales** tab, you must first create and view the ledger under the **Quotes/Illustrations** tab.

Lafayette Life Insurance Company

My Cases Need Assistance? Welcome (Update Profile)

Case, Test Lafayette Life Employee-owned Split-Dollar

Case Notes Save Reports Case Actions

Case Information Illustrations Advanced Planning Application

ADVANCED SALES

✓ Select Concept

□ Individual / Business F...

□ Employee-owned Split-Do...

□ Composite Selection

RESOURCES

Policy Details

Please select a Market and then an Advanced Sales Concept

Market: Business Insurance

Concept: Employee-owned Split-Dollar

Employee-owned Split-Dollar encompasses the Loan tax regime based on a below-market rate demand loan. These loans use the AFR published by the IRS every July. It is anticipated the agent will use the AFR as the demand loan rate as the system is not prepared at this time to compare the entered rate with the AFRs.

Not sure where to start for an Employee Fringe Benefit Plan - click here -->>

Decision Wizard

IMPORTANT: Please do not select Reports until all input screens for this concept have a green checkmark.

Next ➔

Advanced Sales Concepts

Advanced Markets Sales Concepts

Individual Insurance

- **Policy Value Analysis:** Internal Rate of Return and Discounted Dollars reports.
- **Retirement Supplemental Life Insurance:** Demonstrates how distributions from life insurance can be used to supplement retirement income.
- **Term Versus Permanent (Fixed Rate):** Demonstrates purchasing permanent life insurance versus buying term and investing the difference.
- **Premium Funding From Side Fund Account:** Demonstrates premium being funded using a side fund account.
- **Pension Maximization:** Life insurance used to supplement pension and retirement income.
- **Mortgage Acceleration:** Demonstrates how life insurance can pay the mortgage early or at the death of insured.
- **Basic Charitable Giving:** Demonstrates the value of life insurance as a charitable gift.

Business Insurance

- **Key Person Life Insurance:** Demonstrates the value of life insurance insuring a business key person.
- **Executive Bonus:** Demonstrates the value of life insurance for executive benefits.
- **Restricted Executive Bonus:** Demonstrates the value of life insurance for executive benefits with some restrictions for "golden handcuffs".
- **Employer-Owned Split Dollar:** Demonstrates the economic benefit regime, employer-owned split dollar concept.
- **Employee-Owned Split Dollar:** Demonstrates the loan regime, employee owned split dollar concept.
- **Comparison of Split Dollar:** Demonstrates both the employer- and employee-owned split dollar concepts in a side-by-side comparison.
- **Salary Reduction Deferred Compensation:** Demonstrates true deferred compensation.

- **Salary Continuation Deferred Compensation:** Demonstrates deferred compensation executive plan funded with employer dollars.
- **Shared Premium Deferred Compensation:** Demonstrates deferred compensation executive plan funded by employee deferrals and employer dollars.
- **Death Benefit Only Plan:** Demonstrates a deferred compensation arrangement providing survivor benefits only.
- **Dynamic Duo/Split Dollar Deferred Comp Combo:** Demonstrates a deferred compensation-like benefit using economic benefit regime, employer-owned split dollar.
- **Business Valuation:** Estimate business value as a preliminary step in business planning.
- **Buy Sell Funding with Life Insurance:** Demonstrates the value of life insurance to fund a buy-sell plan.

Family/Estate Insurance

- **Private Split Dollar:** Demonstrates the use of private economic benefit split dollar regime funding life insurance in a Grantor Trust.
- **Private Financing:** Demonstrates the use of loan regime split dollar funding life insurance in a non-employer situation.
- **Private Split Dollar Versus Private Financing:** Demonstrates the value of both funding methods.
- **Estate Liquidity With Life Insurance:** Demonstrates the benefit of funding transfer tax needs with life insurance.
- **Basic Premium Financing:** Demonstrates third-party loans funding life insurance premium.

Once you select the **Advanced Sales Concept**, additional information requirements are listed on the left tool bar. You can also navigate by using the **Next** button in the upper right hand corner of the screen.

Completing Supplemental Report Information

Once the required concept information is complete, the red check mark will change to a **green check mark** on the left tool bar.

Lafayette Life Insurance Company

My Cases Need Assistance? Welcome (Update Profile)

Case, Test Lafayette Life Employee-owned Split-Dollar

Case Notes Save Reports Case Actions

Case Information Illustrations **Advanced Planning** Application

ADVANCED SALES

- ✓ Select Concept
- ✓ **Individual / Business F...**
- Employee-owned Split-Do...
- Composite Selection

RESOURCES

Policy Details

Employee-owned Split-Dollar encompasses the Loan tax regime based on a below-market rate demand loan. These loans use the AFR published by the IRS every July. It is anticipated the agent will use the AFR as the demand loan rate as the system is not prepared at this time to compare the entered rate with the AFRs.

Please start this concept by reviewing the information contained within the screens activated by the button(s) below.

Individual Tax Assumptions Business Information

A sale of life insurance using this concept may require a Notice and Consent to be signed by the affected employee and the employer. This must precede the issuance of the life insurance policy for the death benefit to remain income tax free. For more information see COLI (Corporate-owned Life Insurance) in the Marketing pages.

Back Next

Tax/Business Information Required for Specific Concepts

- Generally, all the modules require completion of **individual income tax information**. Some business modules will also require completion of **key business information**.
- In addition to the basic individual and/or business information, specific modules require additional information. The system offers **hints** for completion of the required supplemental report information.
- Upon completion of the required information, all check marks on the left hand side will be green. You are now ready to preview reports.
- On the right hand side of the screen, there is a blue bar offering several selections. One option is to **Save** the case. You can also quickly check key life insurance values in a grid view called **Policy Details**. The third button allows you to view the numeric **Reports** demonstrating key values for the selected advanced sales concept.

Individual Tax Assumptions

	Pre-retirement	Retirement
Federal income tax rate	15.00%	25.00%
State income tax rate	3.25%	2.75%
Combined effective income tax rate = Fed + State x (1 - Fed)	30.34%	27.00%
Retirement age	47	

Tax Tables State Tax Rates

Individual Tax Information

Business

Businesses: Tax Case 123

Business Type: Limited Liability Company

Federal Tax Rate: 34.00%

State Tax Rate: 5.00%

For State: OH

Combined Tax Rate: 37.30%

Combined effective income tax rate = Fed + State x (1 - Fed)

OK Cancel

Business Information

Lafayette Life Insurance Company

My Cases Need Assistance? Welcome (Update Profile)

Case, Test Lafayette Life Employee-owned Split-Dollar

Case Notes Save Reports Case Actions

Case Information Illustrations **Advanced Planning** Application

ADVANCED SALES

- ✓ Select Concept
- ✓ Individual / Business F...
- ✓ **Employee-owned Split-Do...**
- Composite Selection

RESOURCES

Policy Details

Please start this concept by reviewing the information contained within the Detail button.

Premium and Loan Payments

Imputed interest rate

Employer Extra Payment *

Employee portion of premium

*** Employer Extra Payment**

In this concept, the Employer reports the imputed interest as income to the Employee. If the Employer also wishes to increase the employee's salary to help pay the income tax on the imputed interest, please select Single or Double bonus.

Hints for Completion of Information

- Once the **Reports** button is selected, a menu of available supplemental reports appears allowing one to select an individual or all of the reports. Select **OK** to finish choice and view the report.

Output Selection

- Overview
- Internal Rate of Return
- Interest-adjusted Cost
- Cash Flow Analysis

OK Cancel Select all

Additional Reports

- There are additional reports available at the bottom right hand section of the screen to view and print. The first is **Overview**. This provides a simple explanation of the concept and key advantages of the concept.
- The second selection, **Presentation**, offers an additional graphical report highlighting key figures for the sales concept.

Overview Report

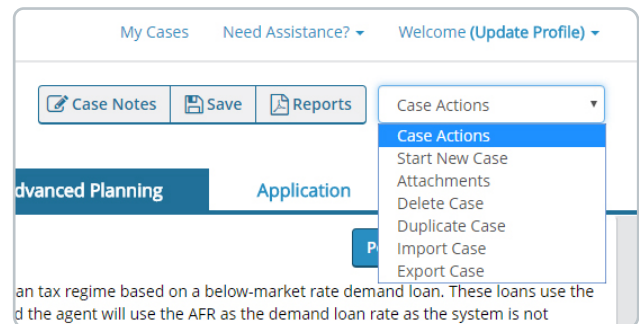
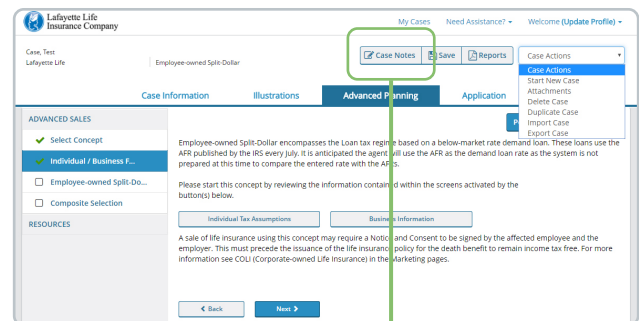


Presentation Report

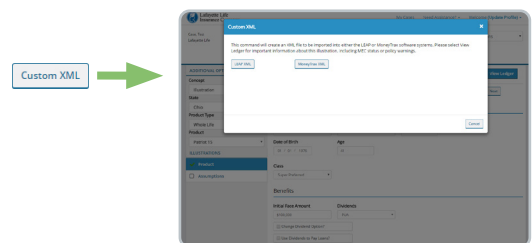
Additional Features

Case Notes is located in the top right hand corner of your screen. This feature will allow you to start a new case, delete or duplicate a case.

Custom XML is located near the bottom right hand side of the screen. This feature will allow you to create an XML file and import it into the external software on your machine.



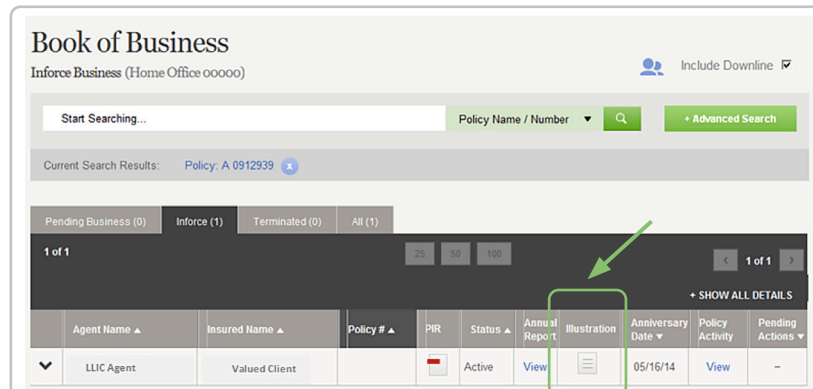
an tax regime based on a below-market rate demand loan. These loans use the
d the agent will use the AFR as the demand loan rate as the system is not



In-force Illustration System

Launching the In-force Illustration System

- When logged into the LLIC website, click on the **Book of Business** icon. 
- Once in your Book of Business, type in the client's policy number or name.
- When you have located the correct policy, click on the Illustration symbol located to the right of the client's name and policy number.



Book of Business
Inforce Business (Home Office 00000)

Start Searching... Policy Name / Number

Current Search Results: Policy: A 0912939

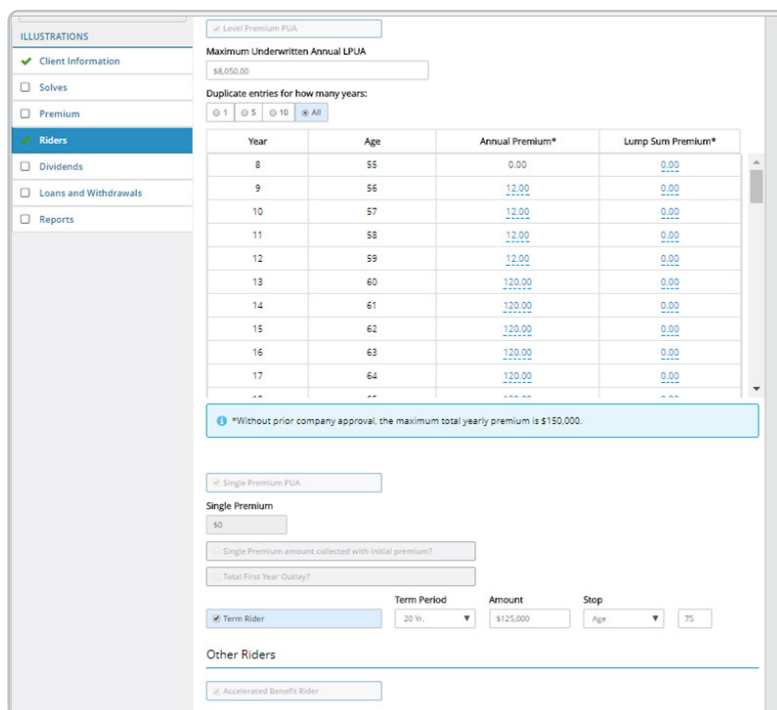
Pending Business (0) Inforce (1) Terminated (0) All (1)

1 of 1

Agent Name ▲	Insured Name ▲	Policy # ▲	PIR	Status ▲	Annual Report	Illustration	Anniversary Date ▼	Policy Activity	Pending Actions ▼
▼ LLIC Agent	Valued Client			Active	View		05/16/14	View	-

Making Changes to Riders

- The In-force Illustration system will look very similar to the New Business Illustration software. Once you are in a client's file, you can make the appropriate changes
- To change a rider, you can do so by selecting the **Riders** option on the left menu. Riders that are not available will be grayed out and you will have the ability to alter or add the others.



ILLUSTRATIONS

- Client Information
- Solves
- Premium
- Riders**
- Dividends
- Loans and Withdrawals
- Reports

☒ Level Premium PUA

Maximum Underwritten Annual LPUA
\$8,050.00

Duplicate entries for how many years:
☐ 1 ☐ 5 ☐ 10 ☒ All

Year	Age	Annual Premium*	Lump Sum Premium*
8	55	0.00	0.00
9	56	12.00	0.00
10	57	12.00	0.00
11	58	12.00	0.00
12	59	12.00	0.00
13	60	120.00	0.00
14	61	120.00	0.00
15	62	120.00	0.00
16	63	120.00	0.00
17	64	120.00	0.00

*Without prior company approval, the maximum total yearly premium is \$150,000.

☒ Single Premium PUA

Single Premium
\$0

Single Premium amount collected with initial premium?

Total First Year Outlay?

☒ Term Rider
Term Period: 20 Yr Amount: \$125,000 Stop: Age 75

Other Riders

☒ Accelerated Benefit Rider

Add/Change Riders

Loans and Withdrawals

- To illustrate a loan or withdrawal for your client, click the left menu option **Loans and Withdrawals**. Check the box to enter your selection.
- If your client wants to make loan repayments and you want to illustrate this, you can do so by entering the values in the **Repayment Loan Amount** column.

The screenshot shows the 'Loans and Withdrawals' section of the software. On the left, there is a sidebar with a list of options: Client Information, Solves, Premium, Riders, Dividends, Loans and Withdrawals (which is selected and highlighted in blue), and Reports. The main area displays a table for 'Duplicate entries for how many years:'. The table has columns for Year, Age, Amount (\$), and Repay Loan Amount (\$). The data shows years from 8 to 16, with ages increasing by 1 each year. The Amount (\$) column is filled with 0.00, and the Repay Loan Amount (\$) column is also filled with 0.00. A note at the top states: 'The illustration assumes that loans and loan repayments occur at the beginning of each year.'

Solves

The **Income Stream** solve is a useful solve in the In-force Illustration system.

- Income Stream will solve for an income based on the desired inputs (see FAQs).

The screenshot shows the 'Solves' section of the software. On the left, there is a sidebar with a list of options: Client Information, Solves (which is selected and highlighted in blue), Premium, Riders, Dividends, Loans and Withdrawals, and Reports. The main area displays a form for 'Solve for'. The 'Solve for' dropdown is set to 'Income Stream'. Below this, there are fields for 'Cash Value', 'CV at Age', 'Income Type', 'Start Age', and 'Years'. The 'Income Type' dropdown is set to 'Loan'. There are 'View Illustration', 'Back', and 'Next' buttons at the bottom. A note at the top states: 'A solve will only take effect once you click the View Illustration button. Riders selected prior to running a solve may be factored into the illustrated results.'

Additional Features for In-force Illustrations

Policy Information Report (PIR)

- To generate the Policy Information Report, click on the **Reproposal Info** button located towards the bottom of your screen.

Refreshing Data

- The red message at the top of your screen will indicate the date that the policy data is from. If this date is in the past, you can click the **Refresh Data** button, and any new information will be updated.

The screenshot shows the 'Illustrations' section of the software. At the top, there are three tabs: 'Case Information', 'Illustrations' (which is selected and highlighted in blue), and 'Advanced Planning'. Below the tabs, there are two buttons: 'Calc Results' and 'View Illustration'. Below these buttons, there is a row of five buttons: 'Reproposal Info', 'Refresh Data', 'Export to Excel', 'Custom XML', and 'Next'. The 'Reproposal Info' and 'Refresh Data' buttons are highlighted with a green border. Below this row, there is a red message box that says: 'Policy data is current as of 10/14/2022. Please click Refresh Data for the most current policy information.'

Frequently Asked Questions | In-force Illustration System

How do I illustrate an in-force illustration with no changes?

Similar to the current In-force Illustration system, this function can be accessed from the **Book of Business** icon.

- Enter the policy number or search your book of business and choose the **In-force** tab. Then, click the Illustration icon and this will take you to the new In-force Illustration system.
- To run an in-force illustration with no changes, click the **View Illustration** button on the right hand side of the screen. Once the illustration generates, you can print or save the illustration to your computer.

How do I add or change the LPUA rider premium?

- Click the **Riders** menu option, and choose the Level Premium Paid-Up Additions (LPUA) rider. When adding funds into the LPUA rider, enter the proposed amount under the Annual Premium column. You also have the option to enter a lump-sum LPUA premium.

How do I illustrate the policy changing to a Reduced Paid-Up status?

- Go to the **Premiums** section on the left menu. You will select the Switch to Reduced Paid-up (RPU) option. Then, choose year or age and enter a value.

How do I illustrate a premium offset illustration?

- Go to the **Premiums** section on the left menu. Select the Premium Offset option, enter the policy year or age you would like to start the premium offset.

How do I illustrate income stream from the cash value?

- Similar to the New Business Illustration system, an income stream can be found by using the provided Income Stream solve or by manually setting Loans and Withdrawals.

- To manually set the income, select **Loans and Withdrawals** from the left menu and input the desired income stream.
- To use the income stream solve, select **Solves** from the left menu and choose **Solve for Income Stream** from the drop-down menu. Enter these assumptions:
Cash Value = \$100, CV at Age = 121, Income Type = Withdrawals, Start age = 65, Years = 20.

This will find the amount of income that can be withdrawn while keeping the policy in-force to age 121. These assumptions may be changed and will change the outcome accordingly.

How do I illustrate using Dividend Value to pay a loan?

- Go to the **Dividends** menu item. You will see an option for **Use Dividends to Pay Loans**. Check the box and each year the dividend will be used to reduce the loan.

How do I illustrate a universal life policy?

- Please continue to contact the Inforce Illustration Support Team at 800.243.6631 to illustrate a universal life policy.

How do I max fund my LPUA rider and make sure it does not become an MEC?

The In-Force Illustration system will demonstrate when a policy may become a Modified Endowment Contract (MEC) based on the assumed future premium payment.

- Similar to the New Business Illustration system, you can avoid the MEC by adding a Term Rider or decreasing premium payments. You can use the **Avoid MEC** option to add the appropriate amount of Term Rider to the policy. Alternatively, you can manually reduce the LPUA payments into the policy.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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The Lafayette Life Insurance Company

With more than 115 years of service to policyholders, The Lafayette Life Insurance Company is a financially strong provider of individual life insurance, annuities, and retirement and pension products and services.

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**For Product, Sales and Technology Support
Contact the Sales Desk: 866.937.5542**



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