

Level Premium Paid-Up Additions Rider (LPUA 2020)



Lafayette Life
Insurance Company

A member of Western & Southern Financial Group

FEATURES AND BENEFITS

The Level Premium Paid-Up Additions rider (LPUA 2020) (ICC19 LLR-15 1901) allows for the recurring purchase of paid-up additional insurance – with a high level of flexibility in premium amount subject to certain limitations – increasing the death benefit of the base policy, and offers guaranteed cash value growth as well as dividends.

DEFINITIONS

- **Initial Period:** The first seven years for issue ages 0 to 68 and the first three years for issue ages 69-75.
- **Maximum Annual LPUA Premium:** The maximum annual premium is applied for at issue, but may not exceed \$500,000.¹ There is a lifetime maximum premium of \$5,000,000 per insured.²
- **Minimum Annual LPUA Premium:** The minimum premium payable is \$500 in the first year and \$120 every year thereafter. If the minimum premium is not paid in any policy year, no more premiums will be accepted for the rider.
- **Initial Annual LPUA Premium:** The annualized amount of LPUA premium billed in the first rider year. This amount may be paid in a lump sum at any time during the year, it may be included in the billed modal amount, or both.

How It Works

The premium paid for this rider is used to purchase paid-up additional insurance. The paid-up additional insurance provides higher early cash value than the base policy can provide, because the base policy is buying more death benefit paid for over a period of time.

Upon application for the LPUA rider, applicants will request to be underwritten for a specified amount of LPUA premium that could be paid every year. This will be

the Maximum Annual LPUA Premium for which they are underwritten. Policyholders may pay any amount in the first policy year and throughout the initial period between the Minimum Annual LPUA Premium and the Maximum Annual LPUA Premium amount specified in the policy.

At the end of the initial period, the Maximum Annual LPUA Premium payable from that point forward will be the average of the rider premiums paid, including any premium catch-ups, during the initial period.

CATCH-UP

An additional premium in excess of the Maximum Annual Premium may be paid during the Initial Period when the cumulative premium paid through the immediately prior year is less than the cumulative Maximum Annual Premium through the prior rider year.

The maximum total premium catch-up that can be paid in a rider year is the lesser of \$25,000 or the maximum annual premium for the rider year in which the catch-up is paid.

Additionally, the cumulative premium paid after making the premium catch-up payment cannot exceed the cumulative Maximum Annual Premium for which the insured was underwritten. No premium catch-up payment will be allowed after the Initial Period or if premiums are no longer accepted for this rider.

USED TO PAY PREMIUMS

If the premium for the base policy is not paid by the end of its grace period, a portion of the LPUA rider will be automatically surrendered to pay the premium to the next annual date. This will be done before any automatic premium loan provision is activated. If this provision is exercised, no further premiums for this rider will be accepted.

¹ The maximum annual premium limitation applies to the combined LPUA maximum annual premium and the FPUA annual premium.

² The lifetime maximum premium aggregates all premiums paid on in-force riders on the life of the insured that have a lifetime maximum (except for Florida).

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If the policy owner requests a partial surrender to be used to pay premiums, we will continue to accept premiums for the rider as long as the annual minimum premium for the rider is paid.

UNDERWRITING RULES

LPUA Rider may be issued from age 0 to age 75, except preferred, which is age 18 to age 75. LPUA premiums can be paid to the next anniversary following the insured's 75th birthday and can extend past the base policy premium paying period, with a flat minimum of seven premiums.

However, if the age of the insured is 68-75 at the time of issue, the LPUA premiums can be paid for seven years from the date of issue and can extend past the base policy premium paying period. This rider will not be issued on an insured rated higher than Table F or over \$15 per \$1,000 flat extra. There is no waiver of premium for this benefit.

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