



# Insurance That Helps Provide Assurance

## Case Study: Added Confidence Comes with Terminal Dividend

Winston, age 45, has a wife and three children. Given he has four loved ones who rely on him, he typically acts conservatively in his finances. As such, he appreciates anything in his life that helps provide an additional safety net.

When Winston meets with his financial professional, they discuss how his needs for insurance have greatly grown since his last review. His children are still young and will need support for some time if he should pass away. It's important to him that they all go to college someday.

Winston and his insurance agent discuss purchasing additional coverage with a single premium paid-up additions (SPUA) rider. Doing so instantly leverages a larger death benefit.

While Winston understands the value of insurance, committing a large lump sum of money into a contract gives him pause. What if he needs the money for his family before he passes away? He expresses concern that if he or his children encounter financial trouble in the meantime, he might be subject to loss before the cash value had a chance to accumulate.



### Lafayette's Solution

Winston's agent suggests they use Lafayette Life's Patriot Whole Life policy with the **Terminal Dividend Endorsement (TDE)**. Adding this option increases his protection by providing the policy with a **value equal to the total premiums paid** upon a full surrender within the first five policy years.

#### Terminal Dividend: How It Works

If elected at application, the TDE pays a one-time dividend, if necessary, should the policyowner surrender the contract within the first five policy years.<sup>1</sup>

- There is no added cost.
- Eligible policies must also elect the SPUA rider at a sufficient value.

Consider the cash values of Patriot Whole Life with, and without, the TDE. Both policies have an initial death benefit of \$288,246. [Let's compare the results >](#)

<sup>1</sup> Dividends are not guaranteed. The Terminal Dividend does not impact the cash value of the policy and is not available for loans or partial withdrawals.

## Compare the Results

As shown below left, with the TDE:

- › The policyowner is protected from a significant loss of the cumulative premiums in the event of a potential surrender in the first five policy years, and
- › The net cash value accumulation of the policy is minimally impacted.

In contrast, without the TDE:

- › The net cash (surrender) value is exposed to a significant loss of the cumulative premiums in the first five policy years.

### Patriot 2022 | Face Amount: \$288,246

End of Policy Year	WITH Terminal Dividend					WITHOUT Terminal Dividend			
	Annual Premium	Cumulative Net Outlay	Net Cash Value	Plus TDE Dividend	Surrender With TDE	Annual Premium	Cumulative Net Outlay	Net Cash Value	No TDE Net CV Difference
1	\$195,000	\$195,000	\$178,902	<b>\$16,098</b>	\$195,000	\$195,000	\$195,000	\$179,285	<b>\$383</b>
2	\$15,000	\$210,000	\$196,623	<b>\$13,377</b>	\$210,000	\$15,000	\$210,000	\$197,422	<b>\$799</b>
3	\$15,000	\$225,000	\$215,494	<b>\$9,506</b>	\$225,000	\$15,000	\$225,000	\$216,743	<b>\$1,249</b>
4	\$15,000	\$240,000	\$235,577	<b>\$4,423</b>	\$240,000	\$15,000	\$240,000	\$237,313	<b>\$1,736</b>
5	\$15,000	\$255,000	\$257,235	—	\$257,235	\$15,000	\$255,000	\$259,496	<b>\$2,261</b>

Ready to Lead with Lafayette? Contact the Sales Desk for more information on the TDE. Call today at 866.937.5542.

Product illustrated: Patriot 2022 Whole Life Insurance policy, Male Age 45, Standard No Tobacco; Initial Annual Premium \$15,000; Single Premium Paid-Up Addition \$180,000. Non-guaranteed policy projections are based on current assumptions which are not guaranteed. Actual results may be more or less favorable. Values as of 10/26/2022.

**Life insurance products are not bank products, are not a deposit, are not insured by the FDIC, or any other federal entity, have no bank guarantee, and may lose value.**

Loans, withdrawals and advances will reduce the death benefit and cash surrender value and may cause the policy to lapse. The lapse or surrender of a policy with an outstanding loan may result in taxable income. Life insurance products are issued and guaranteed by The Lafayette Life Insurance Company. Guarantees are based on the claims-paying ability of the company. Patriot 2022 Whole Life Insurance Policy series ICC21 LL-01 2104 and Single Premium Paid-Up Additions Rider series ICC19 LLR-16 1901 and ICC21 LLR-22 2105 issued by The Lafayette Life Insurance Company.

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