

# Horizon

SINGLE PREMIUM • IMMEDIATE ANNUITY



Lafayette Life  
Insurance Company

A member of Western & Southern Financial Group



# Help create retirement confidence

You deserve to enjoy a retirement lifestyle of your choosing. With an income payment option you select, you can help guide your retirement in the right direction.



# Horizon

SINGLE PREMIUM • IMMEDIATE ANNUITY

## SIMPLE, DEPENDABLE, GUARANTEED

Do you want guaranteed income with lifetime payout options? Horizon single premium immediate annuity offers the dependability of a guaranteed stream of income coupled with the simplicity of a one-time premium payment. This can help protect against outliving one's assets in retirement. One payment buys a lifetime of guaranteed income.

### WHY AN INCOME ANNUITY?

An income annuity can help support a comfortable and worry-free retirement. A portion of a wealth portfolio can be converted into an income stream and increase the likelihood of covering basic expenses for a lifetime.

### ADD UP THE ADVANTAGES

If you don't require unlimited access to all your assets and want to know you can depend on regular, guaranteed income, consider how many of these reasons apply to you:

- You are entering retirement or are already retired.
- You may have resources — such as pension distributions, retirement accounts or brokerage accounts — that you wish to convert into an income stream.<sup>1</sup>
- You are concerned about outliving your income and savings.
- You value a guaranteed source of income in retirement.
- You want to select among various payout options at the time of purchase.
- You seek freedom from having to manage your savings to generate income.
- You wish to provide income for your spouse<sup>2</sup> or beneficiaries.

<sup>1</sup> Some assets if liquidated prior to 59½ may incur penalties in addition to any surrender charge that may apply.

<sup>2</sup> In Oregon, spouse includes domestic partner.





## HOW HORIZON WORKS

Consider this hypothetical example of how a Horizon immediate annuity can make a difference in monthly retirement income.

Meg, 75, has been retired for 10 years. A widowed mother of two, she has been living on the earnings from her fixed-interest bearing investments. She has had some success, but Meg fears inflation and rising health care costs will have a negative effect on her retirement income. She has avoided the stock market in retirement because of its potential for loss.

To maximize her after-tax income and provide a more comfortable retirement, Meg's financial professional advised her to consider moving \$150,000 from one of her fixed-interest investments into a Horizon annuity. She selects the single-life income with installment refund payment option. Under this option, in the event of Meg's death, payments will continue to her beneficiary until the net single premium (the single premium minus any applicable premium taxes) is returned.

Consider the difference in after-tax income under Meg's new strategy and her current strategy: The new strategy provides Meg with monthly payments of approximately \$744,<sup>3</sup> a more than \$369 increase per month.



Additionally, if Meg dies before the contract value of \$150,000 has been paid, her beneficiaries will continue to receive the monthly payment until an amount equal to the net single premium has been paid.

Meg's purchase of the Horizon annuity is permanent. She no longer has access to the \$150,000 premium, as she has converted that money into a stream of income payments. The terms of the annuity, such as the choice of income payment option, payment amounts and timing, and the rates of return, cannot be changed.

### CURRENT STRATEGY:

#### Living on Interest Earnings with a Portion of a Fixed Portfolio

- \$150,000 non-qualified fixed-interest investment
- **Interest rate:** 4%
- **Tax bracket:** 28% federal
- **Monthly interest payment:** \$360 after-tax (approximate)

### NEW STRATEGY:

#### Converting Assets to Income with Horizon Immediate Annuity

- \$150,000 non-qualified fixed-interest investment paid as premium (assumes cost basis of \$150,000)
- **Payout option:** Single Life with installment refund
- **Tax bracket:** 28% federal
- **Monthly payment:** \$941.41<sup>3</sup> after-tax (approximate)\*

\* Payment based on rates as of 01/06/2023 for female, age 75. Rates are subject to change.

<sup>3</sup> Payment reflects an 71.4% exclusion ratio, which is the portion of each payment that is not subject to federal income tax because it is considered a return of premium under the Internal Revenue Code. Any payments received after the total premium is returned will be 100% taxable.

## GUARANTEED INCOME FOR A LIFETIME OR A DESIRED TIME PERIOD

Horizon provides three payout options in one product. Periodic income begins on the first payout date — one payout interval after issue. If the payment interval under the contract is monthly, then the first payment will be made one month after the policy date. These payout options provide a consistent stream of income and increase the likelihood of covering basic expenses for a lifetime or for the period selected.

### INCOME PAYOUT OPTIONS

#### SINGLE LIFE INCOME

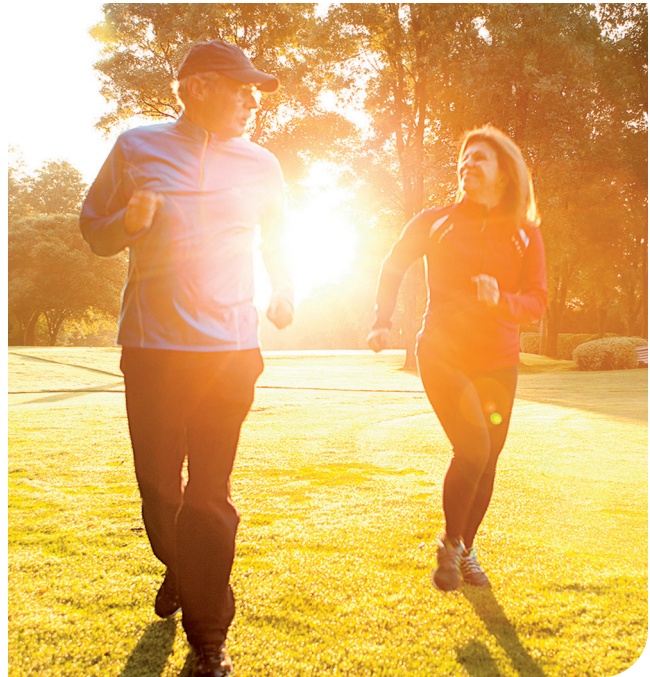
This option pays the income amount to the annuitant as long as the annuitant lives. With an optional guaranteed period, the periodic income will continue during the guaranteed period, whether or not the annuitant is still living. Payments will continue after the expiration of the guaranteed period if the annuitant is still living.

*The optional guaranteed periods are:*

- None.
- Five, 10, 15 or 20 years.
- If the annuitant is over age 74, a minimum 10-year guaranteed period is required.
- **With Installment Refund:** The periodic income will continue during the guaranteed period, whether or not the annuitant is still living *until the payments due equals the premium received by Lafayette Life.* Payments will continue after the guaranteed period if the annuitant is still living.

#### JOINT AND SURVIVOR LIFE INCOME

This option pays the income amount while both annuitants are living. The periodic income is payable during the guaranteed period, whether or not either annuitant is still living. After the end of the guaranteed period, the periodic income will continue as long as both annuitants are living.



Upon the death of one annuitant after the end of the guaranteed period, if any, the surviving annuitant will continue receiving the periodic income for as long as the surviving annuitant lives. After the guaranteed period, if any, all payments will end upon the death of the last annuitant.

*The survivor's periodic income can be selected to be:*

- 100%, 67%, or 50% of the periodic income.

*The optional guaranteed periods are:*

- None.
- Five, 10, 15 or 20 years.

#### INSTALLMENT INCOME

This non-lifetime option pays the income amount for a specified period of time. The periodic income will be paid until the end of the specified period.

*The available specified periods are:*

- Three to 20 years.<sup>4</sup>

<sup>4</sup> In Oregon: Not less than 5 or more than 10 years.





## UNDERSTAND THE PARTIES TO AN ANNUITY CONTRACT

- The owner, generally the person who buys the contract, may exercise the rights and privileges provided in it. The owner makes all of the decisions.
- The annuitant is the person whose life determines the income payouts. The annuitant makes no decisions about the contracts and has no rights in it. In most cases the owner is the annuitant. If not, then the annuitant has no ownership rights.
- The beneficiary, also named by the owner, is the person who may receive any remaining benefits at the death of the owner or the annuitant.

### ABOUT HORIZON:

Issue Ages: 0–95.

Minimum Premium: \$10,000.

Minimum Income: \$100.

Maximum Premium: \$1,000,000.<sup>4</sup>

<sup>4</sup> Without prior company approval.

Consider guaranteed income for a lifetime or a desired period of time with a Horizon immediate annuity. Discuss possible next steps with your financial professional to develop a plan that works for you.



Horizon is backed by the full financial strength of The Lafayette Life Insurance Company – among the insurance industry’s most highly rated companies.\*



\* Based on current ratings from independent ratings agencies. For the latest rating information on Lafayette Life, please call 800.243.6631 or visit LafayetteLife.com.

## 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.

Lafayette Life is a member of Western & Southern Financial Group, Inc., a family of financial services companies whose heritage dates back to 1888. With the strength of our organization and our ongoing commitment to servicing you, your business and your family, The Lafayette Life Insurance Company is a company you can depend on. Find out more about our financial strength and distinguished history at [www.LafayetteLife.com](http://www.LafayetteLife.com).

An immediate annuity is permanent. Owner has no access to premium, which converts to an income payout stream. There is no cash value, no death benefit, and the annuity can't be surrendered. Contract terms, such as payment amount and frequency, cannot be changed, unless commutation is available and elected. An immediate annuity should not be purchased if access may be needed to any of the premium for living expenses or other purposes.

The Lafayette Life Insurance Company, Cincinnati, Ohio, operates in D.C. and all states except New York, and is a member of Western & Southern Financial Group, Inc. Single Premium Immediate Annuity contract series SPIA-94 issued by The Lafayette Life Insurance Company.

Payment of benefits under the annuity contract is the obligation of, and is guaranteed by, The Lafayette Life Insurance Company. Guarantees are based on the claims-paying ability of the insurer. Products are backed by the full financial strength of Lafayette Life.

Earnings and pre-tax payments are subject to ordinary income tax at withdrawal. Withdrawals may be subject to charges. Withdrawals of taxable amounts from an annuity are subject to ordinary income tax, and, if taken before age 59½, may be subject to a 10% IRS penalty. Neither Lafayette Life, nor its agents, offer tax advice. For specific tax information, consult your attorney or tax advisor. Interest rates are declared by the insurance company at annual effective rates, taking into account daily compounding of interest.

Product and feature availability, as well as benefit provisions, vary by state. See your financial professional for product details and limitations.

**Annuity products are not bank products, are not a deposit, are not insured by the FDIC, nor any other federal entity, have no bank guarantee, and may lose value.**

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