

## Very Important Do's and Don'ts in Selling and Prospecting for Indexed Annuities

For a Policy to be viewed as exempt from registration under the Securities Act of 1933, the Policy cannot be marketed “primarily as an investment.” Based on guidance provided by case law and by the Securities and Exchange Commission, the Company suggests certain practical guidelines that should be followed by agents to help avoid the possibility that a Policy could be viewed as outside the scope of the exemption from registration under the Securities Act. We cannot emphasize too strongly that the manner in which a Policy is marketed is a key fact and circumstance to be considered in determining the status of the Policy under the federal securities laws. An indexed insurance product may well be deemed to be a security if marketing emphasis is placed on the product's investment aspects rather than its insurance aspects.

### DO'S

- Emphasize that the policy is designed as an appropriate planning vehicle for retirement income or to enhance overall retirement benefits.
- Emphasize the policy guarantees, including a guaranteed interest rate and guaranteed minimum surrender value.
- Emphasize the long-term nature of the policy.
- Emphasize the annuitization benefits and options of the policy.
- Point out that the death benefit in the policy is not available with noninsurance products.

- Market the policy to retirement savers who seek the guarantees associated with a fixed annuity, but who also want the potential of a greater return, rather than to existing investors who want equity growth with a guarantee.
- If you refer to or discuss the S&P 500 Index, emphasize that it is merely a means to measure index return and not as a vehicle for complete participation in the stock market.
- Point out that The Lafayette Life is standing behind the guarantees in the policy.
- Make sure every prospect gets a copy of the point-of-sale piece, and that every applicant gets a copy of (and signs) the Disclosure Statement and Benefit Summary form.
- Make sure that the prospect understands all the guaranteed and nonguaranteed features of the policy to the best of your ability.

### DON'TS

- Don't state or imply that the Index return is in any way guaranteed.
- Don't place undue emphasis on the S&P 500 Index. It is solely a means by which The Lafayette Life will measure the potential index return of your prospect's annuity.
- Don't use terms such as “investment performance,” “investment returns,” “Wall Street” or the “stock market.”
- Don't state or imply that using the S&P 500 Index ties the annuity directly to the stock market.

- Don't provide a partial or a complete list of the stocks or companies that comprise the S&P 500 Index. (Providing such a list could give a false impression that the policyowner is indirectly investing in those stocks.)
- Don't emphasize the similarities of Indexed Annuities (IA) to variable annuities, mutual funds and other such investment vehicles.
- Rather, point out the differences and guarantees of IA's.
- Don't prepare or use your own sales materials, illustrations or advertising (including all pre-approach letters). All sales materials and advertising for the Marquis Indexed Annuities must be prepared and approved by the Company's Home Office.

**Try these “face-saving”  
Indexed Annuity  
sales techniques!**

