

### GAAP Balance Sheet

Consolidated and Condensed Financial Statements

Amounts in thousands

	12/31/2014
<b>Assets</b>	
Debt securities	\$3,176,407
Equity securities	78,636
Other invested assets	879,689
Total invested assets	4,134,732
Other assets	339,331
<b>Total assets</b>	<b>\$4,474,063</b>
<b>Liabilities and Equity</b>	
Future policy benefits and claims	\$3,858,147
Long-term debt	0
Other liabilities	177,641
<b>Total liabilities</b>	<b>\$4,035,788</b>
Total equity	438,275
<b>Total liabilities and equity</b>	<b>\$4,474,063</b>

### GAAP Income Statement

Consolidated and Condensed Financial Statements

Amounts in thousands

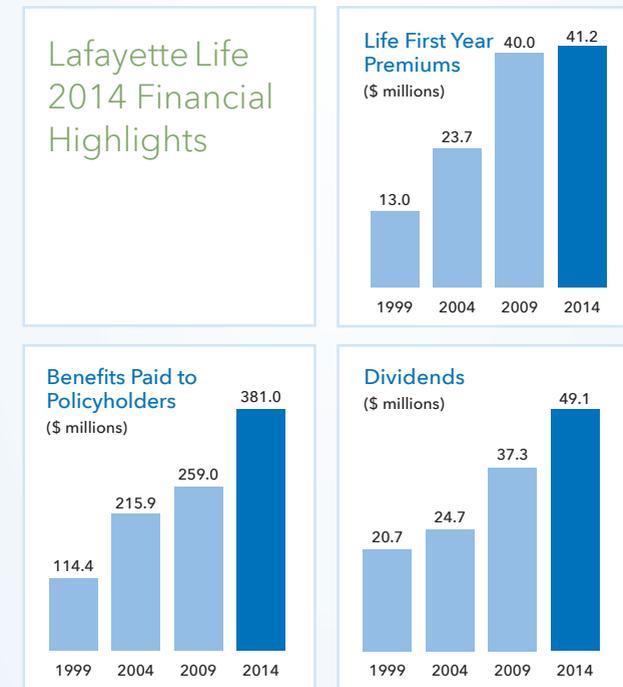
	Year Ended 12/31/2014
<b>Revenue</b>	
Insurance premiums, product charges and other considerations	\$393,311
Net investment income	180,120
Net realized investment gains (losses)	2,113
Net other income	186
<b>Total revenue</b>	<b>\$575,730</b>
<b>Benefits and Expenses</b>	
Policy benefits, interest credited and dividends to policyholders	\$446,238
Other operating expenses	94,644
<b>Total benefits and expenses</b>	<b>\$540,882</b>
Income before income tax expense	34,848
Income tax expense	11,605
<b>Net income</b>	<b>\$23,243</b>
Additional statements of income performance measures	
Operating earnings*	\$32,735

### GAAP Balance Sheet

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Amounts in thousands

	12/31/2014
<b>Assets</b>	
Debt securities	\$29,800,683
Equity securities	2,320,064
Other invested assets	6,338,806
Other general account assets	2,121,415
Assets held in separate accounts	2,190,624
<b>Total assets</b>	<b>\$42,771,592</b>
<b>Liabilities and Equity</b>	
Future policy benefits and claims	\$29,858,489
Long-term debt	499,380
Other general account liabilities	2,717,477
Liabilities related to separate accounts	2,190,624
<b>Total liabilities</b>	<b>35,265,970</b>
Total equity	7,505,622
<b>Total liabilities and equity</b>	<b>\$42,771,592</b>



\*Operating earnings are defined as net income excluding federal income tax and net realized investment gains or losses.

## OUTSTANDING STRENGTH

**A+**  
SUPERIOR  
**A.M. Best**  
for superior ability to meet ongoing insurance obligations (second highest of 16 ratings; rating held since June 2009)

**AA**  
VERY STRONG  
**Standard & Poor's**  
for very strong financial security characteristics (third highest of 21 ratings; rating held since July 2013)

**AA**  
VERY STRONG  
**Fitch**  
for very strong capacity to meet policyholder and contract obligations on a timely basis (third highest of 21 ratings; rating held since June 2009)

**97** OF **100**  
**Comdex Ranking**  
The Comdex is a composite of all the ratings a company has received from the major rating agencies. It ranks insurers on a scale of 1 to 100 (where 1 is the lowest) in an effort to reduce confusion over ratings because each rating agency uses a different scale.

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The ratings published in this document are accurate as of June 1, 2015, and are subject to change. Ratings refer to the claims-paying ability of the insurance company and do not reflect the performance or safety of any investment product. These ratings are determined by independent insurance-rating firms.



**DELIVERING  
EXCEPTIONAL  
SERVICE**



**Lafayette Life  
Insurance Company**

A member of Western & Southern Financial Group

# DELIVERING EXCEPTIONAL SERVICE THE PRESIDENT'S MESSAGE



Lafayette Life advanced its legacy as an industry leader providing high-quality products, outstanding financial strength and exceptional service in 2014. Small businesses looking for comprehensive retirement solutions had to look no further than The Lafayette Life Insurance Company's Retirement Services team for new and innovative ways to provide enhanced

benefits packages to their employees.

The Retirement Services team has over 30 years of experience customizing plans to help meet employee needs for retirement income and distribution planning, while offering attractive tax advantages to employers.

As a result of this ongoing dedication and industry leadership, sales of retirement plans grew by 38 percent, and revenue from plan administrative services increased by 35 percent in 2014. Additionally, Lafayette Life saw a 21 percent increase in annuity premium and a 6 percent increase in life premium, both from qualified plans, further enhancing the company's strength.

## ONGOING FINANCIAL EXCELLENCE.

Lafayette Life furthered its reputation of strength with solid financial results during 2014. Total life

premium topped \$385 million while total annuity premium reached \$160 million.

Strong sales and good persistency drove up Lafayette Life's GAAP assets by more than 6 percent, reaching a new company high of \$4.5 billion. Pre-tax GAAP operating income increased 21 percent over the prior year.

## EXPANDED PRODUCT OFFERINGS.

Whole life insurance offers guaranteed death benefit protection, guaranteed cash value accumulation and guaranteed level premiums over a lifetime. In addition, tax deferral advantages and guaranteed income payout options differentiate whole life insurance from most other types of financial assets, making it an important component in many comprehensive financial plans.

In 2014, Lafayette Life expanded its whole life portfolio by releasing 10 Pay Whole Life, a limited payment policy that offers a lifetime of protection. The company furthered its legacy of delivering competitive products and peace of mind by paying a \$46.1 million dividend allocation to its participating policyholders – the most in company history.

The company also was able to meet growing demand among consumers for retirement income with indexed annuities that offer tax-deferred growth, guaranteed surrender values, access to funds, lifetime income and beneficiary protection.

## SUPERIOR PRODUCER PARTNERSHIPS.

An array of exciting new tools and practices from Lafayette Life are aimed at supporting independent producers.

■ **Sales Support Materials:** Customizable brochures and flyers were created to help independent financial representatives and business owners enhance their retirement benefits packages with Lafayette Life's products

and services. A new Social Security kit provided insight into maximizing Social Security benefits.

- **Value-Added Webinars:** Informational webinars provided in-depth training on products, advanced sales concepts and retirement services.
- **Retirement Services Pension Schools:** Pension schools hosted nationwide enhanced producers' proficiency in the pension market.

These initiatives helped Lafayette Life achieve another excellent recruiting year with a 9 percent increase in new general agencies signing on to sell its products.

**ENHANCED TECHNOLOGY.** Lafayette Life continued to leverage technology to enhance its service. It expanded its product offering for the iGO® e-App online application system, streamlining the application and new business processes for additional whole life and term products.

A new in-force illustration system was implemented to deliver instant access to up-to-date information online. Videos detailing the value of the company's products, services and resources were also created to enhance marketing efforts.

Looking ahead, Lafayette Life is building on its hallmark of financial strength and stability, while continuing to support independent producers by leveraging technology and providing high-touch personal relationships, competitive products and proven sales support.

**BRYAN C. DUNN, CLU, ChFC**

President and Chief Executive Officer,  
The Lafayette Life Insurance Company

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**Lafayette Life Insurance Company**

A member of Western & Southern Financial Group

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