



From the Desk of Larry Ziff The Ziff Agency, LLC



this issue

I Am a Life
Insurance Policy P.2

The Underwriting
Corner: Asthma P.2

True Life: The
Importance of
Life Insurance P.3

Factors That
Increase
Premiums P.4

10 Famous People Who Died Without a Will

What do Picasso, Jimi Hendrix, Abraham Lincoln, and “Sonny” Bono all have in common? You’re probably thinking, not much. But they do, in fact, have one big thing in common. They all died intestate—which means, they died without having a will. Surprising as that might sound, even the rich and famous can fail to plan ahead when it comes to their estate.

Here’s a snippet of 10 famous people who died without wills and what happened to their estates.

1. Jimi Hendrix

Although Jimi Hendrix died in 1970, the battle over his estate raged on for more than 30 years for one simple reason: Hendrix left no will regarding distribution of his estate. To complicate matters, the estates of musicians and other artists often continue to generate money long after their deaths.

2. Bob Marley

Like Jimi Hendrix, Bob Marley’s estate continues to generate significant revenue despite the fact that Marley died in 1981. Also like Hendrix, Bob Marley died intestate even though he knew he had cancer and lingered for nearly 8 months. His estate, worth a reported \$30 million, had dozens of claimants.



3. Salvatore Phillip “Sonny” Bono

Granted, Sonny Bono “the politician” died an untimely death in a skiing accident in 1998, but why he died without a will is something we’ll never know. Instead of staying at home to grieve, his widow Mary Bono headed to the courthouse to be appointed the estate’s administrator. Ex-wife Cher showed up on the scene as a claimant in Bono’s estate and a “love child” surfaced soon thereafter

making the situation even more difficult.

4. Stieg Larsson

Swedish author Stieg Larsson who wrote *The Girl with the Dragon Tattoo* among others, died in 2004. Like many others, Larsson died without a will and Swedish law dictated that Larsson’s estate was to be divided up between his father and his brother. His lifelong partner of 32 years, Eva Gabrielsson, received nothing, although the family did grant her ownership of the couple’s apartment.

5. Pablo Picasso

Pablo Picasso died in 1973 at the age of 91, leaving behind a fortune in assets that included artwork, five homes, cash, gold and bonds. Because Picasso died intestate and left no will, it took 6 years to settle his estate at a cost of \$30 million. His assets were eventually divided up among six heirs.



6. DJ AM

DJ AM, whose real name was Adam Goldstein, died from a drug overdose in 2009. While his name might only be familiar to those of a certain age, he too made the mistake of not having a will. In Goldstein’s case however, since he had no heirs and was not married, disposition of his estate was fairly straightforward with his mother as the sole beneficiary.

7. Michael Jackson

Although a will was later discovered, immediately following Michael Jackson’s death in July 2009, his mother filed court papers claiming that Jackson died intestate. Like Hendrix and Marley, Jackson’s estate continues to generate money. In the year since his death, his estate generated over \$242 million.

[continued on page 2]

Phone: 201.394.3796
larry@theziffagency.com

www.theziffagency.com

4 Ways to Save Money on Life Insurance

Paying the premiums on life insurance during tough economic times can be challenging. But that is all the more reason to have at least some life insurance if there is a family to support. If anything were to happen, it would become even more difficult for the family to pay the bills. And people who have coverage only through work would lose their life insurance if they lost their jobs — a good reason for someone to have some coverage on their own.

Calculate how much coverage you really need: Determine where you can find some wiggle room.

Shop for a lower rate: Even though rates are higher if you buy a policy when you're older, they may still be quite affordable. Prices vary a lot by company.

Pay annually rather than monthly: A healthy 35-year-old man can get a \$1,000,000 term policy for just \$20.33 per month. The same policy costs \$235 if premiums are paid annually versus \$243.96 when you add up the monthly premiums.

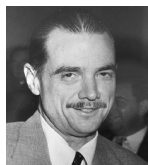
Cut premiums with term insurance: Term insurance provides a set amount of life insurance at a fixed rate for a certain period. You can buy a convertible policy that lets you gradually shift from term to permanent as your income grows and you can afford the higher premiums.

[continued from page 1]

8. Steve McNair

NFL player Steve McNair had it all—fame, fortune, and a beautiful family. But when 36-year-old McNair was shot and killed by an alleged girlfriend, who is believed to have committed suicide after killing McNair, the truth came out—that he had, in fact, had a girlfriend and he never bothered to create a will.

9. Howard Hughes



Howard Hughes was an eccentric billionaire who died in 1976 at the age of 70. When he died, his will was discovered at the headquarters of the Mormon Church in Salt Lake City. The

will, however, was proved to be a forgery in a Nevada court and his estate was divided among his 22 cousins.

10. Abraham Lincoln



Abraham Lincoln, the nation's 16th president, has the distinction of being the first president to be assassinated (1865) as well as the first president to die intestate—despite being a lawyer himself.

Famous or not, everyone should have a will. It's simple to do and it saves a family a lot of money and headaches. And, as illustrated by the stories above, one is never too young—or too smart or too powerful—to have a will.

I am a Life Insurance Policy



I am a piece of paper, a drop of ink, and a few pennies of premium.

I am a promise to pay.

I help people see visions, dream dreams, and achieve economic immortality.

I am savings.

I am property that increases in value from year to year.

I lend money when you need it most, with no questions asked.

I pay off mortgages so that the family can remain together in their own home.

I assure people the daring to live and the moral right to die.

I create money where none existed before.

I am the great emancipator from want.

I guarantee the continuity of business.

I conserve the employer's investment.

I am tangible evidence that a man is a good husband and father, that a woman is a good wife and mother.

I am a declaration of financial independence and economic freedom.

I am the difference between an old man or woman and an elderly gentleman or lady.

I provide cash if illness, injury, old age, or death cuts off the breadwinner's income.

I am the only thing that you can buy on the installment plan that your family doesn't have to finish paying for.

I am protected by laws that prevent creditors from accessing the money I give to your loved ones.

I bring dignity, peace of mind, and security to your family.

I supply investment capital that makes the wheels turn and motors hum.

I guarantee the financial ability to have happy holidays and the laughter of children, even though father or mother is not there.

I am the guardian angel of the home.

I am life insurance.

— Author Unknown

The Underwriting Corner: ASTHMA

Asthma is caused by environmental and genetic factors. These factors influence how severe asthma is and how well it responds to medication. People who have asthma have inflamed airways. This makes the airways swollen and very sensitive. They tend to react strongly to certain substances that are breathed in.

When airways react, the muscles around them tighten. This causes the airways to narrow and less air flows to the lungs. The swelling also can worsen, making the airways even narrower. Cells in the airways may make more mucus than normal. Mucus is a sticky, thick liquid that further narrow airways.

Important questions to note are:

- Date of diagnosis
- Hospitalization due to asthma
- Treatment
- Frequency of attacks or exacerbations

True Life: The Importance of Life Insurance

These true stories illustrate why it's so important for people to include insurance in their financial plans. None of these individuals could have anticipated the challenges they'd face. In each case, however, smart insurance planning ensured that emotional struggles weren't compounded by financial hardship. As much as we'd all like to think that "it'll never happen to me," the reality is that none of us knows what the future holds. Think about how you and your family would manage financially if faced with similar challenges. If you've got an unmet need for insurance, then you should address it.

Adam Page: Living a Whole Life

There were no children on the horizon yet for Norm and Sandy Page, but this young couple, in their early 20s, decided to buy whole life insurance policies. Because whole life insurance also builds cash value, it will help them with their goal of saving for retirement, while also protecting them in case either were to die prematurely.

The Pages' plans changed in an instant when their son, Adam, was born with spina bifida, a malformation of the spinal cord. The couple had good health insurance coverage through their jobs, but there were certain things it didn't cover like special braces that Adam needed to walk. To pay for these items, the Pages tapped into the cash value that had accumulated in their whole life policies.*

The money from the policies even allowed Adam to pursue a special dream. He developed a passion for sled hockey, and Norm and Sandy borrowed from the life insurance policies to pay for some of his equipment and training needs. At 15, he became the youngest person to make the U.S. National Sled Hockey Team and at 18, he won gold at the Paralympic Games in Vancouver.

Over the years, the Pages have purchased more life insurance to make sure that Adam will be adequately provided for should he outlive his parents, which doctors say is likely. For his part, Adam is now attending college to pursue a career in sports management. He even bought his own whole life policy, as he prepares for his life ahead. "I've seen what it's done for me," says Adam. "Whole life insurance has provided me the opportunity to live a whole life."

*Withdrawal or borrowing funds from your policy will reduce its cash value and death benefit if not repaid, and may result in a tax liability if the policy terminates before the death of the insured.

Ann Reynolds: Insurance Brings Freedom

When Ann Reynolds' husband, Mark, died in 2003, he left behind what seemed like a modest life insurance benefit. But it has made a world of difference in Ann's life. Once an energetic human resources executive who power-walked five miles a day, Ann, 53, is confined to a wheel chair because of a degenerative back condition. Unable to work, she relies on a disability insurance policy

she bought through her employer and Social Security payments, which together just manage to meet her living expenses. That's where Mark's life insurance benefit comes in. They have really made the most of the money. It paid for a lift-equipped van that allows her to drive herself around town while sitting in her wheel chair. "The van is my freedom," she says. "It makes me feel like I'm not disabled and can go on with my life." It also paid for thousands of dollars in dental work to repair damage caused by the many medications she is required to take. Most importantly, she has used it occasionally to make mortgage payments so she could continue to live in the San Diego home that she and Mark shared for most of their 21 years together. Ann has many challenges ahead. Her disability insurance payments will end when she is 65, and she's not sure how she'll make ends meet then. But she's grateful for everything that insurance has done for her thus far. "I was lucky I had some life and disability insurance, not enough, but some," she says. "This small amount has absolutely saved the quality of my life."

Brigette Hunter: Keeping a Family and a Business Afloat

Brigette Hunter was just 27, and a new mother, when she was widowed. Her husband, Matt, was killed in a car accident. To compound her pain, she had to borrow money from her parents to pay for Matt's funeral, as he had no life insurance.

Just six months later, friends introduced Brigette to Anthony. She wasn't looking for a relationship, but Anthony was persistent. "He could sell snow to an Eskimo," Brigette says. They married and soon opened their own electrical business. With the business and three children to support, the couple bought small life insurance policies. Several years later as the boys grew older, Brigette and Anthony determined that they needed considerably more life insurance.

A year later, Anthony found a bump on his chin. He had recently walked through a spider web at a job site and assumed it was a bite. But it didn't go away, and Anthony learned it was melanoma, a cancer he had battled as a teenager. It soon spread to his lungs, brain and bones. Still wanting to provide for his family, Anthony invoked a provision in one of his life insurance policies that allowed for an early payout to a terminally ill policyholder, and used part of his death benefit to buy a nicer home for his family. He oversaw renovations and was able to spend a month in the house before he died at 34.

The remaining money from Anthony's policies helped Brigette pay off medical bills and meet her household expenses. It also kept the business afloat. She could make payroll and pay vendors while she and her former man reassured clients that the business would continue. "Without the money I would have had to close," she says.

Famous Estate Planning Failures

NAME: Philip and Helen Wrigley

DIED: Philip, April 12, 1977; Helen, June 27, 1977

AGE: Philip, 82; Helen, 75

CAUSE: Philip, gastrointestinal bleeding; Helen, heart attack

ESTATE MISTAKE:

The Wrigley's left a huge estate tax obligation on their assets, including the Chicago Cubs and Wrigley Field. The \$40 million tax bill forced their heirs to sell stock, the Cubs, and Wrigley Field.

- As appeared in InsuranceNewsNet Magazine, June 2012

What triggers people to shop for life insurance?

41% Life Event

- Birth or adoption of a child
- Death of a loved one
- Acquisition of additional assets (through inheritance, lump sum payout, etc.)

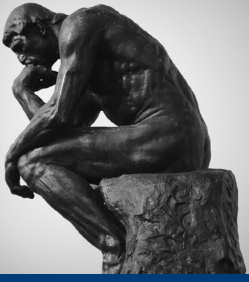
24% Financial Advice

- Recommendation from a financial advisor
- Suggestion when discussing other products

23% Work-Related Reasons

- Loss or gain of employer-provided benefits
- Business expansion

— LIMRA 2011



HERE'S A THOUGHT...

“In order to succeed, your desire for success should be greater than your fear of failure.”

- Bill Cosby

Factors That Increase Premiums

Weight and obesity – Medical statistics suggest that the heavier you are, the higher the chances of chronic medical conditions and ill health. Being overweight leads to high cholesterol, blood pressure, and a propensity for heart attacks, diabetes, and stroke. Obese people can end up paying more than 50 percent in terms of life insurance rates.

Smoking – Non-smokers pay lower premiums than smokers do and even if you only smoke two cigarettes a day, smoke a pipe occasionally, or even chew tobacco, you will be lumped into the category of smokers, according to most insurance companies. If the proposed insured stops smoking immediately, they could be eligible for lower non-smoker premium rates in as little as a year of being tobacco-free.

Alcohol abuse – If they are a heavy drinker or have been for years (even if they were an alcoholic once), insurance companies take all these details into consideration and hike up the rate of the policy. Alcohol abuse (like drug abuse) is considered highly detrimental to your health and most companies view this as a negative habit.

Medical conditions and family health – Any chronic health conditions or a medical history of any ailments and insurance rates could shoot up. If they suffer from diabetes or cancer for instance, the odds of survival are lower and the costs of treatment and medication will also increase. On the application, the proposed insured will be asked to list their family's medical history. Even if they don't suffer from stroke, blood pressure, heart disease, obesity, etc., the risk factor is still considered the same if any member of the family suffers from it. There are many insurance companies nowadays that specialize in such high-risk cases, so there is no need to give up on the idea of life insurance policy entirely.

Lifestyle choices – Careers that involve high-risk situations such as war journalism, racing, and sports, and hobbies like skydiving, bungee jumping, paragliding, and rock climbing, all contribute towards increasing the risk level in the eyes of an insurance company. Different companies tend to view various occupations and hobbies differently and it's important to shop around before deciding on a policy.

Coverage amount – Another factor that determines the premium amount on the policy is the amount of coverage required and if there are any add-ons or options included in the policy.