



From the Desk of Adam Ziff
The Ziff Agency, LLC



Creating a Better Financial Future Through Life Insurance

When asked to come up with a topic that is both intriguing and exciting, most people would not place life insurance at the top of the list. Whether this negative perception is due to its reputation as being tedious or to the unease created by an association with facing one's mortality, there is no doubt that life insurance is one of the most maligned financial products.

However, the reality is that life insurance can be a foundational piece of a solid financial strategy and can offer necessary protection from potential financial disaster due to lack of coverage. Most people have health insurance, home insurance, car insurance and even disability income insurance. All of these products are designed to offer protection from catastrophic costs due to unexpected events.

Not having life insurance carries its own unique set of risks, however the highest financial risk and damage is often incurred by those left behind. Comprehensive financial strategies that have been nurtured through years of investing, allocation and budgeting can come quickly undone when a primary breadwinner passes away.

Also noteworthy is that life insurance is not for just one stage of life. Rather, it creates an added layer of protection through the years. Consider the following potential uses for different life stages:

Singlehood. For those who are single, whether old or young, there are special considerations to keep in mind when thinking about life insurance. For example, a younger person just starting out may carry a significant amount of debt via college or other loans.

Unsettled debt at the time of death can become a burden to those left behind if they co-signed on the loans. The proceeds from a term life insurance policy can be used by survivors to pay down that debt or settle other estate matters.



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Phone: 305.363.5433

Phone: 941.922.9433

adam@theziffagency.com

www.theziffagency.com

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Current News:

Term Life Insurance Is Now Outpacing Permanent

A newly released LIMRA study, U.S. Life Insurance Trends 2016, found that among households that own individual life there has been an increase in the number owning both permanent and term coverage. The study shows a record high of 30 percent of life insurance owners having both policies. An increase of 12 points in six years.

“While the average number of life insurance policies people own remains two, there has been a shift in the type of products owned,” said Scanlon. “Today, Americans are more likely to own one permanent life insurance policy and one term life insurance policy rather than two permanent policies,” Scanlon continued. “A factor that could be contributing to this trend is term life insurance offers more coverage for the dollar than a permanent life policy. Due to increases in the cost-of-living and higher amounts of household debt, consumers may be more focused on getting the coverage amounts they need at the most affordable price,” Scanlon explained.

The study showed that for the first time in its history (conducted periodically since 1960), life insurance owners are now more likely to own term life insurance products than permanent life insurance (68% vs 62%). Permanent life insurance ownership has decreased by 18 points since 1992, while term life ownership has increased by 26 points.

(Source: InsuranceNewsNet)

Another benefit of addressing life insurance at a younger age is reduced premium costs that make coverage more affordable later in life when family or health concerns may make insurance more of a necessity. For those who are older and single, life insurance proceeds can be used to help fund a legacy of their choice and allow for a smoother transfer of assets since life insurance proceeds can be received by the designated charity free of federal income estate taxes, probate and administrative costs and delays, brokerage fees or other transfer costs.

Marriage. Protecting a spouse, partner or significant other is an important step in establishing joint finances. There are many milestones to think about that carry their own considerations. Buying a home, saving for retirement and seeking the overall financial freedom to meet your goals, are all critical at this stage of life. Life insurance can help ensure those milestones and goals are not derailed. Term life insurance products are very reasonably priced at this stage (assuming the purchaser is in good health) and the premium cost is likely to be small enough as to not impede a monthly or annual budget.

Married or single with children. At this point in life, some may have young children while others may have teenagers. For those with young children, the cost of daycare can be a significant expense.

If one income is removed due to the death of a spouse and no protection is in place, making ends meet to maintain the existing schedule or routine can be challenging. Life insurance also allows for the possibility of the surviving spouse to leave the workplace at their discretion to care for children full time. Parents of a teenager attending college need to think about protecting and providing for their older children to help ensure their education can continue.

Empty nest and the golden years. With working years winding down, the need to protect loved ones does not go away. Now is the time to think about how the proceeds of life insurance policies can help fulfill your legacy, either through leaving money behind for a beneficiary or via donation to a favorite cause or organization. As noted above, life insurance is a favored means of making charitable contributions. In addition, people can access any available cash value income-tax free from fixed-index universal life policies at this stage to help meet selected financial needs and expenses to help prepare for and/or supplement expenses in retirement.

Looking past any preconceived notions or aversion to life insurance is a critical step in creating a sound financial strategy. Adding that layer of protection to prepare for the unexpected can be a foundational piece of the puzzle that should exist in any comprehensive financial strategy.

So, despite any adverse initial reactions, make the time to contact a financial professional and take a closer look at life insurance in 2017. It could be the missing component to helping you feel better prepared for your financial future.

(Source: US News & World Report)

The Underwriter's Corner: Underwriting Q & A

Skipping Your Life Insurance Medical Exam

Whether or not a life insurance policy that doesn't require a health exam is a good fit for you is an important question to consider, but it's nice to know how, exactly, you're able to do this. After all, you should know all of your options, right?

Several insurers allow you to get a no-medical exam or accelerated underwriting policy:

- *A no-medical exam policy is just what it sounds like: there's no medical exam. Which, obviously, is why we're talking about it in this article. A simplified issue life insurance policy is an example of this. Basically, you answer a short health questionnaire rather than going through the whole medical exam hassle. However, it's also more expensive than a traditional policy.*

- *An accelerated underwriting policy cuts out the health exam by relying on third-party information sources, like motor vehicle, MIB, and prescription checks. That way, the carrier is still getting a full picture of how risky you are to insure, but without the typical lag time that comes with a medical exam.*

Not all carriers (or policies within an individual carrier) will allow you to skip the medical exam, so make sure you know before you get too deep into the shopping process if the plans you're looking at allow it.

Get Ready for Lower Life Insurance Premiums

New rules governing the back-end finances of insurance companies went into effect at the start of the year, and some companies are already in the process of lowering prices for individual term life insurance. These policies typically charge a monthly fee over a number of years and provide a payout to survivors if the covered person dies.

USAA, a financial services company that caters to customers with a connection to the military, lowered prices an average of 2.6 percent. Younger people, whose policies are already fairly inexpensive, received the smallest price changes, while those who are closer to age 60 could save around 15 percent.

For example, USAA says a healthy 40-year-old with a \$500,000 policy for 20 years would pay \$36.65 per month now for a typical policy, down 1.1 percent from last year's pricing. A 60-year-old healthy male with the same policy parameters would pay \$423 a month, down 10 percent.

Other companies will likely follow. It usually takes three to four months for companies to file required paperwork to make changes, said Leonard Mangini, an actuary in New York.

8 Ways to Save on Life Insurance

1

Buy a term life insurance policy instead of permanent life.

2

Shop around.

3

Only buy the coverage you need.

4

Ask for discounts.

5

Buy insurance sooner rather than later.

6

Take care of yourself.

7

Buy an automatically renewable policy.

8

Take advantage of group insurance.



The price changes come because of a process called "principle-based reserving," which changes the formula for figuring out how much money insurance companies have to put aside to pay off future claims.

"We haven't been able to lower rates in a decade," said Shawn Loftus, chief actuary for USAA Life Insurance Company. "We elected to go early, because we wanted it so bad."

Insurance companies across the 46 states that so far have agreed to the changes have three years to right-size their reserve funds. Whether or not individual insurance companies raise or lower prices for new term life insurance policies is not regulated. Prices are set on a case-by-case basis.

(Source: GoBankingRates)

INSURANCE 101 Famous Estate Planning Failures



NAME: José Fernández

DIED: September 25, 2016

AGE: 24

CAUSE: Liver cancer

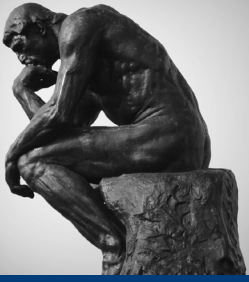
ESTATE BLUNDER: Having cocaine and alcohol in his system when his boat crashed, killing 3 people including himself

The parents of the two men who died in a tragic boat crash with beloved Marlins pitcher José Fernández have hired an attorney to handle their sons' estates and sue José Fernández's.

Emilio Jesus Macias, 27, and Eduardo "Eddy" Rivero, 25, were killed Sept. 25 when Fernández's boat smacked into a rock jetty at Government Cut just off South Beach in Florida and flipped. Fernández, 24, also died.

Both families are now seeking \$2 million in negligence and personal injury lawsuits. Eduardo Rivero and Emilio Macias were riding with Fernandez, who was found to have been legally drunk and with cocaine in his system at the time of the accident. Autopsies revealed Rivero had a blood alcohol level of .06 with cocaine also in his system, and Macias had a blood alcohol level of .04, both under the legal limit.

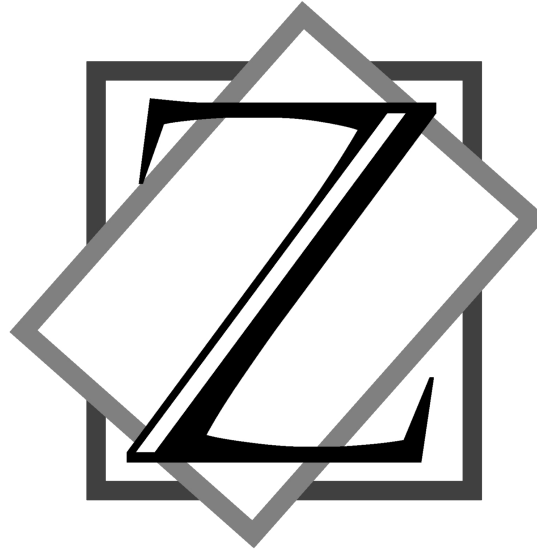
(Source: ESPN)



HERE'S A THOUGHT...

*"You can cut all the
flowers but you
cannot keep Spring
from coming."*

- Pablo Neruda



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***Happy Spring! Protect your
family today with the Gift of
Life Insurance !***