



From the Desk of Adam Ziff
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5 Reasons An Annuity Might Make Sense For You

The world of investing has gotten more complex as the years have gone on. The flood of new products and investing strategies continues to evolve with time.

Whether age-based target funds, long/short mutual funds, market-weighted ETFs, structured products, or equity indexed annuities, there's been no shortage of creativity around the financial industry.

One of the investments that continues to garner a lot of attention is the tax-deferred annuity. In looking at recent sales statistics as they coincide with market volatility and recession fears, it's no wonder annuity sales are hitting all-time highs.

Total annuity sales in 2018 increased 14 percent to \$232.1 billion, with Q4 2018 having the highest total annuity sales in a quarter since Q1 2009.

In addition, total fixed annuities were up 47 percent from Q4 2018 at \$37.4 billion.

Fixed annuity sales rose 25 percent from 2018 to \$132 billion, which is an all-time high. Also, indexed annuity sales set an all-time quarterly record at \$19.5 billion – a 40 percent increase from Q4 2018.

Let's look at 5 reasons why annuities are so popular and could be a partial solution to your retirement planning.

Other advisors may put these in different order, but the numbers don't lie – millions of investors are motivated by some, if not all, of the reasons mentioned here.



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Current News:

Could Life Insurance Go Up In Smoke For Some Vapers?

Global reinsurers are stepping up their warnings to life insurer clients about the potential risks of vaping, putting pressure on underwriters to charge certain vapers higher rates than smokers, or even exclude them altogether.

U.S. authorities said last month that there had been 47 deaths this year from a lung illness tied to vaping. The health concerns about vaping have grown despite evidence showing e-cigarettes help smokers to quit, and has led to bans in some countries including India and Brazil.

Reinsurers insure the insurers, and often have large research arms which help their clients by modeling risk. They give broad advice to insurers, rather than specific policy or pricing recommendations, but can potentially refuse to provide reinsurance or can raise premiums if their guidance is ignored. Most insurers have long treated smokers and vapers the same, meaning they can pay close to double the premiums of non-smokers or non-vapers. But three major reinsurers have provided updated advice on vaping in the past three months, with new warnings, while others are considering their approach.

(Source: Reuters)

1. Political uncertainty in the U.S. and the world.

It feels like there's never been such division in Washington, D.C., and across our nation. The political rhetoric is downright scary. Impeachment hearings, record-level national debt, and the specter of socialism is frightening many investors. It isn't much better in Europe with anxiety over Brexit and negative interest rates. Many European banks continue to sit in the danger zone.

2. Guarantees found in no other investment vehicle.

Just for fun, ask your current financial advisor if they can provide a written guaranteed rate of return on the investments they manage for you. If they're willing to do so and you're not buying an annuity, your next phone call should be to the SEC or FINRA. Annuities are the only investments associated with the word "guarantee." In an uncertain world, you can see why this is appealing to so many investors.

3. Tax-deferral.

A basic function of annuities is they can turn taxable money into tax-deferred savings with virtually no contribution limits. That means no pesky 1099s at the end of the year. With a variable annuity, any dividends, interest, or annual capital gains are not taxed and continue to grow within

the account. Why pay taxes on your investment income when you don't have to, especially if you're in a high tax bracket?

4. Index-linked growth with optional fees.

The annuity industry has worked to solve the gripe that annuities are too expensive by creating a wide variety of equity-indexed annuities that offer optional riders at an additional cost. In addition, equity indexed annuities often include surrender charges, and in exchange for some form of downside protection, returns may be limited by caps, participation rates, and spreads.

5. Added peace of mind.

Wouldn't it be nice to know the outcome of your investments 10 or 12 years from now? Uncertainty often leads to anxiety. Anxiety can lead to health problems. For retirees, being confident they won't have to go back to work is essential.

Annuities aren't for everyone. Some feel they're too complex. For others, the features and benefits mentioned above are more compelling than traditional investing. The annuity concept is intended to represent the "safe" portion of your retirement nest egg. It has specific guarantees associated with it that no other traditional investment can offer. In an uncertain world, annuities can offer the added peace of mind many investors are looking for.

(Source: Forbes)

The Underwriter's Corner: *Underwriting Q & A*

Life Insurance Companies Now Have Access To Your Social Media Content

It is prudent to exercise caution before posting pictures of oneself smoking or chugging down alcohol, especially now that the New York State Department of Financial Services has authorized the usage of "external consumer data and information" to set premium rates by life insurance companies in New York.

New York has become the first state to impose guidelines on the validity of such data by life insurance companies, although machine learning is already being used by insurers outside of New York. The use of non-traditional data helps insurers in unearthing fraud. This is essential in deciding the premium rates, weighing the risks involved.

(Source: Gavop.com)

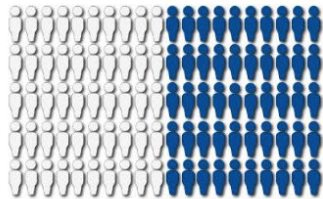
Life Insurance **STATS**

35%

More than **one third** of all households would feel adverse financial impacts within one month if a primary wage earner died.

Among those with life insurance, about 1 in 5 say that they do not have enough.

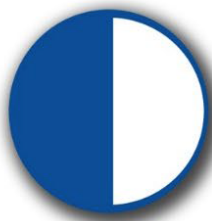
1 in 5



Half of all adults visited a life company website and/or sought life insurance information online in 2017.

Consumers overestimate the cost of life insurance, especially younger generations; 44 percent of Millennials overestimate the cost at five times the actual amount.

5x



Half of all consumers say they are more likely to purchase life insurance if priced without a physical examination.

(Source: Saginaw Bay Underwriters)

What type of life insurance is right for you?

Why are you looking for life insurance?

I want to leave money to my family after I die.

I only want to plan ahead for funeral and burial costs.

Final expense insurance
Covers traditional observances.

Will any of your loved ones depend on your income for the rest of your life?

No

Yes

How much are you willing to put toward life insurance each month?

A little – around \$32/month*

A lot – around \$500/month**

Term life insurance

Covers you for 10–30 years. Flexible and affordable—the best option for most people.

Whole life insurance

Covers you for life, but is more expensive and tough to adjust later.

(Source: Policygenius)

INSURANCE 101 Famous Estate Planning Failures



NAME: Robert Mugabe
DIED: September 6, 2019
AGE: 95

CAUSE: Cancer

ESTATE BLUNDER:

Not leaving behind a will

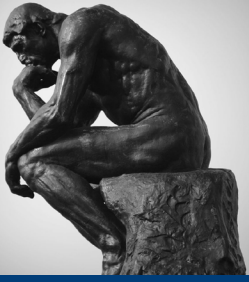
Zimbabwe's former leader Robert Mugabe, who died in September, left \$10 million and some properties in the capital, but no will naming his beneficiaries, details of his estate published by state-owned newspaper the Herald exposed this month.

The Herald said Mugabe's lawyer Terrence Hussein had also asked the court to register the estate, saying he and the family had not found any will left by Zimbabwe's founding leader.

"Thus far, we have not been able to locate a will, but have sent out enquiries to other law firms, although the family members are not aware of any," Hussein wrote in a letter to the High Court that was quoted by the Herald.

President Mnangagwa hinted last month that the Mugabe family owned a number of farms in Zimbabwe and that the government would leave them with just one, in line with rules limiting farm ownership.

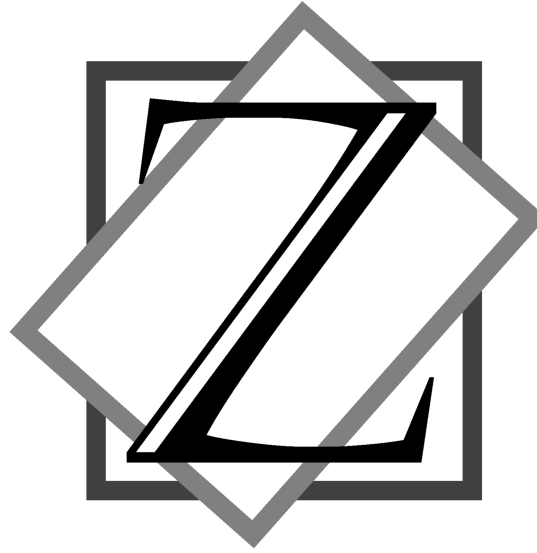
(Source: NYTimes.com)



**HERE'S A
THOUGHT...**

*"It was the end of a Decade,
but the start of an Age"*

- Taylor Swift



The Ziff Agency, LLC

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*Make sure your family is
protected this Holiday
Season and have your Life
Insurance reviewed today!*