

#InsureYourLove



From the Desk of Adam Ziff
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3 Things You Need To Know About Life Insurance

If you feel a bit in the dark when it comes to understanding life insurance, you're far from alone. According to a study last year from nonprofits LIMRA and Life Happens, fewer than 6 in 10 Americans have life insurance, and half of those who do don't have enough.

Some don't buy it because they're convinced they don't need it, others may shun it because they're confused about the details, or view it as an unnecessary expense. If you're one of them, here are three key things you need to know.

1. It's not just for the rich

It's easy to view life insurance as a product for the rich. After all, if you're a moderate earner, what good does it do you to regularly pour your hard-earned money into a service you hope never to benefit from?

Actually, the answer to that question could be "a lot." If you don't have life insurance, your loved ones could land in dire financial straits if your vital financial contribution to your household disappears. Not only do you not need to be wealthy to warrant getting a life insurance policy, **you could need it more if you're not.** The real question you need to ask yourself is if there are people in your life who depend on your income.

2. It doesn't have to be expensive

Many people avoid life insurance because they think it's unaffordable. In reality, coverage might cost a lot less than you'd expect.

There are two main types of life insurance: permanent life insurance (also called whole life) and term life insurance. With the former, you're covered indefinitely -- as long as the premiums keep getting paid -- and your policy gradually accumulates a cash value that you're can withdraw from or borrow against if you choose to. The downside to these policies, though, is that they can be very expensive, which can lead to people getting less insurance than they actually need.

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Current News:

If Your Estate Plan Includes IRAs, A New Law Means It Is Time To Reevaluate

Both workers and retirees may need to rethink some of their estate planning in light of the newest spending bill. The Setting Every Community Up for Retirement Enhancement (SECURE) Act, part of the massive bill, makes major changes to retirement plan rules, including inherited plans.

The SECURE Act requires that most non-spouse beneficiaries of an IRA withdraw all the money in the IRA within 10 years of the IRA holder's death. In many cases, these withdrawals would take place during the beneficiary's highest tax years, meaning that the elimination of the stretch IRA is effectively a tax increase on many Americans. This provision will apply to those who inherit IRAs starting on January 1, 2020.

Given these changes, those with retirement accounts need to immediately reevaluate their estate plans. If your estate plan includes a special needs trust that could be a beneficiary of your retirement plan assets, it's also important to review the trust with your estate planning attorney

(Source: Elder Law Answers)

In addition, while they are marketed as both insurance and an investment, their value as an asset grows relatively slowly.

Term life insurance, on the other hand, tends to be far more affordable. As the name suggests, these policies only provide coverage for a limited period of time (typically 30 years, though there are other options), and they have no cash value -- unless the policyholder dies during the coverage period, their return on investment is zero (other than peace of mind). But the premiums for these policies are much lower.

In both cases, the more modest the death benefit (the amount your loved ones collect upon your passing), the lower the premiums you will pay. Choose not to secure a \$2 million death benefit, and you won't be charged for one.

3. You may need it even if you don't earn an income

It would be easy to assume that if you don't earn money, you don't need a life insurance policy for yourself. But if your contribution to your household comes in forms other than financial, recognize that covering for your absence could be an expensive business.

Consider the case of a stay-at-home parent who watches over three young children during the day while their partner works. If they were to pass away unexpectedly, how would their partner continue to hold down that job? They would have to start paying for child care, the costs of which can be astronomical, especially for multiple kids. A housekeeper or cleaning service might start to feel like a necessity. And that's just the beginning -- according to the latest Salary.com study on the topic, a stay-at-home parent's work, if done by paid employees, would be worth \$162,581 a year. (The job does come with an awful lot of overtime.) Someone will have to handle all those tasks. So don't assume you don't need life insurance just because you happen to do work that doesn't come with a paycheck. The reality is that getting yourself covered is one of the most important financial moves you can make.

(Sources: Motley Fool)



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

Accelerated Underwriting Could Close The Life Insurance Gap

Accelerated underwriting holds the promise of being able to cut an agent's time spent selling a \$500,000 policy from 20 hours to roughly five, a Deloitte analyst said. The associated benefits from that are numerous. In particular, it could lead to more life insurance sold to Americans who need smaller amounts for basic protection.

Annual Milliman surveys show a steadily increasing shift to accelerated underwriting. For example, Milliman found that 24.6% of indexed universal life sales were made with accelerated underwriting for the fiscal year ending Sept. 30, 2018. That figure is up from 16.8% during the fiscal year 2017. The many benefits offered by accelerated underwriting have the potential to revolutionize the life insurance industry.

(Source: Insurance News Net)

INSURANCE 101

Famous Estate Planning Failures



NAME: Aretha Franklin
DIED: August 16, 2018
AGE: 76

CAUSE: Pancreatic cancer

ESTATE BLUNDER:

Not finishing her will

Lawyers and family members of Aretha Franklin said at the time of her death she had no will, but three handwritten versions were recently discovered. Two from 2010 were found in a locked cabinet after a key was located, and a 2014 version was inside a spiral notebook under one of her couch cushions.

But Herbert E. Nass, a New York lawyer and the author of the book "Wills of the Rich and Famous," said, "I think these handwritten documents are not going to get much respect from the court." Given the way the documents were found, it is also unclear whether other wills might exist.

Last month a niece of Aretha Franklin quit as representative of the late singer's estate, citing a rift in the family since these wills were discovered. "Given my aunt's love of family and desire for privacy, this is not what she would have wanted for us, nor is it what I want," Sabrina Owens said in a letter filed in a suburban Detroit court late January 2020.

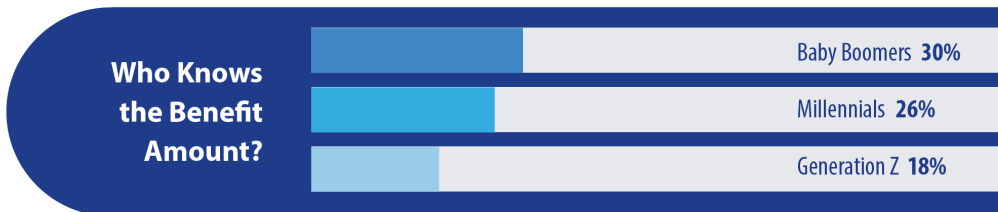
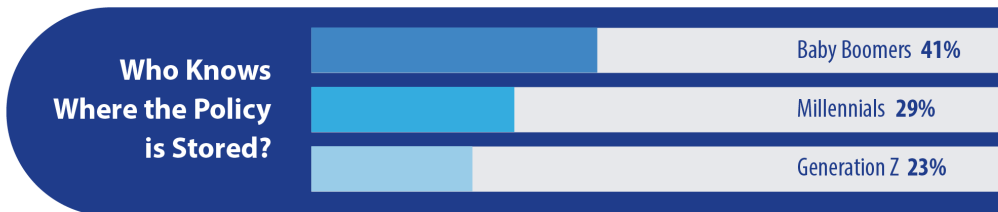
(Source: NY Times)

The Life Insurance Preparation Gap

MOST BENEFICIARIES ARE NOT EQUIPPED FOR THE ROLE



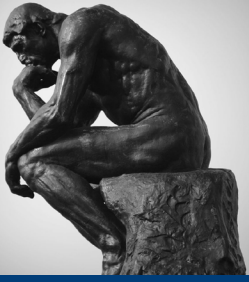
WHAT INFORMATION DOES A BENEFICIARY NEED?



WHAT IF I DON'T HAVE THE INFORMATION?

Use the Life Insurance Policy Locator, a free to use, online tool that gives you access to insurer databases to find information about missing or unknown policies.

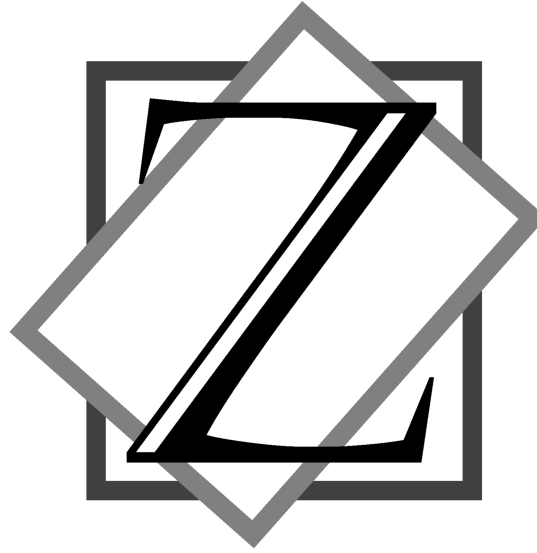
(Source: NAIC)



HERE'S A THOUGHT...

*"Darkness cannot drive out
darkness, only light can do
that. Hate cannot drive out
hate, only love can do that."*

- Martin Luther King, Jr.



The Ziff Agency, LLC

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***#InsureYourLove
this February!
Make sure your family is
protected and have your Life
Insurance reviewed today!***