

#InsureYourLove

From the Desk of Adam Ziff  
The Ziff Agency, LLC

## Lifetime Income and the SECURE Act

When the SECURE Act was signed into law on December 20, 2019, the government's primary intention was to encourage Americans to start planning for their own retirement income needs. It has paved the way for employers to start offering annuity lifetime income products within their retirement plans.

### Two Words Matter... Lifetime Income

With over 10,000 baby boomers reaching retirement age every single day, there is a demographic tidal wave of people that need lifetime income guarantees. Some politicians are aware of this, and are trying to put laws in place that help people create their own personal pension plans. It's never too early to start planning for your future.

The purest lifetime income definition is to not outlive your money. Regardless of how long you live, you should have money hitting your bank account every single month.

The majority of Americans want that to happen, most don't know how to make it happen, and many don't have retirement plans that allow it to happen. That's getting ready to change in a big way.

### Social Security is Step One

Those beloved Social Security payment guarantees were never designed to be the primary source for your retirement lifetime income needs. In an ideal situation, Social Security should be used as a secondary pension type strategy behind a more robust plan, preferably offered by your employer.

Unfortunately, less than 10% of private companies offer a traditional pension plan to their retiring employees. Those lifetime income guaranteed pension plans have been replaced by Defined Contribution Plans (i.e. 401k plans), Individual Retirement Accounts, and other employer sponsored retirement plan types. These are primarily focused on the growth of your money instead of creating a lifetime income stream.

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## Current News:

### Why Tax Time is a Good Time to Consider Life Insurance

Tax season is a good time of year to consider your options for improving your quality of life. When qualifying for a tax refund, many people use the extra funds to improve their homes, purchase a better vehicle or add to their long-term savings.

However, one affordable way to enhance your financial security and to protect your family's quality of life is to review your life insurance options with a licensed agent. Life insurance is something that can be customized to your needs and to your lifestyle.

A good life insurance policy can be used in the short-term to cover a mortgage, it can be established to protect the interests of a special-needs child who will need financial support after you are gone, or it can be used as an effective savings vehicle for the long-term.

About 70 percent of Americans consider life insurance a necessity for themselves; yet, about 40 percent of Americans have no life insurance to speak of to help protect their quality of life or that of their family. Consider sitting down with a life insurance professional and discussing your options.

(Source: GantDaily.com)

As people approach retirement, the focus usually changes from market growth to preservation of principal and guaranteeing lifetime income.

#### The Annuity Monopoly

So how do you create income for life? One answer: **annuities**.

Annuities are the only financial product type that can guarantee a lifetime income stream. That's a fact, and a monopoly type benefit that only annuities can offer. Annuities are issued by life insurance companies, and the fixed annuities that offer lifetime income guarantees are regulated at the state level.

Annuity lifetime income products that you should be aware of are Single Premium Immediate Annuities (SPIAs), Deferred Income Annuities (DIAs), Qualified Longevity Annuity Contracts (QLACs), and Income Riders attached to deferred annuities. All are transfer of risk strategies, and all offer lifetime income guarantees that will pay regardless of how long you live. All can be categorized as personal pension products.

Annuities are commodities, and quotes change every 7 to 10 days like a gallon of milk. Unless you lock in that quote during the application process, you will have to continue the quoting process until you find that contractual number that fits your specific goals.

#### The SECURE Act "Shoulder Tap"

Plan fiduciaries, plan sponsors, and plan participants were all targets for this SECURE Act because 401k type plans are now being encouraged to offer annuity lifetime income products within their product investment menu. Instead of employees just taking the lump sum from their plan and adding it to their retirement savings, the Department of Labor along with the IRS are now backing QLAC (Qualified Longevity Annuity Contract) type income strategies to be included as an investment choice to be used for future lifetime income needs.

(Source: TheStreet.com)



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

### Survey: 25 out of 28 Companies Use or Plan to Use Accelerated Underwriting Programs

Milliman, Inc., a premier global consulting and actuarial firm, recently released the results of its biennial broad-based survey on term life insurance. Currently, 20 of the 28 survey participants use accelerated underwriting programs for term life insurance, with an additional 5 participants planning to implement such programs.

The use of predictive modeling in the life insurance industry continues to increase. 15 survey participants use predictive analytics in their accelerated underwriting algorithms. 6 participants reported using predictive analytics in underwriting of term life insurance products under other underwriting approaches as well.

(Source: PR Newswire)

# FIVE STEPS TO PERSONAL FINANCIAL PLAN

1

## ASSESSMENT

In this first step of the financial planning process, you will assess your current financial situation with regard to income, savings, living expenses, and debts.



## GOAL SETTING

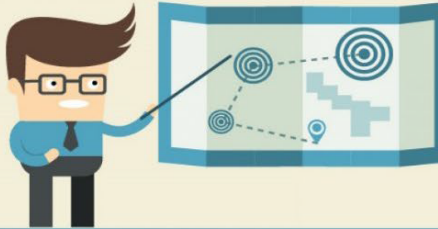
You should periodically analyze your financial values and goals. This involves identifying how you feel about money and why you feel that way.

2

3

## CREATING A PLAN

In this step of the financial planning process, you develop an action plan. This requires choosing ways to achieve your goals.



REVIEW



## EVALUATE ALTERNATIVES

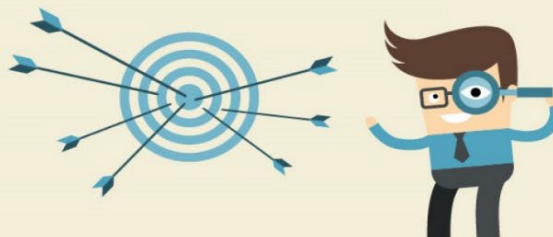
You need to evaluate possible courses of action, taking into consideration your life situation, personal values, and current economic conditions.

4

5

## MONITORING

Your financial plan must be periodically reviewed and adjusted as needed.



(Source: Researchomatic)

## INSURANCE 101 Famous Estate Planning Failures



**NAME:** Juice WRLD

**DIED:** December 8, 2019

**AGE:** 21

**CAUSE:** Oxycodone and codeine overdose

**ESTATE BLUNDER:**

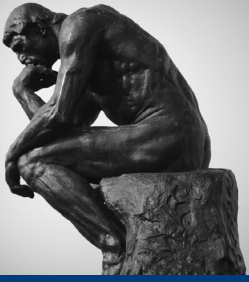
Leaving legal matters unorganized

A couple of months before Juice WRLD's death, pop-punk legends Yellowcard sued the rapper over a melody of theirs he allegedly used, without credit, in his breakout hit, 'Lucid Dreams'. In October Yellowcard demanded a \$15 million payout, running royalties or shared ownership of Juice WRLD's track, plus damages.

It's now come to light that before Juice WRLD passed he had not organized for his legal matters to be represented by anyone in case the worst happened – and now that it has, his estate has nobody to take care of his legal affairs and cannot be accessed for the current lawsuit. He had been 21-years-old for less than a week.

Now, this makes things a little bit complicated. Because his estate has no legal representation, nobody can even look at the case let alone argue the late rapper's case in court. Yellowcard has no plans to revoke the lawsuit, which goes to court early this month.

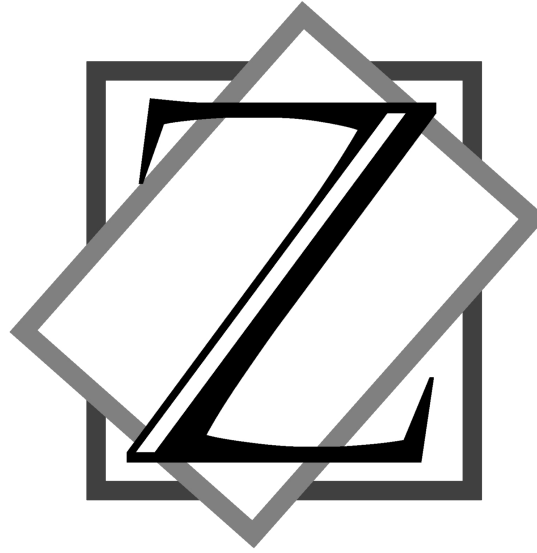
(Source: Pedestrian.tv)



## HERE'S A THOUGHT...

"It was one of those March days when the sun shines hot and the wind blows cold: when it is summer in the light and winter in the shade."

- Charles Dickens



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*#InsureYourLove  
this March!*

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