

#InsureYourLove



From the Desk of Adam Ziff
The Ziff Agency, LLC



How COVID-19 is Impacting the Life Insurance Business

As part of the panic that has consumed the world surrounding the COVID pandemic, many consumers are asking whether insurance companies are doing anything different, or perhaps, postponing the ability of consumers to obtain life insurance, for general pandemic related reasons.

Aside from the limitations of medical exams, it's been business as usual for insurance carriers. With regard to recent travel, while carriers have historically and routinely inquired about recent foreign travel, there will be greater focus on travel to countries where the Coronavirus is rampant.

According to industry executives, "Life insurance companies have always asked about recent or planned foreign travel to various regions that may be considered hotspots, and that has always been an underwriting factor. This is similar. You can figure that if you've recently returned from one of

the places in the world that are COVID-19 hot-spots, one might expect most of the insurance companies to postpone underwriting your application for say, 30 days."

News from the CDC and other official offices is fluid and precisely how life insurance carriers will react moving forward is still unknown. While some companies have updated their underwriting guidelines, the good news is that they are continuing to issue coverage for those consumers who are interested in obtaining life insurance.

"I believe it's imperative we not panic, but rather, listen to the facts. We strive to protect families every day in our line of work. If there are elderly or at-risk folks in your area, of course, they should do everything possible to avoid contact with infection. So, check on them, and make sure they know how to stay safe. The measures being taken nationwide now are being implemented in order to 'flatten out the infection curve' and ease the strain on our already inundated healthcare system."

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Current News:

Protecting a 401(k) from a Coronavirus-Driven Market Downturn

The first step: Stay calm, volatility is normal.

For most investors, the money already in 401(k) plans should stay there — especially if retirement is a few decades away, advisers say. But there are strategies to avoid losing that money — and even making more.

Annuities, which are insurance products, are a great way to provide protection of principal, as well as generate guaranteed income. There are many types of annuities, which are created using contracts that clearly spell out their terms, such as time frame for premiums and benefits paid.

Congress passed a sweeping retirement legislation called the Secure Act in December, which incorporated numerous rules to help bolster Americans' future financial security. One provision was to expand access to annuities in 401(k) plans, in an attempt to safeguard Americans from outliving their nest eggs.

The ability to turn up and down your income is such a powerful planning tool to protect against down markets.

(Source: MarketWatch.com)

Many insurance companies are asking applicants if they've been tested or treated for the virus, and then once the policy is approved, they are asking applicants to sign a statement noting that nothing about their health status has changed during the application process.

Those who lack coverage may want to consider moving to obtain it soon. If the pandemic worsens, industry experts say, life-insurance companies may institute stricter guidelines for underwriting. Insurers might also increase premiums in the future as many are suffering losses amid the sharp declines in financial markets.

(Source: InsurnaceNewsNet.com)



6. The current situation may be giving agents a good opportunity to talk to consumers about the value of insurance, and of agents.

Agents can help answer many common questions about the COVID-19 pandemic, such as whether life policies protect the insureds against pandemic viruses, and how the current travel restrictions might affect someone's life insurance application.

6 Ways COVID-19 is Affecting Life Insurance Distribution

1. Consumer interest in life insurance is strong.

This virus has people thinking about their mortality, and life insurance is increasingly top of mind now, with more people investigating options.

2. Consumer questions about the impact on life insurers' financial strength are out there.

Economic issues and underwriting issues unrelated to COVID-19, such as opioid use and distracted driving, still appear to be a greater concern for life insurers than SARS-CoV-2, the virus that causes COVID-19.

3. Scheduling underwriting exams can be more complicated.

What is now becoming a greater challenge are required off-site medical exams for approval with some life insurance policies. Thankfully there are accelerated underwriting options out there that help people skip the usual medical exams.

4. Underwriting seems to be changing, some.

You can figure that if you've recently returned from one of the places in the world that are COVID-19 hot-spots, one might expect most of the insurance companies to postpone underwriting your application for, say, 30 days.

5. Falling interest rates may be creating a short, one-time increase in product sales

The Federal Reserve Board has tried to lower the interest rates it controls in an effort to help businesses and investors get through COVID-19-related lockdowns, quarantines and supply disruption.

Many life insurers are responding by increasing prices for interest-sensitive products, pruning benefits, or ending certain product sales.

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

Underwriting Guidelines are Evolving as a Result of COVID-19

For individuals who are applying for life insurance policies right now, there may be additional questions in the underwriting process about international travel and potential waiting periods for a decision as a result of travel.

Coverage eligibility for life insurance applicants with confirmed travel plans to State Department Level 3 or 4 countries (which currently includes all countries) may be postponed and require a 30-day waiting period after they return to the U.S. Once the 30 days have passed, individuals may reapply.

In most states, applicants are still able to schedule the medical exam to be performed at a location of their choosing. Many applicant have up to 120 days to take their medical exam now, so if an individual doesn't feel comfortable or if there are limitations in exam availability, there will be adequate time to take the exam at a later date.

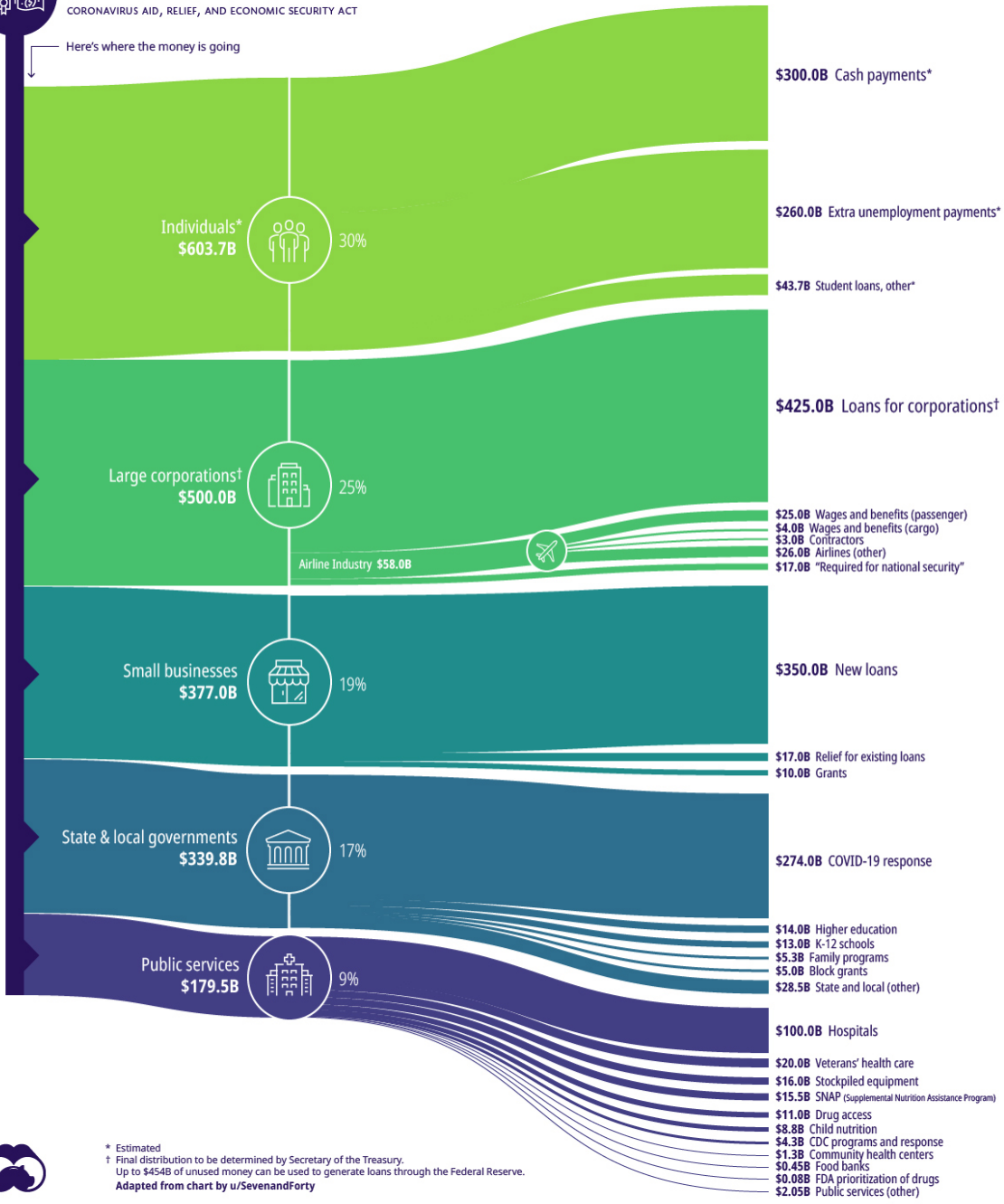
(Source: Haven Life)



CARES Act \$2 trillion

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

Here's where the money is going



* Estimated
 † Final distribution to be determined by Secretary of the Treasury.
 Up to \$454B of unused money can be used to generate loans through the Federal Reserve.
 Adapted from chart by u/SevenandForty

(Source: Visual Capitalist)

INSURANCE 101 Famous Estate Planning Failures



NAME: Peter Ustinov

DIED: March 28, 2004

AGE: 82

CAUSE: Congestive heart failure

ESTATE BLUNDER:

Writing his last will in pencil 36 years before his death

The double Oscar-winner Peter Ustinov was one of Britain's most respected actors who starred in films including Spartacus, Death on the Nile and Logan's Run. It is estimated that at the time of his death he would have been worth tens of millions.

However, Peter Ustinov's estate was dragged through the courts for years, resulting in most of his multimillion-dollar assets being swallowed up by legal fees. He composed his last will in pencil 36 years before he died in 2004. This led a court to rule he had died intestate, or without a will.

He was married three times and had four children, but the bulk of his wealth went to his widow Lady Helene Ustinov. His children claimed that trusts he allegedly set up should have gone to them, but no one could prove their existence. His son Igor claimed in 2013 that pursuing the case had left him virtually bankrupt.

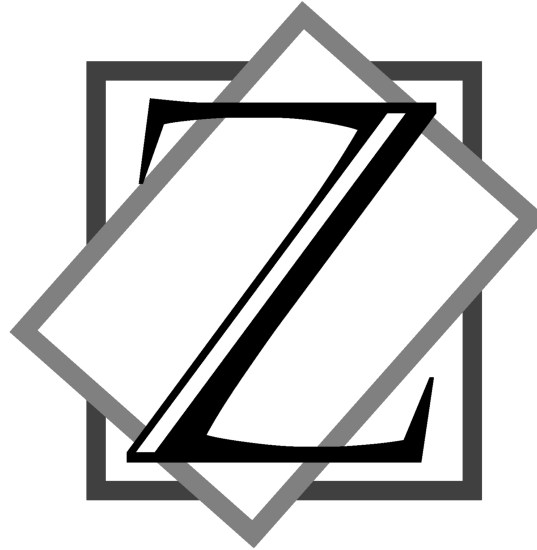
(Source: Telegraph UK)



HERE'S A THOUGHT...

*"A gush of bird-song, a
patter of dew, A cloud, and
a rainbow's warning,
Suddenly sunshine and
perfect blue -- An April day
in the morning.*

- Harriet Prescott Spofford



The Ziff Agency, LLC

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*Stay Safe from the Coronavirus and
#InsureYourLove
this April!*

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