



**From the Desk of Adam Ziff**  
The Ziff Agency, LLC



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## Annuity Engagement on the Rise

**Interest in guaranteed lifetime income options in defined contribution (DC) plans is growing after the latest market downturn caused by the COVID-19 pandemic.**

Research from Allianz Life found 77% of workers currently enrolled in an employer-sponsored plan would consider adding an option that offers guaranteed lifetime income, and 59% said they would specifically consider adding an annuity feature. 61% of respondents said they are looking for more information on how annuities can be part of their plan.

Additionally, a recent Secure Retirement Institute (SRI) study found more than half of workers would be interested in a guaranteed lifetime income option if offered, and 61% said they would likely contribute.

James Olson, a managing director at IPX, says he believes the industry will see an uptick in annuity engagement within the next 12 to 24 months. Prior to the market downturn, experts anticipated more communication surrounding the products, but only saw slight additions. "Due to COVID-19, there's now just more interest among service providers, record-keepers and participants," he says. "Annuities can be a complicated product, but now it's more of a component of a holistic retirement plan."



Ph: 212.796.5433  
Ph: 949.393.5433  
Ph: 941.922.9433  
Ph: 305.363.5433

adam@theziffagency.com  
www.theziffagency.com

## Current News:

### Can COVID-19 Affect Your Life Insurance Coverage?

If you have an active life insurance policy and you were to die of a pandemic illness such as COVID-19, your family would receive the death benefit — even if you had traveled to an area with a known outbreak of the coronavirus.

Also, if you keep your active life insurance policy current by paying your premiums on time, the insurance company can't raise your premiums if you get sick with COVID-19.

And here's more good news: if you don't have life insurance coverage now, you can still apply. It just might take a little longer to get approved, depending on where you live and what your circumstances are. If you're in good health, there shouldn't be any other concerns.

Even if you test positive for the coronavirus you can still apply for coverage, although you can expect the insurance company to postpone any decisions on your application for 30 days or so, until you've made a complete recovery. We can't emphasize enough how important it is to be 100 percent honest on your application. Otherwise, your beneficiaries may not receive the death benefit.

(Source: Marketwatch.com)

Employers are educating themselves about annuities, given the rise in demand. "They're starting to become more educated on analyzing these solutions for consideration in their plan, so that translates from them to their participants," he continues. "It's definitely a learning curve for all sources."

More so than other generations, Millennial and Generation Z investors are expected to add guaranteed income options for their retirement savings. Because younger workers are less likely to have a pension or defined benefit (DB) option, a lifetime income opportunity could sound like an attractive feature, the SRI report finds.

In the study, nearly 66% of Millennials and Gen Zers said they are somewhat or very likely to contribute to a guaranteed income option, while 52% of Generation Xers and 42% of Baby Boomers felt the same. Since older workers have less time in the markets, there may not be much implementation coming from that group, Olson says. "This workforce has seen market volatility so much more than other generations. These solutions resonate better with younger groups because of that," he adds.

Prior to passage of the Setting Every Community Up for Retirement Enhancement (SECURE) Act, which provided a fiduciary safe harbor for the selection of lifetime income products for retirement plan sponsors, the retirement industry only saw limited interest in in-plan annuities and has seen little implementation from plan sponsors, says Matt Gray, assistant vice president of worksite solutions at Allianz Life Insurance. "There's still a lack of familiarity with the benefits of what an annuity can offer," he adds. "Participants do seem to want guaranteed income, as well as more information, especially with these volatile times in the market."

"Prior to the SECURE Act, there wasn't much interest or certainty. This has opened the door for consultants to understand the products and how they can turn the doors," Gray notes.

While retirement plan sponsors should expect to see an increase in participants searching for annuity options, they should also be prepared. While annuities are not new products, knowledge about their features is scarce for most investors, Gray explains. "It is a difficult topic, but there's a lot of expertise within the industry to help bridge that knowledge gap," he adds.

(Source: Plansponsor.com)

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

### Underwriting Among Early Effects of COVID-19 on Life Insurance

COVID-19 has had the biggest short-term effect on life insurance in two ways: insurers extending grace periods for paying premiums & insurers placing a greater emphasis on accelerated underwriting.

COVID-19 has prompted a number of insurers to voluntarily extend grace periods, while some states have mandated those extended grace periods. This creates a challenge for insurers when coupled with the evolving behavior of policyholders, who in addition to taking a longer time to pay premiums are now taking out more policy loans.

Accelerated underwriting was already gaining traction in the life insurance world before COVID-19 hit, but the restrictions placed on nonessential medical treatment as a result of the pandemic have moved accelerated underwriting to the forefront. Many life insurers are now taking a deeper look at and changing their criteria, as well as their processes, for underwriting.

(Source: InsuranceNewsNet)

# COVID-19

Protect yourself  
and loved ones



Help prevent the spread of respiratory diseases like COVID-19

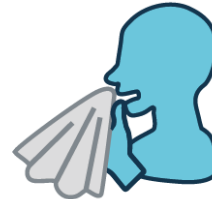
## + WASH YOUR HANDS

Wash your hands with soap and warm water regularly.



## + COVER A COUGH OR SNEEZE

Cover your cough or sneeze with your sleeve, or tissue. Dispose of tissue and wash your hands afterward.



## + DON'T TOUCH

Avoid touching eyes, nose or mouth, especially with unwashed hands.



## + KEEP YOUR DISTANCE

Avoid close contact with people who are sick.



## + STAY HOME

If you experience respiratory symptoms like a cough or fever, stay home.



## + GET HELP

If you experience symptoms of COVID-19 (cough, fever, shortness of breath), call your health care provider or local health department before seeking care.



(Source: California Department of Public Health)

## INSURANCE 101 Famous Estate Planning Failures



**NAME:** Maya Angelou

**DIED:** May 28, 2014

**AGE:** 86

**CAUSE:** Natural causes

### ESTATE BLUNDER:

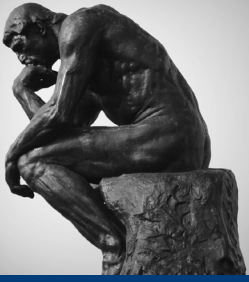
Unevenly distributing interest in her foundation between 2 family members.

TAngelou directed that her assets, including the copyrights to her works, should be put into a foundation called the Caged Bird Legacy after she passed away. Angelou gave a 75% interest in the foundation to her son, Guy, and a 25% interest to her grandson, Colin.

Her son ended up suing his own son after claiming that that he "tricked" him into giving up control of Caged Bird Legacy and that he spends "tens of thousands" of dollars of the foundation's money every month, had borrowed \$150,000 from the foundation and had it pay him an additional \$300,000.

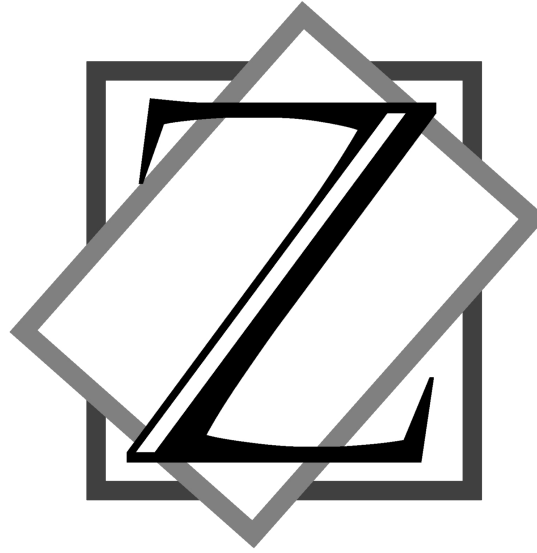
Guy's claims against his son Colin include breach of contract, breach of fiduciary duty, involuntary dissolution of the Caged Bird Legacy foundation and elder financial abuse.

(Source: Lslawyer.com)



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

*"A Mother is like a Flower  
each one is Beautiful  
and unique!"  
-Unknown*



The Ziff Agency, LLC

[www.theziffagency.com](http://www.theziffagency.com)

*Stay Safe from the Coronavirus and  
#InsureYourLove  
this Mother's Day!  
Make sure your family is protected  
and have your Life Insurance  
reviewed today!*