

The Ziff Agency Monthly

#InsureYourLove



From the Desk of Adam Ziff
The Ziff Agency, LLC



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The 5 Types of People Who Need Life Insurance the Most

At the core of each and every solid family financial plan is life insurance.

That's because life insurance (and other appropriate forms of insurance) serves as a "fail-safe" that provides the funding needed to carry out a financial plan in the event of an unexpected death. Without this fundamental pillar of protection, any financial plan is at best a "cross your fingers and hope" wishlist.

Simply put, life insurance is like an American Express card — you should never leave home without it. Here are five of the primary types of people who need life insurance the most:

1. Individuals with financial dependents

The first category of people who absolutely need life insurance are those with dependents of any kind.

This includes married couples where one spouse is the breadwinner, a single parent or guardian of any kind.

Another typical but less known candidate is the homemaker, as their untimely death can create unforeseen costs for childcare. Other candidates can be married or single family members who support elderly relatives, or even anyone who consistently supports charitable causes or organizations.



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Current News:

36% of Americans Plan to Buy Life Insurance in the Next 12 Months. Here's Why You Should Too

A good 36% of Americans now think they'll be buying life insurance in the next 12 months, according to insurance research organization LIMRA, and while there's no telling how many will really follow through, the fact that it's on so many people's radar is a step in the right direction.

Unfortunately, many stories have emerged from the COVID-19 crisis of otherwise healthy, relatively young Americans who were put on ventilators or, worse yet, succumbed to illness during the pandemic. And the reality is that no one is immune to the freak accidents we read about in the news more often than we'd like.

That's why you can't assume that you're too young to buy life insurance or that you don't need it because you never get sick. As we've learned the hard way, life really can change in an instant, and having a policy is a good way to help ensure that your loved ones don't struggle if something were to happen to you. The sooner you get coverage, the sooner you'll get peace of mind that your family is protected when they would need it the most.

(Source: KenoshaNews.com)

2. Individuals with joint financial obligations

Joint debts entered into by spouses are a prime example here. If you and your partner own a home together, get life insurance — it will cover your housing costs in the event of your partner's untimely death.

Individuals in this category can also include unmarried couples who jointly enter into leases, car financing arrangements, and even mortgages on a home or income-generating rental property. This same type of arrangement can also exist between a parent and a child, siblings, or close friends.

You should also get life insurance if you've cosigned for some other types of debt, like a student loan or consumer credit debt, to protect your cosigner from having to foot the whole bill.

3. Individuals who have financial plans for the benefit of others

This is where the concept of life insurance being utilized to "complete the plan" comes into play.

For example, when parents discuss college planning for their children they should discuss (amongst other things) the types of schools that the family is considering, the funds available for college saving, the investment vehicles available to execute the strategy (i.e. 529 plans, after-tax investments, etc.), and the timeline for investment. A financial planner can help evaluate scenarios to determine the efficacy of one strategy versus another and suggest an appropriate course of action.

4. Individuals who have an adverse genetic predisposition

Not mentioned often, but if illnesses such as certain cancers or medical conditions (hypertension, high cholesterol, or diabetes) are raised, life insurance can be used not only to address need, but also for the purposes of securing the client's "insurability," or ability to get and keep affordable insurance while they are healthy or haven't manifested any potential symptoms that may be indicative of such illnesses or conditions being inherited.

5. Individuals who have an inherently risky occupation

It should seem obvious, but it is way too often that we find servicemen like firefighters, corrections officers, and emergency responders are actually sorely underinsured. They perform extremely dangerous jobs where the prospect of not coming home at the end of a shift is very real. Having adequate coverage brings more peace of mind to not only the policyholder as he or she walks out the door in the morning, but to their families as well.

(Source: BusinessInsider.com)

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

Yes, it's Possible to Underwrite Life Insurance Policies Remotely

The coronavirus pandemic and social distancing measures have changed how we do business across industries — and insurance underwriting is no exception.

Typically, life insurance underwriting requires a thorough medical examination (as anyone who has ever applied for a policy will know well). This involves an in-person visit, allowing the medical examiner to conduct a blood pressure reading, weight check, blood draw and more. But as we shelter in place and limit contact with others, clients don't need to head into a lab or invite examiners into their homes.

At the same time, the need for financial protection and guidance hasn't gone away — so insurers need to adapt to this new normal to ensure they are still able to help clients protect their families and take control of what they are able to, even amidst uncertainty.

The good news: Many tools already exist to help underwriters overcome these new challenges posed by social distancing. And people are looking for life insurance protection now, more than ever. In fact, at Equitable they received 6,000 applications in March and April alone.

But without open labs, insurers need to adopt solutions to provide clients with the life insurance coverage they need, even when traditional underwriting processes can't be met.


Enter claims data from medical insurance carriers. Insurers can look through this data to see if clients applying have recently had blood drawn, what kinds of pre-existing conditions they have, and more, and use that as a substitution for a real-time, up-close-and-personal exam and lab draw.

One thing is for sure: The tools we're talking about using now — in the middle of a crisis — are not going to go away. They're just going to get better and better.

(Source: ThinkAdvisor.com)

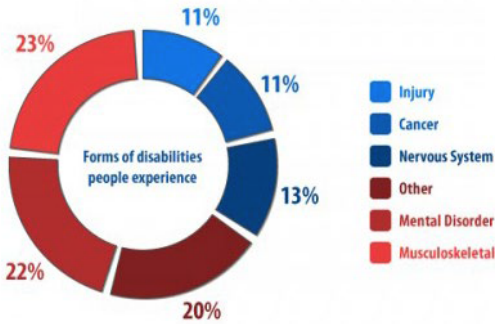


Disabilities can occur at any time. **Protect** a portion of your **income** and provide financial protection with **DISABILITY INSURANCE**

 Just over **1 in 4** of today's 20-year-olds will become disabled before they retire.

68% American employees live from paycheck to paycheck, without enough savings to cushion the financial impact a disability may cause!

Nearly everyone is likely to experience a form of disability at some point during their lifetime due to illness, accident or ageing.



FACT **MYTH**

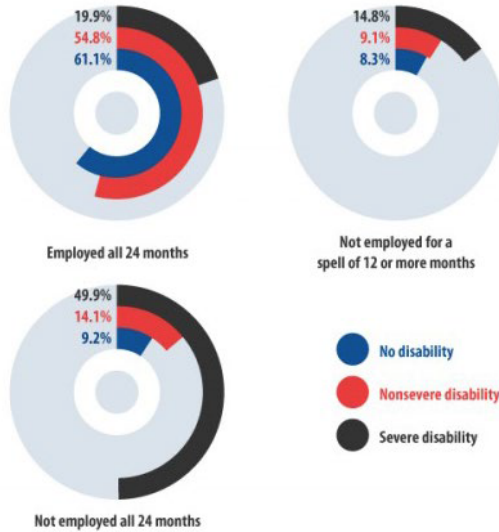
The employment rate for people with disabilities was 38.1% in 2010, roughly half of that for people with disabilities

Will worker's compensation cover the loss caused due to my disability??

Worker's compensation replaces lost income if an injury or illness occurs on the job, but fewer than **5%** of disabling accidents and illnesses are work-related. Most (90%) of long-term disability claims are for illnesses, not accidents.

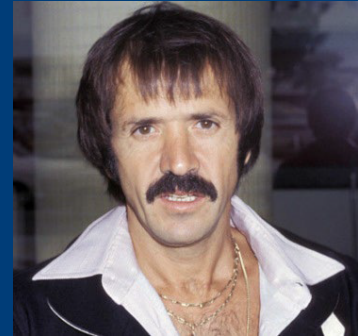
SO IT IS PREFERRED TO TAKE DISABILITY INSURANCE!

EMPLOYMENT STATUS FOR ADULTS 21 TO 60 YEARS OLD



Sources:
http://www.disabilitycanhappen.org/research/CDA_LTD_Stats_Survey_2013.pdf
<http://www.comaa.gov/press/2012/pubs/p10-131.pdf>
http://www.stanford.edu/group/scsp/_images/facts/Fact14.jpg
<http://www.disabilityfund.org/disability-stats-and-facts>

INSURANCE 101
 Famous Estate Planning Failures



NAME: Sonny Bono

DIED: June 23, 2011

AGE: 62

CAUSE: Blunt trauma

ESTATE BLUNDER:

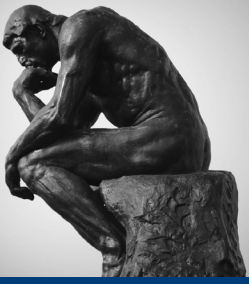
Not writing a will

Sonny Bono was a singer, songwriter, restaurateur, and former Congressman who died in a tragic ski accident in 1998 at the age of 62. His net worth was just under \$2 million at the time of his death, yet Bono did not have a will. Apparently he meant to have one drawn up but simply never got around to it.

Sadly, his fourth wife and surviving spouse, Mary Bono, spent years battling to be the executor of his estate. She also faced lawsuits filed by anyone and everyone who wanted a piece of the pie.

Cher, Sonny's second wife, sued for a share of his estate seeking \$1.6 million in unpaid alimony. As if Cher's lawsuit wasn't odd enough, a secret love child made his own claim on Sonny's estate. Then 35-year-old Sean Machu came forward claiming to be Bono's illegitimate son.

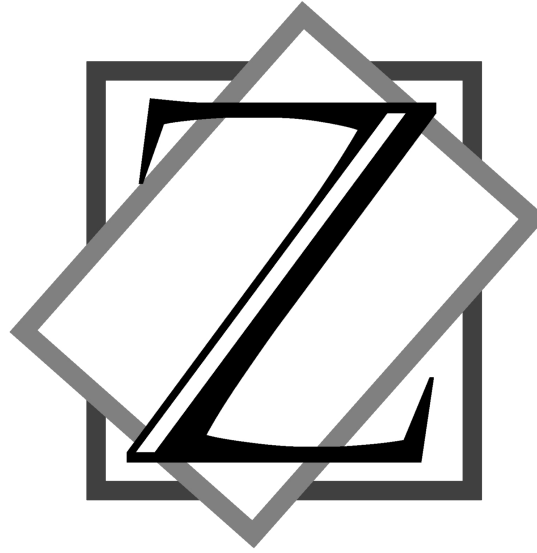
(Source: McKenzie Law Firm LLC)



HERE'S A THOUGHT...

*"Freedom is not worth
having if it does not include
the freedom to make
mistakes."*

- Mahatma Gandhi



The Ziff Agency, LLC

www.theziffagency.com

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

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