

The Ziff Agency Monthly

#InsureYourLove



From the Desk of Adam Ziff
The Ziff Agency, LLC



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What to Do if You Can't Pay Your Life Insurance Bill Due to COVID-19

Many policyholders likely have had their finances hit unexpectedly by the pandemic. A policy that once was affordable might seem like a liability if you have lost a job or have had a business go under. Ditching that policy, though, can be even more disastrous if someone would need the payout if you pass away.

Fortunately, with permanent life insurance policies, you do have several options to keep your coverage if you're having trouble making premium payments.

1. Take Advantage of the Payment Grace Period

Most insurance companies give policyholders a 30-day grace period from when the premium is due to pay it. Typically, you can go another 30 days without paying, and the policy will be in "lapse pending" status. Any policyholder facing temporary hardship is able take advantage of this months-long break on payments.

Some insurance companies are offering grace periods that are even more lenient because of the coronavirus, and some states are requiring insurers to offer more flexibility for payments. Call your insurer to find out how long your policy will remain in force if you don't make a payment. Ask for an in-force illustration to see what the impact of not paying will have on your policy and how much you'll have to pay going forward to make up the difference.



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Current News:

Pandemic Has More Americans Thinking About a Retirement Reset

Since COVID-19 and the subsequent market volatility, 7 out of 10 Americans are now pessimistic about their retirement plans and some are turning to lower-risk options for their retirement investments, according to Alliance for Lifetime Income surveys conducted in April and June.

The Alliance's online Retirement Reset Tracker surveys of Americans between 56 and 75 years old show that people have reset how they think about retirement, including when, how and where to retire. In particular, 1 in 4 pre-retirees are looking to reduce risk in their investments to protect their retirement.

For financial professionals helping their clients navigate during this volatile time, the message is even clearer: Your clients might be more interested than you think in securing their retirement income with an annuity.

For millions of Americans across generations, annuities have been a sound solution because they provide predictable monthly income that is protected no matter what the market is doing, in addition to helping reduce the risk that they will outlive their money since payments can continue throughout retirement.

(Source: InvestmentNews.com)

2. Use Your Waiver of Premium Rider

You might be able to skip payments but continue your insurance benefits if you have a waiver of premium rider. Typically, the waiver kicks in if you're unable to pay the premium because of a disability. However, some riders even waive premiums for unemployment.

There's typically a waiting period, though, before the waiver rider kicks in, during which time you'll have to continue making payments. So this option won't be ideal if you need immediate financial relief.

3. Use Dividends to Pay Premiums

If you have a whole life insurance policy, you might be receiving dividends. Mutual insurance companies pay out dividends to policyholders in years when the companies are performing well.

Dividends can be used to increase your cash value. They also can be used to offset premiums. This will reduce the amount you need to pay out-of-pocket for the policy, but you need to check with the insurance company to find out how dividends are applied to premiums.

The benefit you get might not be immediate. For example, MassMutual dividends can be used to reduce the following year's premiums. Prudential states that dividends are credited on your policy anniversary, so only that bill is reduced.

4. Use the Cash Value to Cover Payment

One of the benefits of permanent life insurance is that it builds up cash value. There are a variety of ways you can use the cash value to pay premiums.

If you've had the policy for several years, you might have built up enough cash value to cover some payments. Whitman recommends ordering an in-force illustration to see what impact using the cash value to cover premiums will have on the overall value of your policy.

5. Use the Paid-Up Option

You also might be able to use the cash value to convert your policy to paid-up status. This will allow you to keep some coverage in place without paying additional premiums. However, this maneuver will also likely reduce the death benefit paid to beneficiaries. The older someone is, the better this option is because they've had more time to build up cash value.

(Source: Forbes.com)

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

How Has COVID-19 Impacted Underwriting?


Some life insurance carriers have recently placed restrictions on coverage for certain clients. One company recently postponed any proposed insureds aged 70 or older. Those aged 60 to 69, who are rated, are being delayed at this time. Other companies are postponing older clients and those with impairments that make them more susceptible to COVID-19, such as heart disease and chronic respiratory disease. Work with your advisor to find the best carrier company and policy available to you, as the options are still plentiful.

Many companies are now moving towards a "fluidless" underwriting process. This is to avoid having a paramedical enter a person's home and potentially expose them to COVID-19. It is becoming easier than ever to find a company using no-touch resources and fluidless testing to underwrite and approve your case.

(Source: ThinkAdvisor.com)

COVID-19 Managing finances

How personal earnings have changed

 **45%** have lost all or part of their income

How people view their financial situation

More than **1/2** are moderately or extremely concerned
 10% are not concerned at all
 13% have spoken to an advisor or financial institution about their finances



New spending habits


- 59%** have reduced day-to-day spending
- 35%** reduced grocery spending
- 21%** made a household budget

Looking at big decisions differently

2/3 are putting big plans on hold at this time
 1/3 are still going ahead

Top 3 things people are putting on hold

- Large retail purchases**
cars 16%, tech 14%, white goods 10%
- Home improvements**
home renos 13%, buying a house 11%
- Changing jobs**
14%

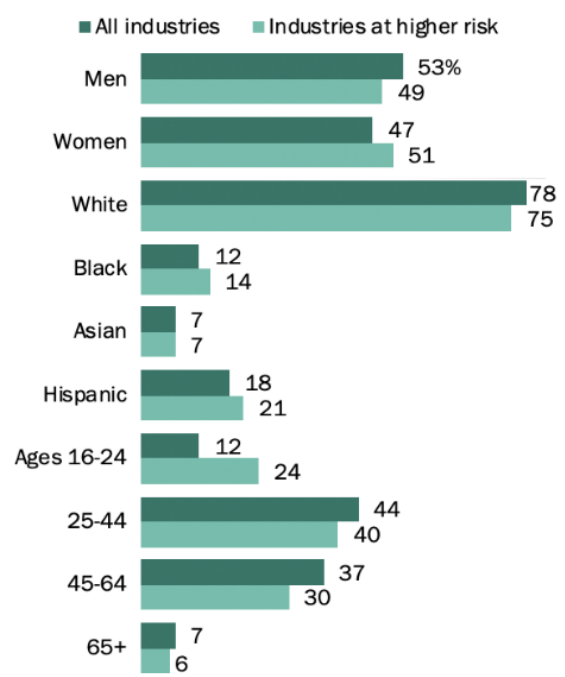


What the future holds

30% have enrolled or are interested in discounted university courses

Young adults are disproportionately at risk of job losses from COVID-19

Share of U.S. workers overall and in higher-risk industries who are of a given gender, race, ethnicity and age, 2019



Note: Estimates refer to all employed workers ages 16 and older. White, black and Asian workers include Hispanics. Hispanics are of any race.
 Source: Bureau of Labor Statistics, Current Population Survey.

PEW RESEARCH CENTER

Most workers at a higher risk of job loss due to COVID-19 are low-wage workers

Average weekly earnings, by industry, January 2020



Note: Estimates are preliminary. Average weekly earnings for transportation refer to all industries within the transportation and warehousing sector.
 Source: Bureau of Labor Statistics, Current Employment Statistics.

PEW RESEARCH CENTER

INSURANCE 101 Famous Estate Planning Failures



NAME: Ginger Baker

DIED: October 6, 2019

AGE: 80

CAUSE: Chronic obstructive pulmonary disease

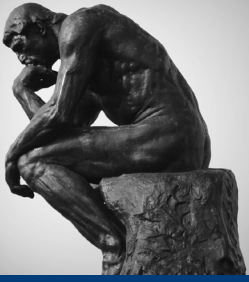
ESTATE BLUNDER: Giving his young wife, 42 years his junior, control of his finances

His wild lifestyle and reputation were so infamous they almost eclipsed the late Ginger Baker's brilliance as a drummer. And now it seems the Cream star is still at it – causing mayhem from beyond the grave in a family row.

A fight over his will is now inevitable with Baker's wife, Kudzai, suggesting only a small percentage of his estate will go to his three children, all of whom claim Baker's personality changed after meeting Kudzai in South Africa in 2006.

Kudzai claims Ginger's records reap as much as £1 million a year and he rewrote his will to ensure it goes to her. But his daughter, Nettie, denied there was a fortune, saying: "He was living on a state pension of £150 a week."

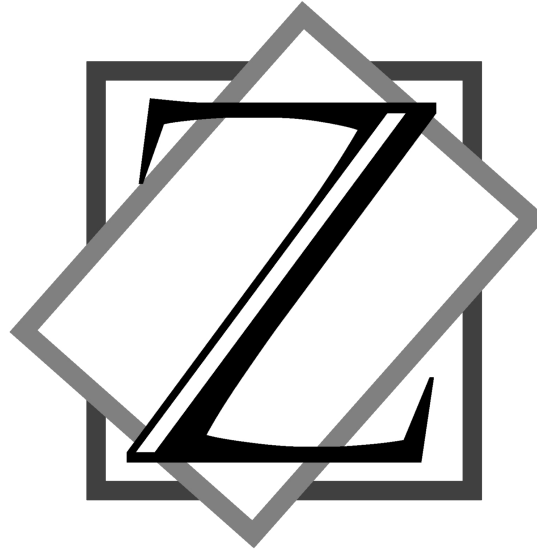
Ginger's son, Kofi, told Rolling Stone: "Kudzai's emailed that she's cutting us out of the will. I don't think there's much money."



HERE'S A
THOUGHT...

*"August is like the
Sunday of Summer..."*

- Unknown



The Ziff Agency, LLC

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

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