

The Ziff Agency Monthly

#LifeInsuranceAwarenessMonth



From the Desk of Adam Ziff
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Has COVID-19 Affected the Way One Shops for Life Insurance?

Life insurance has become a priority with a lot of people wanting to increase the financial security of their families during the pandemic.

A recent survey conducted this year by Life Happens, an industry-funded education group, found that 67% of Americans say that the pandemic has been a motivation for them to examine their finances. And 30% say that life insurance has been one of their top concerns during casual conversation.

Paraphrasing Brooks Tingle, the CEO and President of John Hancock: In life, sometimes things happen—accidents happen, pandemics happen—and it's important we are protected from unforeseen events. However, it is unfortunate that it takes something as serious as COVID-19 to remind us of our mortality.

Whether you have been delaying buying life insurance for years or it has suddenly hit your radar, there is never a wrong time to make a financial plan and set the needed coverage. Life insurance companies, agencies and brokers quickly implemented plans to work around the obstacles of the pandemic, while at the same time, handling an increase in inquiries and applications.

“COVID-19 has highlighted how important planning for the unexpected really is,” says Aaron Ball, senior vice president and head of insurance solutions at New York Life.



Current News:

Annuities: Offering Protection in a COVID-Crazy World

Will I run out of money? Do I run the risk of losing my savings due to outside factors? It is no secret that these are two of the main questions facing those approaching or considering retirement, even more so considering the COVID-19 pandemic.

Annuities may be the answer to retirees' worries and offer the best way to build financial security for their future. They offer extra protection during hard times and a reliable income stream that's impossible to outlive.

Annuities are certainly a hot topic, as 2019 was their best year for sales since 2008. Experts believe demand for annuities will resemble the demand following the last financial crisis. Additionally, many fixed indexed products and other newer annuity structures didn't even exist back then but are now considered extremely attractive options.

Annuities linked to stock indexes such as the S&P 500 are well-suited for today's environment because they help shield your savings from outside factors. Annuities' growth potential, and the limits on losses that many include, make for a less risky vehicle. This can surely provide peace of mind to those worried about the security of their retirement plans.

(Source: InsuranceNewsNet.com)

"Although more people might be more focused on buying life insurance as a result of this situation, we expect that the importance of building in a cushion—whether that is an emergency fund, adequate insurance or other mechanisms for protection within a financial plan—will resonate with consumers well beyond what is a hopefully a relatively short period of uncertainty."

Life Insurance Buying During the Pandemic

If you're wondering if the pandemic is a good time to be buying life insurance, it is. In fact, because some companies have started raising prices, now is the time to snag a good rate before prices are higher across the board.

It's also a prime time to make an application that won't require a medical exam. In the past, buying a no-exam policy usually meant paying more because the insurer had less information on you to assess their "risk" in selling you a policy.

"The labs, doctors' visits, documentation and in-person meetings made the whole experience lengthy and cumbersome," says Tingle of John Hancock. "The pandemic made all those steps impractical, if not impossible."

Even before the COVID-19 pandemic, many insurers such as John Hancock had been working on ways to use data (such as electronic health records and prescription databases) as a substitute for medical exams and to digitalize the life insurance buying experience.

Pandemic Spurs Life Insurers to Ask Different Questions

A typical life insurance application includes dozens of questions about your health, prescriptions, family health history, driving record and dangerous activities such as sky-diving. Since the application process is all about the insurer "assessing risk," COVID-19 questions quickly became a standard part of applications.

Have you been diagnosed with COVID? Has someone in your household been diagnosed with COVID? "Yes" answers could lead to an application postponement.

There's uncertainty about how the virus affects a person's long-term health and life expectancy. Whether life insurers will continue to offer plentiful options for no-exam policies after the pandemic remains to be seen. Take time to look at how much life insurance you need as part of your bigger financial plan moving forward.

(Source: Forbes.com)

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

Life Insurance Underwriting During a Pandemic

While the full effects of COVID-19 are still unknown and life insurance carriers are updating their underwriting guidelines regularly, there are a few things to keep in mind — in terms of limitations and opportunities — when considering submitting a life insurance application during this unprecedented time:

- *Decreased retention limits are dependent on age. However, the majority of auto-bind and jumbo limits have remained intact.*
- *Table shave programs may be modified, suspended, or discontinued.*
- *Foreign national and foreign residency programs may be suspended, especially in areas that are considered COVID-19 hot spots.*

Medical conditions that make a client more susceptible to COVID-19 may be postponed. Check with your advisor for the most up-to-date information and to find the best option available to you.

(Source: ThinkAdvisor.com)

COVID-19 SHINES A LIGHT ON RETIREMENT READINESS

FINANCIAL PROFESSIONALS REVEAL CLIENTS MAY RUN OUT OF SAVINGS WITHOUT BRINGING ANNUITIES INTO THE EQUATION

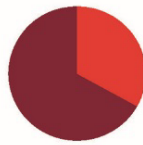
Jackson® and the Insured Retirement Institute (IRI) surveyed 200 financial professionals between April 8 and April 17, 2020.



Risk Amplified During the COVID-19 Pandemic

MORE THAN HALF

of financial professionals believe **25%** or more of their client base is at risk of **running out of money** during retirement.



2/3 OF FINANCIAL PROFESSIONALS

claim clients without annuities are more likely to allocate investments away from risk during **turbulent markets**, providing less opportunity for recovery in or near retirement.

Protection is Priority as Annuities Help Investors Brace for Impact Amid Market Volatility



LIFETIME FEATURES:
78% POSITIVE RATING



TAX DEFERRAL*:
72% POSITIVE RATING



PRINCIPAL PROTECTION:
71% POSITIVE RATING

FINANCIAL PROFESSIONALS GIVE THESE ANNUITY FEATURES HIGH RATINGS FOR HAVING A POSITIVE IMPACT WITH CLIENTS.

* Tax deferral offers no additional value if an annuity is used to fund a qualified plan, such as a 401(k) or IRA. It also may not be available if the annuity is owned by a legal entity such as a corporation or certain types of trusts.

As COVID-19 Changes the World, Annuities are Changing the Conversation for Investors

NEARLY 2/3 OF FINANCIAL PROFESSIONALS

are having more frequent annuity conversations with clients due to

MARKET VOLATILITY.

68%
of financial professionals

REPORT
THEY ARE MORE LIKELY to discuss **ANNUITIES** with **CLIENTS** in the **FUTURE.**

77% OF FINANCIAL PROFESSIONALS

report their clients **ARE RECEPTIVE TO** discussions about **ANNUITIES.**

INSURANCE 101 Famous Estate Planning Failures



NAME: Etta James

DIED: January 20, 2012

AGE: 73

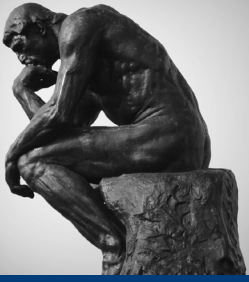
CAUSE: Leukemia

ESTATE BLUNDER:
Appointing power of attorney while suffering from Alzheimer's

Legendary blues singer Etta James passed away in 2012 after struggling with Alzheimer's disease for several years. Her illness sparked an ugly court fight between her husband of more than 40 years and her son from a prior relationship over the right to make her medical and financial decisions, including control of her \$1 million account.

Etta James's husband, Artis Mills, alleged that the power of attorney Etta had signed appointing her son, Donto James, as decision-maker was invalid because she was incompetent when she signed it. He sued for control of the money to pay for Etta's care.

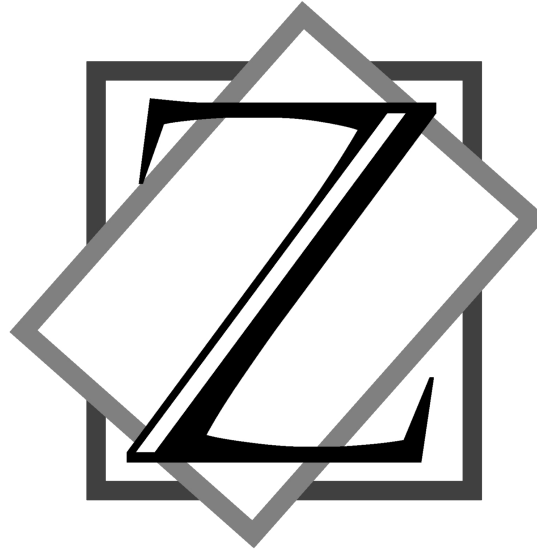
After repeated court hearings, Etta James's leukemia was determined to be fatal, which led to a settlement. Mills was granted conservatorship and permitted to control sums up to \$350,000 to pay for Etta's care for the last few months of her life.



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

*"Wine is the divine juice
of September."*

- Voltaire



The Ziff Agency, LLC

www.theziffagency.com

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

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