

#InsureYourLove



From the Desk of Adam Ziff  
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## COVID-19 Pandemic Motivates Younger People to Purchase Life Insurance

Applications for life insurance in the U.S. jumped 4% last year, mostly on demand from those under age 45.

Consumers' pandemic shopping lists went beyond baking flour and exercise equipment in 2020. They also bought more life insurance.

Applications for life-insurance policies jumped 4% in 2020 in the U.S., the highest year-over-year annual growth rate since 2001, when MIB Group Inc., a member-owned organization, began tracking activity.

With deaths from the coronavirus constantly in the news, many younger people who previously put off buying life insurance finally took action, agents and executives said. Americans made purchases to replace—or augment—employer-provided coverage in a weak economy.



One insurance buyer was Raicheen Blanks, 41 years old, a Connecticut resident who bought a term-life policy from Massachusetts Mutual Life Insurance Co.'s Haven Life online unit, with her husband as the beneficiary.

"You never know what could happen; you...  
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## Current News:

### Retiring soon? Here's why buying annuity plans may make sense

The ongoing COVID-19 pandemic has impacted almost every financial instrument in a significant manner, especially those soon approaching retirement as they are not able to take a cautious call on where to keep the accumulated corpus invested.

If you are someone who has already retired or is retiring soon, and is looking for a regular and guaranteed income in your sunset years, investing your hard-earned money in a suitable Annuity Plan is the answer. Under an annuity plan, you pay a lump sum in the accumulation period and get regular payments as long as you live or for a pre-specified fixed period. Annuity plans are specifically designed to meet long-term retirement needs of people with a decent corpus for investment.

Say, if you are a 60-year-old individual and you buy an annuity plan where the annual payout comes to 6 per cent of the amount you invested. Now after a decade or even more, if the rate of interest declines to 4

– 5 per cent, you will still continue to receive a payout at 6 per cent interest rate up to your policy term – the one at which you invested. Moreover, annuity plans are an excellent way to tackle reinvestment risk and reduce the longevity risk as these plans guarantee you a fixed income for life/until your policy term.

(Source: Financial Express)

...may catch Covid-19 on the way to the grocery store," she said. She has insurance through her finance-industry employer, but she worried, "God forbid, if I were laid off, I wouldn't have it."

Some big insurers set their own records. New-sales premium topped \$1 billion at Northwestern Mutual Life Insurance Co. for the first time, nearly an 8% increase over 2019.

"The silver lining of the year was that it did help people realize they need to prioritize planning for the worst days as well as the best days," said Chantel Bonneau, a Northwestern Mutual financial adviser in San Diego since 2010.

The industry's sales growth occurred even as some life insurers turned away business by suspending sales of certain types of complicated policies. These moves were tied to a March drop in already-low U.S. interest rates. Life insurers earn much of their profit by investing customers' premiums in bonds until claims come due.

Younger people drove the growth, MIB said. Applications were up 7.9% for those under age 45, compared with a 3.8% increase for consumers 45 to 59, and a small decline for those 60 and older.

MIB tracks applications, not final sales. Historically about 70% of life insurance applications end up in purchases, said MIB Chief Operating Officer Andrea Caruso.

Other industry data indicate strong sales did result, though 2020 figures aren't available yet. Limra, an industry-funded research firm, said that purchases of term-life insurance, as measured by policy count, were up 7% through Sept. 30. Younger policyholders generally favor term life, which provides a death benefit for a period of up to about 30 years.

At Lincoln National Corp., a top-10 seller of term-life policies, a typical buyer has been a 40-year-old man purchasing a 20-year, \$500,000 policy, said Heather Milligan, head of underwriting. For a male in good health, that policy costs about \$345 annually, Lincoln said.

In the face of stay-at-home directives and other challenges, some insurers relaxed requirements for blood and urine samples for the best policy prices. Some stepped up use of increasingly digitized medical records as a way to size up the health risk of applicants and skip fresh tests.

To help agents find buyers when they couldn't be out meeting people, New York Life created a series of virtual seminars, "The Power of Knowing," with outside speakers on economic, personal-finance and other topics. They proved so successful that "post-Covid it is going to be a principal part of our strategy," said Mark Madgett, head of the company's agency force.

(Source: WSJ.com)

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

### 2021 Outlook for Life Insurance Buyers

One of the silver linings of the pandemic is that it has prompted Americans to tackle some financial tasks they have been putting off—such as getting life insurance. In fact, 1 in 4 people surveyed by insurance industry group Life Happens said they bought life insurance for the first time because of the coronavirus.

As applications for policies rose this year, life insurance companies had to adapt to meet the growing demand at a time when there was a challenge to doing business as usual. One of the biggest challenges that insurers had to adapt to early in the pandemic was not being able to conduct in-person life insurance medical exams as part of the life insurance underwriting process.

"The gains that have been made in accelerated underwriting over the last year are better than the gains over the past 10 years combined," says Marc Cadin, CEO of Finseca, an organization that represents the financial security industry. As a result, getting life insurance has become faster, easier and painless when applicants don't have to go through a medical exam.

(Source: Forbes)

**76%** of respondents said that having a will is important.

**Yet only 40%** actually have one.

# INSURANCE 101 Famous Estate Planning Failures



**NAME:** Philip Seymour Hoffman

**DIED:** February 2, 2014

**AGE:** 46

**CAUSE:** Acute mixed drug intoxication

**ESTATE BLUNDER:** Outdated will & leaving his \$35 million estate to his girlfriend

At the time of his death, Hoffman's only estate documentation was a will drafted by his real estate lawyer/CPA (not someone specializing in estate planning) and it mentions a trust set up for his eldest son. Insistent that his children were not to become "trust fund kids," Seymour left the remaining part of the estate to his girlfriend.

Philip also stipulated that funds were to be used for his son to visit major metropolitan areas for the express purpose of providing him with access to the arts.

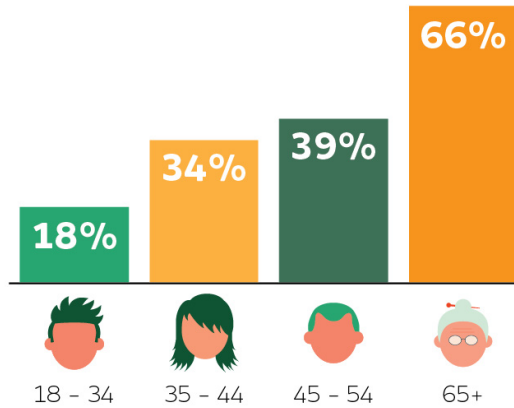
A girlfriend, not a wife. A trust for one child, not all three. Not to mention that his will was over a decade old. What could go wrong?

The lack of planning resulted in his estate owing estate tax of approximately \$12 million. If Philip had married his girlfriend, Mimi, his family would have saved approximately \$12 million and paid no estate tax whatsoever.

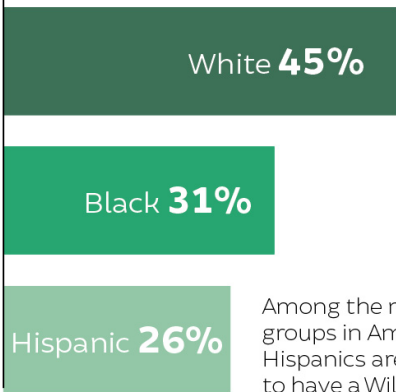


## Who has a Will?

### Age Groups

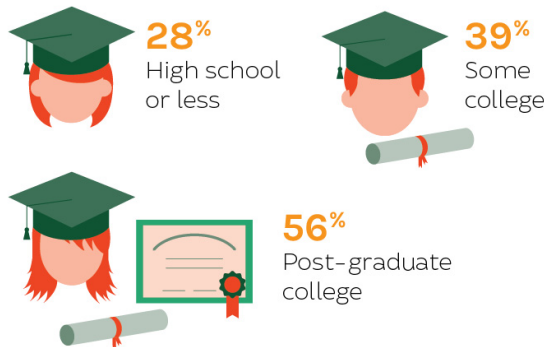


### Demographics



Among the main racial groups in America, Hispanics are least likely to have a Will.

### Education



Those with a post-graduate college education are twice as likely to have a Will as those with only a high school education or less

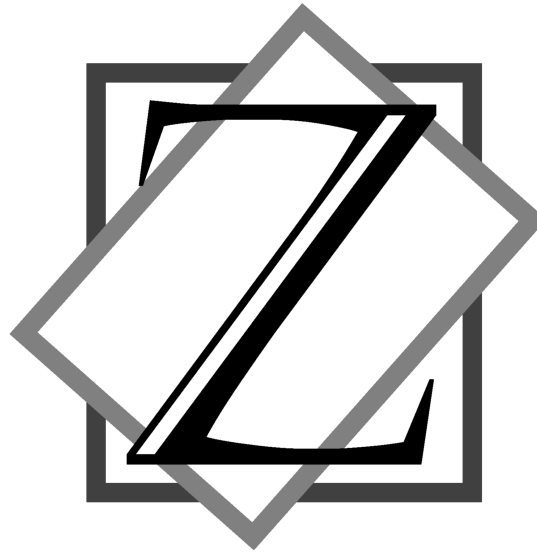
(Source: Caring.com)



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

*"There is only one  
happiness in life: to love and  
be loved."*

*– George Sand, Author"*



The Ziff Agency, LLC

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*Stay Safe this Valentine's Day*

*#ProtectYourFamily*

*#InsureYourLove*

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