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#SaveSomeGreen

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The 6 Biggest Life Insurance Myths about COVID, Cost and Coverage

Shopping for life insurance can feel overwhelming, especially if you don't have the facts. You may have heard that it's too expensive or only healthy people can qualify for coverage, but the truth may surprise you.

Myth 1: Insurers won't pay out if you've had a COVID-19 vaccine

The COVID-19 vaccine does not impact an insurer's decision to pay out claims, as confirmed by the American Council of Life Insurers in March 2021. In addition, the vaccine is typically not used to determine your eligibility for coverage. In fact, it may open up coverage for those with underlying health conditions, as the vaccine reduces the risk of dying from COVID-19.

Concerns over whether life insurance covers deaths from COVID-19 are also largely unfounded. In most cases, life insurance policies cover infectious diseases, such as COVID-19.

Myth 2: Life insurance is expensive

One of the biggest myths about life insurance is that it comes with a hefty price tag. Over half of Americans overestimate the cost of term life insurance by three times its actual cost, according to the 2020 Insurance Barometer Study from marketing and research firm LIMRA and life insurance-focused nonprofit Life Happens.

Current News:

Annuities Helping Those Out of Work and Looking for Income

As millions of older people have been forced out of work early amid the pandemic, some are turning to annuities for a considerable chunk of their retirement income.

As insurance products, annuities are one of the leading recommendations for near retirees who are concerned about running out of money. But they're also poorly understood by many consumers, which puts people at risk of being sold inappropriate products in amounts that represent an outsize portion of their savings.

Financial advisers play a critical role in guiding clients to the right products, ensuring that they don't allocate too much of their portfolio to them and helping determine when to start taking income payments.

Given the volatility in stocks and the low rates and overvaluation in bonds, annuities have a very strong role to play in almost any portfolio as they provide guaranteed income and at the same time, keep a lid on the pace of distributions. This means money will pay out throughout the entirety of retirement. Bonds used to play this role, but given ultra-low rates and high prices, they simply no longer do.

(Sources: Nasdaq and InvestmentNews).com)

In reality, premiums can be relatively low, especially for younger generations. "Their costs are going to be minimal, something very similar to maybe their Netflix subscription," says Faisa Stafford, president and CEO of Life Happens.

Myth 3: You don't need life insurance if you're young and healthy

Although your mortality may not be top of mind when you're young, getting coverage early can help you lock in low rates. This can be useful, as the price of a policy can go up as you age.

The cost of insurance on younger, healthy individuals is super inexpensive. It's perhaps not surprising that 40% of people wished they'd purchased life insurance when they were younger, according to the 2020 Insurance Barometer Study.

Myth 4: If you have health issues, you can't get it

Although insurers typically use your health to calculate rates and coverage amounts, it doesn't mean you can't get life insurance with a pre-existing condition. In fact, some policies are built specifically for certain health conditions like diabetes or cancer, Stafford says.

Myth 5: If you're single and have no dependents, you don't need it

Life insurance isn't just for breadwinners. For example, if a parent or guardian co-signed on your student loan, a new car or your first mortgage, life insurance can help protect the co-signer from taking on the debt if you die, Stafford says.

You can also leave the death benefit to someone who doesn't rely on you financially, like a niece or nephew, Stafford says. Similarly, if you support a charity or nonprofit, you can assign some or all of the death benefit to the organization.

Myth 6: Life insurance through your employer is sufficient

Group life insurance through an employer is typically one or two times your salary, which may not be enough to support your loved ones. "You probably need at least 10 times your salary," Stafford says.

Another thing to consider is portability. Free policies through work are often tied to employment, so if you leave your job, you may lose your coverage.

(Source: Mooresville Tribune)

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

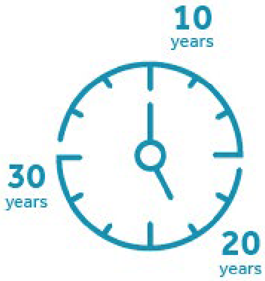
Vaccine Could Ease COVID Underwriting Restrictions

Helen Croft, head of underwriting strategy at AIG Life, described the COVID vaccination program as a "game-changer" for protection insurance underwriting as the probability of people dying from Covid-19 would be significantly reduced

She added: "It will ultimately lead to pandemic-related underwriting restrictions being reduced or removed by insurers – perhaps sooner than advisers think…With the plans to vaccinate all the higher risk groups by end of May, change is in sight."

(Source: FT Adviser)

There are two main types of life insurance:
term & **whole life**



Term

Coverage for a set amount of time.

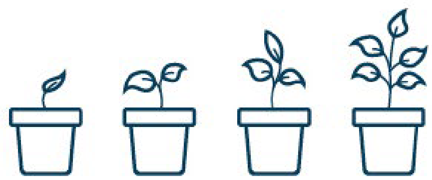
While traditionally less expensive, the policy may end while you're still living.

AND

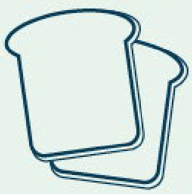
Whole life

Coverage for your entire life that can build up cash value.[1]

A whole life policy can help you fund life's financial opportunities — or realities — without tapping into your savings.[2]



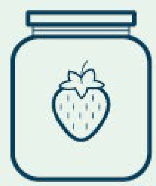
20 years | 30 years | 40 years | 50+ years



Many people have

Term + Whole life

for additional protection.



Human Life Value guide

How much life insurance you might consider, based on your current age and income

(Source: Guardian Life)

INSURANCE 101
Famous Estate Planning Failures

NAME: Kobe Bryant

DIED: January 26, 2020

AGE: 41

CAUSE: Helicopter crash

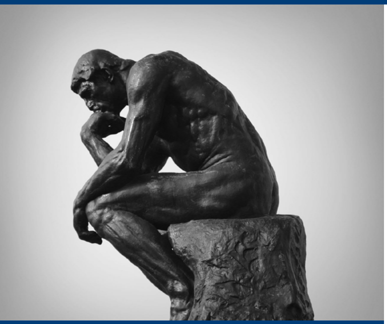
ESTATE BLUNDER: Not including his daughter or mother-in-law in his estate plan

Kobe's estate plan protected his physical assets, but despite careful planning Kobe made a tragic oversight by failing to update his estate plan after the birth of his daughter, Capri Bryant.

Seeking to fix this oversight, the co-trustees of the Kobe Bryant Trust petitioned the court to modify Kobe's trust to add Capri as a beneficiary, so that she will be eligible to inherit her share of the family estate. This mistake not only requires the trust to expend unnecessary legal fees, it also eliminates the privacy aspect of Kobe's estate plan because the trust and its terms have now become public record.

A second (potential) mistake was Kobe's failure to leave a gift to his mother-in-law. Kobe's mother-in-law has alleged that Kobe promised "to take care of her" for the rest of her life. Unfortunately for his mother-in-law, Kobe did not memorialize these promises in his estate plan.

(Source: JD Supra)



HERE'S A THOUGHT…

"Spring: a lovely reminder of how beautiful change can be."

– Unknown

The Ziff Agency, LLC

www.theziffagency.com

Stay Safe and

$ave Some Green this Spring

#ProtectYourFamily

#InsureYourLove

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