

#SaveSomeGreen



From the Desk of Adam Ziff
The Ziff Agency, LLC



Current News:

More Young People
are Buying Life
Insurance Because
of COVID-19

P. 2

The Underwriter's
Corner P.2

Famous Estate Planning
Blunders:
Aaron Spelling

P. 3

Infographic:

Startlingly Low
Retirement IQ

P. 3

3 Surprising Ways to Prosper From Annuities

You can use a fixed annuity to do more than just generate retirement income. These insurance contracts can also help you give to charity, leave money to your heirs and delay taking Social Security.

As financial tools go, fixed annuities are not particularly flashy. In exchange for a premium or a lump sum of cash, these insurance contracts earn a moderate fixed return, currently 1.5% to 3% a year, to deliver a steady, guaranteed income for the rest of your life (and even that of a spouse or partner).

"It's like having your own personal pension plan," says Sara Wiener, assistant vice president of annuities at Principal Financial Group in Des Moines, Iowa.

You can set up an immediate annuity with a lump sum deposit to collect income right away or pay a series of premiums, either monthly or annually, for a deferred annuity, which starts paying you at a future date. Once you begin drawing the income, you stop paying premiums.



Although some contracts can be set up for as little as \$5,000, the more you pay into your fixed annuity, the higher your monthly income will be.

For example, a 65-year-old man who buys a \$250,000 fixed immediate annuity can get \$1,252 a month for the rest of his life, according to Charles Schwab's fixed annuity calculator. To generate the same guaranteed lifetime income with a deferred annuity, a 55-year-old planning to retire in 10 years will need to contribute about \$1,800 a month for a decade.

Ph: 212.796.5433

Ph: 949.393.5433

Ph: 941.922.9433

Ph: 305.363.5433

adam@theziffagency.com

www.theziffagency.com

Current News:

More Young People are Buying Life Insurance Because of COVID-19

You can add another item to consumers' pandemic shopping list: life insurance.

The number of life insurance policies sold jumped 11% in the first quarter from the same time a year ago, according to the industry research firm LIMRA. It's the biggest gain since 1983, as COVID-related deaths pushed many consumers to buy coverage.

In an interview with Yahoo Finance Live, CEO Roger Crandall said families that would typically not buy life insurance because of a tight budget, have made it a priority during the pandemic.

"The interest in life insurance is up. I mean, COVID certainly got people thinking about the need for life insurance and protecting their family," he said.

Application activity for U.S. life insurance was up nearly 8% year-over-year in 2020 among people under age 44, according to MIB Group's Life Index.

"We're actually seeing one of the strongest growth segments is millennials," said Crandall. "We think that's really positive." In fact, 45% of millennials say they are more likely to buy life insurance because of COVID-19, according to LIMRA.

(Source: Yahoo! Finance)

1. Transfer Wealth to Your Heirs

An annuity also lets you transfer wealth to others. There are a few ways to do this. An annuity with a death benefit directs the remaining value of your contract to a beneficiary in a lump sum or a series of payments. You could also get a joint life annuity policy. Most people do this with a spouse, but you could pick anyone, including your child. The payments come to you first and then continue for your survivor.

2. Delay Taking Social Security Benefits

If you haven't started taking Social Security, Wiener suggests buying a fixed annuity to cover your bills so you can delay claiming benefits. Although you can start collecting Social Security at age 62, the monthly amount increases every year you wait until age 70, when you must begin taking benefits.

The difference can be significant. In an example from Social Security, a \$708-per-month benefit for someone who starts taking it at age 62 becomes \$1,013 at age 67 and \$1,253 at age 70. Those higher benefits last your entire life and even continue for a lower-earning surviving spouse, who potentially could swap a smaller benefit for your larger one after you're gone. This strategy is best for retirees in good health who want more reliable income.

3. Buy Coverage for Long-Term Care

To help cover long-term care expenses, consider buying an annuity with a long-term care rider. A portion of the funds is set aside for your care with your heirs getting any unspent money. Under the Pension Protection Act, the long-term care payments are tax-free, says Martin Powell, head of annuity distribution at CUNA Mutual Group, adding, "this includes any investment gains from the annuity itself."

Another advantage is that the underwriting for annuities with long-term care coverage is easier. "For people with some health care issues, they might not be able to qualify for a standalone insurance policy, but they may qualify for this type of annuity," says Powell.

Whichever way you choose to use an annuity, shop around. Annuity companies offer different rates and benefits on their contracts, so finding better terms could make a big difference, especially for a large, lifetime purchase.

(Source: Kiplinger)

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

Human API Launches Health Intelligence Platform for Life Insurance Underwriting

The new Human Intelligence Platform enables insurance companies to deliver more personalized customer experiences with health intelligence created from comprehensive electronic health records (EHRs) and applied across workflows, processes and products to drive more policy placements and better customer experiences.

Human API's new platform makes life insurance easier to underwrite, buy, and sell by significantly reducing cycle times and automating the manual review of medical evidence.

Insurance companies can now move beyond simply accessing EHR data and instead leverage this new intelligence platform to expedite underwriting, increase placement rates, and improve the overall customer experience.

(Source: Aithority.com)

New Data: Startlingly Low Retirement IQ

60%
OF
**BABY
BOOMERS**

1 in 4
BOOMERS

**NEARLY HALF
OF BOOMERS**

**THINK THEY
NEED LESS THAN
\$1 MILLION IN
RETIREMENT**

but at least \$250,000 will
be needed for health care
costs alone

have less than \$5,000 saved
for retirement

don't know that there are
financial products that
deliver lifetime income
through retirement

Many baby boomers are setting up their budgets based on Social Security...

Yet, more than
HALF
OF BOOMERS
don't know what
the average Social
Security payment is



**AND 2 OUT OF 5
BOOMERS**
overestimate the
average monthly
Social Security
payment

Social Security isn't the only
consistent paycheck available
in retirement; Fixed Indexed
Annuities (FIAs) can provide
a steady, guaranteed lifetime
income stream with minimum
guaranteed interest credits.

INSURANCE 101 Famous Estate Planning Failures



NAME: Aaron Spelling

DIED: June 23, 2006

AGE: 83

CAUSE: Myocardial
infarction

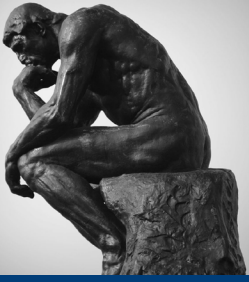
ESTATE BLUNDER:
Changing his will two
months before passing away
while suffering from
Alzheimer's

When famed Hollywood producer Aaron Spelling died in 2006, he left behind a reported fortune worth \$500 million. His death certificate listed Alzheimer's disease as a contributing factor.

Despite his mental struggles late in life, Aaron Spelling changed his estate plan just two months before he died, reducing the share to his daughter, actress Tori, and his son, Randy, to \$800,000 each.

Tori's mother, Candy, was put in charge of Aaron's money after he passed, and has not provided any extra money to his children.

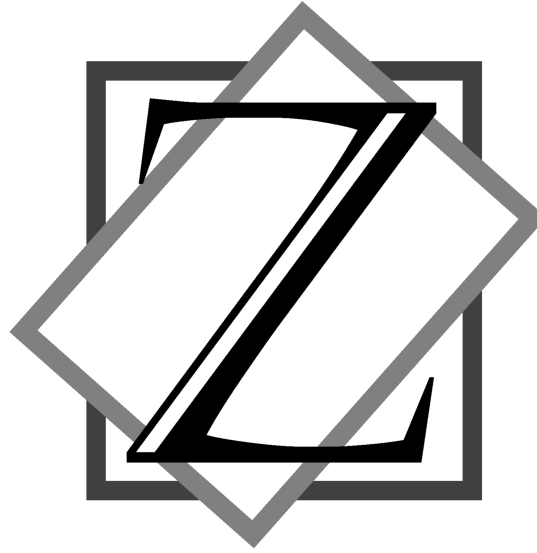
Tori's economic struggles have been well-publicized in the years that have followed. Even though she felt that the reduction in her inheritance was improper, she did not challenge the estate plan in court. Last month she has started to ask her social media followers to sign up for a monthly wine-delivery service.



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

*"America was Built on
Courage , On Imagination and
Unbeatable Determination."*

– Harry S Truman



The Ziff Agency, LLC

www.theziffagency.com

Happy 4th of July!

*Insure your **Love** with Life Insurance!*

#ProtectYourFamily

#InsureYourLove

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