

#SaveSomeGreen



From the Desk of Adam Ziff
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12 Uses for Annuities in 2022

As we head into 2022 and see more Americans reaching their mid- to late 60s, it is a great time to revisit how annuity products can be used to meet consumer financial challenges. In celebration of the New Year, here are 12 ideas on how consumers can use annuities to meet their growing financial needs:

1. Social Security Maximization

Purchase an immediate annuity to provide current retirement income while delaying claiming Social Security retirement benefits in order to qualify and maximize the partially inflation-adjusted monthly Social Security benefit payment.

2. Tax-Deferred Accumulation

Use a deferred annuity for tax-deferred accumulation. Annuity earnings aren't taxed until they are withdrawn or the buyer starts taking regular distributions.

3. Principal Protection

Use the contractual guarantees of fixed annuity products to protect and never lose the principal paid for the contract.

4. An Alternative to Low-Yielding Bank Products

Use a multiple-year fixed annuity (MYGA) as an alternative to purchasing a certificate of deposit to obtain current higher rates of return.

5. Fund Essential Living Expenses

Purchase an income annuity or use the income options of a deferred annuity to help fund essential living expenses in retirement. This approach can free other assets for investing



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Current News:

Outlook for Life Insurance Shoppers in 2022

Life insurance buyers kept insurers busy in 2021. A sales growth record was set in quarter two and then again in quarter three to levels not seen since 2007, according to LIMRA, an industry-funded financial services research company.

Life insurance sales growth increased 18% during the first three quarters of 2021, and all types of life insurance policies saw sales increases.

The Covid pandemic has without a doubt been a major driver of higher life insurance sales. As people sought financial security, and dealt with worries about their own mortality, they looked to life insurance as one solution.

With the Omicron virus variant disrupting a return to normalcy, 2022 could very well be another banner year for life insurance sales. Nearly one in three consumers (31%) say they were more likely to purchase coverage due to the pandemic, according to a survey by LIMRA.

Fortunately for life insurance buyers, Covid has not led to increases in term life insurance prices. The life insurance price index from Policygenius hasn't shown significant price changes from January 2021 to now, and only very small changes during the year. 2022 could be a good year to strengthen your life insurance foundation.

(Source: Forbes)

in potentially higher-yielding or inflation-offsetting asset classes.

6. Create Protected Income from Accumulated Assets

Transfer funds from a 401(k) or other qualified retirement savings plan to an annuity product to utilize the annuitization or optional income riders to turn accumulated funds into a protected, guaranteed income stream.

7. Life Insurance Policy Salvage

Use an income annuity to salvage an underwater life insurance contract by converting the cash surrender value created by paid-in premiums into a lifetime income stream.

8. Source of Long-Term Care Funding Use a non-qualified deferred annuity to fund premiums for a long-term care (LTC) policy. If set up properly, the owner can obtain a tax-free way to purchase LTC.

9. Minimize Longevity Risk

Use a deferred income annuity or qualifying longevity annuity contract (QLAC) as hedges against outliving savings. The options can provide income in case of an extremely long life.

10. Medicaid Spend-Down Protection

Purchase a Medicaid qualified annuity to preserve assets.

11. Gifting to Family Members

Use an income annuity to create a cash flow for gifting to family members taking advantage of the gifting exclusion with the funds to be used for education funding, lifetime gifting or vehicle lease or purchase payments.

12. Diversification Tool

Utilize the different available indexing options of a fixed indexed annuity or investment options of variable annuities to create a diversified approach to reach consumer accumulation goals.

The above ideas only scratch the surface of how the tax-advantaged structure, income options, product guarantees and optional product living benefits of annuity products can be used as a tool to help consumers address their financial challenges.

As our society continues to age, annuities are one of the only financial products that provide the features and benefits needed to provide guaranteed protected income options to pay for the costs of lengthening life expectancies.

(Source: Thinkadvisor)

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

6 Frequently Asked Questions about Life Insurance Underwriting

Q: What is life insurance underwriting?

A: Underwriting is a process that every applicant who applies for insurance coverage needs to go through. It helps determine whether an applicant is insurable — and at what amount and at what cost to the applicant. It's designed to provide the fairest price for a person's risk profile.

Q: How does underwriting work?

A: There are two tracts available: full (or traditional) underwriting policies and accelerated underwriting policies. Both tracts require that the applicant provide personal information that includes their health and financial history, such as annual earnings. And both tracts will lead to the gathering of your prescription history and motor vehicle report.

Q: What do underwriters look for?

A: Underwriters want to be sure that the face amount makes sense and it's an affordable premium. Also, underwriters will make sure the insurance product matches the client's needs.

Q: How does medical history play into the underwriting decision?

A: In short, medical history plays a major role. But you don't need to have a perfect medical record. In fact, most people don't.

Q: What's the difference between individual underwriting and group underwriting?

A: The underwriting for coverage you enroll in at work is typically a faster and less rigorous process than if you are buying coverage individually from another source.

Q: What can a person do to streamline the underwriting process?

A: Whether you're preparing for the accelerated or traditional underwriting process, gather your health information ahead of time so that you can give an accurate health summary.

(Source: Securian)

INSURANCE 101

Famous Estate Planning Failures



NAME: James Gandolfini

DIED: June 19, 2013

AGE: 51

CAUSE: Heart Attack

ESTATE BLUNDER: Leaving only a small portion of his estate to his wife

James Gandolfini left only 20% of his \$70 million estate to his wife. Whereas, if he had left more of his estate to her, the estate tax on that gift would have been avoided in his estate.

The 51-year-old's "big mistake" was leaving 80% of his estate to his sisters and his 9-month-old daughter.

That made 80% of the estate subject to "death taxes" of about 55%, and the bill was due in only nine months.

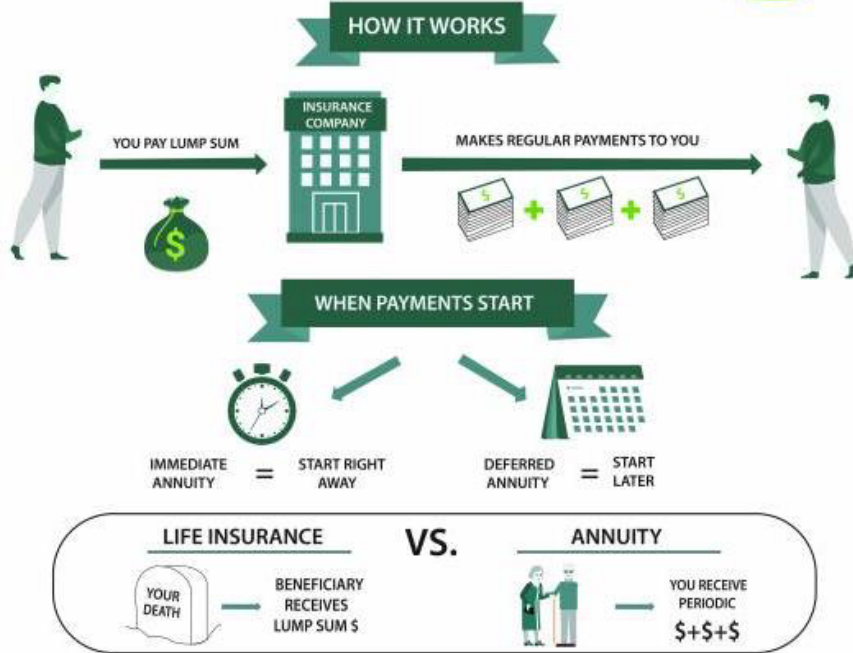
That meant his family had to start selling off his property and liquidating his assets immediately in order to pay the tab. His wife was left with 20% of the \$40 million left after taxes, instead of 20% of \$70 million intended.

The result of not maximizing the tax savings in his estate was that 55% of his total estate, including a significant art collection, went to pay estate taxes.

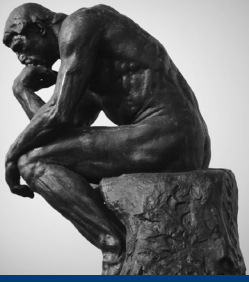
(Sources: Forbes & NY Daily News)

ANNUITIES

A SERIES OF REGULAR PAYMENTS MADE OVER A SET PERIOD OF TIME



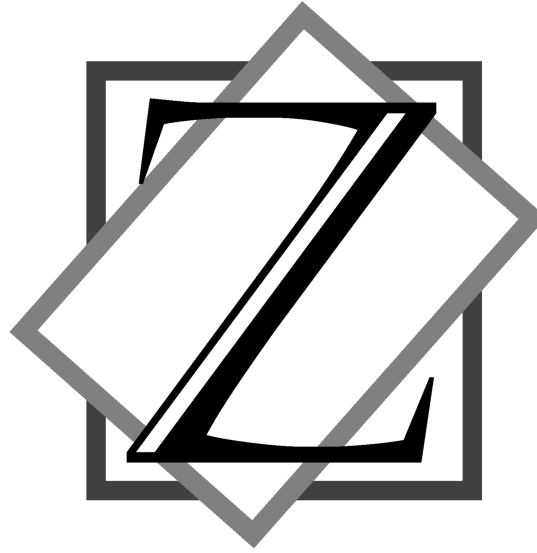
(Source: Due.com)



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

*"Never underestimate
the power you have to
take your life in a new
direction."*

- Germany Kent



The Ziff Agency, LLC

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Happy New Year!

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#InsureYourLove

#NewYearResolutions

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