

#SaveSomeGreen



From the Desk of Adam Ziff  
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## Whole Life vs. Universal Life Insurance

**A life insurance policy can help ensure your loved ones will not struggle with money issues if you die. But with so many life insurance options, choosing the right type of policy can seem challenging.**

The more you know about life insurance options, the better equipped you are to choose the best life insurance.

One choice you may face when buying life insurance is whole life vs. universal life insurance. What are these two types of life insurance, and how can you discover which policy is right for you?

Whole life and universal life are two types of permanent life insurance policies.

Permanent life insurance remains in force as long as you pay premiums and it builds cash value over time.

That's in contrast to term life insurance, which has steady rates for a set period (such as 20 years) and then expires. You can renew for a higher premium each year after that, but the higher rates can quickly become unaffordable. In addition, term life insurance does not build cash value.

Although whole life and universal life are both types of permanent life insurance, there are key differences between them.

With whole life insurance, neither your premiums nor your death benefit ever changes. The cash value within a whole life insurance policy builds at a fixed rate.



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## Current News:

### Market Volatility, Rising Rates Boost Annuities

If the recent market swoon has made you nervous about your retirement funds, an annuity may help calm your nerves and protect you against giant swings in the market if used right, some financial advisers say.

That's likely why annuity sales are soaring. Second-quarter sales are projected to top \$74 billion, setting a record, according to life insurance industry-funded research firm LIMRA. That would be more than \$5 billion above the previous record set during the financial crisis in the fourth quarter of 2008.

Record sales are being driven by fixed-rate deferred annuities, which are expected to be between \$25 billion and \$30 billion, up almost 75% from the first quarter. They work much like CDs, offering investors a fixed interest rate on their money over a certain period, but the interest rate on an annuity is generally higher than on a CD. "There's almost a perfect storm right now," said Todd Giesing, LIMRA head of annuity research. "Rates are rising so you can earn more on these, and on top of that, the equity market is volatile. People are seeking safety and guaranteed rates."

Annuities are also popular with younger clients that have a long-term investment horizon who want to build their retirement savings on a tax-deferred basis.

(Source: InsuranceNewsNet)

On the other hand, universal life insurance allows you to adjust both your premiums and the death benefit to fit your needs better. This type of policy can also grow cash value. The rate of growth depends on the type of universal life insurance you buy:

🕒 **Guaranteed universal life insurance:**

Cash value growth may be minimal, but this provides a lower-cost way to secure lifelong coverage.

🕒 **Indexed universal life insurance:**

Cash value growth is tied to a specific index, such as the S&P 500.

🕒 **Variable universal life insurance:**

You choose investment sub-accounts and your cash value gains depend on investment performance.

Whole life insurance costs more than universal life because of all its guarantees. As a general rule, you will pay about twice as much for whole life vs. universal life insurance.

Why does whole life cost so much more than universal life insurance? Because the premium payment amount, death benefit and growth of your cash value are guaranteed not to change.

"Whole life premiums are usually higher than universal life premiums to cover the embedded guarantees," says Amanda Kuhl Sarrubbo, vice president and actuary, head of life products at New York Life.

The cost of whole life insurance does not change over the years. You will pay the same amount throughout the life of the policy. In addition, the death benefit amount won't change.

Sarrubbo adds that with whole life insurance, you are typically eligible to receive dividend payments if your insurer is a mutual company.

Generally, those who value stability and guarantees might be more attracted to a whole life insurance policy. You know precisely how much of a death benefit your loved ones will receive, and your premium will not change for as long as you have the policy.

On the other hand, if you prefer flexibility, a universal life insurance policy may be the better choice. You may want to be able to tweak your life insurance coverage as your life circumstances change.

It may be helpful to sit down with a financial advisor to map out a personal financial plan.

(Source: Forbes)

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

### COVID-19's Ongoing Effect on Life Insurance Underwriting

Depending on what you read and who you follow, we are still in a pandemic phase or transitioning to the endemic phase of COVID-19. This has an ongoing impact on the life insurance industry. The virus continues to mutate and, thus far, almost 90 million individuals in the U.S. have already reported being infected with the COVID-19 virus, according to the Johns Hopkins COVID Resource Center. No matter where we are in the phasing, COVID-19 and its ongoing mutations are with us to stay.

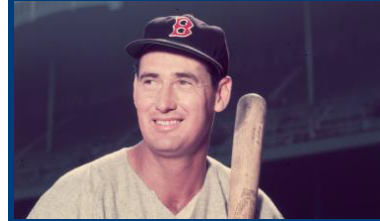
We are currently in a cautious, risk-averse versus a risk-aware insurance marketplace, especially in the over-age-70 demographic. The unknowns of acute COVID-19 infection and long COVID-19 symptoms that impact a person long-term remain challenging. Investigation and diagnoses are significant, and are definitely a cause for the diligent approach to risk assessment in the insurance marketplace today.

With the ongoing waxing and waning of COVID-19 mutation spike activity, protecting the insurability of a proposed insured is paramount. It's important, particularly for seniors over 70 years of age, to protect their insurability. If a policy is issued as applied, the goal should be to place it in force as quickly as possible to avoid any change-in-health scenario.

(Source: InsuranceNewsNet)

## INSURANCE 101

### Famous Estate Planning Failures



**NAME:** Ted Williams

**DIED:** July 5, 2002

**AGE:** 83

**CAUSE:** Cardiac arrest

**ESTATE BLUNDER:** Signing a pact with his children

Despite Ted's wishes to be cremated and his ashes scattered in the Florida Keys, his son John Henry and youngest daughter Claudia opted to have his body sent to Scottsdale, Arizona to be frozen at Alcor cryonics facility

When Williams' oldest daughter, Bobby-Jo Ferrell, learned about the plan of her siblings she sued.

John Henry's lawyer then produced a family pact signed by Ted, Claudia, and John Henry, where the three had agreed to be placed into biostasis after death.

Ferrell eventually dropped her lawsuit due to a lack of funds.

Ted's head is now stored in a liquid-nitrogen-filled steel can that resembles a lobster pot. It is marked in black with his patient I.D. number, A-1949.

The beheaded body of Williams is in the same room, resting upright in one of nine liquid-nitrogen-filled, nine-foot-tall cylindrical steel tanks that Alcor staffers refer to as Dewars, a wink at scotch-making barrels.

## WHOLE LIFE **VS.** UNIVERSAL INSURANCE COMPARISON

### Whole Life Insurance

Permanent

Level Premium

Cash Value

Possible Dividends  
Payment period  
variations available



Term



Pricing



Features



Variations

### Universal Life Insurance

Permanent

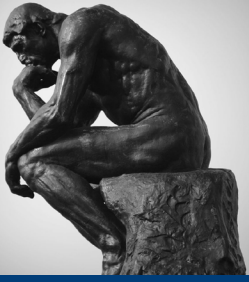
Flexible

Cash Value

- Guaranteed
- Traditional
- Variable
- Index

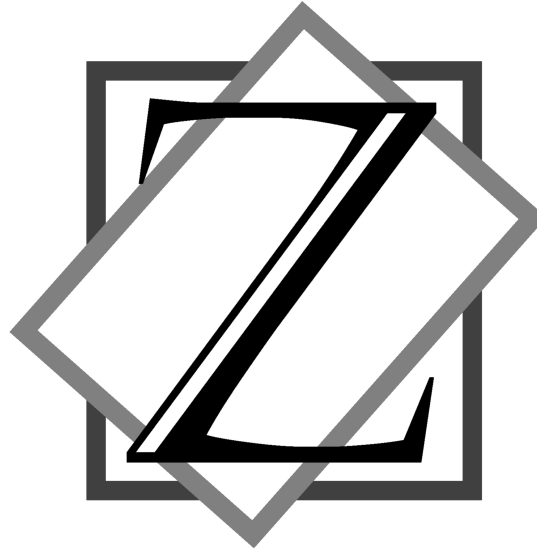
(Sources: Sproutt)

(Sources: Sports Illustrated)



HERE'S A  
THOUGHT...

*"August is like the  
Sunday of Summer"*  
-Unknown



The Ziff Agency, LLC

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*Save Some Green*

*Ready for School? Review Your  
Beneficiaries Today!*

*#ProtectYourFamily*

*#InsureYourLove*

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