

#SaveSomeGreen



From the Desk of Adam Ziff
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Why Indexed Universal Life Insurance Might Be New 401(k)

Investors are always looking for ways to outpace the current rate of inflation. That's why so many seeking to do so are now putting their money into indexed universal life (IUL) insurance policies. Over time, this model has developed into an increasingly viable alternative to both whole life insurance as well as 401(k)s.

Here are some top considerations you need to make when making comparisons between these three investment models:

What's the difference between IUL and whole life insurance?

While whole life policies typically come with a fixed rate of around 3% to 4%, an IUL policy can be done at a higher rate of typically around 7%—a figure determined by the stock market—and with no cap on that money, if done correctly.

That's the way IUL is capable of always outpacing the inflation on any whole life policy.

Now, how do you outpace recession? Well, as inflation is currently at around 9.1%, let me ask you a question: What vehicles do you have to actually outpace inflation?

So many major companies invest so much of their stock in life insurance. Why? Because they understand the power of compounded interest.

Compounded interest is like an avalanche. Once it begins to roll, you can't stop it, no matter how much you try. Just like inflation.



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Current News:

Fixed Income Annuity Payouts are Rising

How much? Lifetime fixed-income annuity payouts are up 29% to 30% from a year ago, depending on your gender. Meanwhile, the Dow Jones Industrial Average is down nearly 20% since the beginning of January.

How do annuities work?

Annuities can be very complex and difficult to understand. But the basic premise is easy. You give a carrier a lump sum of money and they can either guarantee a rate of return or guarantee a lifetime payment. If you choose a lifetime payout, you're creating your own personal pension.

The carrier makes returns on your money and thus is able to pay your money back to you in monthly payments, plus interest, and in the case of a lifetime payment, an additional mortality credit for the rest of your life. But there are many annuity varieties.

Not surprisingly, annuities are getting a lot of attention now. Worried investors got spooked and started fleeing to safety last year, as the huge run-up in stock prices seemed unsustainable. And obviously that turned out to be true. Now, more investors are seeking to protect some money, and achieve some income, outside the risk of the equities market.

(Source: Investor's Business Daily)

If you own a business, now is the time to ask yourself the following questions.

1. Who's my financial planner or my financial advisor?
2. Do I have all the necessary new tools in place to feel confident I can actually outpace inflation over time?
3. Will it take me another 10 years or even 20 years just to break even with my losses during this last 90-day period? Or can I get those losses back within the next three to four years?

While with a 401(k), it might take you five to 10 years to get the money you lost back, with an IUL that has been properly funded, you can get the same amount back much more quickly.

That is all because of the unique way in which compounded interest can outpace inflation. An IUL has the potential to be better than a traditional 401(k).

A 401(k) is a tax code given by the IRS to tax you only on your harvest, not on your seed. The 401(k) model was actually implemented in the 1980s during the Reagan Era for rich CEOs to have a tax shelter and somewhere to put their money over time.

What they found was that if you convince the middle class to put all their money into 401(k)s, you can also get more tax payouts later on in life—and collect more from the middle class.

This has evolved into a prominent savings plan for retirement even despite the model having become outdated, as some might suggest.

With life insurance, you can anticipate that you'll always have money coming in, even when the market goes down. Your money is locked into the percentage rate determined when you bought it. And when the market goes back up again? You get all the gains. You never have to suffer a loss.

The IUL model is more complex, as the rate is determined by the stock market. But with its compounded interest, this investment's cash value has the potential to make you more money tax-free through IRS tax code 7702. This capability allows you access to a retirement tax-free income for the rest of your life, plus leave a death benefit for your children's children's children's children.

(Source: Forbes)

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

The Major Factors Behind Determining Your Policy Pricing

Not surprisingly, the number one factor behind life insurance premiums is the age of the policyholder. Next to age, gender is the biggest determinant of pricing. Insurance carriers use statistical models to approximate how long someone with a specific profile will be around.

The fact is that women, on average, live nearly five years longer than men. And because they're usually paying premiums for a longer period of time than males, they enjoy slightly lower rates. Sorry, guys.

Other major factors that affect pricing include the applicant's health, smoking habits, lifestyle, family medical history, and driving record.

(Source: Investopedia)

INSURANCE 101

Famous Estate Planning Failures

BER



NAME: Anne Heche

DIED: August 11, 2022

AGE: 53

CAUSE: Smoke inhalation and thermal injuries

ESTATE BLUNDER: Not having a will

On August 5th, a car Anne Heche was driving jumped a curb, smashed into a Los Angeles home and burst into flames. She was declared brain dead on August 11th, and was kept alive on life support for three more days so her organs could be donated.

Heche died without a will, and her 20-year-old son has filed court papers to control her estate.

Homer Laffoon, Heche's son with ex-husband Coleman Laffoon, filed a petition in Los Angeles Superior Court requesting that he be allowed to administer his mother's estate.

The document says the value of Heche's estate is unknown. That is often the case on such initial filings, before anyone has the legal authority to assess the dead person's assets.

Homer Laffoon also filed a petition asking that someone be appointed to represent his brother's interests in court. A representative of Heche declined to comment on the filing.

(Sources: The Globe and Mail)

LIFE INSURANCE

HOW YOUR HEALTH AFFECTS YOUR POLICY

Keeping yourself healthy is not only good for your body - it's good for your life insurance premium. Here is a list of factors that insurers look at to determine your policy cost.

[AGE]

Buying your policy at a younger age can save you money and hassle. Insurance is a numbers game, and you're going to have a more difficult time getting covered at 65 than you will at 35.

[GENDER]

Sorry guys, but statistics show women are living an average of 5 years longer than men. Poor diets, smoking and stress are some of the things that take a toll on the male cardiovascular system, leading to the age gap.

[CAREER]

While you may be living the dream teaching skydiving courses, you could be paying the price. High-risk professions and hobbies can cause a jump in your life insurance premium - or can make you ineligible for coverage.

[SMOKING]

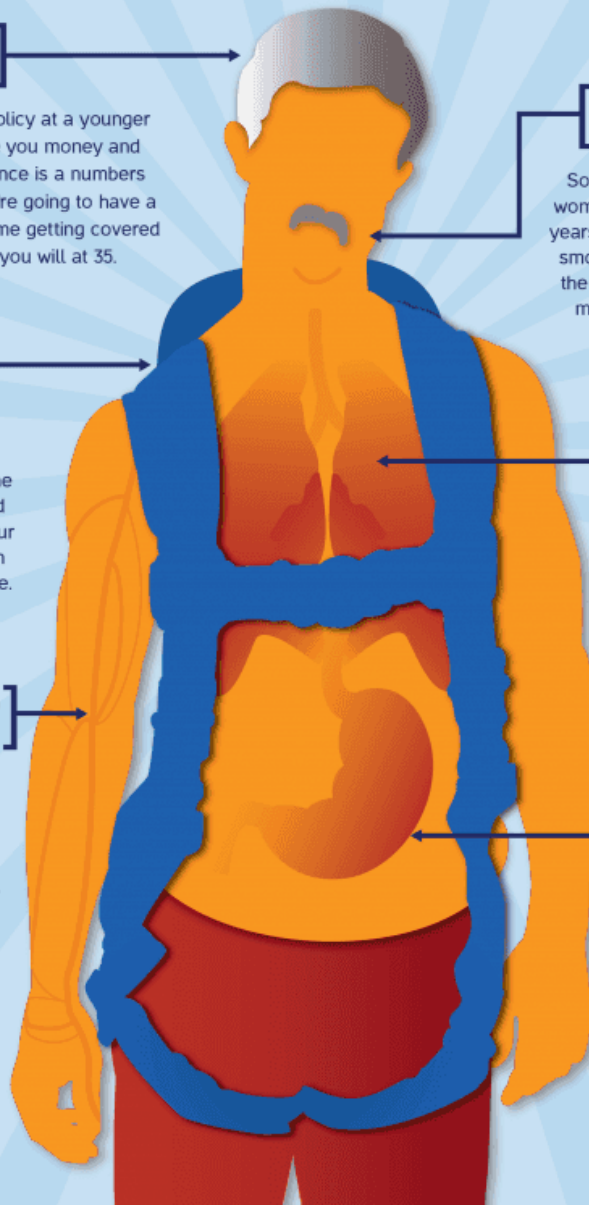
Lighting up is one of the biggest factors affecting your premium. The healthiest smoker typically sees much higher rates than the unhealthiest nonsmoker, it's just that much of a risk.

[CHOLESTEROL AND BLOOD PRESSURE]

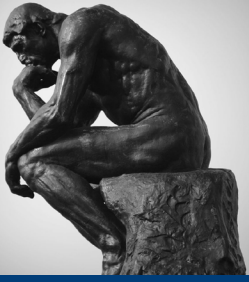
High cholesterol and blood pressure are two factors that can influence your premium. Known to cause heart complications and even strokes, these issues can be genetic, so it's important to know your family history and take preventative measures to keep them in check.

[WEIGHT]

Carrying extra pounds can be hard on your body and your life insurance. Being overweight opens the door to a myriad of health problems including hypertension, diabetes and heart disease. All of these factors make you more of a risk to insurers.



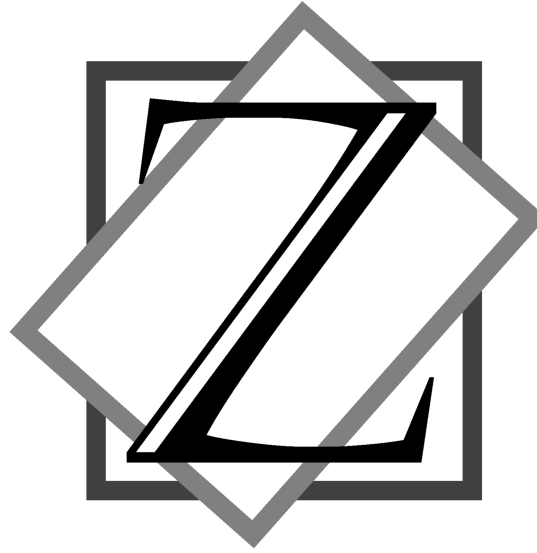
(Source: Investopedia)



HERE'S A THOUGHT...

*"I'm so glad I live in a
world where there are
Octobers."*

- L.M. Montgomery



The Ziff Agency, LLC

www.theziffagency.com

Save Some Green

*Don't Have Life Insurance? That is
SCARY! Review Your Options Today!*

#ProtectYourFamily

#InsureYourLove

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