A Special Publication for CENCO Related Agents

CENCO STREET JOURNAL

Volume 22, Issue 3 March 2022

What Happens If Your Client Becomes Disabled?

Your client's ability to earn an income is one of their greatest assets, providing them and their family with a home, food, transportation, clothes and other necessities. If they face an unexpected illness or injury, their family could struggle.

Sometimes a disability is short-term, and a quick return to work is possible. But if an injury or illness causes a long-term disability, often there are additional costs including long-term care and the extra assistance needed to help their family function in their absence. This could greatly increase the financial burden on their family and they would need to consider where their income would come from.

Resources	Drawbacks and Limitations
Social Security	The average SSDI benefit is $1,197 a month.
Savings & Investments	If your client saves 10% of their income per year, one year of disability (without a DI policy) could use up to 10 years of savings and investments.
Employee Group DI	Many programs cover only base pay and have a cap on benefits. Benefits are often taxable which means they receive less.
Workers' Comp	It pays only a limited amount over a short period of time and only covers losses due to a work related illness or injury.
Loan From A Bank	Who will lend funds to your client if they can't work?
Friends and Relatives	They may be willing to help, but their resources may be limited.
Spouse's Income	Can their spouse continue to work while caring for your client and managing the household?

A well designed disability income protection program will incorporate all available resources to provide adequate income during a disability. Anchored by an individually owned disability income insurance policy, it could be one of the best decisions that your client will ever make.

Call Cenco today for more information on the disability products that we offer to help protect your clients and provide security for their families.

Check Out The Cenco Website:

www.cencoinsurance.com

You will have access to:

- Quotes
- Forms
- e-Apply
- Xrae
- Introduction Kits for Our Core Carriers
- Archived and current issues of the **Cenco Street Journal** and the **Cenco eNews**

Inside this issue:

Term Conversion With The Accelerated Access Solution (AAS) Rider

The primary reason to buy life insurance is to provide a tax-free death benefit to the ones you love - the people who depend on you. A term insurance policy from American General Life Insurance Company provides that coverage.

However, this policy only protects your client for a fixed number of years.

- What happens if they need protection for a longer period?
- What if they want more from their policy?

With the powerful new life insurance options that are available today, your client can do much more than provide a death benefit to their loved ones. Consider converting their current policy to a permanent life insurance product.

And now they have the option of electing to add on chronic illness protection with the Accelerated Access Solution Chronic Illness rider if they meet the eligibility requirements:

- Available on QoL Flex Term policies issued within the previous 5 years and still within its convertible period.
- Insured age 60 or younger.
- Original policy issued at a standard or better underwriting classification.
- Permanent policies available for conversion: QoL Guarantee Plus GUL II, QoL Max Accumulator+ II and QoL Value+ Protector II.

ACCESS THEIR OWN LIFE INSURANCE BENEFITS WHILE LIVING

By adding the Accelerated Access Solution (AAS) Chronic Illness rider to a select life insurance policy when they do a term conversion, they can access their income tax-free life insurance benefits, if diagnosed with a chronic illness.

Should an eligible chronic illness occur, they can be paid monthly benefits until that illness improves or their AAS benefit is exhausted - whichever happens first. It's a good option for consumers who understand the value and security of combining death benefit and chronic illness protection into one.

CONTACT CENCO FOR MORE INFORMATION

Maximize Your Client's Annuity Funds By Using Life Insurance

Even the best financial plans can run into unforeseen problems with taxation that could leave your client's heirs with less than planned. By using life insurance to maximize annuity funds, you can help provide your clients with the most value for them, without the limitations of income or estate taxes.

Who Can Benefit?

Many of your clients have used annuities as a savings vehicle. Some of your clients may no longer need the money in the annuity for themselves. Instead, they plan to pass the money on to their heirs.

But did you know that the gains on your client's annuity (the portion that exceeds the original investment) could be taxable income to heirs? In addition, the full value of the annuity is includible in your client's taxable estate, which could result in a diminished inheritance. This results in your client's heirs receiving a portion of the intended amount. To maximize your client's annuity dollars, one strategy is to purchase a life insurance policy with the annuity funds. The beneficiaries of the policy would receive a generally tax-free death benefit.

Why Life Insurance?

Life insurance provides a generally income tax-free death benefit and can be structured to be excluded from the owner's taxable estate. Using annuity funds to buy a life insurance policy can maximize the value for your client's heirs.

How Does It Work?

There are two common ways to use the annuity maximization strategy.

1. **Single premium** – Surrender the annuity and use the lump sum to purchase a paid up, guaranteed universal life insurance policy on your client's life.
2. **Spread out premium payments -** Annuitize or 1035 exchange the annuity into a SPIA and use the income stream to fund a life insurance policy.

Both options present different advantages and disadvantages. The risks, benefits and cost of surrender from an annuity and the need for life insurance must be considered prior to making a decision. Talk to your client today about this strategy to maximize annuity funds for heirs.

CENCO INSURANCE MARKETING CORPORATION

1501 El Camino Ave., Suite 1
Sacramento, CA 95815

Phone: (916) 920-5251
(800) 45-CENCO
Fax: (916) 920-8734
www.cencoinsurance.com

HELPING AGENTS SUCCEED…..IS OUR BUSINESS!

We're on the web!
www.cencoinsurance.com

March 2022

Agile Underwriting+ (AU+) Available for QoL Flex Term! Details Inside!

Non-Medical Underwriting
On QoL Max Accumulator+ II
And QoL Value+ Protector II

- Ages 0-59
- Face amounts $50K to $2 Million
- No lab tests, exams or APS required
- All rate classes are available
- Part B AIG-ordered tele-interview
- Faster processing times using the iGO eApplication, leads to faster commissions for the agent

The Definitive Marketing Publication For Life & Disability Insurance

For Your Information...

Visit **aig.com/qol** for your Marketing Resources and Selling Tools.

It is now easier to find everything you need to succeed. From life insurance product know-how to valuable tools like Generation Station, Life to the Max and the new improved Campaign in a Box, it's all here and within reach.

INCOME

A guaranteed income boost on day one — with more boosts while waiting to take income

Meet Ana and Dan

Ana and Dan, both 61, are planning to retire sometime within the next five years. For their retirement strategy, they want:

- **Guaranteed lifetime income that'll continue for both of their lives**
- **Flexibility to keep growing their income while waiting to take payments**

Guaranteed lifetime income:[1] With a series of income boosts,[2] Income 150+ SE fixed index annuity (FIA) can give Ana and Dan guaranteed income growth. Here's how a $200,000 initial premium would grow their income Withdrawal Base over five years:

20% — **Day 1 | Boost one** = 20% of premium: $240,000 Withdrawal Base value

7.5% — **Start of year 2 | Boost 2** = 7.5% of premium: $255,000 Withdrawal Base value

7.5% — **Start of year 3 | Boost 3** = 7.5% of premium: $270,000 Withdrawal Base value

7.5% — **Start of year 4 | Boost 4** = 7.5% of premium: $285,000 Withdrawal Base value

7.5% — **Start of year 5 | Boost 5** = 7.5% of premium: $300,000 Withdrawal Base value

At age 65, their Withdrawal Base would be $300,000. Starting their income at the beginning of contract year five, they'd get **a guaranteed $11,850 every year for the rest of their lives, even after one of them passes.**[3,4]

150% — **Start of year 10 | Boost 6** = 150% of any interest earned

Flexibility: Should Ana and Dan delay their retirement until they turn 70, Income 150+ provides a sixth boost. At year 10, they'd get 150% of any interest earned during the first nine years of their annuity. Hypothetically, if they earned $50,000 in interest by year 10, their Withdrawal Base would be credited 150% of that amount, or $75,000, to bring their Withdrawal Base value to $375,000. **Assuming this hypothetical boost, if they started their income at age 70, Ana and Dan would get $16,687.50 every year for life.**[3,5]

This strategy may involve the purchase of a fixed index annuity (FIA) with a benefit provided for a charge. FIAs are typically meant for long-term savings purposes. Withdrawals during the early years may incur a withdrawal charge, assessed as a percentage of the withdrawal. Withdrawal charges vary by product. FIAs are insurance contracts, not securities, and do not directly participate in any stock, bond, or equity investments. Contract owners are not buying shares of any stock or index, even though index performance may indirectly affect contract values. Index-based crediting methods may experience years with 0% crediting. Though crediting is determined, in part, by the performance of an equity index, the credited rate is typically subject to a cap, spread, participation rate or performance trigger. Additional benefits vary by product and may be subject to charges. Indices are not available for direct investment.

[1] The income benefit is included on date of issue for an annual charge of 1.05% of the Withdrawal Base at the end of each contract year.
[2] Each boost value assumes income has not started and withdrawals have not been made. The Withdrawal Base and income boosts are not available on cash surrender or as death benefits. Withdrawals prior to income activation may reduce the Deferral Bonuses, also known as Income Boosts.
[3] Assumes joint income option selected.
[4] Based on an income starting age of 65 and a joint lifetime withdrawal percentage of 3.95%.
[5] Based on an income starting age of 70 and a joint lifetime withdrawal percentage of 4.45%.

globalatlantic.com

This material is intended to provide educational information regarding the features and mechanics of the product and is intended for use with the general public. It should not be considered, and does not constitute, personalized investment advice. The issuing insurance company is not an investment adviser nor registered as such with the SEC or any state securities regulatory authority. It's not acting in any fiduciary capacity with respect to any contract and/or investment.

Guarantees are based on the claims-paying ability of Forethought Life Insurance Company and assume compliance with the product's benefit rules, as applicable.

If you are purchasing a fixed index annuity through a tax-advantaged retirement plan such as an IRA, you will receive no additional tax advantage from a fixed index annuity. Under these circumstances, you should only consider buying a fixed index annuity if it makes sense because of the annuity's other features, such as lifetime income payments and death benefit protection.

Taxable distributions (including certain deemed distributions) are subject to ordinary income taxes, and if made prior to age 59½, may also be subject to a 10% federal income tax penalty. Distributions received from a non-qualified contract before the Annuity Commencement Date are taxable to the extent of the income on the contract. Payments from IRAs are taxable in accordance with the normal rules surrounding taxation of payments from an IRA. Early surrender charges may also apply. Withdrawals will reduce the death benefit and any optional guaranteed amounts in an amount more than the actual withdrawal.

This information is written in connection with the promotion or marketing of the matter(s) addressed in this material. The information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting or legal advice. As with all matters of a tax or legal nature, you should consult your tax or legal counsel for advice.

Income 150+ SE fixed index annuity is issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana. Income 150+ is available in most states with Contract FA1801SPDA-01 and ICC17-FA1801SPDA-01 and rider forms FA4101-01, ICC17-FA4101-01, FA4106-01, ICC17-FA4106-01, FA4107-01, ICC17-FA4107-01, FA4108-01, ICC17-FA4108-01, FA4109-01, ICC17-FA4109-01, FA4110-01, ICC17-FA4110-01, FA4116-01, ICC17-FA4116-01, FA4111-01, ICC17-FA4111-01, FA4112-01, ICC17-FA4112-01, FA4105-01 v2, ICC17-FA4105-01, FA4115-01, ICC17-FA4115-01, ICC14-FL-FIANC, FL-FIANC-13, ICC14-FL-FIATI and FL-FIATI-13.

Products and features are subject to state and firm availability and variations. Read the Contract for complete details.

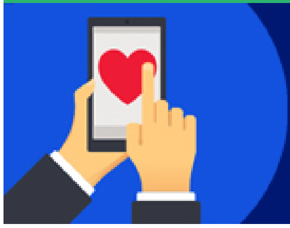
Global Atlantic Financial Group (Global Atlantic) is the marketing name for The Global Atlantic Financial Group LLC and its subsidiaries, including Forethought Life Insurance Company and Accordia Life and Annuity Company. Each subsidiary is responsible for its own financial and contractual obligations. These subsidiaries are not authorized to do business in New York.

Not a bank deposit	Not FDIC/NCUA insured	Not insured by any federal government agency	No bank guarantee	May lose value	Not a condition of any banking activity

AIG Life Insurance

Product Bulletin

February 14, 2022 22-007



Spread the love with new **QoL Flex Term rates!**

Spread the love with new QoL Flex Term rates!

As of February 14, 2022 there will be premium rate changes in all states. There will be an additional change in Montana, where premium rates will transition from unisex rates to sex distinct rates.

And **NOW AVAILABLE**: Agile Underwriting+ (AU+)!

As of February 12th, AU+ will be available on QoL Flex Term. It's fast decisions for fast-paced lives. The following guidelines apply:

- **Application must be submitted via iGO full eApp**
- Ages 59 and under
- Face amount through $1 million
- Tele-interview required

Transition Rules For Reprice

- New product rates will be available effective February 14, 2022.
- Applications received in the Home Office prior to March 14, 2022 will manually be given the product with the lowest rates prior to policy issue.
    - **This does NOT apply to previously issued or conditionally issued policies.**
- Applications received in the Home Office March 14, 2022 and later will automatically be given the new product rates.
- Reissue requests to new plan will NOT be honored.
- New applications submitted to replace existing inforce coverage with the new rates will not be honored within 90 days of the existing coverage going inforce.

More to love…

Agile Underwriting+ (AU+)

Is available for QoL Flex Term! True love is a path to policy approval that may not require labs. Here are some [Quick Tips](#) to help you get started.

Marketing Materials

Full range of marketing materials available on aig.com/QoLFlexTerm

Rapid Rater

Instant quotes for all classes and durations are available on Rapid Rater. Visit aig.com/QoLRapidRater for more information. New rates will not be available until February 11, 2022 after 4PM CST.

iGO Full e-Application

- New product rates will be available effective February 12, 2022.*
- Applications received in the Home Office prior to March 14, 2022 will manually be given the product with the lowest rates prior to policy issue.
    - **This does NOT apply to previously issued or conditionally issued policies.**
- Applications received in the Home Office March 14, 2022 and later will be automatically be given the new product rates.
- Reissue requests to new plan will NOT be honored.
- New applications submitted to replace existing inforce coverage with the new rates will not be honored within 90 days of the existing coverage going inforce.

* For Paper/Ticket submissions this date is February 14th. – All else is the same.