

# CENCO STREET JOURNAL

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## Check Out The Cenco Website:

[www.cencoinsurance.com](http://www.cencoinsurance.com)

You will have access to:

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

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## It's Not Disability Insurance - It's Income Protection

Over the past couple of years the language has been modified around Income Protection. The word *disability* is somewhat alarming and often evokes thoughts of being incapacitated or laid out in a hospital bed - it's the reason we don't refer to Life Insurance as Death Insurance.

Put in a more positive light, Disability Insurance is really Income Protection for clients who want affordable, simple protection that can help cover bills should they be unable to work due to illness or injury.

Here are a few conversation starters you can use to help engage your clients in a conversation about Income Protection:

- ◆ How would you protect your income should you be unable to work due to illness or injury?
- ◆ How much do you have in savings?
- ◆ Do you have enough set aside to make ends meet for several months if you are off work?
- ◆ Where will the money come from when your savings runs out?

Why should you use these conversation starters? **They're effective in closing the sale** - although many clients recognize the need for DI insurance, the number of people who actually get a policy is much lower.

Rather than trying to convince clients that they may be unable to work due to illness or injury, **selling DI as Income Protection focuses clients on how they would financially manage a disruption in pay** - especially when the majority of Americans don't have sufficient savings.

**Lay out exactly how Income Protection fits in with their overall financial protection plan and how simple it is to get affordable coverage in just days - no medical exams or income documentation are great selling points.** Once they understand just how easy the process is, chances are they'll be sold.

**Cenco is here to help you with your next Income Protection sale!**

## With LTC Hybrid Sales Humming, Why There's Still Room To Grow

Life insurance and annuities with long-term care riders have far surpassed standalone LTC insurance policies in sales, with tens of millions of Americans aged 50 or older still lacking any coverage, according to LIMRA data.

Less than 7% of consumers over age 50 have LTC coverage, two experts from the industry research organization and its Secure Retirement Institute said in an analysis last week. Yet 52% of seniors 65 and older will need long-term services, according to the Department of Health and Human Services.

Standalone policies usually offer more robust benefits, but higher prices and carriers' exits from the market over profitability concerns, have cut sales by more than a half over the past five years, LIMRA says. Hybrid life policies and annuities have more than gobbled up the difference, with more than \$4 billion in sales last year.

The gap in coverage remains, though. By 2040, LIMRA predicts 82 million Americans will be retired. Fewer than 40 million people aged 65 or above had left the labor force in 2016, according to labor participation rates from the Bureau of Labor Statistics.

In light of the need and the demographic trends, clients and advisors aren't discussing LTC enough, according to studies cited by HHS and private-sector experts on aging. Current sales fill some of the demand, but insurers will need to expand their offerings to tap the market, LIMRA says.

A lot of the innovation in new life products has come from carriers that were already in the market. For annuity/LTC combination products, "the market is a niche where only a handful of companies are actively offering products," LIMRA researchers have said. "While sales have been on the rise, the number of carriers active in this market have declined slightly over the past few years".

### Long-Term Trends In Long-Term Care

LIMRA has been tracking LTC insurance sales since the early 90's, when few combination or hybrid products had hit the market, according to the researchers. The organization started measuring hybrid sales in 2006, and 20 to 25 firms now offer life insurance policies with LTC or chronic illness benefits.

The number of hybrid life policies sold first eclipsed purchases of standalone LTC policies in 2015, and their total premiums last year of \$3.6 billion were nearly 16 times those of standalone LTC insurance, LIMRA says. Hybrid annuity premiums outpaced standalone premiums in 2014.

Some 6 out of 10 consumers say they would consider such combination products, according to the researchers. The hybrids offer greater flexibility than standalone policies, although the products' costs and benefits vary too much to compare their prices against each other.

While we don't expect to see a rise in individual LTC sales soon, combination products are a great way to fill the gap the declining individual long-term care insurance sales has left, while still meeting at least a portion of consumers long-term care needs.

## Accelerated Access Solution Rider

### *An LTC Alternative*

The Accelerated Access Solution Rider has an innovative and flexible design which allows clients to customize their chronic illness coverage and monthly benefit payout according to their financial needs. It helps with unexpected healthcare costs as well as other expenses due to chronic illness even if it is **NOT** a permanent condition. Besides, it pays benefit on an indemnity basis - no receipts required and family care is covered! **This rider is available on the QoL Max Accumulator+, QoL Value+ Protector and QoL Guarantee Plus GUL II policies.**

#### Top Reasons To Sell AAS:

- ◆ **Additional paid Chronic Illness accelerated death benefit rider available on QoL products** - Accelerate up to 100% of accelerated death benefit rider, up to \$3,000,000, in the event of a qualifying chronic illness.
- ◆ **No permanency requirement** - A “chronic” condition does not need to be considered “life-long” in order to be eligible.
- ◆ **No additional licensing requirement** - Long-term care certification NOT required.
- ◆ **Multiple benefit payment options** - Three options available for monthly benefit payments: 1) IRS maximum per diem (potentially fastest payout option), 2) 2% of AAS benefit per month and 3) 4% of AAS benefit per month.
- ◆ **Unique benefit payment option** - IRS maximum per diem amount of time claim begins - providing a form of inflation protection for the policy owner’s benefit.
- ◆ **Waiver of monthly deduction** - Policy deductions stop (including base policy + all riders) while eligible for benefits.
- ◆ **Flexible option with total benefit amount** - Select any amount between 50% - 100% of the base policy death benefit amount.
- ◆ **Care coordination services available** - Variety of optional and free support services available to the insured at time of claim.
- ◆ **Benefits increase if death benefits grow** - AAS lifetime benefit amounts are locked in at the time of initial claim. If policy death benefit increases as the cash value in the policy grows, AAS benefit can be potentially higher than the initial death benefit.

**Call Cenco for more information on this innovative rider.**

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SUCCEED.....IS  
OUR BUSINESS!*

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**August  
2018**

**What if You Could  
Knock Out Three  
Birds With One  
Stone?  
Look Inside  
For Details!**

**Non-Medical Underwriting On  
QoL Max Accumulator+**

- Ages 0-50
- Face amounts \$50K to \$499,999
- No lab tests, physical exam or APS required for proposed insured
- All rate classes are available
- 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...**

Check out the new **QoL Master Playbook** on the website **aig.com/QoLMasterPlaybook**.  
**Everything you need is here!**

- ◆ QoL Producer Website
- ◆ QoL Training Playbook
- ◆ QoL IUL Playbook
- ◆ QoL Term Conversion Playbook
- ◆ And more.....





## QOL GUARANTEE PLUS GUL II

# What if you could knock out three birds with one stone?

One policy can help with life insurance, chronic illness coverage and retirement income.



**FULL Return of Premium GUARANTEED Over 10 Years**

### THE 10-10-10 PLAN

What if you could buy permanent life insurance, guaranteed to age 100 WITH a chronic illness benefit where you can:

- Pay premiums for 10 YEARS;
- Wait for 10 YEARS; and
- Get your money back over 10 YEARS – as a supplemental retirement benefit.



### BACKGROUND

While term insurance is the most popular form of life insurance policy – mostly because it's inexpensive up front – it only provides temporary coverage. For longer term (permanent) needs, there are a variety of choices – with one of the most secure and economical options being Guaranteed Universal Life (GUL). Often, GUL is a 'no frills' policy – offering few additional benefits. But, the Quality of Life (QoL) Guarantee Plus GUL II provides innovative extras!

### PROBLEM

Let's look at a hypothetical example. A 50 year old male is looking for \$1,000,000 of coverage for his family. He wants to provide life insurance for his spouse well into retirement, but sees that need dropping as he approaches the latter retirement years. He is also concerned about the impact of a chronic illness on his retirement. 1

### SOLUTION: THE 10-10-10 PLAN<sup>2</sup>

He pays \$26K/yr for 10 years. Then, he pays nothing for 10 years. Then he takes \$26K/yr out of the policy for 10 years (tax free!) using an innovative feature of this policy – The CustomerChoice Lifestyle Income Solution! This withdrawal of \$26k/year for 10 years from the policy will reduce the amount of life insurance coverage to \$380,000.



Policies issued by American General Life Insurance Company, member of American International Group, Inc. Guarantees are backed by the claims paying ability of the issuing insurance company.



# THE ELITE APPROACH TO LIFE EXPECTANCY

## Guaranteed Death Benefit Sales

Global Atlantic's **Lifetime Foundation ELITE IUL** takes aim at the life expectancy market by offering a simple design, affordable premiums and market leading guarantee durations.

The simple, affordable, secure **Lifetime Foundation ELITE** offers:

- A competitive premium at full pay, ten-pay and single pay scenarios, for age ranges 50-65
- The elimination of policy charges after 90, on a current, non-guaranteed basis\*
- Premium solves that typically allow for cash values to carry the policy to age 121 at a 6% rate of return
- The ability to achieve cost of insurance discounts and lower overall cumulative premiums with the Wellness for Life® Rider

### Comparison of Guarantee Periods

Our death benefit guarantee durations help ensure a longer protection period for your clients at an affordable premium. Others may offer a lower premium but, in turn, sacrifice the length of the guarantee. With **Lifetime Foundation ELITE** your clients get both.

#### Standard, Male, 55

\$13,283	<b>Global Atlantic - Lifetime Foundation ELITE</b>	<b>35 years</b>
\$13,020	American General - Value+ Protector IUL	33 years
\$12,283	Pacific Life Pacific - Discovery Protector IUL	30 years
\$14,013	AXA - IUL Protect	35 years
\$14,034	Lincoln Financial - WealthPreserve IUL (2017)	35 years

Standard NT, Full Pay, \$1,000,000 Death Benefit Solve for minimum Premium to Carry to Maturity at 6% Assumed Rate; 1 Yr. Annual point to point (where available)

#### Preferred Best, Male, 55

\$10,801	<b>Global Atlantic - Lifetime Foundation ELITE</b>	<b>35 years</b>
\$10,466	American General - Value+ Protector IUL	32 years
\$10,088	Pacific Life Pacific - Discovery Protector IUL	33 years
\$10,177	AXA - IUL Protect	35 years
\$11,643	Lincoln Financial - WealthPreserve IUL (2017)	35 years

Preferred Best, Full Pay, \$1,000,000 Death Benefit Solve for minimum Premium to Carry to Maturity at 6% Assumed Rate; 1 Yr. Annual point to point (where available)

This information is not intended to be a comprehensive evaluation or comparison of different products. It is intended to provide comparative information on specific aspects of similar products. Competitor information is current and accurate to the best of our knowledge as of April 25, 2018. Product features and rates are subject to change. This comparison isolates certain features of the product depicted. Customers should always examine all features and limitations of products they are considering.

\* For issue ages up to 75

**Need even more reasons to take a look at Lifetime Foundation ELITE?**

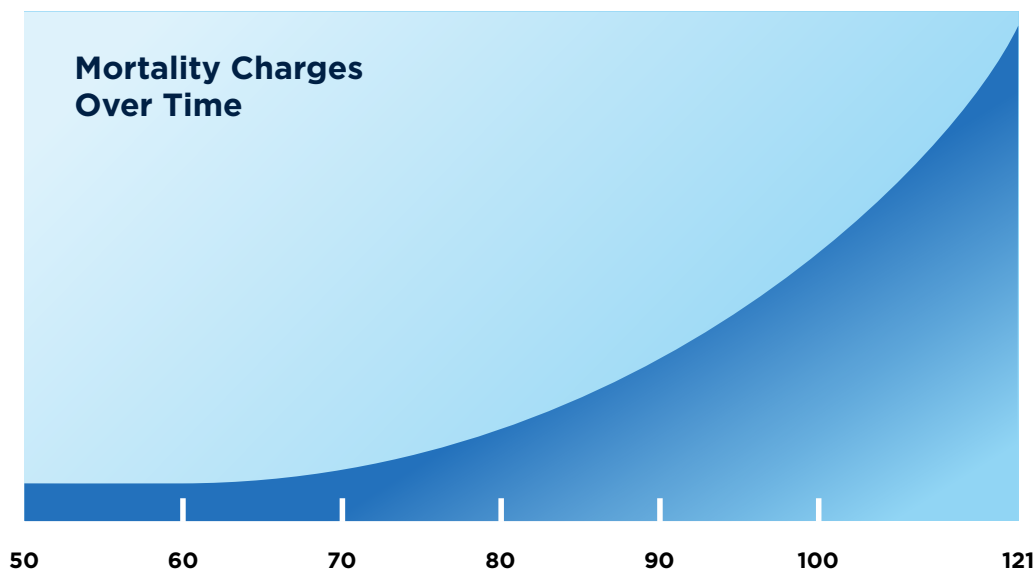




## TROUBLE WITH THE CURVE

The primary purpose of the account value inside a life insurance policy is to maintain the death benefit of the policy. The account value is the result of premium and interest crediting that has compounded over time. This combination of premium and interest crediting is designed to cover the mortality and other monthly charges in order for the policy to remain in force. If mortality and other monthly charges are greater than the cash value, the policy will lapse and valuable death benefit protection will be lost. Unfortunately, mortality charges tend to increase every year.

As you can see by the graph below, mortality charges create a very steep curve in the older ages and are often difficult to overcome without having a significant amount of cash value built up.

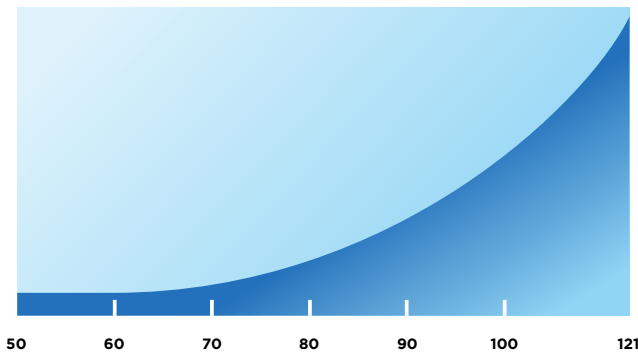


Mortality charges vary by policy. While insurance carriers are required to state the maximum mortality costs allowed by the policy in the illustration, the charges they apply on a non-guaranteed basis will be different. In order to be able to illustrate their IUL policy well into the future and still have enough cash value to cover the mortality and other monthly charges, many carriers have resorted to 'supercharging' their cash value projections in later years to avoid illustrating a policy lapse due to high mortality charges. The trouble with this approach is that it only serves to mask the problems the policy could have in overcoming a steep mortality curve in later years.

SPOTLIGHT ON  
**TROUBLE WITH THE CURVE** (CONT.)

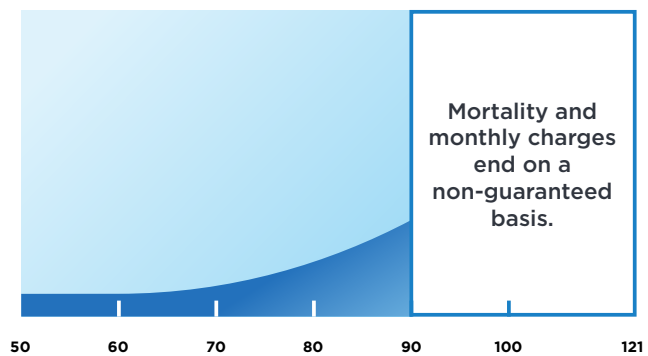
Global Atlantic's new Lifetime Foundation ELITE IUL provides a simple, affordable and secure design that doesn't rely on unproven assumptions to keep the policy in force. Lifetime Foundation ELITE is a death benefit focused life insurance policy that lessens the 'drag' mortality charges can have on a policy by eliminating them after age 90\* **on a current non-guaranteed basis**. The diagram below illustrates how Lifetime Foundation ELITE's mortality charge curve would project compared with a competitor's mortality charge curve.

**Company A Product -  
Mortality Charge Curve**



\*For issue ages up to 75.

**Lifetime Foundation Elite IUL\*  
Mortality Charge Curve**



When your clients are in need of straightforward life insurance protection with a death benefit guarantee, Lifetime Foundation ELITE has you covered.

*Simple. Affordable. Secure*

Visit [globalatlanticlife.com/latest](http://globalatlanticlife.com/latest) to learn more.

**CONTACT US**

[globalatlanticlife.com](http://globalatlanticlife.com)

(855) 887-4487, option 3

[salesupport@gafg.com](mailto:salesupport@gafg.com)

Lifetime Foundation ELITE is issued by and all policy benefits are the responsibility of Accordia Life and Annuity Company, and not that of any other insurer or company. Policy forms ICC17-IULC-C18, IULC-C18.

Global Atlantic Financial Group (Global Atlantic) is the marketing name for Global Atlantic Financial Group Limited and its subsidiaries, including Accordia Life and Annuity Company and Forethought Life Insurance Company. Each subsidiary is responsible for its own financial and contractual obligations.

Lifetime Foundation ELITE is not available in New York.

Guarantees provided are subject to the financial strength of the issuing insurance company; not guaranteed by any bank or the FDIC.



SPOTLIGHT ON  
**THE ELITE APPROACH TO LIFE EXPECTANCY (CONT.)**

### **Accelerated Access Rider**

With no upfront cost, this rider provides early access to a portion of the death benefit if the insured becomes chronically or critically ill.

### **Wellness for Life® Rider**

With this rider, your clients can realize significant premium savings over the life of their policy by simply going to the doctor every two years and maintaining their weight.

When your clients are in need of guaranteed, straightforward life insurance protection, **Lifetime Foundation ELITE** has you covered.

**Simple. Affordable. Secure.**

**Visit [globalatlanticlife.com/latest](https://globalatlanticlife.com/latest) to learn more.**

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(855) 887-4487, option 3

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Product and riders availability varies by state.

Lifetime Foundation ELITE is issued by and all policy benefits are the responsibility of Accordia Life and Annuity Company, 215 10th Street, Des Moines, Iowa. Accordia Life is a subsidiary of Global Atlantic Financial Group Limited. Policy forms ICC17-IULC-C18, IULC-C18 Endorsement forms ICC17- IULPTP-K17, IULPTP-K17, ICC17-IULMCS-K17, IULMCS-K17, ICC17-IULFLX-K17, IULFLX-K17 and ICC16-LCCABR2-I16 or LCCABR2-I16, ULWFL-E14

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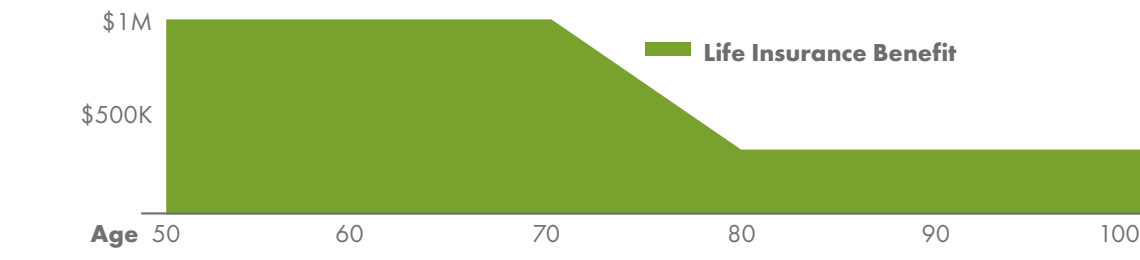
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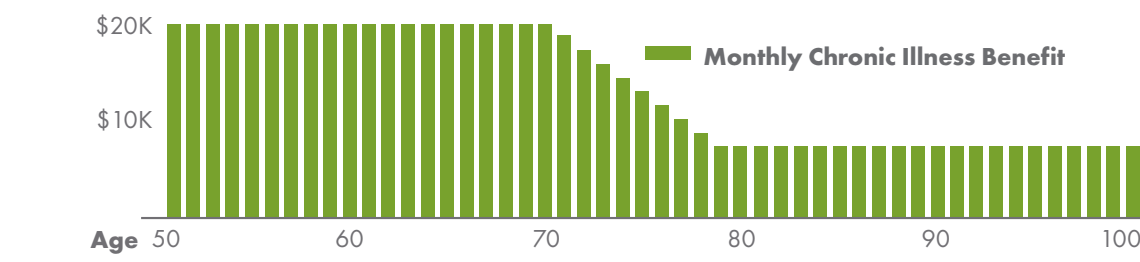
## LIFE INSURANCE BENEFIT

\$1,000,000 to age 70; then it steps down to \$380,000 by age 80 and continues to age 100. **Guaranteed!**



## CHRONIC ILLNESS BENEFIT

While several options are available, George chooses to provide 2% of the life insurance coverage as a monthly chronic illness benefit – starting at \$20,000/month during his earning years.<sup>3</sup> The benefit then steps down to \$7,600/month during retirement. **Guaranteed!**



### FOR MORE INFORMATION, CONTACT:

[Financial Professional's Name]

[Phone Number]

[Email Address]

[License# if required]

<sup>1</sup> This hypothetical example is for illustrative purposes only. Not an actual case and intended solely to depict how the product features might work. It does not reflect the value of any specific Policy. Restrictions and limitations apply.

<sup>2</sup> For the purpose of easing the explanation, all numbers have been rounded. The QoL Guarantee Plus GUL II product solution is based on an illustration dated 04/16/18 for a 50-year-old male, preferred non-tobacco with premiums paid for 10 years and death benefit guaranteed to age 100. The policy included the approximately \$25,000 of Lifestyle Income Solution rider, beginning at age 70 and a 100% Accelerated Access Solution rider with a 2% monthly benefit.

<sup>3</sup> Maximum monthly benefits limited to the IRS Per Diem in effect at the time of claim.

### Important Consumer Disclosures Regarding Accelerated Benefit Riders

An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The rider does not provide long-term care insurance subject to California insurance law, is not a California Partnership for Long-Term Care program policy. The policy is not a Medicare supplement.

ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Federal Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

Policies issued by American General Life Insurance Company (AGL), Policy Form Numbers 15442, 15442-5, ICC15-15442, 15442-10A; Rider Form Numbers 15602, ICC15-15602, 15603, ICC15-15603, 15604 ICC15-15604, 15600, ICC15-15600, 15972, 15972-5, 82012, 82012-CA, 82410, 88390, 14002, 14002-5, ICC14-14002, 15990, 13600-5, AGLA 04CHIR-CA (0514), AGLA 04CRIR, and AGLA 04TIR. AGL does not solicit business in the state of New York. Issuing company AGL is responsible for financial obligations of insurance products and are members of American International Group, Inc. (AIG). Products may not be available in all states and product features or rates may vary by state. There may be a charge for each rider selected. See the rider for details regarding the benefit descriptions, limitations and exclusions. Riders are not available in all states. Please consult your financial professional or review the policy and outline of coverage for your state. All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. They are not backed by the insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company. © 2018 AIG. All rights reserved.