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Clients Want Help Preparing For Retirement - Do They Know How You Can Help?

Clients often think of life insurance solely as an instrument to protect them in the event of premature death, unaware of the valuable tax benefits that are afforded through cash value life insurance. And in today's volatile marketplace, clients that are saving to retire need all the help they can get.

As a life insurance broker, you have access to many products that can provide your clients with tax favored cash accumulation and if structured properly, will also provide for non-reportable, tax-free income.

The ability to specify a premium schedule is one of the great features available in cash value life insurance products, removing the objection that the policy costs too much money. By educating your clients about the benefits of cash value life insurance as a long-term savings vehicle, they are likely to fund the policy with as much premium as they can afford.

While term insurance may be efficient for replacing income, or indemnifying debts, clients are very likely to outlive their level benefit period - receiving no return on their premium contributions.

Recommending a cash value insurance policy at a younger age and more favorable health will better prepare your clients to address critical financial concerns such as retirement income planning, college tuition funding and also paying for unexpected events (medical emergencies, home renovations, etc.) in their family. The longer that you can fund a policy and allow the cash value account to compound interest and grow, the larger the potential income stream will be.

Many of your clients want to have a conversation about their options in regards to preparing themselves for retirement, but feel overwhelmed by the thought or do not know where to start. If you haven't shared how cash value life insurance can play an integral role in their long-term financial planning strategy, you are likely missing out on easy sales, leaving the door open for another broker to have that conversation with them instead.

Check Out The Cenco Website:
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**

Inside this issue:

As Millennials Grow, So Does Their Need For Income Protection

Millennials are slowly taking over the workforce. As the generation that makes up the largest percentage of the current workforce, Millennials are beginning to accrue savings, settle into their careers and are even making their way to the top positions in their companies. As many Millennials attain greater professional achievements and grow their incomes, they are also incurring financial commitments and starting families.

These key milestones in Millennials' lives could leave them at greater risk if they were to experience a disabling health condition or need to take time off to care for a seriously ill family member. That's because many haven't properly protected their income and could, unknowingly, be exposed to significant gaps in their disability coverage.

Having insight into what motivates Millennials and what they need from their coverage can help you better start the conversation about income protection and the need for individual disability insurance (IDI). This approach can help prepare your clients for whatever life brings their way.

Personalize the IDI sale for Millennial needs
Millennials have grown up in an era of personalization. From technology to clothing, food to transportation, this generation has come to expect customizable products that meet specific needs.

The fact that IDI policies can be personalized to meet Millennials' professional and personal milestones could catch their attention. Most IDI plans have strong core benefits that can help clients protect their income. These policies often come with accompanying riders that can help tailor coverage to match their occupation, life stage, family needs and income.

Some IDI policies include built-in benefits or riders that can help clients ensure their coverage matches their current salary. As Millennials progress in their career, some policies can automatically keep pace with their rising income each year for a set number of years or another way to increase coverage is by adding a rider that allows for periodic benefit increases. Instead of increasing policy benefits each year, a benefit increase rider allows your client to increase his or her benefit payout every few years to keep pace with income increases on the policy anniversary - without the need for medical underwriting.

The underwriting process for IDI coverage can often be easier the younger and healthier a client is. Younger clients also can go through a less extensive underwriting process, often avoiding the medical and financial underwriting. Once they receive approval and their policy provisions are locked in place for the duration of the policy - if premiums are paid on time, they could have a policy for decades and pay the premium amount based on the original issue age in his or her 20s and 30s.

As Millennials achieve more, it presents you with an opportunity to reach out and make sure that all they've worked for is protected. Whether they are part of the C-suite or a start-up, IDI can play a role in protecting a Millennial's future income and family.

Breaking Into The Business Market: Selling A Key Person Insurance Policy

Key person life insurance offers business owners a flexible option to help ensure continuity of operations should a key person die or leave for another opportunity.

Step 1: Determine the need

- Can your business survive the loss of one of these owners or key employees?
- How much money and time will it take to bring the business back to the same level?

Step 2: Identify the key people

- Who are the key people whose daily contributions are instrumental to the operation and success of the business?
- Who has special skills and knowledge about the products, services and operations?
- Would competitors have an advantage if a certain employee was hired away or left?
- Who is the relationship builder and has the contacts that are critical to generating sales?
- Who would you trust to run the business in the event of your retirement, death or disability?

Step 3: Implement a strategy using a life insurance policy

How it works:

- The business is the owner and the beneficiary of a life insurance policy it purchases insuring the key person.
- The face amount is determined by estimating the cost of losing the key person. A good rule of thumb is approximately 5-10 times the key person's salary.
- The business should include IRS Form 8925 (Report of Employer-Owned Life Insurance Contracts) as part of its Federal income tax return each year.

Benefits of using life insurance:

- Provides the business protection due to the death of the key person and helps replace lost revenue.
- Supplies a death benefit that can be used to pay current expenses, attract a replacement employee, make loan payments and reassure creditors.
- Provides cash value as an asset on the company's balance sheet. It can even be maintained after the key person's departure and utilized for any purpose, including recruiting a suitable replacement.
- Can be used down the road to recover costs of a non-qualified plan, or it can be transferred to the key person at retirement.

Taxation:

- Premiums are not tax deductible.
- Cash values accumulate tax deferred and may be accessed on a tax-advantaged basis.
- Death benefit is generally income tax-free, assuming the requirements for employer-owned policies are met.

Contact Cenco for more information. We are here to help.

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July 2019

Global Atlantic's Additional Insurance Program 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…..

SALES IDEA SERIES

"Sandwich Generation" — flexibility for competing needs

Age
40

Occupation
Accountant

Life Status
Married
A 10 year old child, Tyler
Caring for elderly mother, Grace

Goals
Financial protection
Accumulation
Flexibility to serve multiple needs

Tom, like many his age, is joining the "sandwich generation," a group of Americans who are caught between older and younger generations, both dependent on them for their financial well-being. Balancing needs of their children and parents with the ever increasing need to save for their own retirement creates a challenging scenario.

Consider that the sandwich generation is facing some startling facts:

57%[1] The percentage of families that think non-medical home care for an aging parent will be less than $40,000 per year. In reality, it is closer to $46,000 per year and only 36% of families are saving for it.

100% The percentage of increase in the national average cost per year at a four-year college. Annual tuition rose from $4,970 in 2000 to $9,970 in 2017[2]

$42,797[3] The average retirement savings of a 50-year-old in America.

What can Tom do to address his concerns?

Tom's insurance agent recommends indexed universal life insurance (IUL) for the protection and financial flexibility to help meet Tom's needs. Tom decides to purchase a $150,000 Lifetime Builder ELITE IUL.

How indexed universal life insurance (IUL) may address any one of Tom's goals.

- Provides a tax-advantaged death benefit for either Tyler's college education or Grace's care, should she need care down the road, if Tom dies prematurely.
- Is sustained in the event he becomes disabled prior to 65, since he purchases the Waiver of Specified Premium rider.
- Builds cash value that will grow tax-deferred and is accessible later when Tyler goes to college, if Grace needs care, or to supplement his retirement savings.
- As the chart on the next page shows, whether for Tyler's college, Grace's care or Tom's retirement, there are tax-advantaged funds available during both Tom's life or at his premature death.

1 Care.com/seniorcaresurvey.
2 https://trends.collegeboard.org/college-pricing/figures-tables/list
3 http://www.statisticbrain.com/retirement-statistics/

How indexed universal life (IUL) could address any one of Tom's concerns.

Tyler, age 18, begins college

Grace, age 75, faces a possible long term care situation

Tom, age 65, reaches retirement age

Year	5	6	7	8	9	10	15	20	25
Non-guaranteed Cash Value				$45,319		$63,108	$125,847		$277,485
Non-guaranteed Death Benefit				$197,014		$214,379	$276,059		$332,982

Based on Lifetime Builder ELITE IUL, 1-Year PTP with an illustrated rate of 7.54%, 15 year increasing death benefit, $5,500 planned premium for 15 years, issued male age 40, standard non-tobacco with Waiver of Specified Premium. Total premiums paid over 15 years are $82,500. For the corresponding guaranteed rates and values please refer to the Basic Illustration for the product and parameters assumed.

Managing competing demands on financial resources can cause stress and hardship. Clients need a flexible option that can adapt to their changing needs while providing protection for loved ones. Tom's situation is far from unique. Lifetime Builder ELITE can help.

CONTACT US | *globalatlantic.com* | (855) 887-4487, option 3 | salessupport@gafg.com

Lifetime Builder ELITE is issued by 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-IULA-K17, IULA-K17. Rider forms ICC13-TLWPN-E14 or TLWPN-E14. Endorsement form ICC17-IULPTP-K17, IULPTP-K17.

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.

Availability varies by state.

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QOL VALUE+ PROTECTOR

Cost-effective life insurance and chronic illness protection

QoL Value+ Protector is a flexible product designed to help provide long-term financial protection for your client's family or business. It combines many of the advantages of guaranteed universal life insurance, but with special features and interest crediting strategies that are designed to reduce costs and help deliver maximum value.

THE SITUATION

Lisa is a 50-year-old recently divorced mother of two children (ages 15 and 14), whose mother recently passed away.* Because of Lisa's mother's advanced Alzheimer's, Lisa spent a lot of time caring for her due to insufficient funds for nursing facility care. Lisa is concerned about what would happen if she were to contract some type of chronic illness, or much worse, if she were to pass away unexpectedly. She doesn't want to rely upon her children to care for her or leave them without the necessary funds to continue on after her passing.

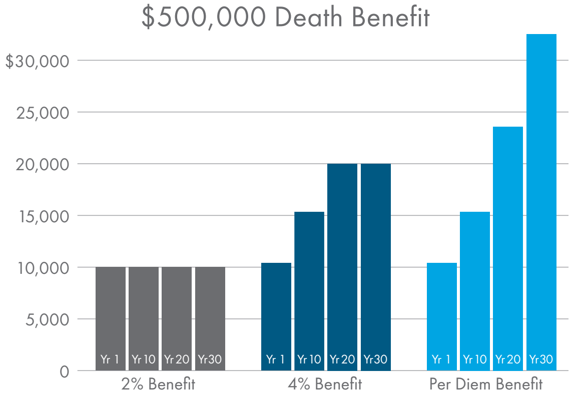
A SOLUTION

Lisa meets with her financial professional, Greg, to discuss options to help protect her and her family in the event of an untimely death or a chronic condition. Greg explains there are now life insurance products with optional chronic illness riders that can protect her from both sets of risks. Greg presents an index universal life (IUL) policy (QoL Value+ Protector) with a chronic illness rider, the **Accelerated Access Solution**®. This particular rider has the added benefit of not requiring conditions to be permanent.

AIG

Policies issued by American General Life Insurance Company (AGL), Houston, TX, member of American International Group, Inc. (AIG).

MONTHLY BENEFIT OPTIONS



NOTE: IRS caps the maximum daily rate each year. For 2019, the maximum per diem is $370/day or $11,254/month for a thirty-day month. In the chart above, hypothetical per diem increases based on IRS 2019 per diem in year 1, and increasing 4% each year thereafter. Whether or not the IRS per diem limit will change over time is not guaranteed. Hypothetical representation for illustrative purposes only.

	QOL VALUE+ PROTECTOR
Death Benefit	$500,000
Guaranteed to Age	90
Carry To Age	121
Annual Premium	$5,442

Hypothetical example for Female, Age 50, standard non tobacco. $500k DB, solve for premium to carry policy to age 121. 100% AAS rider with IRS Per Diem option. 6% illustrated rate. Rates as of 1/10/19.

Greg explains that not only does the QoL Value+ Protector offer guaranteed protection to age 90, it requires a lower premium compared to alternative GUL options. The QoL Value+ Protector also offers strong cash value, making it a valuable product solution.

Greg also explains the chronic illness protection options. Lisa has the following choices in regard to the chronic illness rider:

- Choose an **Accelerated Access Solution** total benefit amount anywhere between $250,000 and $500,000.
- Three monthly benefit payment options as shown in the chart on the left.

Lisa chose the 100% total benefit option giving her a $500,000 **Accelerated Access Solution** benefit. She also chose the per diem benefit payment option at the time of purchase.

FAST FORWARD

Lisa decides to purchase the $500,000 **QoL Value+ Protector** life insurance policy with an initial per diem AAS benefit of $11,254 per month. Her policy offers not only chronic illness protection, but also monthly premium savings and valuable liquidity options not available on many IULs and GULs. Twenty years go by and Lisa has a stroke but has the ability to access her death benefit while she is alive to pay for the cost of the care needed.

AIG® Quality of Life...Insurance®

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 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.

*Not an actual case and is a hypothetical representation for illustrative purposes only.

NOTE: The payout options in this hypothetical example do not apply to the state of California. California residents should contact their agent for more information.

Policies issued by: American General Life Insurance Company (AGL) Houston, TX. Policy Form Numbers 16760, ICC16-16760; Rider Form Numbers ICC15-15600, 15972, 13600, ICC13-13600, 13600-5, ICC13-13601, 82012, 82410, 88390, ICC14-14002, ICC15-15992, ICC15-15997, ICC15-15271, ICC15-15272, ICC15-15273, ICC16-16110, and 16110. Issuing company AGL is responsible for financial obligations of insurance products and is a member of American International Group, Inc. (AIG). AGL does not solicit business in the state of New York. Products may not be available in all states and product features may vary by state. Guarantees are backed by the claims-paying ability of the issuing insurance company.