

A Special Publication for CENCO Related Agents

# CENCO STREET JOURNAL

Volume 19, Issue 8

August 2019

## 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**

## Inside this issue:

<b>As Millennials Grow, So Does Their Need For Income Protection</b>	2
<b>Top 10 Reasons To Sell QoL Value+ Protector IUL</b>	3

## Life Insurance And Marijuana: A Joint Topic

Chances are you've seen or read about the growing interest surrounding marijuana in the news - both for recreational and medicinal use. Many states have legalized marijuana for recreational use while others have passed medical marijuana laws allowing for limited use.



### What does this mean for marijuana users looking for life insurance coverage?

In the past, we saw offers ranging anywhere from Table Ratings with Tobacco rates to flat out declines. Now, with recent improvements to underwriting guidelines, some carriers may consider marijuana users at Non-Tobacco rates, assuming that applicants are forthcoming on their applications.

### Take a look at some possibilities:

- ◆ Preferred Best Non Tobacco is available for recreational use from 4 to 8 times per month.
- ◆ Table 2 to 4 Non Tobacco is available for everyday recreational use, but any final outcome will depend on the client's other daily habits and review of medical records.
- ◆ For medical marijuana use, all outcomes are based on the underlying condition for which the marijuana is being prescribed. Could also qualify for Non Tobacco rates.

**Contact Cenco for more details regarding these smokin' opportunities.**

## 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.

## Top 10 Reasons To Sell QoL Value+ Protector IUL

The QoL Value+ Protector is a flexible, death benefit protection focused IUL product designed to help serve your clients' long-term needs for personal and business financial security. It combines many of the advantages of guaranteed UL with special features and crediting strategies that help reduce costs and strive to deliver maximum value.

- **An attractive bridge product** between GUL and Cash Accumulation IUL that offers strong alternative options with additional value not offered by GUL products, flexibility and meaningful cash accumulation that is found in IUL products.
- **Built in, no-cost living benefit riders** - Accelerate 100% of death benefit, up to \$2Mil for qualifying chronic, critical and terminal illness or condition.
- **Competitive Index Performance Feature** - Automatically included, feature allows the policy owner the option to use cash value (above the benchmark cash value) to purchase additional, paid-up life insurance without underwriting and without decreasing the initial death benefit. Cash value can also be used for any other purpose.
- **Excess Funding Feature** - Automatically included in policy, withdrawals of excess premiums can be made in policy year 20 without decreasing death benefit.
- **Protected Premium Rider** - For policies funded early, client may withdraw funds above the target premium in years 2 to 5 with no surrender charge penalties.
- **ML Strategic Balanced Index** - This index is proprietary to AIG and is designed to provide stability with upside growth potential.
- **Favorable loan provisions** - using a participating loan to access cash values allows the client's loaned money to continue to participate in index account earnings, potentially creating greater policy cash values.
- **Select Income Rider** - Use this rider to spread the death benefit out in installment payments to the beneficiary which may reduce the cost of insurance thereby decreasing the required premiums.
- **Accelerated Access Solution Rider** - Additional paid chronic illness benefit that provides a \$3Mil maximum and a dollar-for-dollar acceleration for a qualifying chronic illness.
- **Dollar Cost Averaging (DCA) Rider** - Dollar cost averaging is a plan for paying into an IUL at equal amounts in regular intervals. Specifically, allocating lump sum payments (both 1035s and non-1035s) to index interest accounts over a number of months, instead of all at once. Premiums allocated to the DCA Account will be transferred into the Index Interest Accounts in level installments over future Allocation Days, i.e. monthly.

**Call Cenco for more information and a quote.**

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

**August  
2019**

**AIG's New  
American Pathway  
VisionMYG Fixed  
Annuity!  
Details Inside!**

**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](http://aig.com/QoLMasterPlaybook).  
**Everything you need is here!**

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



Lifetime Foundation ELITE

# A product for all of life's seasons

**Age**

Emily, 40

**Occupation**

Vice President

**Life Status**

Single

**Goals**

Protection and  
Accumulation

## An innovative approach to lifetime guarantees

Can Emily, a single mom, find the right insurance solution to cover her needs now and in the future? Lifetime Foundation ELITE offers the right mix of living benefits with a death benefit guarantee at a very attractive price.

Emily Walsh, 40, was recently promoted to vice president of her company. The new job comes with a significant annual bonus, and the mom of two children, ages 8 and 11, wants to be sure she's using the money to do more for her family. One thing she's always thinking about is how to ensure her kids are well provided for if she's not there to help them herself.

### Emily's concerns are:



**Providing for  
her children**



**Keeping the  
family home**



**Paying for  
her children's  
education**



**Covering  
unexpected needs  
later in life**

**Emily has decided she needs a life insurance policy  
with a \$2 million death benefit**



A product for all of life's seasons

## A solution with flexible options

Emily's life insurance agent suggests she look at Lifetime Foundation ELITE because it provides a death benefit guarantee to a reasonable life expectancy. At 40, Emily can imagine living beyond age 80, and her agent explains that cash value in the policy could carry the death benefit even further. Adding the Wellness for Life® rider and qualifying for Wellness for Life Rewards® will help her accumulate a little extra cash in the policy, even without paying a higher premium, and this could help her policy stay in force long past the death benefit guarantee period.

In just a few years, Emily will need to make tuition payments rather than life insurance premium payments. Her agent suggests a 10-pay scenario designed to meet the minimum premium requirement, sustaining her death benefit guarantee while freeing up her budget at a time she'll need it.

All that's left is to choose a 10-pay premium that could carry her death benefit beyond the initial guarantee — without spending beyond her budget. With Lifetime Foundation ELITE, many of the monthly charges that keep the policy in force end at age 90, on a current non-guaranteed basis. This means it could take significantly less cash value at 90 to carry the policy to age 121. Here, we show the premium it takes for Emily to have \$5,000 in cash value at age 90, which should be enough under current assumptions:

Carry solve	Premium	Coverage period
Required Minimum 10-pay	\$17,234	Guaranteed coverage to age 80
10-pay with \$5,000 in cash value at age 90	\$21,866	To age 121, on a non-guaranteed basis

At the end of their conversation, her agent explains Lifetime Foundation ELITE's Accelerated Access Rider (AAR)\*, which enables her to access a portion of her death benefit proceeds in the event she is diagnosed with a critical or chronic illness. Emily has watched her parents care for her aging grandfather. With AAR, she may be able to alleviate some of the stress to her loved ones if she ever needs care.

Put this all together, and you see that Lifetime Foundation ELITE is a simple, affordable and secure solution to many clients' needs. Why not run an illustration for your next death benefit sale using Lifetime Foundation ELITE?

**CONTACT US** | [globalatlanticlife.com](http://globalatlanticlife.com) | (855) 887-4487, option 3 | [salesupport@gafg.com](mailto:salesupport@gafg.com)

<sup>1</sup> Assumes female, age 40, preferred NT, \$2 million death benefit 10 pay, using a 6% illustrated rate.

Lifetime Foundation ELITE is issued by and all policy benefit 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 Form ICC17-IULC-C18, IULC-C18 Endorsement forms ICC17-IULPTP-K17, IULPTP-K17, ICC17-IULMCS-K17, IULMCS-K17, ICC17-IULFLX-K17, IULFLX-K17. Rider policy form ULWFL-E14, ICC16-LCCABR2-I16, LCCABR2-I16.

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 fi and contractual obligations.

Product and rider availability varies by state.

\* Accelerated Access Rider is not available in California.

For guaranteed rates and values please refer to a Basic Illustration. 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. Customers should always consider all features and limitations of products they are considering.

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



# American Pathway<sup>®</sup> VisionMYG

## National launch and commission chargeback updates

Effective 07/15/19

**Effective July 15, 2019**, we are introducing the American Pathway VisionMYG fixed annuity for sale in all states except New York. With the introduction of the VisionMYG product, the American Pathway SolutionsMYG will be discontinued for sale through your firm except in New York.

The VisionMYG product will offer the same popular features as the American Pathway SolutionsMYG with the addition of a four-year initial guaranteed interest rate term. In New York, the American Pathway SolutionsMYG will continue to be available for sale.

We are also taking this opportunity to streamline the commission chargeback provisions on all American Pathway fixed annuity products.

Please see details of changes below.

### Product Information

---

The American Pathway VisionMYG offers the same features you have grown to enjoy from SolutionsMYG with the addition of a new four-year initial guaranteed interest rate term.

#### Product Highlights Include:

- \$10,000 minimum single premium (Q/NQ)
- Initial interest rate guaranteed for four, five, six, seven or 10 years
- 15% penalty-free withdrawals available after the first contract year
- 10-year withdrawal charge schedule: 8%, 8%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%
- Market value adjustment (MVA) applies during the initial interest rate term
- Terminal Illness, Extended Care and Activities of Daily Living withdrawal charge available in all states except California

### NAIC Product Training

---

Agents who have completed the American Pathway SolutionsMYG national training are not required to take any further action.

Agents who have **not** completed the NAIC product training must do so prior to submitting an application, otherwise we must reject the application and return the funds.

### Commission Chargeback Changes

---

Please note we are streamlining our commission chargeback provisions which impacts all American Pathway fixed annuities.

- The commission chargeback period, which applies to partial withdrawals that are subject to withdrawal charges and full surrenders, will now be shortened to 100% for months one through 12. Chargebacks will no longer apply to withdrawals taken after the first contract anniversary.
- Eliminating the chargeback provisions applicable upon exercise of the Extended Care or Activities of Daily Living riders.
- Adding a chargeback provision of 100% for the first six months of the contract, applicable upon death or exercise of the Terminal Illness rider.
- Updated national and New York commission schedules will be available for download July 15, 2019 via ConneXT.



## Transition Rules

---

All business submitted outside of New York on or after July 29, 2019 must use the new American Pathway VisionMYG Application and Owner Acknowledgement forms. Standard Rate Lock guidelines will apply.

### Electronic Submissions:

- **Prior to July 15, 2019**—Electronic application submissions will receive the American Pathway SolutionsMYG product, including the applicable crediting interest rate if received at AIG and In Good Order (IGO) by July 29, 2019.
- **July 15, 2019 and later**—American Pathway SolutionsMYG will no longer be available for your clients. American Pathway VisionMYG Applications should be used going forward.

### Non-Electronic Submissions:

- **Prior to July 15, 2019** – Applications **signed** using the current American Pathway SolutionsMYG Application and Owner Acknowledgement will receive the American Pathway SolutionsMYG product, including the applicable crediting interest rate if received at AIG and In Good Order (IGO) by July 29, 2019.
- **July 15, 2019 through July 28, 2019** – Both versions of product applications signed during this grace period will be accepted and processed. The client will receive the contract as designated by the paperwork – American Pathway SolutionsMYG or American Pathway VisionMYG – including the applicable crediting interest rate, if received In Good Order (IGO) by August 9, 2019.
- **July 29, 2019 and later** –American Pathway VisionMYG forms must be submitted to prevent Not In Good Order (NIGO) business.

### Rate Lock:

Standard rate lock rules will be applicable during this transition period.

## Important Reminders:

### Acceptable Line of Business (LOB) Changes

---

As a reminder, to align with our product simplification efforts, we implemented the following product updates for fixed annuities as of January 28, 2019:

- Streamlined list of lines of business that will be accepted: Nonqualified, traditional IRA, Roth IRA and SEP IRA on all products.
- Inherited accounts and inherited IRAs are no longer available with our fixed annuities.

### Owner Issue Age - Reminder

---

As previously communicated, the minimum owner age for all of our products has been revised to 18, or the age of majority, if younger, as defined by law in the state of issue. Marketing materials and illustration tools are in the process of being updated.

Annuities are long-term retirement saving vehicles.

Annuities issued by **American General Life Insurance Company** (AGL), Houston, TX except in New York where issued by **The United States Life Insurance Company in the City of New York** (US Life). Issuing companies AGL and US Life are responsible for financial obligations of insurance products and are members of American International Group, Inc. (AIG).

© American International Group, Inc. All rights reserved.  
AGL A3489 (05/2019) J283602  
Contract #: AG-SPDA (6/17)  
Rider #: R230-MVAB (6/17), R436 (6/17), AGE-8049 (6/17),  
AGE-8048 (6/17), AGE-8050 (6/17)

For financial professional use only.  
Not for distribution to the public.

Not FDIC or NCUA/NCUSIF Insured
May Lose Value • No Bank or Credit Union Guarantee Not a Deposit • Not Insured by any Federal Government Agency





# On the Road to Retirement

## Which vehicle best suits your financial needs?

### Do you know what's driving the growth of your savings?

Many have their money parked in traditional products like bonds, CDs and money market funds. But these products typically offer meager returns, and definitely don't benefit from the growth potential of equity markets. Fixed index annuities are different, because not only do they offer principal protection, but their gains are often tied, in part, to the performance of an equity index.



#### BONDS

##### Going in reverse

If interest rates go up, bond values go down. **Bond values have been steadily decreasing since 1982.**<sup>1</sup> Increasingly, many are withdrawing their money from bonds in order to better protect and help maintain the value of their retirement portfolios.

*CDs*

*Cash*

*Money Market*

*Savings*



#### TRADITIONAL SAVINGS PRODUCTS\*

##### Inching through traffic

People are concerned about losing money, so they've protected \$15.2 trillion<sup>2</sup> in cash, CDs, money market funds and savings accounts. These options typically offer meager returns, so **money in these accounts grows slowly with little accumulation.**



#### FIXED INDEX ANNUITIES

##### Always moving forward

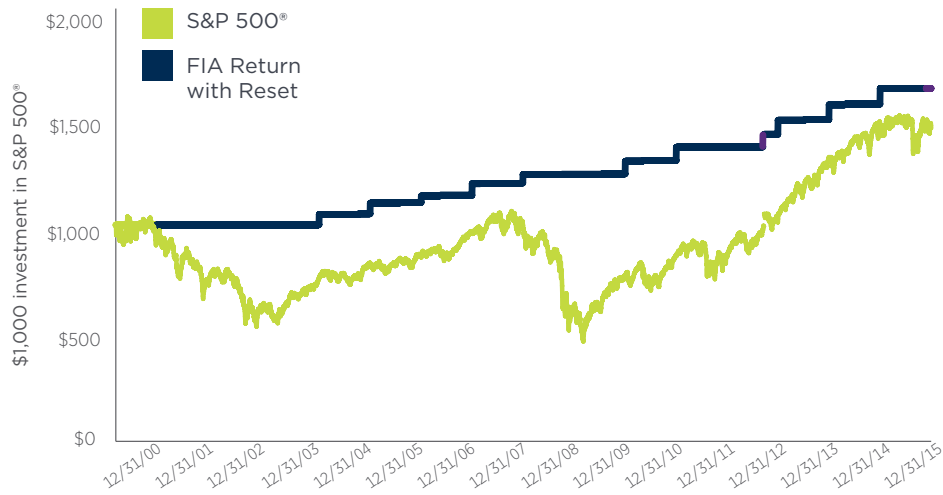
Fixed index annuities (FIAs) can continue to accrue value steadily over time, and without the setback of market-based performance losses, they have **no recovery period after slow economic times.**

<sup>1</sup> Source: Multpl.com, 10 Year Treasury Rate by Month <http://bit.ly/1pzc3A2>

<sup>2</sup> Federal Reserve, Financial Accounts of the United States Q1 2017, Table L. 100 <https://www.federalreserve.gov/Releases/Z1/current/z1.pdf>

# Stay steady on the road to success

FIA's feature what is known as a "reset," which locks in accrued values after every crediting period. This means that for each crediting period, the ending value of the index becomes the next year's starting value. So, if the index has dropped, there is no recovery necessary. You can continue to earn interest on your contract value without having to make up for a prior period's market loss, if any.



This hypothetical example is for illustrative purposes only and not intended to be the performance of any specific product.

This chart assumes no fees, charges, or withdrawals are taken from the FIA during the illustrated period.

Index past performance is not indicative of future results. The hypothetical performance of the fixed index annuity, as illustrated, assumes a \$1,000 premium, a cap of 5% (using the Annual Point-to-Point with Cap crediting method) and assumes no withdrawals or surrender charges during period shown.

"Standard & Poor's," "S&P," "S&P 500," "Standard & Poor's 500," and "500" are trademarks of The McGraw Hill Companies, Inc. and have been licensed for use by Forethought Life Insurance Company. Forethought Life's Fixed Index Annuities are not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the product. Past performance of the S&P 500® is no guarantee of future results. Any examples utilizing the S&P 500® Index are for illustrative purposes only. The S&P 500® Index is a price index and does not reflect dividends paid by the stocks underlying the index. The index is unmanaged and not available for direct investing.

***A fixed index annuity could be the appropriate vehicle for people who are concerned about protecting their money from the volatility of the stock market. An FIA is designed to keep you from going in reverse.***

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

\*There are a multitude of different products that may be accessed for retirement and long-term care needs. For example, bonds and other certain equity-based products are securities and have different risk/reward characteristics, liquidity properties and tax consequences, particularly when compared to products such as CDs, savings accounts, money market accounts and fixed annuities. Certificate of Deposits (CDs) are bank products that are FDIC insured. Money Market funds are securities and are not FDIC insured and although these funds seek to preserve the value of an investment at \$1.00 per share, there is no guarantee they will maintain this value.

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.**

A fixed index annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses. A fixed index annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments or index.

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. 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 may reduce 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 a tax or legal counsel for advice.

Fixed index annuities are issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana.

Global Atlantic Financial Group (Global Atlantic) is the marketing name for Global Atlantic Financial Group Limited 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.

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

Indices are not available for direct investment.

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
--------------------	-----------------------	--	-------------------	----------------	---