

# CENCO STREET JOURNAL

Volume 19, Issue 9

September 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**

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## September Is Life Insurance Awareness Month

This year marks the 16th anniversary of Life Insurance Awareness Month (LIAM), an effort to raise awareness among consumers and producers about the need for life insurance. With disposable income at an all-time low, American families have to make difficult decisions to determine their financial priorities. Unfortunately, life insurance is not at the top of the list. Yet, many American families say they could not last a month without the breadwinner's salary.

Now more than ever, it is vital that consumers protect their financial security. Life insurance has been providing this kind of protection to Americans for more than 200 years.

According to LIMRA, during the past 5 years, approximately 6 million potential life insurance buyers got away - people who didn't buy but had issues or concerns that if addressed could have turned them into buyers.

When LIMRA talked with some of them, these shoppers offered insights into what life insurance professionals like you could have done to turn them into buyers.

- ♦ **Reach Out At Key Moments** - Contacting consumers at optimal life events (marriages, births, home purchases, business start-ups) is a good strategy.
- ♦ **Build Relationships** - Not only are prospects more likely to buy from a sales rep they consider to be their financial advisor or who they have done business with before, they are also more likely to provide referrals.
- ♦ **Help Prospects Understand** - When you help your prospects gain insight into what product and how much of it they should buy, they are more likely to take the final step and purchase coverage.
- ♦ **Follow Up With Prospects** - Most of the people you will talk to believe they need life insurance, although they may be struggling to make the final commitment to buy. Don't give up too soon.
- ♦ **Connect with Current Clients** - Who's more likely to buy from you, a stranger or a client who has already shown their trust in you? Current clients can be a good source for sales.

**Resources:** <https://www.lifehappens.org>

## Privacy Matters - Are You Doing Your Part?

We deal with a lot of sensitive information in our industry. Discussing personal info over the phone and emailing sensitive documents - activities we do daily - exposes a lot of data that could be intercepted by thieves.

Safeguarding client data should be a priority - not only to protect client privacy but also to protect your integrity. Unknowingly being the source of a data breach can not only damage the trust you've built with clients, it may even cost you the client. Check out these great tips that help you protect client data.

### **CHANGE PASSWORDS OFTEN**

This one should be obvious - but when was the last time you changed your passwords? Do you use the same password everywhere? Do you have them written down somewhere?

**TRY THIS:** Set a reminder to reset your password every 90 days. It may seem inconvenient to change your password this often but it sure beats calling your best client to tell him his SSN is now for sale on the dark web.

### **REMOVE EMAIL ATTACHMENTS**

Email is a cyber thief treasure chest...it's usually the first thing hacked. Most of us worry about our contact list getting swiped - but what about all the tax returns, medical info, etc. sitting in your email attachments?

**TRY THIS:** Save all attachments with sensitive data somewhere outside of your email. More importantly, be sure you remove/delete the attachments from your email account after you've saved them. In the long run, you'll be able to find documents easier than scrolling through all of those emails.

### **USE STRONGER PASSWORD CRITERIA**

If your password is easy for you to remember, chances are it's easy for thieves to figure out. Experts recommend 8-15 characters, a combo of letters and numbers, upper/lower case letters and special characters such as @, \$, #. However, you should avoid common words, easy-to-guess phrases or something from your past someone can find on your Facebook page.

**TRY THIS:** Pick a sentence or two that you can easily remember. Use the first letter of each word, add numbers, punctuation and upper/lower case. For example: My first grade teacher was Mrs. Brady. She taught us Hula dancing! **BECOMES:** M1gtwM.B.StuHd!

### **VERIFY CLIENTS ON THE PHONE**

It may be hard to recognize a clients voice - especially clients you don't talk with frequently. Caller ID might give you a clue but that's not always guaranteed. Following the lead of your bank, health care provider, etc., if you're unsure who's on the other end, a good practice is to ask a couple of questions to verify the callers identity.

**TRY THIS:** If you don't recognize a caller say this: "I'm updating my contact list, can you remind me when your birthday is?" Better yet, ask them something disguised in normal conversation, like: "You mentioned you had a fishing cabin last time we talked, where was that located again?"

**Use these great tips and protect your clients privacy and personal data.**

## 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 I035s and non-I035s) 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.**

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**September 2019**

**"Sandwich  
Generation" -  
Flexibility For  
Competing Needs  
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.....





## Do you need more than just guarantees?

If you are considering GUL, you may also consider what your dollars can buy with a protection-focused IUL. In many cases, if you pay the same GUL premium into a protection-focused IUL policy, you can receive strong guarantees plus cash value growth potential for retirement.



Same IUL premiums can deliver:

- Similar guarantees to GUL
- More cash value than GUL

### Background

Guaranteed Universal Life (GUL) offers many benefits including strong guarantees. However, it does have some limitations:

- Limited liquidity or flexibility
- Limited (if any) cash accumulation
- Designed primarily for death benefits.

QoL Value+ Protector IUL offers a strong guaranteed death benefits like traditional GUL products while also providing flexibility and meaningful cash accumulation. Many families know they need life insurance, but also know they need more money saved for retirement.

Is one better for you?

### Scenario

- Meet Jason; 50-years old; married; two kids; needs \$500k of permanent life insurance coverage.
- Likes the security of a Guaranteed Universal Life (GUL) policy, but not the limited cash value.
- Likes the growth opportunity within an IUL, but is still concerned about guarantees

### GUL & IUL Solutions

For \$467 per month, Jason's financial professional offers him two possible solutions.



Policies issued by American General Life Insurance Company

## Solution 1: \$500K Guaranteed UL - QoL Guarantee Plus GUL II

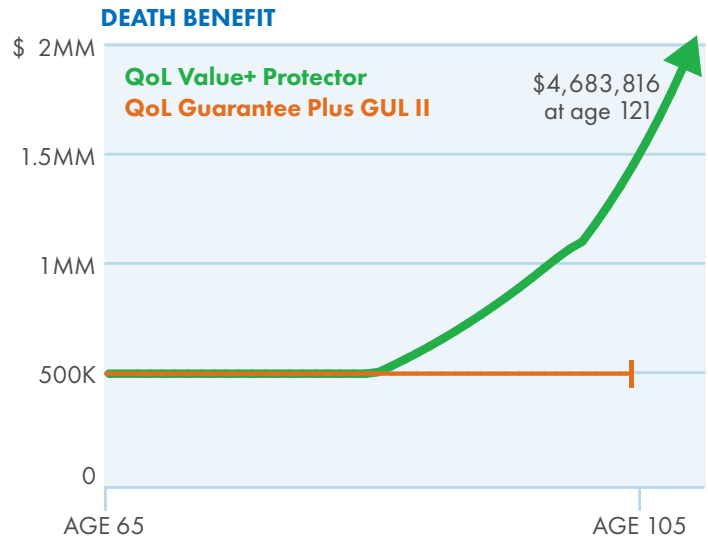
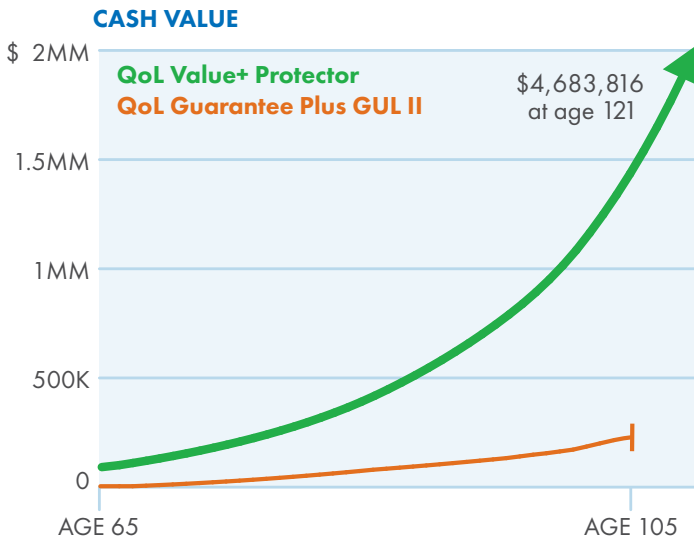
- Offers guaranteed insurance coverage until age 105
- Partial withdrawal capability – if Jason has built up some cash value in his policy and his needs change, he could withdraw some funds from his policy. It's important to note that this would result in a proportional reduction of accumulation value and death benefit. His advisor also explains there is often less cash value in the policy for retirement needs compared to an IUL.
- Return of Premium – if needs change, Jason could also receive some or all of his paid premiums back at year 20 or 25.<sup>1</sup>

## Solution 2: \$500K Index UL - QoL Value+ Protector

- Tax-advantaged cash accumulation with 3 simple index strategies to choose from. Enjoy upside market potential without downside market risk.
- Guaranteed death benefit coverage until age 94.
- Non-guaranteed death benefit coverage and cash value that can last Jason's full lifetime if funded correctly.
- Strong Index Performance liquidity feature allows for withdrawal of excess cash value, after 20 years or at age 85, with no decrease in the death benefit or guarantees, if certain conditions are met.<sup>2, 3, 4</sup>

## Compare the solutions

Issue age 50, male preferred non-tobacco, \$500k death benefit, solve for premium to guarantee GUL to age 105, full pay. Using same premium for an IUL run at 6.09% illustrated rate, the guaranteed death benefit coverage is available until age 94 while cash value and death benefit coverage can last Jason's entire life.



## Summary

Jason wanted the most out of his insurance program. For \$467 per month his financial advisor provided him with two options. Which do you think he chose?

To learn more about QoL Value+ Protector please visit [AIG.com/QoL](https://www.aig.com/QoL) or, see your **AIG representative**.

<sup>1</sup> 50% in year 20, 100% in year 25, capped at 40% of the policy's lowest specified amount.  
<sup>2</sup> Option election dates are at the end of the 20th policy year (for issue ages 0-64) and the later of age 85 or the end of the 5th policy year (for all issue ages).  
<sup>3</sup> Paid-Up additions option is available on the Strong Index Performance Feature. Only available for Standard or better rated clients.  
<sup>4</sup> Policy cash surrender value must exceed benchmark assumptions due to strong index performance.



Policies issued by American General Life Insurance Company (AGL), Policy Form Numbers 15442, ICC15442, 15646, ICC15-15646; Rider Form Numbers, 13600, ICC13-13600, 82012, 82410, 88390, 15990, ICC15-15990, 15972, 13601, ICC13-13601 and 82001. Issuing company AGL is responsible for financial obligations of insurance products and is a member of American International Group, Inc. (AIG). Guarantees are backed by the claims-paying ability of the issuing insurance company. 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. © AIG 2018. All rights reserved.

# "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%<sup>1</sup>

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<sup>2</sup>

\$42,797<sup>3</sup>

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.

<sup>1</sup> Care.com/seniorcaresurvey.

<sup>2</sup> <https://trends.collegeboard.org/college-pricing/figures-tables/list>

<sup>3</sup> <http://www.statisticbrain.com/retirement-statistics/>



"Sandwich Generation" needs flexibility for competing needs

**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.

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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.

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Availability varies by state.