

CENCO STREET JOURNAL

Volume 20, Issue 11

November 2020

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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.

Tips To Survive And Thrive Working From Home

Routines, we take them for granted. At times, we resent them. We take vacations to break our routine. Despite the love/hate relationship with routines, they organize our days and actually contribute to our overall sense of control as well as emotional and physical wellbeing.

Work is the most defining routine in an adult's daily life. The COVID-19 pandemic has introduced unprecedented disruption and uncertainty into our lives by forcing countless employees to telework from home.

Here are tips for working well at home.

- ◆ **Set a Daily Schedule.** Get up at your “regular” time, partition the day, beginning, and ending the day just as you might when going to work. Setting and keeping a schedule contributes to a sense of order, normalcy, and personal control while managing uncertainty.
- ◆ **Maintain Your Personal & Professional Self.** Maintaining a routine of personal care is not just about physical health, it is about creating a structure that gives you a sense of control in a time of uncertainty - get up, make your bed and get dressed and prepared as you normally would for work.
- ◆ **Define a Workspace.** Working at home does not mean that you should choose your favorite comfy chair or take up the kitchen table with your projects putting your work at the center of the lives of your family. Reach a consensus defining workspaces - your office at home. It may be a corner, a side table, or for some, a separate room. And when your workday is done, close the door.
- ◆ **Set Daily Work Objectives.** Flexible work is not just about working from home, for many, it means newfound freedom to set work objectives. Research suggests that our level of life satisfaction and reducing burnout is often correlated to what we can achieve daily, not in the long-term, but everyday.
- ◆ **Switch Off.** It is important that working from home does not mean 24/7 work. Switching off and ensuring adequate downtime is critical not just to your own mental and physical wellbeing but to maintaining healthy relationships with your partner, spouse, and children.
- ◆ **Eat, But Eat Healthy.** Working from home may reduce time in traffic on certain days, it also increases waistlines. Studies indicate that working at home promotes us to grazing - after all the refrigerator is always there. Eating well at home, combined with regular exercise is critical to physical health as well as reducing anxiety in the face of COVID-19.
- ◆ **Move, Move Often.** Social distancing and working from home can make it easier to be sedentary. Make a point of standing and moving when you can. For example, stand during phone calls, and walk around, if possible. And, try to do more than move - exercise. Vigorous exercise is not just good for you physically but vitally important to managing stress and anxiety.

**In this uncertain time, you can be certain that Cenco remains here to serve you.
Wishing you and your family good health!**

A Cross Selling Opportunity That Often Gets Overlooked

With medical advancements, people are able to survive critical illnesses which may in the past have resulted in a death. While your clients can rest easy knowing they have a higher chance of survival if they receive an unsettling diagnosis - they also have to afford living with the condition, which can create a severe financial strain if they are not properly covered.

Critical Illness Insurance offers a tax-free lump sum payment on first diagnosis of any one of a list of serious illnesses—including cancer, heart attacks, or stroke. With comprehensive plans and affordable costs - you could find coverage to fit any client's budget, with benefits up to \$500,000. For a total of \$98 a month, a male, age 45 could receive a \$50,000 lifetime benefit with the option to choose 10-15-20 or even 30-year coverage periods.

With Critical Illness Insurance, your clients' premium dollars are, in essence, being put into a safety deposit box, which can be collected in one of three ways:

- The policy will pay the face value in the event your client is diagnosed with one of the 12 covered illnesses, including loss of Independent Living.
- The policy will pay the face value to your beneficiary in the event your client passes from one of the covered illnesses.
- 100% of all premiums paid towards the plan will be returned to the beneficiary as a tax-free death benefit if your client passes for any other reason.

While most critical illness policies have a reduction of benefit at age 65 - we have contracts that extend the full benefits out to age 70. In addition, any benefits after age 70 would still pay a full benefit for loss of Independent Living.

Traditional health insurance plans, while the most common form of protection, will only cover hospital and pharmaceutical expenses. However, additional costs, such as insurance deductibles, childcare, insurance premiums, and short-term home health care would be billed directly to your client - who should be recovering, not stressing about how they will pay the bills.

Critical Illness Insurance is one of the best kept secrets in the industry and provides advisors a great opportunity right now to meet more clients, help more families and increase sales. Look to your clients with a family history of Cancer, Heart Disease, or Hypertension. They are very likely to be interested in purchasing protection.

Contact Cenco for detailed information about a plan that meets each of your clients' needs and budget.

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**November
2020**

***Can Healthy Habits
Impact Your Life
Insurance Policy?
Details Are 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...

Since the QoL Master Playbook will be retired at the end of 2020, you can now 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.





Can healthy habits impact your life insurance policy?

Age

Tom, 45

Occupation

Web Developer

Life Status

Married
2 kids, active

Goals

Affordable coverage
Does not want to outlive his policy

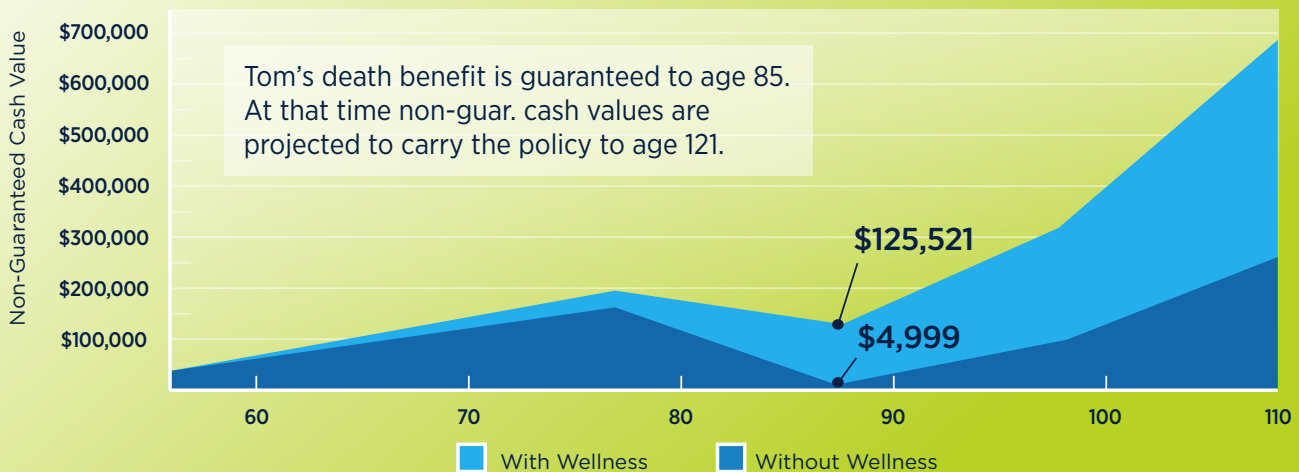
Tom, age 45, likes the flexibility of permanent life insurance and knows he's in good health, however he is concerned about outliving his policy. Tom is looking for a simple, affordable and secure solution to address his needs.

Tom's insurance agent tells him that Lifetime Foundation ELITE's approach to death benefit guarantees can address his concerns by providing a death benefit guarantee beyond his life expectancy. Knowing that Tom is conscious about his health, his agent also mentions that the optional Wellness for Life® rider can potentially boost his policy's values, supporting the policy's death benefit beyond the guarantee period.

The chart below illustrates the advantage of adding the Wellness for Life® rider to Tom's policy while keeping his premium the same. If Tom qualifies for Level 2 Wellness for Life Rewards®, the impact of the guaranteed COI reductions on his projected non-guaranteed cash values is a difference of \$120,522 at age 90. That's a meaningful boost!

Impact of the Wellness for Life® Rider

Lifetime Foundation ELITE, 45, Preferred Non-Tobacco, \$1,000,000 Death Benefit, \$6,750 Premium, Non-Guaranteed Illustrated Rate 6.0%



For the corresponding guaranteed rates and values please refer to the Basic Illustration for the product and parameters assumed.

By adding the Wellness for Life® rider, Tom has the potential to extend his policy on a non-guaranteed basis — giving him greater financial security for his future.



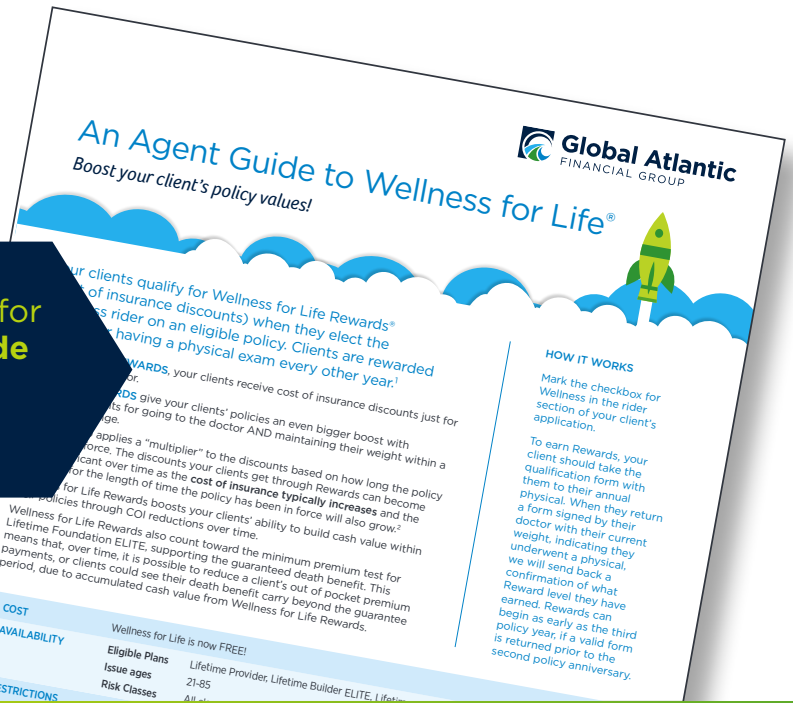
Can healthy habits impact your life insurance policy?

How Wellness for Life® works:

When your clients elect the Wellness for Life® rider, they can earn Wellness for Life Rewards®. These Rewards can help them to build cash value within their policies through cost of insurance reductions, thereby extending the length of the policy.

There are two levels of Rewards that a client may be eligible for:

- **Level 1 Rewards** allow your client to receive discounts on their cost of insurance charges by simply going to the doctor once every two years.
- **Level 2 Rewards** offer clients greater discounts by going to the doctor AND maintaining their weight within a reasonable range determined at policy issue.



To learn more about the Wellness for Life® Rider, look for **An Agent Guide to Wellness for Life® - LR2009** available at globalatlanticlife.com

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

Wellness for Life® Rider is not available in all states.

Products 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-IULC-C18, IULC-C18. Rider forms ULWFL-E14

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.

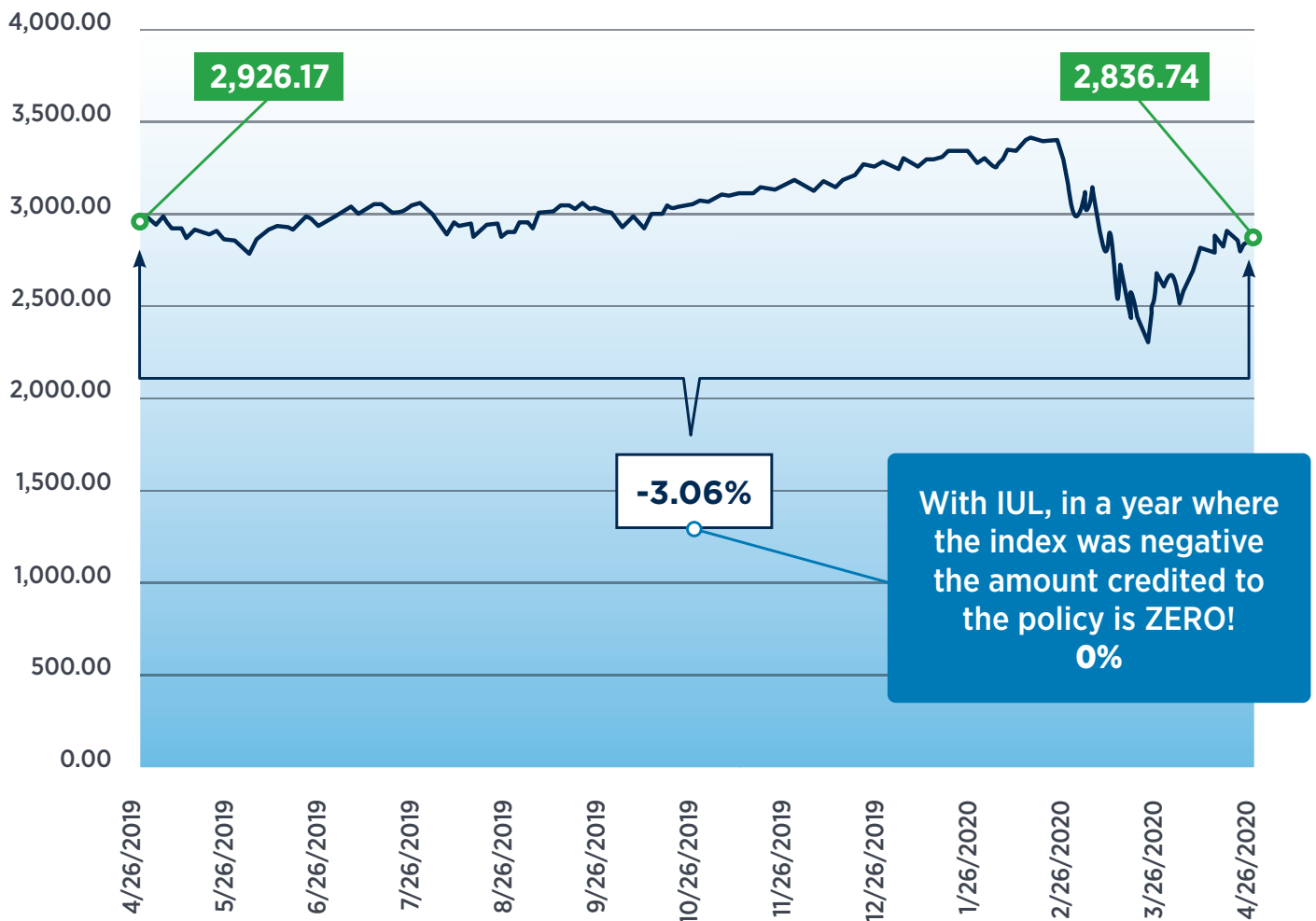
Availability varies by product, state and product issue date.



STABILITY AND CERTAINTY

The past year has been anything but certain. Indexed Universal Life (IUL) insurance was built for times like these — when people crave stability and certainty. The two recent segments highlighted below best demonstrate the value and versatility of Indexed Universal Life insurance.

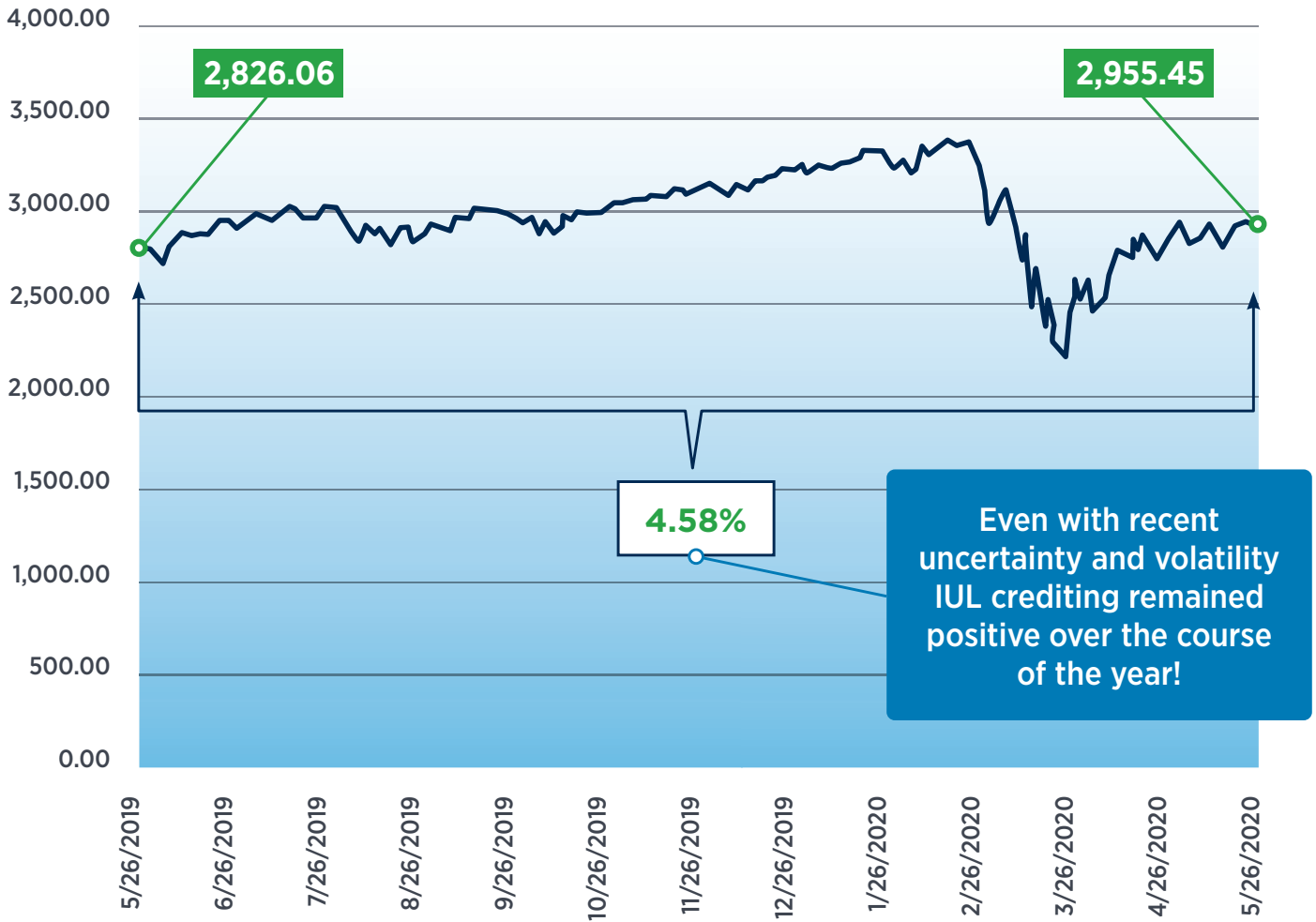
S&P 500® 1yr PtP Change



Remember, the movement in the index is measured from the previous year's ending index value. This means if the measured index movement is negative, there's a 0% floor, and therefore no interest is credited to the policy. More importantly, the index does not need to recover previous losses before the policy can deliver positive interest credits.

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S&P 500® 1yr PtP Change



Even with recent uncertainty and volatility IUL crediting remained positive over the course of the year!

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Policy charges are deducted from the policy's Account Value. Indexed interest credits are applied to the 1 year Point to Point Strategy segment value. **Other index value patterns would produce different interest crediting results.** Indexed universal life insurance products are not stock market investments and do not directly participate in any stock or equity investments. Market indices do not include dividends paid on the underlying stocks, and therefore do not reflect the total return of the underlying stocks; neither an Index nor any indexed universal life insurance product is comparable to a direct investment in the equity markets. Clients who purchase indexed universal life insurance products are not directly investing in a stock market index.

Products 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. 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. These subsidiaries are not authorized to do business in New York.

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Top 10 reasons to sell fixed annuities

Annuities issued by
American General Life Insurance Company (AGL) and
The United States Life Insurance Company in the City of New York (US Life)



All guarantees are backed by the claims-paying ability of the issuing insurance company.

Get SET for opportunities ahead.

The first baby boomers turned 65 in 2011. Be ready to help them solve financial challenges with guaranteed interest earnings and principal protection.

Here are 10 reasons to consider a fixed annuity:

An annuity is the only financial product available that can guarantee income payments the contract owner won't outlive.

1. **Competitive interest rates.** We offer the flexibility of several interest rate guarantee options. Your clients can lock in the initial interest rate guarantee that works best for them.
2. **Tax-deferred growth.** While money remains in the annuity, the principal earns interest and the earnings earn interest.
3. **No up-front sales charges or administrative fees.** Once the contract is issued, 100% of your clients' money will begin earning interest.
4. **Protection from market volatility.** Fixed annuities have no market participation.
5. **Guaranteed death benefit.** Upon the death of the owner, the annuity value is paid directly to the beneficiary, without any withdrawal charges or market value adjustment (if applicable), generally avoiding the probate process.
6. **Access to funds.** Our fixed annuities allow for penalty-free withdrawals up to a specific amount and there are multiple withdrawal charge waivers that can be used under certain defined circumstances.*
7. **Systematic withdrawals of interest.** Clients can receive payments monthly, quarterly, semiannually or annually.*
8. **Guaranteed income for life payout option.** With the annuitization option, electing the lifetime payout option will transform the contract balance into a guaranteed income stream for life.
9. **Diversification.** A tax-deferred fixed annuity can serve as a conservative addition to any retirement portfolio.
10. **Extra help to grow your business—marketing and sales support.** We provide comprehensive sales training including materials to both agents and bank customers.

* Taxable withdrawals are subject to ordinary income tax. Withdrawals taken prior to age 59½ may be subject to a 10% federal early withdrawal tax penalty. Contractual withdrawal charges may also apply.

Not a deposit | Not insured by any federal government agency | May lose value | No bank or credit union guarantee | Not FDIC/NCUA/NCUSIF insured

SALES IDEA

Top 10 reasons to sell fixed annuities

Choose a company with an outstanding track record.

As retirement planning continues to become increasingly complex, more people will likely look to financial professionals for solutions to help protect their money from taxes, market risk and longevity risk. Distinguish yourself through our fixed annuity products.

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Annuities issued by American General Life Insurance Company (AGL) 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).

AIG is a leading international insurance organization serving customers in more than 100 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. All products and services are written or provided by subsidiaries or affiliates of AIG. Noninsurance products and services may be provided by independent third parties. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange. www.aig.com.

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AC 105 (05/2017) J101180

