

A Special Publication for CENCO Related Agents

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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**

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Cenco Is Making Your Life Easier!

We have launched our new upgraded producer support website at www.cencoinsurance.com. The new site includes all of the previous websites most popular tools and links, but in easier to use formats, including direct access to:

- ◆ Upgraded term quoting now including NLG product quotes for selected insurers and some IUL's including rated premiums.
- ◆ New quote-and-apply - Now you can do your quote and go directly to an e-application, quick-app or application forms without having to separately get forms or log into an insurer website.
- ◆ Even Better! New stand-alone e-applications, where you can do your life applications for more than one insurer right on the Cenco website. No need to log into each insurer website separately. Even if you don't do a quote, you can go directly to each selected insurer's e-application, quick-app or application forms directly from Cenco's website.
- ◆ Full life and annuity product features and specifications database, you no longer need to go to each insurer's website to get product features and details.
- ◆ Online underwriting pre-screening. No more guessing or having to spend hours or days doing pre-screens with multiple carriers.
- ◆ "One-And-Done" online quick contracting, just input contracting information one time and then your next insurer contracting can be auto-filled for you.
- ◆ Annuity search engine including current rates and detailed individual product features, no need to find and search carrier websites.
- ◆ Virtual sales tutorial tool kit.
- ◆ Many other new features including easier access to information sales and marketing resources, agent testimonials and more.

For more valuable commission generating information, check us out now at www.cencoinsurance.com.

Framing Up IDI As Income Protection

Framing Individual Disability Insurance as a way to protect income can help your clients understand what Individual Disability Insurance does and why they need it. To boost your IDI success, try these tips to emphasize how IDI can provide much-needed income protection for your clients.

- ◆ **Focus On The Need Not The Solution** - Your clients likely don't know why they need IDI and what it will do for them. Start with the basics - it provides them income in the very real chance of a disabling illness or injury - and save intricate policy details for later.
- ◆ **Tell Stories To Make It Real** - Consumers don't believe disabilities will happen to them. Bring the risk to life with real-life examples, such as developing cancer or experiencing a back injury that prevents them from working and earning income.
- ◆ **Compare IDI With More Familiar Insurance Offerings** - Clients understand the need for car or homeowners insurance to protect them. Explain that if they don't have IDI to protect their ability to earn an income, they could lose their homes, cars and lifestyle when they are unable to work.
- ◆ **Stick To The Facts** - Illnesses like cancer, heart attack or diabetes cause the majority of long-term disabilities. Encourage clients to secure the most fundamental aspect of a financial plan - income.
- ◆ **Position IDI As The Foundation Of A Financial Plan** - Financial planning is pointless if your clients lose the ability to earn an income to fund their plan. IDI can help ensure access to income if they unexpectedly are unable to work due to an illness or injury.

When selling Individual Disability Insurance, clients may shy away from conversations about disability, but will understand and engage in a conversation about their possible loss of income. Helping clients make the connection between income protection and Individual Disability Insurance could go a long way toward growing your business.

Cenco is here to help you with your DI sales. We offer Individual Disability, Business Overhead and Disability Buy/Sell insurance through carriers such as Standard, Ameritas, Principal and Assurity. Call us today for more information.

Underwriting Marijuana Use

How do you underwrite marijuana use? This probably is the question most frequently asked of underwriters. It is understandable. Marijuana is in the news. Many states have legalized its use both for medicinal and recreational purposes. How do the changing attitudes in our culture and laws regarding marijuana impact underwriting guidelines?

What's the good news?

For adults using marijuana on a recreational/occasional basis, there is evidence that there is not much overall impact on health, except with poorer periodontal health. For those using marijuana for control of pain, there are indications that this may reduce the use of more dangerous prescription narcotic medication. Some research has concluded that there is reduced opioid-related accidental deaths when marijuana is legalized.

What's the bad news?

- Marijuana users are more likely to use other drugs, likely to smoke tobacco and drink more alcohol on average.
- Medicinal marijuana use is common in those who rate their health as poor and there is a high incidence of disability among people using for medicinal purposes.
- Negative impacts of marijuana are particularly worse when used in adolescence. Developing brains seem to be vulnerable to the effects of cannabis. This results in increase rates of anxiety and depressive disorders and reduced attention span.

As with so many other underwriting issues, context is key. The underwriter will be looking at things such as frequency of use, medicinal vs. recreational, past or current abuse of other substances, and other medical issues. For occasional/recreational use only with no other concerns, standard rates are common. More frequent use can result in a substandard rating. Preferred rates, while not as common as standard is the best-case scenario. A typical preferred risk will have these characteristics:

- | | |
|---|--|
| ◆ Over age 25 | ◆ Full Drug panel must be negative |
| ◆ Full disclosure | ◆ No more than 2 moving violations in 5 yrs. |
| ◆ Use of two times per month or less | ◆ No history EVER of DWI/DUI |
| ◆ No history of substance abuse of any kind | ◆ No history of treatment for chronic pain |
| ◆ No criminal history | ◆ Stable employment |
| ◆ Blood Alcohol on insurance lab 0% | |

Non-nicotine user rates will be applied if there has been no nicotine use in the past 12 months (standard) or 36 months (preferred) and with a negative urine specimen.

With medicinal marijuana, the use of cannabis is a secondary concern. Underwriters are primarily focused on the underlying medical condition that requires the use of marijuana.

Because marijuana is still a schedule I drug, underwriters will not consider business cases (Buy-Sell, Key Person) for marijuana-related business.

The data on mortality and marijuana should become more complete as time goes by. Carriers will closely monitor the literature and update their guidelines accordingly.

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Introducing: Term Conversion with AAS (Accelerated Access Solution) Chronic Illness Rider!

As of 08/31/2020, QoL Flex Term policies issued in the past 5 years could be eligible to convert to a permanent policy with the AAS Rider. Non-Invasive underwriting will be required to determine eligibility for the AAS Rider. The maximum AAS benefit is \$3 Million, and partial conversions are allowed. This rider is not available for previously converted policies and is available in all states*.

Policies that are eligible are:

- Issued in the past 5 years and attained age up to 60 or younger
- Underwriting class of Standard and Better (No table rating, no flat extra)

Permanent Products available:

- QoL Max Accumulator +
- QoL Value+ Protector
- QoL Guarantee Plus GUL II

Transition Rules

- The Accelerated Access Solution (AAS) can be requested through a streamlined process for term conversion applications received on or after **August 31, 2020**.
- If the AAS is requested, it can be added to the policy under the following conditions:
 - A completed Inforce Change application must be submitted
 - A completed Chronic Illness Supplemental Application and any required disclosures must be submitted.
 - Applicant must pass a non-invasive underwriting review process for the Chronic Illness rider
- Rider will not be available on pending applications or previously issued policies.
- No Inforce reissues to add the rider will be allowed

Required Forms:

- AAS Supplemental Application
- Inforce Policy Change Form

Questions about eligibility?

[Bulletin 20-068](#)

For more information:

- [Term Conversion with AAS Quick Tips](#)

Marketing Material

- aig.com/QoL
- [Term Conversion Playbook](#)

*not available in New York

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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.

Help your clients plan today for **more care** tomorrow

2020 has been a year of monumental change – fundamentally shifting the way Americans live now and how they will navigate the unforeseen future. Over the next 40 years, Americans 65 and older will more than double, reaching 80 million in 2040.¹ By then, the number of adults 85 and older and the group most often needing help with basic personal care, will nearly quadruple.¹

Unplanned long-term care (LTC) expenses could have a devastating effect on your clients' retirement nest egg which is why it's important to have a plan in place for this possibility.

Aging Americans need more support now than ever before.

Every day until 2030, 10,000 Baby Boomers will turn 65² and 7 out of 10 people will require long term care in their lifetime.³ If your client had an incident that required long-term care, take a look at the costs they'd be facing:

Annual Median Costs for Care:⁴

In-Home Care		Community and Assisted Living		Nursing Home Facility	
Homemaker services ¹	\$51,480	Adult Day Health Care ³	\$19,500	Semi Private Room ⁵	\$90,155
Change since 2018 ²	7.14%	Change since 2018 ²	4.17%	Change since 2018 ²	0.96%
Home Health Aide ¹	\$52,624	Assisted Living Facility ⁴	\$48,612	Private Room ⁵	\$102,200
Change since 2018 ²	4.55%	Change since 2018 ²	1.28%	Change since 2018 ²	1.82%

Many older Americans are forced into nursing homes – but most would prefer to live independently in their own homes.

Should your clients experience an incident that leaves them in need of long-term care, recovering at home may be just the thing.

ForeCare covers many in-home services that could help them recover safely and comfortably, right in their own home:

- Home Care
- Personal Services
- Chore Services
- Home Health Aide
- Homemaker Services
- Nurse and Therapist

Long-term care planning as part of an overall retirement strategy can give your clients the peace of mind knowing that if the unimaginable happens, they'll be prepared.

With ForeCare, they can choose from the options their doctor prescribes. Whether they receive care at home or in an assisted living community, ForeCare affords them more control to choose what's best for their unique needs.

ForeCare, a fixed annuity with LTC benefits, can help your clients preserve the assets they've worked so hard to build:

- No elimination/waiting period for in-home care. Dollars are available day one for care.
- No medical exam – it takes just 30 minutes on the phone.
- Potential to double or triple your clients' money for qualified LTC expenses.⁶
- Includes legacy and tax advantages – what's unused gets passed on.
- A potentially federal income-tax free LTC strategy.

Visit globalatlantic.com/imo/ltc, contact your IMO or call us at (855) 447-2537.

globalatlantic.com

¹ Urban Institute. The US Population is Aging.

² The Guide To Being A Baby Boomer. SeniorLiving.Org.

³ 2019 U.S. Department of Health and Human Services ([longtermcare.acl.gov](https://www.longtermcare.acl.gov))

⁴ Genworth Cost of Care Survey 2019 ([genworth.com](https://www.genworth.com))

⁵ LIMRA. Secure Retirement Institute: Pandemic Raises Concern About Saving Enough for Retirement.

⁶ This is called the ForeCare Multiplier (for non-qualified funds only): it provides two or three times (depending on underwriting eligibility) the amount of contract value in long-term care coverage to spend on qualified long-term care expenses. Benefits are subject to a maximum monthly benefit. The additional coverage in excess of the Contract Value is only available to use for a qualified long-term care benefit and will not become part of the contract value or the death benefit. Withdrawals, other than for qualified long-term care expenses, will adversely affect the amount of coverage for long-term care benefits in the future. Note: California policies apply the multiplier to the initial premium net of any optional benefit charges, and not the current contract value.

ForeCare fixed annuity is issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana. Available in most states with contract FA1101SPDA-01 (certificate series GA1101SPDA-01, as applicable) with Rider for Long-Term Care Benefits Form LTC2000-01, Optional Inflation Protection Benefit Rider Form LTC2001-01 and Optional Nonforfeiture Benefit Rider Form LTC2002-01 (certificate series LTCG2000-01, LTCG2001-01 and LTCG2002-01, as applicable). This is a solicitation of Long-Term Care insurance.

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

Guarantees are based on the claims-paying ability of Forethought Life Insurance Company and assume compliance with the product's benefit rules, as applicable.

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

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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
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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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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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