

A Special Publication for CENCO Related Agents

CENCO STREET JOURNAL

Volume 21, Issue 6

June 2021

Check Out The Cenco Website:

www.cencoinsurance.com

You will have access to:

- Quotes
- Forms
- e-Apply
- Xrae
- Introduction Kits for Our Core Carriers
- Archived and current issues of the **Cenco Street Journal** and the **Cenco eNews**

Inside this issue:

Avoiding "Sticker Shock" With Disability Income Sales	2
June is National Annuity Awareness Month!	3

What Happens If Your Client Becomes Disabled?

Your client's ability to earn an income is one of their greatest assets, providing them and their family with a home, food, transportation, clothes and other necessities. If they face an unexpected illness or injury, their family could struggle.

Sometimes a disability is short-term, and a quick return to work is possible. But if an injury or illness causes a long-term disability, often there are additional costs including long-term care and the extra assistance needed to help their family function in their absence. This could greatly increase the financial burden on their family and they would need to consider where their income would come from.

Resources

Social Security

Savings & Investments

Employee Group DI

Workers' Comp

Loan From A Bank

Friends and Relatives

Spouse's Income

Drawbacks and Limitations

The average SSDI benefit is \$1,197 a month.

If your client saves 10% of their income per year, one year of disability (without a DI policy) could use up to 10 years of savings and investments.

Many programs cover only base pay and have a cap on benefits. Benefits are often taxable which means they receive less.

It pays only a limited amount over a short period of time and only covers losses due to a work related illness or injury.

Who will lend funds to your client if they can't work?

They may be willing to help, but their resources may be limited.

Can their spouse continue to work while caring for your client and managing the household?

A well designed disability income protection program will incorporate all available resources to provide adequate income during a disability. Anchored by an individually owned disability income insurance policy, it could be one of the best decisions that your client will ever make.

Call Cenco today for more information on the disability products that we offer to help protect your clients and provide security for their families.

Avoiding “Sticker Shock” With Disability Income Sales

Have you ever presented disability income insurance to a client, and found that with one look at the price tag they are reluctant to purchase? While it is true that a DI plan could be costly for some - it certainly doesn't have to be.



Avoid the “sticker shock” with your clients:

*The general rule for the amount a client should spend on their Income Protection plan is **3% or less of their annual income.***

If the premium is higher than the 3% amount, the client is more likely to experience “sticker shock” and, even if you are able to place the policy, the likelihood of it lapsing is much higher. The client will then have no protection and you will not have a renewal commission.

How to keep premiums under 3% of a client's income:

By adjusting both the Benefit Amount and Elimination Period (EP), you are able to make the policy more cost effective.

- Adjust the benefit amount to cover just the basic monthly expenses such as rent/mortgage, utilities, groceries, etc.
- Approximately 75% of fully underwritten policies have a 90 day Elimination Period. If your client has enough savings, offer a 180 day Elimination Period.

Creating a mixture of Base Benefit and Social Insurance Supplement (SIS) coverage, is another solution to keep a client's premiums low.

- The idea here is to get the most coverage for the lowest premium. Since the SIS coverage can be offset by Social Security, State DI or Workers Compensation, the premium is less expensive than that of the Base Benefit.
- A good mixture of SIS and Base coverage can generally keep the premium within a client's budget, yet provide them with the coverage to ensure their financial stability in the event they are unable to work.

A Fun Fact to share with your “sticker shocked” clients:

Over 80% of disability income claims are settled within 5 years because the client recovered and returned to work, or they passed away. In lieu of a less than 20% chance your claim will go past 5 years, a 5-year benefit can be very affordable.

Not every client needs all the available costly riders the carrier offers - choose only the riders that will actually benefit a client. And if in doubt of which riders would be the most suitable, contact Cenco to discuss the best options. We are here to help!

June Is National Annuity Awareness Month!

As an insurance professional with in-depth knowledge of products and services available, the advantages of annuities are no surprise to you, yet they can be surprisingly hard to sell. Many clients have preconceived ideas of what they are, how they work and have some sort of second-party horror story from friends, family members or even someone in a magazine who fell victim to withdrawal fees or disability.

As the National Association for Fixed Annuities (NAFA) says, National Annuity Awareness Month was created in 2014 to “help educate financial professionals and the public on the important role annuity products play in helping Americans save for retirement as part of a secure retirement plan”. While many Americans understand the importance of saving money in a 401(k) from a young age and making investments in property, the stock market and other financial vehicles, they are often unaware of the numerous benefits annuities offer and how they can positively affect your cash flow during retirement.

To curtail misconceptions about the annuity, trade associations such as NAFA, Annuity Awareness Association (AAA) and Society for Annuity Facts and Education (SAFE) are providing educational material, webcasts and social media communications, and an array of awareness tools to consumers throughout the month in order to stress the important role annuity products can play in helping Americans save for retirement.

To review, the benefits of annuities include (but are not limited to):

- ♦ Guaranteed lifetime income
- ♦ Not being subject to market volatility
- ♦ Deciding when you want the payout to begin
- ♦ Being tax-deferred
- ♦ An option to add riders (benefit, long-term care, etc.)

Who doesn't like the sound and the reality of having guaranteed retirement income they can't outlive or the option to add extra riders on to the annuity with the option of getting the money back, should you not use it? Annuities were created to offer consumers a more stable way to invest as they age and are less keen on investing in risky financial vehicles, yet they aren't stressed enough.

Don't let your peers fall by the wayside. Educate and inform them using unbiased easy-to-understand information showing the benefits of annuities so they can make retirement planning a forethought, not an afterthought. With more educated and informed consumers, they would be looking to you for guidance in deciding, customizing and purchasing annuities, as well as other financial vehicles for their retirement income portfolios.

For more information on how you can get involved with Annuity Awareness Month, visit the National Association For Fixed Annuities at (nafa.com).

Visit Cenco's website www.cencoinsurance.com and check out the annuities that Cenco offers. You will find featured carriers, current annuity rates, product specific training and an annuity search program through iPipeline.

**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

June 2021

***Top 10 Reasons To
Sell Fixed Annuities!
Details Inside!***

**Non-Medical Underwriting
On QoL Max Accumulator+ II
And QoL Value+ Protector II**

- Ages 0-50
- Face amounts \$50K to \$1 Million
- No lab tests, exams or APS required
- All rate classes are available
- Part B AIG-ordered tele-interview
- 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...

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.





INCOME

A guaranteed income boost on day one —
with more boosts while waiting to take income



Meet Ana and Dan

Ana and Dan, both 61, are planning to retire sometime within the next five years. For their retirement strategy, they want:

- **Guaranteed lifetime income that'll continue for both of their lives**
- **Flexibility to keep growing their income while waiting to take payments**

Guaranteed lifetime income:¹ With a series of income boosts,² Income 150+ SE fixed index annuity (FIA) can give Ana and Dan guaranteed income growth. Here's how a \$200,000 initial premium would grow their income Withdrawal Base over five years:

20%

Day 1 | Boost one = 20% of premium: \$240,000 Withdrawal Base value

7.5%

Start of year 2 | Boost 2 = 7.5% of premium: \$255,000 Withdrawal Base value

7.5%

Start of year 3 | Boost 3 = 7.5% of premium: \$270,000 Withdrawal Base value

7.5%

Start of year 4 | Boost 4 = 7.5% of premium: \$285,000 Withdrawal Base value

7.5%

Start of year 5 | Boost 5 = 7.5% of premium: \$300,000 Withdrawal Base value

At age 65, their Withdrawal Base would be \$300,000. Starting their income at the beginning of contract year five, they'd get **a guaranteed \$11,250 every year for the rest of their lives, even after one of them passes.**^{3,4}

150%

Start of year 10 | Boost 6 = 150% of any interest earned

Flexibility: Should Ana and Dan delay their retirement until they turn 70, Income 150+ provides a sixth boost. At year 10, they'd get 150% of any interest earned during the first nine years of their annuity. Hypothetically, if they earned \$50,000 in interest by year 10, their Withdrawal Base would be credited 150% of that amount, or \$75,000, to bring their Withdrawal Base value to \$375,000. **Assuming this hypothetical boost, if they started their income at age 70, Ana and Dan would get \$15,937 every year for life.**^{3,5}

This strategy may involve the purchase of a fixed index annuity (FIA) with a benefit provided for a charge. FIAs are typically meant for long-term savings purposes. Withdrawals during the early years may incur a withdrawal charge, assessed as a percentage of the withdrawal. Withdrawal charges vary by product. FIAs are insurance contracts, not securities, and do not directly participate in any stock, bond, or equity investments. Contract owners are not buying shares of any stock or index, even though index performance may indirectly affect contract values. Index-based crediting methods may experience years with 0% crediting. Though crediting is determined, in part, by the performance of an equity index, the credited rate is typically subject to a cap, spread, participation rate or performance trigger. Additional benefits vary by product and may be subject to charges. Indices are not available for direct investment.

- ¹ The income benefit is included on date of issue for an annual charge of 1.05% of the Withdrawal Base at the end of each contract year.
- ² Each boost value assumes income has not started and withdrawals have not been made. The Withdrawal Base and income boosts are not available on cash surrender or as death benefits. Withdrawals prior to income activation may reduce the Deferral Bonuses, also known as Income Boosts.
- ³ Assumes joint income option selected.
- ⁴ Based on an income starting age of 65 and a joint lifetime withdrawal percentage of 3.75%.
- ⁵ Based on an income starting age of 70 and a joint lifetime withdrawal percentage of 4.25%.

globalatlantic.com

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.

If you are purchasing a fixed index annuity through a tax-advantaged retirement plan such as an IRA, you will receive no additional tax advantage from a fixed index annuity. Under these circumstances, you should only consider buying a fixed index annuity if it makes sense because of the annuity's other features, such as lifetime income payments and death benefit protection.

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. Distributions received from a non-qualified contract before the Annuity Commencement Date are taxable to the extent of the income on the contract. 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 will reduce the death benefit and 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 your tax or legal counsel for advice.

Income 150+ SE fixed index annuity is issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana. Income 150+ is available in most states with Contract FA1801SPDA-01 and ICC17-FA1801SPDA-01 and rider forms FA4101-01, ICC17-FA4101-01, FA4106-01, ICC17-FA4106-01, FA4107-01, ICC17-FA4107-01, FA4108-01, ICC17-FA4108-01, FA4109-01, ICC17-FA4109-01, FA4110-01, ICC17-FA4110-01, FA4116-01, ICC17-FA4116-01, FA4111-01, ICC17-FA4111-01, FA4112-01, ICC17-FA4112-01, FA4105-01 v2, ICC17-FA4105-01, FA4115-01, ICC17-FA4115-01, ICC14-FL-FIANC, FL-FIANC-13, ICC14-FL-FIATI and FL-FIATI-13.

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

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.

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

Do your clients need more care for their long-term care needs?

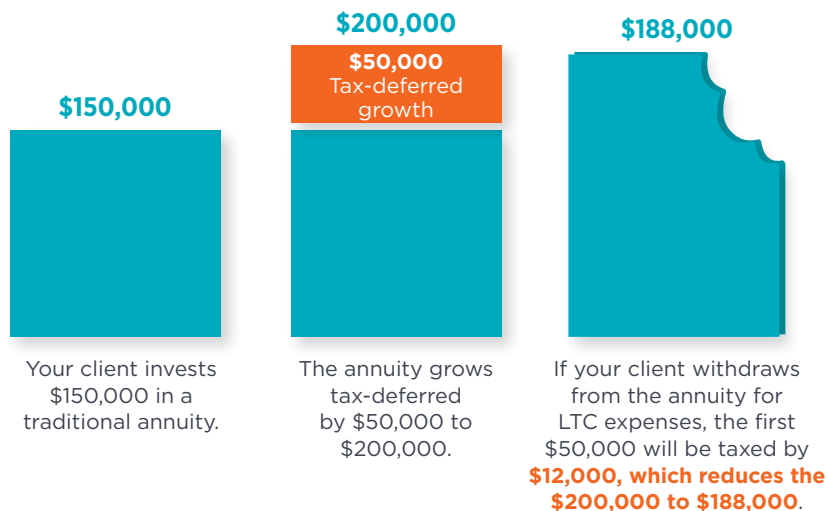
In 2010, the Pension Protection Act's (PPA) long-term care benefits took effect. Before the PPA, people had to pay taxes on the tax-deferred growth inside of their traditional annuities when withdrawing money for their long-term care (LTC) expenses.¹ Unfortunately, this condition still applies today if anyone owns a traditional annuity that's not designed to work under the PPA.

How ForeCare helps maximize your clients' fixed annuity dollars for LTC needs

However, with the PPA now in force, things have improved: if a fixed annuity has a long-term care rider that's designed to work within the PPA, the tax-deferred dollars used to pay for qualified long-term care expenses are typically federal income tax-free.² **Let's compare two hypothetical scenarios:**

Example one

Your client uses a traditional annuity and is in a 24% tax bracket.

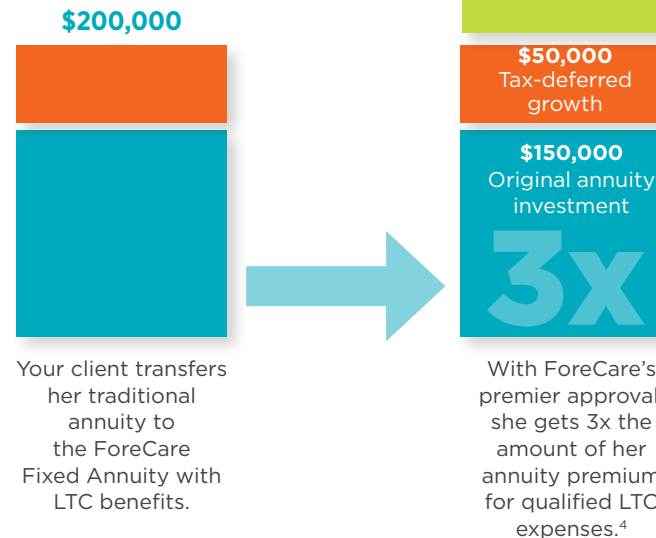


AND IT COULD BE MORE!

For 32% tax bracket, the tax bite would be \$16,000 in this scenario.

Example two

Your client transfers her assets to an annuity designed to work under the PPA: the ForeCare fixed annuity with LTC benefits.



Total coverage³
\$600,000

Additional coverage:
\$400,000

With the ForeCare Multiplier,⁴ your client now has \$600,000 for her qualified LTC needs.

And because ForeCare is designed to work under the PPA, growth is typically federal income tax-free when used for qualified LTC expenses.²

Repositioning of assets from an existing product into a ForeCare fixed annuity contract may not be suitable for all clients. Clients should carefully consider factors such as remaining surrender charge schedule, possible market value adjustments and any other charges before determining if repositioning and/or exchanging of an existing annuity contract is right for their particular situation. State insurance replacement regulations may also apply.

Help your clients start planning today
for **more care** tomorrow.

Visit globalatlantic.com to run a product illustration
or to access the ForeCare calculator, or call us
at **(877) 454-4777** for more information.

¹ Ignores potential deductibility of Long-Term Care expenses from taxable income in year of withdrawal.

² Pay no taxes on initial premium growth assuming all funds are used to pay for qualified long-term care services, no non-qualified withdrawals are taken and no death benefit is paid.

³ Total Coverage amount reflects the tax-deferred growth of the Original Annuity Investment which was not subject to federal taxation when transferred into the ForeCare Fixed Annuity. The Total Coverage amount also reflects the multiplier as the value available for your total LTC qualified expenses on a federal income tax-free basis.

⁴ The ForeCare Multiplier 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. Benefit payments 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 in the future.

globalatlantic.com

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

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 variations and availability. Read the Contract for complete details.

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.

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

FOR PRODUCER USE ONLY. NOT FOR USE WITH THE PUBLIC.

Page 2 of 2. Not valid without the other page.

Top 10 reasons to sell fixed annuities

EDUCATING
your CLIENTS

Offer your clients guaranteed income options they can't outlive

Here are 10 reasons to consider a fixed annuity:

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. Accumulate savings faster with compounding interest.

While money remains in the annuity, the principal earns interest and the gains 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 contract 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 annuitization, 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 for 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.

Annuities issued by

American General Life Insurance Company (AGL) and

The United States Life Insurance Company in the City of New York (US Life)

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

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR PUBLIC DISTRIBUTION.



Product expertise and innovation

Present clients a powerful story for asset accumulation and guaranteed lifetime income.

- **GUARANTEE** principal and earnings with a fixed rate of interest
- **GROW** assets with the power of tax-deferred growth
- **PROTECT** principal, ensuring client assets will never decline due to market volatility

**Talk with your clients to see if a fixed annuity could be
a good fit for their overall retirement plan.**

Annuities are long-term retirement saving vehicles.

Retirement accounts such as IRAs can be tax deferred regardless of whether or not they are funded with an annuity. The purchase of an annuity within an IRA does not provide additional tax-deferred treatment of earnings. However, annuities do provide other features and benefits.

This information is general in nature, may be subject to change and does not constitute legal, tax or accounting advice from any company, its employees, financial professionals or other representatives. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For advice concerning your situation, consult your professional attorney, tax advisor or accountant.

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).

May not be available in all states and product features may vary by state. Please refer to your contract.

aig.com/annuities
800-445-7862

© American International Group, Inc. All rights reserved.
AC 105 (07/2019) 1137902

**FOR FINANCIAL PROFESSIONAL USE ONLY.
NOT FOR PUBLIC DISTRIBUTION.**

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

