A Special Publication for CENCO Related Agents

CENCO STREET JOURNAL

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Inside this issue:

AIG's QoL Value+ Protector II - A Powerful Solution With Fast, Efficient Processing

The QoL Value+ Protector II has competitive premiums, cash value accumulation potential, strong guarantees and attractive built-in living benefits. It also offers a non-medical underwriting process that is available for issue ages up to 50, risk classes from Standard to Preferred Plus, and face amounts up to and including $1,000,000! Applications submitted for non-medical underwriting are often issued in 5 days making the buying experience simple for clients.

SCENARIO

Let's look at a typical client that also qualifies for non-medical underwriting.

Rick, 50 years old, is comfortable paying premiums until retirement and is interested primarily in death benefit protection but also finds cash value access features attractive. He also wants to secure a death benefit guarantee that extends past life expectancy. Rick is looking to secure life insurance fast, so he can have the peace of mind knowing he and his family is well protected with the right coverage.

SOLUTION: QoL Value+ Protector II

Monthly Premium	$1,291	Guarantee to Age	90
Cash Value Year 20	$389,888	Age 100 Death Benefit	$1,845,213
Total Cash Value in Excess of	$80,048	Age 121 Death Benefit	$6,072,317

The table above shows that when comparing the total premiums paid over the course of 20 years to the cash value in year 20, the client could have accumulated over $80,000 more than what he originally put into QoL Value+ Protector II! Not only that, but his death benefit of $1,000,000 may also grow throughout the years. He also enjoys having built-in living benefits to cover expense for qualifying chronic, critical and terminal illnesses or conditions with a guaranteed minimum benefit and an accelerated maximum benefit up to $2,000,000.

Show your clients the power of QoL Value+ Protector II. Enjoy the added benefit of an expedited underwriting process available on QoL Value+ Protector II to set them on the fast-track in reaching their financial goals.

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

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 1 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.

When Should A Client Accelerate Their Death Benefit

In the life insurance industry, ABR's are a must have for most if not all of your clients. ABR's have taken this business by storm and there are multiple riders available from a wide assortment of carriers. It is important to educate yourself on the various riders. There is a Golden Rule that says you always understand your product before you sell it. Would you sell it to your mother? Life Insurance with ABRs? Of course you would.

The key point to make in this ABR discussion is to understand when the time is right to consider accelerating a rider. As we already know, Accelerated Benefit Riders were designed to be available for assistance when the time is right.

So what is that time? Well that is a good question and the answer will depend on the individual and their situation. If a policy holder files a claim and his or her Life Expectancy is long, a smaller and in some cases zero payment could be available. If their Life Expectancy is short due to their qualifying condition, a much larger payment could be available. Simply having a qualifying condition does not always mean you need to accelerate immediately or at all.

Here Are Some Examples:

- A 53-year-old male with a $100,000 of 10-year term, which has been in effect for 1 year, has what is considered a very mild Heart Attack. As an avid CrossFit athlete, he was found to have a 90% occlusion in one of his arteries. His condition was resolved with a coronary stint and improved with a proper diet management and continuation of his exercise regimen. Negligible damage to his heart was done and his Cardiologist indicated he has at minimum 30 years to live. A Heart Attack is a qualifying condition. Is this a good time to accelerate? No because his Life Expectancy (30 years) or mortality has not changed. The present value of the future premiums (30 years) are deducted from the present value of the death benefit. Take into account present value of nine years of 10 year term premiums and 21 years of ART premiums being deducted from the present value of $100,000; this would result in an unpayable claim.
- A female age 45 with $500,000 IUL diagnosed with ALS (Lou Gehrig's disease) given a life expectancy of 2 years. She had minor symptoms at time of diagnosis. Was it time to accelerate? Yes, it would be a good idea to at minimum do a partial acceleration now. Use that partial and enjoy some time with her family while she is still functional. Further, accelerate when needed for expenses or reasons when needed. Here again, Life Expectancy is very short resulting in a larger payment. She actually beat the odds and lived 3.5 years so acceleration was appropriate and put to good use when really needed.

Accelerated Benefit Riders are a wonderful tool to provide peace of mind for future events should they occur. The important part is understanding how they are calculated and when is the best time to utilize them. As you have seen, simply having an event does not always mean immediate acceleration is needed. However, sometimes it does and that is the backbone of what these riders are for. Protection when you really need it.

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July 2021

AIG Is Coming In HOT With New QoL Flex Term Rates! Details Inside!

The Definitive Marketing Publication For Life & Disability Insurance

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

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.

Beach balls, sunscreen, swimsuits… and new QoL Flex Term rates!

Summer is here, and we're coming in **HOT** with new term rates! As of June 28, 2021, there will be premium rate changes which will consist of a mix of increases and decreases with some cells being left unchanged.

Summer fun, and the QoL Advantage too!

The QoL Advantage program available on QoL Flex Term offers clients policy fee and banding discounts on term policies. You can offer the benefit of bundling discounts, PLUS a $2 million max Accelerated Benefit Rider acceleration. Our new sales concept will show clients how.

Transition Rules

- Applications received in the Home Office before June 28, 2021 will automatically receive the old product rates unless the new product is specifically requested.
    - ***Any requests to get the new product must be made prior to policy issue or conditionally issue.***
- Applications received in the Home Office starting June 28, 2021 through July 25, 2021 will ***manually*** be given the product with the lowest rates ***prior to policy issue***.
- Applications received in the Home Office July 26, 2021 and later will automatically be given the new product rates.
- Reissue requests to new plan will NOT be honored.
- New applications submitted to replace existing inforce coverage with the new rates will not be honored within 90 days of the existing coverage going inforce.

Sales and Marketing Materials

Visit aig.com/QoLFlexTerm for the complete library of QoL Sales and Marketing Material.

Rapid Rater

Instant quotes for all classes and durations are available on Rapid Rater. Visit aig.com/QoLRapidRater for more information. The new rates will not be available until June 25, 2021 after 4PM CST.

iGO Full e-Application

Status of Case	Case Submitted 6/25/2021 or Before	Case Submitted 6/26/2021 through 07/25/2021	Case Submitted 07/26/2021 or Later
Start New Case	Old product rates are assigned.	New product rates are assigned. These cases will be manually assigned the lowest possible rate available prior to policy issue by the Home Office.*	New product rates are assigned.
Un-Lock Existing Case	Old product rates are assigned.	New product rates are assigned. These cases will be manually assigned the lowest possible rate available prior to policy issue by the Home Office.*	New product rates are assigned.
Locked Case (locked prior to 06/26/2021)	Old product rates are assigned.	Old product rates are assigned** These cases will be manually assigned the lowest possible rate available prior to policy issue by the Home Office.*	New product rates are assigned.

*** The last day to submit a case in iGO to get the lowest possible rate is 07/25/2021.**
**** Old product rates will be assigned to address 'draft at submit' situations in which the new product rates may be higher.**

Illustrations

QoL Flex Term is available in WinFlexWeb. The new rates will not be available until June 25, 2021 after 4PM CST.

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. 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.

For more information about ABR's please visit aig.com/QualityofLifeInsurance

PREPARE TODAY PROTECT TOMORROW

AN ASSET-BASED LTC STRATEGY

No surprise here — but as we live longer, the chance we'll need long term care increases, too. Since we can never be sure of when we may need help, it's best to put a strategy in place now.

Over half of Americans turning 65 will need some type of long term care in their lifetimes.[1] And, of course, the older someone becomes, the more difficult it can be to obtain coverage they need. But by preparing today, you can help your clients protect their assets, giving them more confidence, control, and peace of mind.

A *Transamerica Financial Foundation IUL*® (FFIUL)* insurance policy can be combined with an optional Long Term Care Rider that can accelerate the death benefit if the insured is certified by a licensed health care practitioner to be chronically ill. And that benefit can help pay expenses for qualified long term care services, if they are needed. The policy can provide:

- Cash value that can build and potentially keep pace with inflation
- Federal income tax-free death benefits, if the insured dies too soon
- Long term care benefits that can increase over time

Here's a hypothetical example of how an FFIUL policy with an LTC Rider might work for someone who needs coverage later in life:

JULIE, 45, PREFERRED ELITE†

- Buys $100,000 Transamerica FFIUL policy with increasing death benefit option;‡ names herself the insured
- Pays $246/month for 20 years, total of $59,028
- At age 71, Julie's certified as having severe cognitive impairment, and needs long term care

[1] "Must Know Statistics About Long Term Care: 2019 Edition," Morningstar, 2019

* In New York, the product's name is TFLIC Financial Foundation IUL.

† The hypothetical results shown are based on the best risk class for this product and non-guaranteed illustrated rate of 7.75%. Actual results are based on a number of variable factors and could be lower. Age, gender, and risk class can dramatically impact the cost of insurance rates and premium. Based on guaranteed assumptions, the policy would lapse at age 77.

‡ The increasing death benefit option will result in higher monthly deductions over the life of the policy than the level death benefit option.

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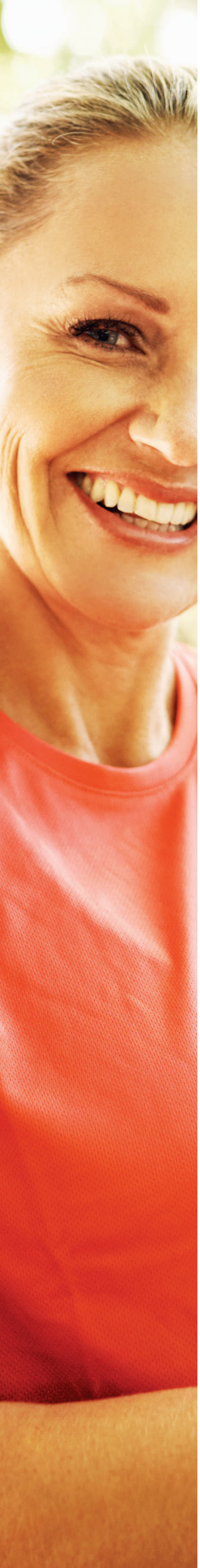

Julie pays for qualified long term care services for 90 days, satisfying the 90-day elimination period. She and her family then file a long term care claim for the maximum monthly benefit amount of 2% of the Long Term Care Rider specified amount.

She accelerates her maximum daily benefits and receives a check for $4,352 a month for 50 months until all LTC benefits have been accelerated, reducing her policy's cash value and death benefit dollar for dollar. Julie's family uses the benefit to pay for a skilled memory care facility until the full $227,067 death benefit is paid in cash benefits.

Julie lives until she's 76, at which point she passes. Her family receives a federal income tax-free residual death benefit that's the lesser of:

- 10% of the lowest face amount of the base policy since its inception (less any outstanding policy loans), or
- $10,000

The family pays Julie's burial costs with the death benefit.

IF LTC IS NEEDED:

- $59,028 total premiums paid
- $227,067 total non-guaranteed cash LTC benefits from accelerating death benefit
- $10,000 residual death benefit

Here's how it might work for someone who does not need long term care benefits:

- Julie does not need long term care
- She pays all of her premiums timely and does not take loans or withdrawals to supplement her retirement income
- At age 76, Julie passes in her sleep

Based on guaranteed assumptions, the policy would lapse at age 77.

IF LTC IS NOT NEEDED:

- $59,028 total premiums paid
- $271,867 total non-guaranteed death benefit
- $100,903 guaranteed death benefit

Contact your wholesaler to learn more about how you can build your business while giving your clients confidence and peace of mind as they prepare for their futures.

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Life insurance products are issued by Transamerica Premier Life Insurance Company, Cedar Rapids, IA, Transamerica Life Insurance Company, Cedar Rapids, IA, or Transamerica Financial Life Insurance Company, Harrison, NY. All products may not be available in all jurisdictions. Transamerica Financial Life Insurance Company is authorized to conduct business in New York. Transamerica Premier Life and Transamerica Life Insurance Company are authorized to conduct business in all other states.

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12/20

TOP ~~10~~ 11 REASONS FOR FFIUL

WHY FFIUL LEADS THE PACK

There are many index universal life options out there, but only one FFIUL. Here are 10, no 11, reasons why *Transamerica Financial Foundation IUL®* can help set you apart from the competition.

INNOVATIVE

1 Only IUL available with the Concierge Planning Rider℠[1]

2 Available with Critical, Chronic, and Terminal Illness Accelerated Death Benefit Riders

3 Available with living benefit riders and LTC Rider on the same policy[2]

4 LTC Rider coverage up to $2,000,000

5 Base Insured Rider available with LTC Rider

CONSISTENT

6 To date, the currently sold FFIUL (IUL09) has never lowered its cap[3]

COMPETITIVE FEATURES

7 Positive 0.75% index account floor

8 High maximum illustrated rate

9 Offers LTC Rider benefits on policies using the increasing death benefit option[4]

STRAIGHTFORWARD & TRANSPARENT

10 No participation rate

11 No spread

[1] In California and Florida, this benefit is called the Concierge Planning Benefit. The benefit's services are not provided through a contractual rider; they are offered outside of the life insurance policy.

[2] Chronic Illness Rider not available if LTC Rider chosen on policy.

[3] The cap is a nonguaranteed element.

[4] The increasing death benefit option will result in higher monthly deductions over the life of the policy than the level death benefit option.

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Protection from a company people have trusted for over 100 years.

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