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September Is Life Insurance Awareness Month

This year marks the 18th 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

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:

Policy Reviews

When was the last time you spoke with your clients about their life insurance? Probably not since they purchased their policy - several years ago.

Now is the time to contact your clients and go over the issues you discussed in determining the type and amount of coverage that they needed. - and how many of those issues have changed since then.

- Has their marital status changed?
- Have their children graduated college and moved out on their own?
- Have they purchased a new home or paid off a mortgage?
- Have they started a business - or sold one?
- Has a promotion or job change altered their income situation?
- Have there been changes in the tax laws that apply to them?
- Have they received an inheritance?
- Have they acquired assets (such as real estate) that have increased their financial worth?

If they answered "yes" to one or more of these questions, it is time to sit down with your client to see if their coverage is still working for them.

How A Policy Review Works

A policy review is actually a very simple process. You'll sit down with your client and go over their current coverage with the following questions in mind:

- Is the death benefit amount in line with their current situation? Life events and changing homes, reducing or increasing mortgage sizes could mean more or less coverage is needed.
- Is the product type the best option for your client right now? For example, if they have a term policy because of the lower premiums, it might be time to look at converting it to a permanent policy.
- Is their beneficiary designation still accurate?
- How has the policy been performing? Take a look and see if their choices are still aligned with their objectives and their risk tolerance.
- Is the product still competitive based on today's standards? Changes to product designs, interest rates and lifestyles have helped to reduce prices in recent years. You can discuss the benefits and limitations of both their current coverage and new products to help decide what steps (if any) are appropriate.

This brief but thorough process will provide you and your client with the information required to bring their coverage up to date with their needs.

Benefits Of A Policy Review

Most people like to know if they are on track with their life insurance coverage and periodic reviews can help provide that insight. Even though such a review might appear to be unnecessary at the time, most clients are quick to recognize the benefits it yields, including:

- The reassurance that their insurance coverage is in line with their family's needs.
- The assurance that their tax-advantaged planning is in line with the current environment.
- The opportunity to look at their entire financial situation, which could uncover other changes they may want to think about.

If it's been a few years since you have contacted your clients about their life insurance coverage, call them today and set up an appointment.

Economy's Impact On Insurance Needs

What if the current interest rate environment made your client's life insurance coverage inadequate?

BACKGROUND

In 2011, Terry (47) needed enough life insurance to provide his wife, Becky (45), $45K per year, adjusted each year for inflation, until Becky reaches age 90 (45 years).

To calculate the necessary insurance amount, two rate assumptions were used;

Long-term Inflation Rate: to determine how much to increase Becky's income each year. A 4% inflation rate made sense to them in 2011.

Long-term Investment Rate: to determine how much is needed to be invested to generate Becky's inflating income stream. A 7% rate seemed conservative to them in 2011.

Their financial professional contacts them to review their policy. They explain that their coverage is still adequate because nothing significant has changed.

PROBLEM

But something has changed in 2021, Terry and Becky are more conservative as a result of the economic turmoil and uncertainty of the last decade.

- They still want $45K per year, adjusted each year for inflation. That number is now $54K based on the Consumer Price Index over the last 10 years.
- Terry still wants the income to last Becky to age 90 (36 years).
- Terry and Becky decide to change their rate assumptions:
  Inflation Rate: Reduce the inflation rate from 4% to 3%
  Investment Rate: Reduce the investment rate from 7% to 4%

Terry and Becky's financial professional calculates that, at these new rates, the $1Mil will only last 21 years when Becky's 75 years old.

SOLUTION

Add $500K of coverage to provide Becky's income need - accommodating Terry and Becky's current, more conservative, position.

RESULTS

While the couple saw no initial reason to review their insurance needs, they realize that their future was not simply impacted by their own actions. The economic forces around them have changed their needs and life insurance can help provide for those needs.

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September 2021

Selling DI To The Middle Market! 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
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The Definitive Marketing Publication For Life & Disability Insurance

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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.

Choice Accumulation II
Fixed Index Annuity with the optional Enhanced Death Benefit

Global Atlantic FINANCIAL GROUP

Don't let RMDs damage your client's legacy

Let's face it, required minimum distributions (RMD) were not your invention, but you have to deliver the news and manage the backlash if clients are forced to take out money that they want to leave beneficiaries.

What if you could flip the conversation to a positive one by helping them overcome this issue?

Consider this hypothetical client:

- Male, 70 years
- $300,000 fixed income allocation in an IRA
- RMDs will start while the client is age 72[1]
- Earning a hypothetical 3% annually
- Wants to preserve asset as a legacy

Age	RMD	Cumulative Withdrawals	Balance (beneficiary benefit)	Total Value Provided Cumulative Withdrawals + Balance
70	$0	$0	$309,000	$309,000
75	$13,464	$51,778	$304,114	$355,892
80	$15,105	$124,126	$275,832	$399,958
85	$16,496	$204,073	$234,962	$439,035

Hypothetical example for illustrative purposes only using IRS life expectancy tables.

Can you help them do better?

Consider using the $300,000 IRA allocation to purchase a Choice Accumulation II fixed index annuity with the optional Enhanced Death Benefit (EDB), available for an additional fee.[2] The EDB:

- Grows the death benefit by 7% simple interest annually, adjusted for withdrawals
- Applies for up to 15 years
- Reduces dollar-for-dollar for RMD amounts

With 0% crediting – a worst case scenario, here's how the annuity strategy looks.

Age	RMD	Contract Balance at 0% crediting, 0.5% EDB cost	Cumulative Withdrawals	Enhanced Death Benefit value	Total Value Provided Cumulative Withdrawals + EDB value
70	$0	$298,500	$0	$321,000	$321,000
75	$11,239	$244,355	$45,684	$372,280	$417,964
80	$13,747	$172,597	$108,224	$386,166	$494,390
85	$15,311	$90,063	$181,618	$356,423	$538,041

For illustrative purposes only. Actual results may vary.

The bottom line

Here's the head-to-head comparison, assuming death at age 85.[3]

	IRA @ 3%	Choice Accumulation with EDB @ 0%
Beneficiary benefit	$234,962	**$356,423**
Total value provided	$439,035	**$538,041**

Which would your clients prefer?

[1] RMDs apply to qualified retirement plans and traditional IRAs. They do not apply to Roth IRAs.

[2] The optional Enhanced Death Benefit is available at an annual cost of 0.50%, assessed at the end of the contract year, based off of the Enhanced Death Benefit amount. The benefit is comprised of a guaranteed roll-up of 7% simple interest for 15 years based off of premiums, less withdrawals. All withdrawals will reduce the benefit. The EDB has no cash/withdrawal value and is not available for cash surrender. A maximum age of 75 applies.

[3] The EDB will stop growing upon death or 15 years, whichever comes first.

To learn more, call your IMO or the
Global Atlantic Sales Desk at **(855) 447-2537.**

What are Fixed Index Annuities?

Fixed index annuities (FIAs) are savings options intended for retirement or other long-term needs. They are intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected expenses.

FIAs offer interest crediting strategies that can provide downside market protection and the opportunity for growth in an up market. Interest crediting for index-based strategies are based on the performance of the underlying index. However, since an FIA is an insurance contract, clients are never invested directly in any index, registered security or stock market or equity investment.

globalatlantic.com

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

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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.

Choice Accumulation II fixed index annuity is issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana. Choice Accumulation is available 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, FA4102-01 v2, ICC17-FA4102-01, FA4104-01 v2, ICC17-FA4104-01, ICC14-FL-FIANC, FL-FIANC-13, ICC14-FL-FIATI and FL-FIATI-13.

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INFLATION:

Retirement income streams face uphill battle

If you want to maintain your standard of living in retirement, maintaining a consistent income stream may not be enough. A steady income stream faces an uphill battle against inflation, weakening over time as prices rise.

How devastating can the cumulative effect of inflation be over the course of two to three decades in retirement?

At annual inflation rate of:	Annual income needed to equal $100,000 today in **10** Years	**20** Years	**30** Years
3%	$134,392	$180,612	$242,726
4%	$148,024	$219,112	$324,340
5%	$162,890	$265,330	$432,194

This hypothetical chart is for illustrative purposes only.

$438,000
Cost of three $10 meals a day for two people over 20 years

1
Number of years over the last 50 without a rise in inflation[1]

46%
Increase in the cost of electricity from 1990 to 2010[1]

270%
Rise in health care expenses from $1.4 trillion in 2000 to $3.8 trillion in 2019[2]

2.1%
Average Social Security cost of living adjustment, 2000-2020[3]

Help your income keep pace

If you are on a fixed income, you will face a lot of uncertainty and few options. Some options may be:

- Increase withdrawals and potentially either accelerate portfolio depletion or reduce your legacy.
- Maintain your income level and gradually decrease your standard of living.

Take steps to avoid this dilemma by incorporating a potentially rising stream of guaranteed income into your strategy today. Talk to your financial professional to learn more.

What are Fixed and Fixed Index Annuities

Fixed index annuities (FIAs) are savings options intended for retirement or other long-term needs. They are intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected expenses.

FIAs offer interest crediting strategies that can provide downside market protection and the opportunity for growth in an up market. Interest crediting for index-based strategies are based on the performance of the underlying index. However, since an FIA is an insurance contract, you are never invested directly in any index, registered security or stock market or equity investment.

[1] www.inflationdata.com

[2] Centers for Medicare and Medicaid services, National Health Expenditures data, 2019

[3] Social Security Administration, www.ssa.gov/oact/cola/colaseries.html

Selling DI to the Middle Market

Sales Primer

The middle market is huge and has gone unnoticed in the disability income (DI) insurance marketplace. There are immense opportunities to reach out to this market with information on the need for disability income planning and the need for purchasing insurance protection.

The middle market is defined as individuals earning between $40,000 and $100,000 who identify themselves as part of the middle class. They often work for smaller firms or are self-employed and have little, if any, access to employee benefits such as group long-term disability.

The middle market presents a large opportunity for DI insurance sales:

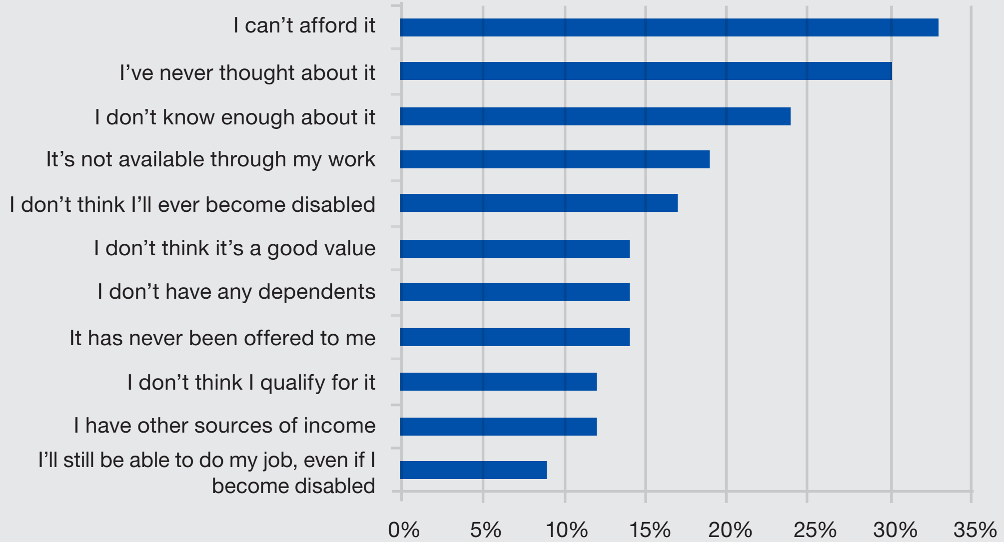
- The market is huge (about 75-100 million people).
- This market is seldom approached on disability planning.
- Many employers don't offer disability income insurance as a benefit.

While middle market households want to make sound financial decisions, they aren't always sure where to start. They're looking for financial advice, but don't typically know where to get it. Starting the conversation on disability insurance is essential.

While the financial and insurance industry has primarily focused on the affluent market, it's important to remember that those in the middle market need DI just as much, if not more, than their wealthy counterparts. 60% indicate that they are concerned about having enough money to pay bills during a period of sudden income loss[1], yet 57% of working Americans have no disability insurance coverage[2].

What's stopping them from protecting their income?

Consumers give the following reasons for not having DI insurance[2].



Ameritas fulfilling life.

Ameritas Life Insurance Corp

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Educate

There is a great need for educating the middle market. There are many misconceptions about the risks of disability and how it would impact one's financial security[2]. Discussing a client's needs and what they are trying to accomplish for their family can give them a better understanding of how a disability could financially impact them. In fact, 32% of people without DI would consider it if they knew more about it[2].

It can be affordable

Cost can be a source of stress for middle market consumers. However, 41% of working adults would consider buying if it was less expensive[2]. Ameritas has positioned our DI products to compete in the middle market:

- DInamic Foundation offers flexibility to tailor coverage based on the client's needs, including the Guaranteed Renewable option which makes it more affordable.
- DInamic Fundamental offers a lump sum benefit, a more affordable option to the traditional monthly benefit products. Plus it provides simplified underwriting and issuing processes.
- The DInamic Foundation Business Overhead Expense (BOE) policy is designed with lower pricing and built-in benefits and riders to meet the needs of small business owners.
- Business Owner Upgrade Program allows eligible, small business owners to upgrade their occupational class by one or two classes.
- Business Owner Income Enhancer allows eligible, small business owners to increase their insurable income by 20% to cover the loss of company perks.

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Ameritas Life Insurance Corp
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[1] GenRe Disability Fact Book, seventh edition, 2013-2014
[2] CDA 2014 Disability Awareness Study

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