

CARRIER NEWS

LEGAL & GENERAL AMERICA Announces New Term Pricing

What's Changed?

More reductions, especially in the Preferred classes, means more #1 pricing than any other carrier.

Changes to level period premium rates includes a mix of increases and decreases, across all level term periods (10 – 40 years). Both annual and monthly rates are highly competitive!

Overview:

Effective date: 4.5.2021

Plans: New rates for OPTerm 10, 15, 20, 25, 30, 35 and 40

Classes: All non-tobacco and tobacco underwriting classes

Bands: All bands

Policy fee: No change

Modal factor: No change

Compensation: No change

Transition Rules for Submitted and Pending New Business

Traditional Paper Applications

New applications received in the home office by May 5, 2021, and applications will be issued with the new rates.

AppAssist (Traditional or Digital Applications)

Formal applications received by May 5, 2021 will be issued with the most favorable premium for the insured. In order for the policy to be eligible for prior rates, the drop ticket should be submitted with enough time for the online application or telephone interview to be completed and submitted by May 5, 2021. New rates will apply to all completed interviews and subsequent formal applications received May 6, 2021 and later.

Direct-Access Distribution Partners Only: Reissue Requests

Recently issued policies can be considered for reissue, with the new rates, provided the free look period has not expired. Make sure you indicate that you want the policy reissued with the new rates.

PRUDENTIAL Announces Changes to PruLife Essential UL

PruLife Essential UL Interest Rate Responsiveness

The low interest rate environment continues, so premium updates are being made to PruLife Essential UL, effective April 19, 2021. Additional changes include increases to policy-based charges.

TRANSITION RULES

On Monday, **April 19, 2021** the revised PruLife Essential UL will be introduced, subject to state approvals.

RELATIONSHIPS FIRST

The following rules apply to any request for New Business, Term Conversion, or OPAI (Option To Purchase Additional Insurance) Conversion.

- **April 19th, 2021** (Ready to Sell Date): New Rates for the repriced product are in effect. All applications signed and dated on or after April 19, 2021 will receive New Rates (unless Old Rates are requested and permitted).
- **April 30th, 2021** (Transition Period End Date): Last day that an application can be signed with a request for Old Rates.
 - If Old Rates are desired for an application dated during the 12-day Transition Period, a written request, along with the appropriate illustration version, must be submitted on or after the state introduction date.
 - Applications dated after April 30th will receive the New Rates only.
- States that approve the revised product after April 19th will have their "Ready to Sell Date" adjusted.
- **May 7th, 2021** (Home Office Receipt Date): Last day that an application can be received in the Home Office with Old Rates.
- **June 25th, 2021** (Placement Date): Last day that a pending case can be placed with old rates. All delivery requirements must be received in good order by end of business day (4 PM EST).
- **June 25th, 2021** (1035 Exchanges): Cases involving 1035 exchange must be initiated/started by June 25th to retain old rates. If the 1035 initiation/start deadline is met, the policy will not be subject to an additional placement deadline.

REQUESTS FOR OLD RATES DURING THE TRANSITION PERIOD:

APPLICATIONS WITH PENDING OWNERSHIP ARRANGEMENTS

Any case where an updated application is expected as part of establishing a trust or finalizing the ownership arrangement must be received in good order by the home office in time for the case to be reviewed and placed by the Placement Deadline of June, 25th 2021.

INFORMAL/INQUIRY APPLICATIONS

Informal/Inquiry applications will not be eligible for Old Rates unless replaced by a live application by the end of the 12-day transition period based on state approval.

REQUESTS FOR NEW RATES

Requests for changes to the New Rates will be permitted consistent with the following current practice for these situations:

- Any pending case or issued policy that is not yet delivered with an application date prior to the state introduction date can be changed to New Rates, as long as the request for change is made on or after the state introduction date.

BACKDATING

Normal backdating rules apply, meaning that the new policy date can be backdated up to six months prior to the application date (three months in Ohio). A policy with New Rates can be dated prior to the state introduction date as long as the application meets the requirements in the TRANSITION RULES above. Please note: If the date of birth is more than 6 months prior to the state introduction date, you cannot backdate the policy to save age with a request for the new product version.

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CARRIER NEWS | Prudential**PRUDENTIAL
Announces Product Changes to
PruLife Founders Plus UL**

Effective April 19, 2021, PruLife Founders Plus UL® will offer a new, competitive, exclusive-to-Prudential indexed account option from Goldman Sachs. It will be an additional option to the Fixed Account and Plus 100 Account, being renamed the S&P 500® Indexed Account.

Diversification with Upside Potential, Downside Protection:**Goldman Sachs Voyager Indexed Account Option**

This account option, exclusive to Founders Plus, aims to:

- Provide **diversified exposure** to global assets, including equity, fixed income, emerging markets, commodities, and alternate assets.
- Maintain a **0% floor** and 100% participation rate (not guaranteed).

The Goldman Sachs Voyager Indexed Account allows clients to earn indexed interest along with daily fixed interest accrued at the end of the segment. All this with no cap, allowing for upside opportunity.

Founders Plus Interest Rate Responsiveness

The low interest rate environment continues, so premium updates are being made to Founders Plus, **effective April 19, 2021**. Additional changes include increases to policy-based charges.

TRANSITION RULES

On Monday, April 19, 2021, the revised PruLife Founders Plus UL will be introduced, subject to state approvals.

The following rules apply to any request for New Business, Term Conversion, or OPAL (Option To Purchase Additional Insurance) Conversion.

- **April 19th, 2021** (Ready to Sell Date): New Rates for the repriced product are in effect. All applications signed and dated on or after April 19, 2021, will receive New Rates (unless Old Rates are requested and permitted).
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REQUESTS FOR OLD RATES DURING THE TRANSITION PERIOD:**APPLICATIONS WITH PENDING OWNERSHIP ARRANGEMENTS**

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CARRIER NEWS | *Prudential*

order by the home office in time for the case to be reviewed and placed by the Placement Deadline of June, 25th 2021.

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COMPETITIVE ANALYSIS: Stress Testing

In response to a growing demand for **Competitive Intelligence**, Premier Brokerage continues to provide LifeTrends analysis to our producers.

LifeTrends is one of the top consulting firms in the insurance industry, specializing in **Consultative Product Due Diligence, Competitive Intelligence, & Customized Benchmarking**.

What this means to you is the chance to “wow” your clients with information that they are not getting from other financial professionals, keeping you one step ahead of your competition.

One thing that differentiates top producers from the competition is the ability to show their clients not only “numbers on an illustration”, but also

how the product holds up in the face of real life circumstances. Premier has commissioned LifeTrends to perform a number of Stress Tests which analyze how specific carriers and products perform under specified conditions.

LifeTrends has already completed its first three stress tests: 1) Catch Up Premium Analysis, 2) Missed Premium Analysis, and 3) Paid Up Death Benefit Analysis.

*We can provide you with multiple reports at multiple ages and rates. If you would like a copy, please contact your sales representative: **Corporate Headquarters: 800.543.5555; Miami Office: 800.683.3077***

Gender	Female
Age	35
Risk Class	Preferred

Universal Life - No Lapse Guarantee - Paid-Up Death Benefit

Female, Age 35, Preferred Risk Class, \$1,000,000 Death Benefit
Stop paying the lifetime level premium in year 20, then solve for the paid-up death benefit to lifetime

Company	Product	Rank	NLG Lifetime		Paid-Up Lifetime DB:
				Premium	
Securian Financial	Eclipse Protector II IUL	1		\$4,758	\$575,000
Penn Mutual	Guaranteed Protection UL	2		\$4,783	n/a
Protective	Lifetime Assurance UL	3		\$4,812	n/a
American National	Signature Guaranteed UL	4		\$4,827	\$600,000
Nationwide	Indexed UL Protector II	5		\$4,861	n/a
Principal	UL Protector V	6		\$4,901	\$150,000
Nationwide	No-Lapse Guarantee UL II	7		\$4,929	\$324,880
North American	Custom Guarantee (Gen 9)	8		\$5,197	\$175,000
North American	Protection Builder IUL	9		\$5,197	\$175,000
Lincoln Financial	VULOne (2019)	10		\$5,532	\$375,000
Symetra	Symetra UL-G 7.0	11		\$6,108	n/a
Protective	Indexed Choice UL 12-19	12		\$6,151	n/a
American General	Secure Lifetime GUL 3	13		\$6,370	\$500,000
Protective	Advantage Choice UL 10-20	14		\$6,627	n/a
Lincoln Financial	LifeGuarantee UL (2019) - 05/11/20	15		\$7,920	n/a

*Products without death benefit solve options are rounded to the nearest \$25,000

Values derived from carrier illustrative systems. Not to be distributed to the general public.

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ADVANCED SALES

Hope Is Not A Strategy, Contracts And Planning Are Strategies

by: Michael Cohen, President, Eugene Cohen Insurance Agency
Eugen Cohen, Founder, Eugene Cohen Insurance Agency

In the world of planning, we come up against various objections to planning recommendations. We find that, in many instances, the need for the recommendation hasn't resonated enough with the client to trigger action—the procurement of a plan that usually includes individual disability insurance. This can occur when the client replaces recommended planning and the contracts insurance companies uphold with a hope that the plan will not be needed.

I hope that I will not become disabled. We know the statistics, roughly one out of four working individuals will have a disability that lasts 90 days or longer before they turn 65. "I hope that I'm among the majority" is a strategy that works, assuming you are not one of the unfortunate ones that can't go back to work.

I hope that if I get disabled, my spouse can go back to work. It's difficult to predict the future and how a sickness will play out. Most spouses are either already working or, if they are staying home, they are a caregiver or they have been out of the fulltime workplace for a while. It's unlikely a spouse could take care of their disabled partner and still financially support the family.

I hope that my group disability insurance will take care of me. Most clients do not realize that group disability plans, while better than no disability insurance, many times have very narrow guard rails that are more designed to protect the issuing insurance company. For example, with group disability insurance, the issuing company most likely built in a termination provision that allows the company to cancel the group coverage. In addition, coverage is usually not portable.

Imagine a client with group LTD developing a condition or disease that didn't cause a disability but would prevent that client from buying individual coverage in the future. For example, a client who recently had a melanoma removed may not be able to buy individual coverage for years. Now imagine if the firm lost their disability coverage or if the client were recruited by another firm and the new firm didn't have group disability coverage. Hoping that the coverage will stay in place or hoping that every great business opportunity will come with a group disability program is not a strategy. Individually owned disability insurance can't be taken away during the Guaranteed Renewable period. The client is in control of the existence of the policy, not the insurance company.

In addition, many group LTD plans may have limitations in their definitions or limitations in the benefit periods—in order to protect the issuing company from various types of claims. These definitions may include, but are not limited to, mandatory rehabilitation programs, limited benefits for subjective soft tissue claims, limited benefits for mental/nervous related claims, progressively more restrictive definitions around how a disability is defined as a claim prolongs, integration of various sources of income, reduction of net benefits due to income taxes, and many other limitations. Your client with group LTD needs to review their certificate or policy to confirm which limitations may exist. To hope that a group LTD policy will pay a claim like an individual disability insurance policy is not a strategy. Contracts and planning are strategies. When a client buys a noncancelable guaranteed renewable disability contract, they own that contract and, as long as they pay the premium, they own that policy during that non-cancelable guaranteed

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ADVANCED SALES | *Hope Is Not A Strategy, Contracts And Planning Are Strategies*

renewable period. Individual disability policies typically have broader definitions and less restrictions than group disability contracts.

If your client were in charge of buying parachutes for his or her family, which one would be picked? We would be looking at the most comprehensive, safest options. Price would not be as important as features. Individual disability coverage is that comprehensive parachute. When someone gets disabled, the disability policy becomes that financial parachute that the whole family is now relying on to provide the income that was lost.

It's interesting to hear why a client who can clearly afford the premiums for disability insurance chooses not to proceed. Usually there is a false sense of confidence that is based on hope. The client hopes they will not be disabled, the client hopes that if they

are disabled, they can still produce an income. The client hopes that if they can't produce an income, their spouse can work. The client hopes that their claim will fall within the possible narrow definitions of a group insurance policy. The client hopes that their savings will get them by before passing away. The client hopes that the house will not be foreclosed or cars repossessed for lack of payments. The list can go on and on as to the reasons a client didn't follow your recommendation.

The clients who have followed your plan and who have bought sufficient individual disability insurance don't have to hope, and can be more assured that they have done proper planning in case a disability prevents them from going to work.

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REVENUE GENERATING SALES IDEA

Preserving Family Wealth: Estate Planning



Gallagher

Insurance | Risk Management | Consulting



After coming through a year when the word of the year was “unprecedented,” it is hard to use the same word to explain the 2021 opportunity for estate planning, but it really is unprecedented.

We may not be destined to repeat history but we are likely experiencing the patterns of history. The greatest wealth gap in a generation is about to meet head on with the greatest redistribution of wealth in a generation.

U.S. DEBT TO SURGE PAST WARTIME RECORD, DEFICIT TO QUADRUPLE

The federal debt is projected to reach roughly 102% of gross domestic product in 2021, according to a Congressional Budget Office report. Historically, the U.S. government has generated income from wealthy dead people through the estate tax.

- The last time debt exceeded GDP, the highest estate tax rate went to 77%.
- Should you gift now to take advantage of the \$11.7 million exemption?

It's tough to make predictions, especially about the future. - Yogi Berra

With the U.S. Senate split along party lines, and the Vice President breaking a tie vote, the stage is set for more progressive tax proposals to become law.

- If you had the foresight to see a 50% correction in a stock you held, what actions would you take today?
- Does losing 40-50% of family wealth to a market correction hurt less or more than losing 40-50% of family wealth to taxes?

REVENUE GENERATING SALES IDEA | Preserving Family Wealth: Estate Planning**Gallagher**

Insurance | Risk Management | Consulting

Estate Planning



POSSIBLE IMPACT

- Reduction of the gift/estate tax exemption from \$11.7 Million to as low as **\$3.5 Million**.
- Loss in step-up in basis.
- Increase in top marginal rate from 37% to **39.6%**
- For those making more than \$1 Million, increase in capital gains rate from 20% to **39.6%**

WHAT ARE THE RISKS?

The interest rates used for estate planning strategies such as GRATs, Sales to IDGT, Private Finance, Split Dollar, etc... are at historical lows. These low rates super charge planning opportunities.

Just since 2018, the rate is down as much as 94%. For example, let's assume an intra-family loan of \$10,000,000 in 2018 using the mid-term rate.

- Annual gift @ 3.07% in December of 2018: \$307,000
- Same Annual Gift @ 0.48% in December of 2020: \$48,000

Someone is sitting in the shade today because someone planted a tree a long time ago.

- Warren Buffett

- Could these historical low interest rates be used to freeze or eliminate tax on family wealth?
- How much time will we have to take advantage of both the exemption and low interest rates?

PROTECTING FAMILY WEALTH FOR GENERATIONS

With NO planning, under potential tax changes, wealthy families may have to earn as much as \$3 to \$5 to provide \$1 dollar to their heirs.

THE BIGGEST THREAT TO FAMILY WEALTH TODAY IS DOING NOTHING. LET'S TALK.

Contact Your Premier Sales Representative

Corporate Headquarters
800.543.5555

Miami Office
800.683.3077

www.premierbrokerage.com

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UNDERWRITING INSIGHTS

Did you know? Underwriting Niches

—by: Greg Rorer, VP of Underwriting

As we quickly head to the end of the 2nd Quarter of 2021 (really?), I thought it would be a good time to remind everyone that favorable underwriting opportunities continue to exist for your clients seeking life insurance. Many carriers continue to report that significant increases in business and underwriting improvements are continuing to develop. Carriers have started to increase their Accelerated Underwriting limits and reduce prior COVID age and rate class restrictions to allow for more mildly substandard risks to be insured.

In addition, some specific opportunities exist that can help you place cases you thought were lost. These tips could help you place more business in the second half of 2021.

Did you know?

1. An admitted cigarette smoker who smokes no more than 2 per month could be a possible **PREFERRED NON-TOBACCO RISK**.
2. An applicant who has a NT-pro-BNP result of over 1,000 could be a possible PREFERRED risk. Many applicants are declined, rated, or postponed based on the results of their recent insurance NT-pro-BNP results.
3. Recreational marijuana use up to two times per week can be considered for Preferred Best rates.
4. We have the ability to secure additional capacity for Jumbo cases without the need for Facultative Reinsurance.
5. An applicant who has been fully vaccinated against COVID-19 can now be underwritten under normal underwriting guidelines without the prior covid restrictions! This is a hot topic that is under discussion with our carriers and their reinsurance partners.
6. Table Shave/ credit programs have been re-introduced and are being discussed by others. This allows us to aggressively position your mild substandard risks for possible Standard rates.
7. Thrill seekers can be considered for Preferred rates without the need for a Flat extra? We recently obtained a Preferred rate for a person who was a professional skydiving instructor, private pilot, and scuba diver who goes over 100 feet 25 times a year.
8. You can offer your clients the most competitive premiums in the industry for rated term business using one of our carriers that rate of a Standard Plus base rate.
9. Foreign National / Foreign Travel guidelines are loosening. We recently received Preferred Best rates on a U.S. citizen residing in China.
10. Critical Illness riders are available without underwriting for the benefit. This is a great alternative for clients that do not qualify for LTC coverages.
11. DI coverage - Accelerated Underwriting is available for applicants under age 50 and monthly benefits under \$6,000 a month.
12. Sleep Apnea can be considered for Preferred rates with documented CPAP compliance.

Please contact me to discuss the specifics before applying, to ensure smooth underwriting.

Premier Brokerage has been a leader in Brokerage Underwriting for 25+ years. We take great pride in our ability to successfully provide underwriting solutions for your clients. Please call me to discuss your underwriting challenges. We appreciate your partnership.

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ANNUITY CORNER

Outliving Your Income

by: AIG

One of your main concerns when planning retirement is to ensure your money lasts throughout your life. After all, you worked hard and saved your entire life — you shouldn't have to worry about reducing your lifestyle.

Making sure your retirement is properly funded remains an ongoing challenge given the number of risks and concerns you'll face - risks like market volatility and economic uncertainty. On top of that, we're living longer than we used to. The steady income for life provided by company pension plans — if you were lucky enough to have one — countered some of those risks, but pensions are disappearing from the American landscape. Today, only 26 percent of American workers have access to a defined-benefit pension plan, according to a Bureau of Labor Statistics survey in 2018.

Even with all of the risks and concerns a person has as they face retirement, and even in the absence of a pension, there is some good news: You can get that kind of protected monthly income by investing in an annuity.

"Put simply, an annuity is the only financial product that can generate income that will last as long as someone may live, whether that is to age 80, 90, 100 or 110," explains Frank O'Connor, vice president of research and outreach at the Insured Retirement Institute.

Annuities are long-term investments offered by insurance companies that can provide this lifetime guarantee because they're able to pool the risk among a wide range of individuals.

Allocating a portion of your retirement savings into an annuity also helps avoid a second issue associated with working with lump sum investments, says William G. Gale, the Arjay and Frances Miller Chair in Federal Economic Policy and Director of the Retirement Security Project at the Brookings Institution think tank in Washington, D.C. If you draw down your lump-sum savings too aggressively, and live longer than you expected, you might have to rely on less in your later years, he says. But, conversely, if you draw down your savings too conservatively and pass away earlier than you expected, your thrift will have been unnecessary and you won't have enjoyed your retirement years as much as you could have.

Having some portion of your retirement assets in an annuity reduces these two risks, Gale says. You can have a standard of living that's higher than in the conservative draw-down case and be assured that protected lifetime income will last as long as you do.

O'Connor believes that the temptation to overspend is greater when you see your savings as a lump sum. "Retirement savings will seem like financial windfall at first," he says, "but using

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ANNUITY CORNER | *Outliving Your Income*

that ‘pot of gold’ without a plan creates a high probability of exhausting those savings while you still need them.” Annuities can also protect you from outliving your income in retirement by decreasing your need to make financial decisions late in life.

“We’re all vulnerable to the challenges of old age,” says Jack Dolan, vice president of the American Council of Life Insurers. Remember — not all annuities are alike. For example, some annuities provide a family benefit, beyond one person’s life, whether a joint benefit or a death benefit. Your need for an annuity will also depend on your other sources of retirement income, such as Social Security, required minimum distributions from retirement plans and other sources of regular income. So confer with a financial advisor before investing in an annuity.

Whatever your asset mix is, all retirement planning comes down to one thing: being more secure. The protected lifetime income of an annuity can free you to focus less on financial concerns and more on enjoying your golden years to the fullest.

There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses. Investments in annuity contracts may not be suitable for all investors.

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**Please visit the [Premier Brokerage Website](#)
for our most up to date Annuity Rates.**

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