PREMIER
BROKERAGE SERVICES, INC.

THE BOTTOM LINE

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Premier Brokerage Service's Monthly Industry Newsletter

CARRIER NEWS

GLOBAL ATLANTIC

KKR To Acquire Global Atlantic Financial Group in a Strategic Transaction

Please see the below letter from Paula Nelson, President, Retirement, and Dave Wilken, President, Life, in which they share their insights and thoughts on the acquisition of Global Atlantic by KKR.

July 15, 2020

This is a very exciting time for Global Atlantic as we look toward the next phase of our growth and leadership in the industry. As you likely are aware, Global Atlantic and KKR announced on July 8 that KKR would acquire Global Atlantic Financial Group Limited, our parent company. We hope you had a chance to read the letter from Global Atlantic President Rob Arena. We've also created a resource page for you to learn more. However, we'd like to give you some additional perspective on the transaction and why you can continue to count on us for all of the reasons you do today – and more.

First, under KKR ownership, Global Atlantic will continue to operate as a stand-alone company under the Global Atlantic brand, with the same leadership, people, and products as today. Our passion and commitment to being a leading US retirement and life insurance company is unchanged, and fully aligned with KKR objectives. This is a transaction about partnership more than ownership.

The change in ownership structure is just that. It doesn't change our commitment to you and the businesses we are in. This deal enhances our capabilities by providing a long-term capital structure and complementary investment management expertise that supports our continued growth and expands our ability to explore new markets and product opportunities. We believe you – our distribution partners, as well as our policy owners – will be beneficiaries of our enhanced access to incremental investment abilities, markets and relationships to further improve and expand our businesses.

As Joseph Bae and Scott Nuttall, Co-Presidents and Co-Chief Operating Officers of KKR, state in the press release, "Insurance providers play a critical role in supporting the financial security for millions of individuals. This transaction positions KKR to support Global Atlantic policyholders through our global network and asset management and origination capabilities."

We believe this transaction is a vote of confidence and public validation of the trust that our customers and distribution partners have placed in us. KKR, a world-class investment firm with over $200 billion in assets under management and a current market capitalization of roughly $29 billion, is acquiring us directly. KKR will not hold Global Atlantic within a private equity fund. As stated in the Financial Times, "While Apollo and Blackstone have arm's length relationships with insurers, the house of Kravis and Roberts will make its biggest ever balance sheet bet by owning Global Atlantic outright."

In addition, all of our ratings – AM Best, Moody's, Fitch and S&P – have been affirmed. Moody's went a step further and raised our outlook to Positive

from Stable. The positive outlook reflects Moody's view that the "transaction with KKR will provide Global Atlantic access to capital and improve the company's business profile over the long term…[and] also reflects Global Atlantic's consistent profitability and improvement in its market position achieved growing its distribution reach through both its retail and institutional channels."

As we plan for a future that can realize these benefits, we look forward to doing it with you, our distribution partners. You have played a significant role in our success to this point, and we greatly appreciate it. Thank you. We look forward to an even brighter future together.

Sincerely,

Paula Nelson, President, Retirement

Dave Wilken, President, Life

JOHN HANCOCK

Announces New Rates On Vitality Term And Protection Term

John Hancock offers two ways your clients can reduce their premiums and earn rewards for living healthy with the John Hancock Vitality Program – one product offers the benefit as an optional rider, and the other has the Vitality benefit built-in.

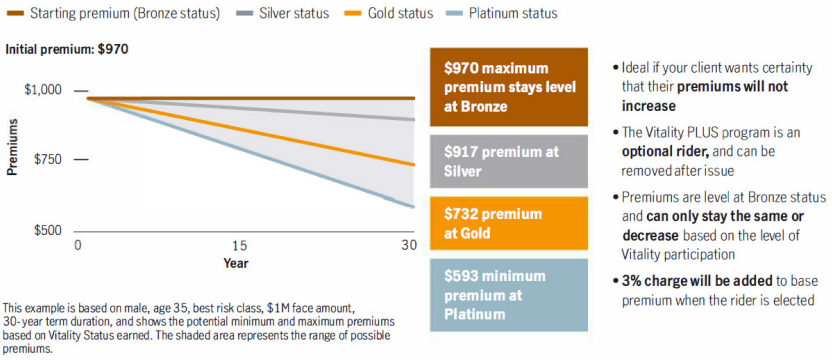
Highlights include:

- **Competitive rates**
- **Opportunity for rewards and discounts with the Vitality program**
- The potential to earn premium savings and rewards for small, everyday steps toward a longer, healthier life with John Hancock Vitality PLUS

Choose the term product that best meets your client's needs

Option 1: Protection Term with the optional Vitality PLUS rider

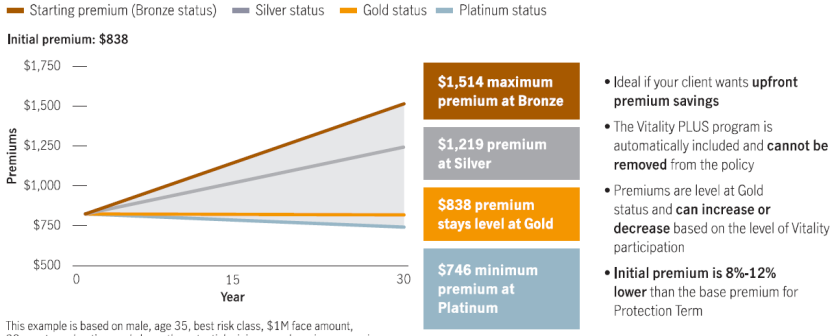
Competitive **premiums** that will only **decrease**



This example is based on male, age 35, best risk class, $1M face amount, 30-year term duration, and shows the potential minimum and maximum premiums based on Vitality Status earned. The shaded area represents the range of possible premiums.

Option 2: Vitality Term

Lowest initial premium with opportunity for additional savings when your client engages in Vitality PLUS



This example is based on male, age 35, best risk class, $1M face amount, 30-year term duration, and shows the potential minimum and maximum premiums based on Vitality Status earned. The shaded area represents the range of possible premiums.

State Approvals

Protection Term is approved in all states. Vitality Term is approved in all states except New York.

New Business and Underwriting Information

Deadline	Requirements
August 14, 2020	New applications for term policies with old rates must be received by John Hancock's home office by August 14, 2020. Applications received after August 14, 2020, will be issued with the new rates.
September 11, 2020	To issue policies with old rates, all pending applications must complete the formal underwriting process and all administrative requirements must be received by John Hancock by September 11, 2020.

Reissues

Recently issued policies can be considered for reissue with the new rates, provided the "free look" period has not expired. Make sure to indicate that you want the policy reissued with the new rates. Subject to normal underwriting practices, policies may require additional evidence to ensure health status has not changed.

Inforce cases

Term-to-term replacements are not allowed within the first policy year. Any replacement of an inforce policy (after the first policy year) would require replacement forms, be subject to full underwriting and possibly result in reduced compensation. Please note that the six-month product exchange feature is not available on our term products.

LINCOLN FINANCIAL
Announces Pricing Updates to LifeGuarantee SUL (2019)

As the life insurance industry continues to operate in today's challenging and changing environment, Lincoln remains committed to proactively manage our business as part of our disciplined approach to financial and risk management. Our thoughtful business decisions enable Lincoln to remain strongly committed to the life insurance business and the markets we participate in, maintain a consistent industry-leadership position, and continuously meet customer and financial professional needs – guided by our long-term objectives of honoring our commitments to policyholders.

Effective July 13, 2020, Lincoln is announcing pricing updates on Lincoln LifeGuarantee® Survivorship Universal Life (2019).

Lincoln LifeGuarantee® SUL (2019) – 07/13/20 will replace Lincoln LifeGuarantee® SUL (2019) – 11/11/19 for all states that are approved at rollout.

Pricing Changes

The following pricing updates apply:

- Premiums have increased 20% on average
- Target premiums have increased to be aligned with updated lifetime level premiums

Transition Guidelines

A transition period will begin on July 13, 2020 and end on July 27, 2020. All states will be automatically approved at rollout with the exception of New York (where the product is not currently available).

- **For the old product**, formal applications must be signed, dated and received in-good-order in Lincoln's home office by the end of the transition period to qualify.
- **For LincXpress® Tele-App Cases**, a complete ticket and required solicitation forms must be received.
- **For pending business or policies already issued,** Lincoln will accept a written request and a revised illustration to change to the Lincoln LifeGuarantee® SUL (2019) – 07/13/20.
- **For policies already placed**, normal internal replacement guidelines apply. Rewrites will not be allowed.
- **For cases with the owner listed as "Trust to be Established"**, formal applications received in the Home Office by the end of the transition period and have been signed by the insured will still qualify as awaiting a trust to be set up is part of the normal course of business. The only paperwork that Lincoln will not require at submission is the executed Certification of Trustee Powers with the trustee/owner's signature. It must be received prior to issue.
- **For formal applications that expire prior to Issue or have been closed out,** a new Part I must be submitted, and the case will be subject to the rates available at that time.

PROTECTIVE

Announces New Pricing Available for Protective® Classic Choice Term

We've repriced Protective® Classic Choice term to have new lower rates in multiple cells, putting it in the **Top 3 or better 95% of the time** in monthly pay scenarios and in the **Top 3 93% of the time** in annual pay scenarios: These new rates go into effect today, July 20, 2020.

In addition to these changes, we'd like to remind you of some recent Protective Classic Choice term enhancements:

- **Offer Coverage Longer with 35- and 40-Year Term Periods**
  Protective Classic Choice term includes guaranteed level term options at 35 and 40 years. Protective is now one of only three national carriers to offer more than 30 years of level term coverage.
- **Accelerate Your Business with Protective Velocity**
  By using Protective Velocity – our suite of digital solutions – you can streamline your business and go from application submission to sales commission nearly 40 days faster.

Transition Rules:

- For ticket business and direct writers: applications must be signed and received on or before Monday, August 17 to receive current rates.
- For paper business: applications must be signed and received on or before Monday, August 3 to receive current rates.
- Any application in underwriting on Monday, July 20 may choose between the old and new version of the product but will retain the rates initially quoted unless otherwise requested up until the case has been approved.

PRUDENTIAL

Announces the Suspension of PruLife® Universal Protector

From time to time, we evaluate our product portfolio and make adjustments to ensure our customers are getting the best value possible. After careful consideration, we've decided to suspend sales of UL Protector.

Why Suspend UL Protector?

As we continue to navigate through the current interest rate environment, we have decided that we can no longer offer UL Protector in a way that provides strong consumer value and prudently supports our business objectives.

We will continue to monitor the interest rate environment and evaluate future options for the UL Protector product.

The following deadlines and rules will be used:

New Business RULES (including Term Conversions)

- **July 13, 2020** (Application Receipt Date): Applications not received by end of business day on this date will not be honored. Applications received after July 13th will be updated to "UL Unknown" and confirmation of a new product will be required.
- **July 20, 2020** (Quotes no longer available): Presentations of UL Protector will not be available in illustration systems. If a revised presentation is required after the submission deadline, they will need to be requested through the home office sales desk.
- **August 31, 2020** (Placement Date): All money and delivery requirements (in good order) necessary to place the product must be received by end of business day August 31st

APPLICATION RECEIPT DATE DEFINITION:

Formal application with Part 1 completed and in good order must be received by Prudential by end of business day on July 13. If application is generated via the drop ticket process it must be submitted by end of day July 13th.

PRODUCT CHANGE REQUESTS:

Requests to change the applied for product to UL Protector will not be honored after July 13th.

APPLICATIONS WITHOUT OWNERSHIP ARRANGEMENTS:

Formal applications without ownership arrangements (Preliminary applications, trial application and where a Trust is TBD) that are received by July 13th will need to place by August 31st. Those that do not place by August 31st can switch to another product.

1035 EXCHANGES:

For cases applied for before July 13th that involve a 1035 exchange, we will initiate the 1035 until August 31, 2020. If the exchange is not initiated by this day, the application will be updated to "UL Unknown"1035 exchanges that cannot place before 8/31 due to delays in the funds being transferred will be allowed to place once the exchange is completed.

PLACEMENT RULES:

For cases that are applied on or before July 13th, but cannot place on or before August 31st, those applications will be switched to "UL Unknown" and can continue with another product offered by Prudential. Confirmation of a new product will be required.

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 their other advisors, 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	Male
Age	35
Risk Class	Preferred

Universal Life - No Lapse Guarantee - Catch-Up Premium

Male, Age 35, Preferred Risk Class, $1,000,000 Level Death Benefit

Pay the lifetime level premium and skip premium payment in a year, then solve to catch up the policy

				New Premium to Maturity with Missed Premium in:						One-Time Catch-Up Premium Immediately after Missed Premium in:					
				Year 4		Year 11		Year 20		Year 4		Year 11		Year 20	
Company	**Product**	**Rank**	**NLG Lifetime Premium**	**Premium**	**% Increase**	**Premium**	**% Increase**	**Premium**	**% Increase**	**Premium**	**Ratio**	**Premium**	**Ratio**	**Premium**	**Ratio**
Penn Mutual	Guaranteed Protection UL	1	$4,908	$5,199	5.93%	n/a	n/a	n/a	n/a	$10,052	2.0	n/a	n/a	n/a	n/a
American National	Signature Guaranteed UL	2	$5,113	n/a	n/a	$5,500	7.57%	$5,500	7.57%	n/a	n/a	$10,500	2.1	$10,500	2.1
Protective	Lifetime Assurance UL	3	$5,268	n/a	n/a	$5,750	9.15%	$5,750	9.15%	n/a	n/a	$10,750	2.0	$10,750	2.0
Principal	UL Protector V	4	$5,670	n/a	n/a	$6,000	5.82%	$6,000	5.82%	n/a	n/a	$12,500	2.2	$12,500	2.2
Nationwide	Indexed UL Protector II	5	$5,691	$6,154	8.14%	$6,160	8.24%	$6,168	8.38%	$16,000	2.8	$16,548	2.9	$16,384	2.9
Securian Financial	Eclipse Protector II IUL	6	$5,723	$6,250	9.21%	$6,250	9.21%	$6,250	9.21%	$12,500	2.2	$12,250	2.1	$12,250	2.1
Nationwide	No-Lapse Guarantee UL II	7	$5,767	$6,479	12.35%	$6,512	12.92%	$6,507	12.83%	$16,520	2.9	$17,417	3.0	$17,166	3.0
Prudential	PruLife Universal Protector	8	$5,888	n/a	n/a	$6,302	7.03%	$6,418	9.00%	n/a	n/a	$12,060	2.0	$12,073	2.1
North American	Protection Builder IUL	9	$6,162	$6,500	5.49%	$6,500	5.49%	$6,500	5.49%	$12,000	1.9	$12,000	1.9	$12,000	1.9
North American	Custom Guarantee (Gen 9)	10	$6,162	n/a	n/a	$6,500	5.49%	$6,500	5.49%	n/a	n/a	$12,000	1.9	$12,000	1.9
Protective	Advantage Choice UL 12-19	11	$6,381	$6,750	5.78%	$6,750	5.78%	$6,750	5.78%	$13,250	2.1	$13,000	2.0	$13,000	2.0
Protective	Indexed Choice UL 12-19	12	$6,700	$7,000	4.48%	$7,000	4.48%	$7,000	4.48%	$13,750	2.1	$13,750	2.1	$13,750	2.1
Lincoln Financial	VULOne (2019)	13	$6,828	$7,212	5.62%	$7,212	5.62%	$7,236	5.98%	$13,860	2.0	$13,800	2.0	$14,004	2.1
Symetra	Symetra UL-G 7.0	14	$7,121	n/a	n/a	$7,422	4.23%	$7,430	4.34%	n/a	n/a	$14,514	2.0	$14,508	2.0
American General	Secure Lifetime GUL 3	15	$7,426	$8,250	11.10%	$8,250	11.10%	$8,500	14.46%	$15,500	2.1	$15,500	2.1	$17,250	2.3
Lincoln Financial	LifeGuarantee UL (2019) - 05/11/20	16	$9,412	n/a	n/a	$10,079	7.09%	$10,094	7.25%	n/a	n/a	$26,457	2.8	$26,100	2.8

*Products without premium solve options are rounded to the nearest $250

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

LifeTrends®

ADVANCED SALES

Why Hybrid Products Are Taking Over The Long-Term-Care Insurance Market?

By Cyril Tuohy

A tectonic shift is underway in the long-term-care insurance market. As insurers struggle with huge, mounting charges from legacy standalone business, new products are popping up everywhere that offer similar benefits. On Aug. 2, a day after Prudential said it would take a $1.5 billion expense related to its old policies, a Mutual of Omaha unit announced it would offer a "long-term care rider" for new indexed universal life policies. United of Omaha's rider allows policyholders to draw part of the death benefit early for long-term-care expenses for a nursing home or assisted-living facility, for example. They can choose a coverage amount and a monthly payout of 1%, 2% or 4% of the maximum benefit, the company said in a media release. So-called hybrid products, where long-term-care benefits are tied to life insurance or annuities, have seen robust growth. The market may expand even more aggressively, after second-quarter earnings revealed further difficulties at legacy providers of the traditional insurance. Unum Group fast-tracked its actuarial review and may boost long-term-care reserves by $750 million, after earlier increases in 2014 and 2011.

Analysts at Moody's Investors Service say incurred claims costs are hitting "expected acceleration" as people in their 70s and 80s go on claim for policies issued in the 1990s, and companies are reacting by setting aside even more in reserve. They're also scrambling to raise premiums. Genworth Financial said it raised costs an average 58% this year on some long-term-care policies, according to InvestmentNews. Many policies were sold at a time when U.S. Treasury yields were higher and insurers could afford generous benefits. But the products had thin histories against which actuaries could measure how often people filed claims, and for how long. Too many companies underpriced coverage, which became clear many years later and set off a torrent of rate hikes and reserve increases. Managing the blocks profitably was even more difficult after interest rates collapsed in the wake of the financial crisis. Distress in the traditional market has created an opening for "hybrid" or "combination" life products, even if the benefits aren't as generous as those of traditional long-term care policies. New Hybrid Product Category Products that include long-term-care benefits rose 18% to $4.1 billion last year, or 25% of new U.S. life insurance premiums, LIMRA data show. That's a 10% market share increase in two years. Sales of annuities featuring similar benefits have increased an average of 23% a year since 2011, according to LIMRA. The number of life insurance policies and annuity contracts with accelerated long-term care benefits has nearly doubled since 2011 to about 450,000, according to A.M. Best. Hybrids behave in different ways. Some, like United of Omaha's policy, have an accelerated death benefit rider that can be used for long-term care or other needs. The rider pulls money out of the life insurance policy at the expense of the death benefit. Some annuities permit such withdrawals, though retirement income is then lowered. Others

are universal or whole life insurance policies where the premium funds both the death benefit and a long-term care benefit pool that pays a multiple of the initial premium for expenses like nursing home costs, which often exceed $50,000 a year. These "linked-benefit products," which traditionally were paid through a single premium, now allow for payments over three, five, seven, 20 years, or even a lifetime. Lincoln's MoneyGuard, Nationwide's Care Matters, Pacific Life's PremierCare and Securian's SecureCare are examples of linked-benefit products.

Some of the hybrid products aren't so much new as a twist on an old theme. Terminal illness riders have been around for 20 years. Dozens of these benefit riders paid for by annual or monthly premiums are also available for chronic illness, critical illness and hospital expenses. An argument against the products is that they don't cover long-term care, but simply offer a drawdown on the death benefit that can be used for those expenses. Still, the hybrids appeal to consumers for their affordability and flexibility: even if a buyer never uses the long-term-care option on a life insurance policy, there's still a death benefit to pass on. "That's why these types of policies have become popular – they offer benefits regardless of what happens," said Bob Vandy, president at Advisors Insurance Brokers. Hybrids Appeal to Insurers Insurers have their own reasons for being attracted to long-term-care combination products, as they seek to exit a volatile legacy business with long-tailed risk, amid low portfolio yields. Unlike stand-alone long-term-care policies, hybrids require actuaries to price for fewer assumptions, industry analysts say. They mainly have to consider higher mortality and don't have to be as concerned with more precise measures from claims frequency and policy lapse rates, according to A.M. Best analysts. Take Lincoln's MoneyGuard. Capped or limited benefits and a return of premium mean the product has a different risk profile and is better at handling adverse experience compared with traditional long-term-care policies, said Lincoln CEO Dennis Glass. "MoneyGuard was also priced in an environment when the errors of earlier LTC providers were obvious and industry experience was much more reliable, and our assumptions reflect this," he told analysts in a conference call. The relatively new class of hybrids are priced more accurately than traditional long-term-care policies, said Jesse Slome, executive director of the American Association for Long-Term Care Insurance. Plan designs offer shorter benefit periods, smaller daily benefit amounts, higher deductibles and more modest inflation adjustments, he said. More restrictive policy designs are easier for insurers to price and more affordable for consumers. "What long-term care insurance consumers are buying today is a reflection of price/premium points they are comfortable with, and policy designs carriers are comfortable with," Vandy said. Figuring out how to create a viable long-term-care insurance market is no small thing. High demand for the products appears likely to stretch well into the future. An estimated 82 million Americans will be retired by 2040, and more than half of people 65 and older are expected to need some form of long-term care during their lifetime.

REVENUE GENERATING SALES IDEA

Premier Brokerage Services has a collection of Revenue Generating Sales Ideas for the benefit of our brokers. Click here to visit the Sales Center page of our website, and login or register for access to our proprietary sales concepts.

Term To Term Conversion Opportunity

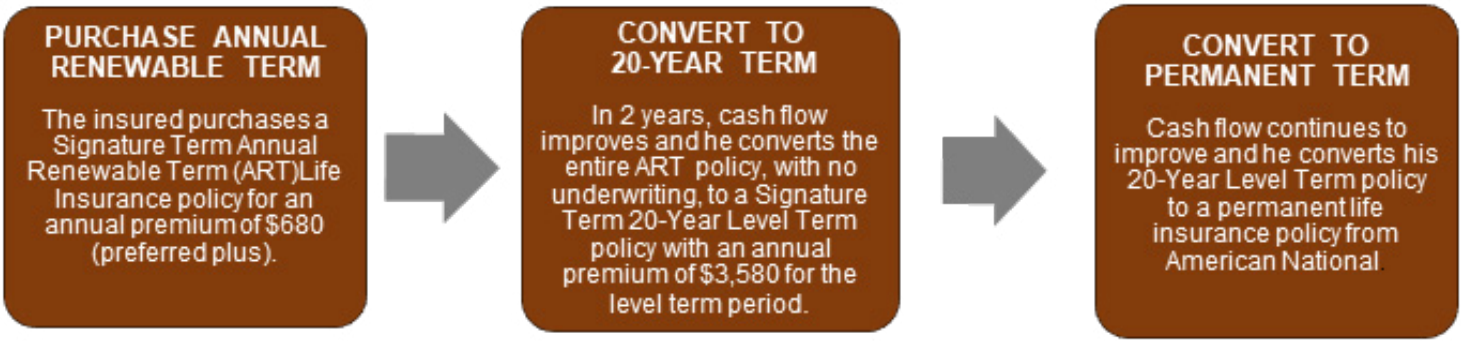
Case Study

Insured: Male, Age 55, Non-smoker, Good health, High net worth

Life Insurance Coverage Need: $1,000,000

Problem: Cash Flow Constraints

Solution: Signature Term ART to Signature Term 20-year level premium



PLUS, Signature Term Offers:

- **Conversion credits when switching to a permanent policy.**
  For conversions that occur during the 2nd - 5th policy year, American National will provide a premium conversion credit towards a new permanent policy equal to 100% of the conversion year annual premium of the Signature Term policy.

  Conversions in the first policy year will receive a prorated premium credit.
- **Accelerated Benefit Riders for Critical, Chronic, and Terminal Illness.**

UNDERWRITING INSIGHTS

Underwriting Hybrid Products

by: Greg Rorer, VP of Underwriting

We all recognize that long-term care has become the greatest health-care need for older individuals. It's the most common catastrophic health-care expense today.

We are living longer and roughly 40% of Americans over 65 will spend at least a brief period in a nursing home, according to one Morningstar report, and others will need at-home assistance. Today's pandemic environment has heightened the interest in this type of coverage. The impact on the high-risk, assisted living community has been well documented. Clients may be more concerned about making that transition in the future. Many older LTC plans did not offer at-home coverage. This may be a good time to explore newer plans that now offer at-home health care options to your clients.

LTC coverage comes in several forms. There are still a few carriers that offer a true "stand-alone" LTC product. Most of the interest has now focused on combination products which could be a life insurance policy with an LTC rider attached or a linked benefits product that provides life and LTC benefits through an accelerated underwriting process.

The linked benefit or "hybrid" product has been gaining in popularity due to their streamlined process and abbreviated underwriting requirements. The cases can be submitted electronically and require no insurance exams or labs and only require an APS on rare occasions.

What you need to know when writing hybrid LTC products

There are some important factors to keep in mind when your client expresses an interest in long term care coverage. The underwriting risk can differ from the traditional life insurance policy risk. The underwriting for the LTC rider considers medical evidence, cognition, and functional performance.

Cognition awareness is a critical element of LTC underwriting. Such impairments tend to be progressive. Alzheimer's disease and dementia are the leading causes of LTC claims over age 65.

Functional performance is a greater component of LTC versus life insurance underwriting. Limitations in the ability to perform ADL's (activities of daily living) and IADL's (instrumental activities of daily living) can impact the client's ability to qualify for a LTC product.

Favorable factors

- Working - either part-time or full time
- A spouse in good health
- Participation in hobbies and outside activities
- The current ability to drive
- The ability to travel and visit independently
- Regular exercise
- Family member or friend living in the same household

Common conditions that will be denied consideration for HYBRID products: *THIS IS NOT AN ALL-INCLUSIVE LIST*

- Activity of Daily Living (ADL's) – If unable to independently perform any of the following:
  - bathing, continence, dressing, eating, toileting or transferring
- Alzheimer's Disease/ Dementia - * Leading cause of LTC claims over age 65

- Assistive Devices (Mobility Aids) – such as cane, crutches, walker, wheelchair, scooter, hospital bed, stairlift, permanent catheter, respirator or oxygen
- Receiving Long term disability, Social Security disability, Medicaid
- Handicap sticker or placard
- Recent use of assisted living, home health care, adult day care services
- Chronic Pain – if ongoing treatment with narcotics or narcotic injections and use of assistive devices
- Cognitive impairment
- Cystic fibrosis
- Diabetes – Insulin dependence diabetics with any co-morbidity diseases such as CAD, TIA, CVD, kidney disease or smoking
- Multiple Sclerosis
- Kidney or liver transplant
- Parkinson's Disease
- Pulmonary Hypertension
- Stroke
- Leukemia
- Lymphoma
- Multiple myeloma

Carriers will underwrite hybrid products utilizing the following data:

- The Prescription database (RX)
- MIB results
- Applicant responses on Part 1
- Phone interview responses
- Results of cognitive questions on interview if applicable

The product requires a personal history interview

It is important to prep your client for this call. The length of the call could take 30- 45 minutes or more depending upon your client's health.

The client should be prepared to:

- Provide their medical history, including symptoms, conditions, and diagnoses that have been treated in the past 10 years.
- Provide details about specific treatments, procedures, or regular follow-ups.
- Prove their physician information for anyone seen in the past 5 years, including name, address, reason they were seen and results of the visits.
- Have prescription bottles handy in order to provide accurate information to the interviewer regarding medications being taken.
- Partake in a short memory exercise so, it's important for the client to stay focused on the call.
- Discuss their daily activities, employment, hobbies, social history.

Premier Brokerage partners with the leading providers of hybrid products - Lincoln, Securian, Nationwide, and One America. Their products and process are similar but there are some noted differences, such as One America's product that offers joint coverage and lifetime benefit option.

I encourage you to contact us with any underwriting and product questions regarding a long- term care prospect. We can provide the guidance needed to correctly identify your client's insurability and position the risk with the appropriate carrier for a winning solution.

ANNUITY CORNER

How To Transition Your Client's Portfolio From Growth To Income?

One of the biggest challenges investors face as they near retirement is transitioning their portfolio from a focus on accumulation and asset allocation to a new, but just as critical, emphasis on distribution and income allocation.

The aim is the same -- to create a retirement paycheck that will provide the lifestyle they want and will last as long as they live. But the mindset and the strategies involved can take some getting used to.

This can be a tricky time for pre-retirees, especially those who need to fill a shortfall in their income plan. If their Social Security benefits and employer pension (assuming there is one) won't cover their bills, they'll have to turn to their savings for the rest. Deciding how much to take out, and which assets can provide that retirement income reliably, requires careful planning.

Here are some things you can do to prepare:

Calculate the cost of the lifestyle you expect to have in retirement

Setting a budget for a lifestyle you aren't yet living is difficult, but you can get a basic idea of what you'll need. Start with the costs you have now, and think about which bills might go away and which expenses might go up as your needs change over the years. Will your mortgage be paid off when you retire? If you retire before you're eligible for Medicare, will your health care costs increase? Will you spend more, less or the same on car payments, utilities and things like travel, clothes, hobbies and entertainment? And don't forget taxes and inflation, which can take small but consistent bites out of your nest egg if you don't have a plan to deal with them.

Maximize your Social Security and pension benefits

Taking the time to get your Social Security and pension strategies right can make a huge difference in how much income you can expect to collect during your lifetime. Consider all your options -- and what works for both you and your spouse -- before you claim these benefits.

With Social Security, the longer you wait, the larger the payments from this guaranteed income stream will be, at least until you reach age 70. Keep in mind that when one spouse dies the lower of the couple's two Social Security payments goes away, so you may want to grow the higher earner's benefit to the largest amount possible.

Providing for a surviving spouse also should be a factor in any pension decisions. (You'll get a larger payment if you choose the single-life option, but your surviving spouse will be left without that income if you die first.)

Reassess your risk tolerance

As you move toward retirement, it's a good time to reassess the amount of risk you can tolerate personally -- and not just in terms of how much loss you can handle emotionally (although that's still important). It's also about looking at your "risk capacity," or how much you can afford to lose if you'll be depending on your investments for income.

Advisers often call the five years before and after retirement the "Retirement Red Zone" because it's when your nest egg is most vulnerable. If the market drops in this critical time, and you have to make withdrawals for income, you could deplete your portfolio before the market goes up again. In addition, market returns are not consistent but rather are volatile. This is known as "sequence of returns risk," and it's a significant worry for retirees. If you haven't already, you may want to ask a financial professional to analyze your portfolio to determine if it matches up with your retirement needs and goals.

Adjust your assets to protect what you'll need

Once you determine how much income you'll need in retirement, and how much guaranteed income you'll receive from Social Security and your pension, you can start to transition your portfolio to fill any shortfall.

Some retirees plan to withdraw a predetermined percentage of their portfolio every month. You may have heard of the 4% rule, which suggests you withdraw 4% of your nest egg in your first year of retirement, and then, using that number as a baseline, adjust for inflation each year. The theory is that if you follow this plan while maintaining a moderate 60/40 stock-bond mix in your portfolio, there's a good chance your assets will last through 25 years of retirement.

But that number has been questioned in recent years, based on a long period of low interest rates and increased market volatility. Critics include Wade Pfau, a respected retirement specialist and co-director of The New York Life Center for Retirement Income at The American College of Financial Services. Pfau says his post-coronavirus calculation puts a safe withdrawal rate closer to 2.4% for retirees who are taking a moderate amount of risk with their investments.

A more reliable strategy might be to allocate a percentage of your portfolio to income sources that are predictable, measurable and sustainable so you can be sure your needs are covered no matter what happens in the stock market.

Annuities, for example, work much like Social Security and employer pensions, except you're creating this steady, pension-like income for yourself. Yes, annuities get a bad rap because of the fees and confusing contracts -- and you have to be careful about what you're signing on for. But the right kind of annuity can offer retirees the guaranteed income stream they need, and, depending on the type, they can be adjusted upward with the cost of living (fixed annuities) or adjusted upward based on a market index (variable annuities with income riders).

Obviously, there's no way to predict what the future has in store for any of us. We've gotten a good reminder of that over the past few months. And the same holds for any income stream or strategy you might put in place. You may have to make some adjustments to your plan as you go. But a well-thought-out income plan can help you make the transition from your work paycheck to your retirement paycheck with fewer questions about where the money will come from month to month and year to year.