

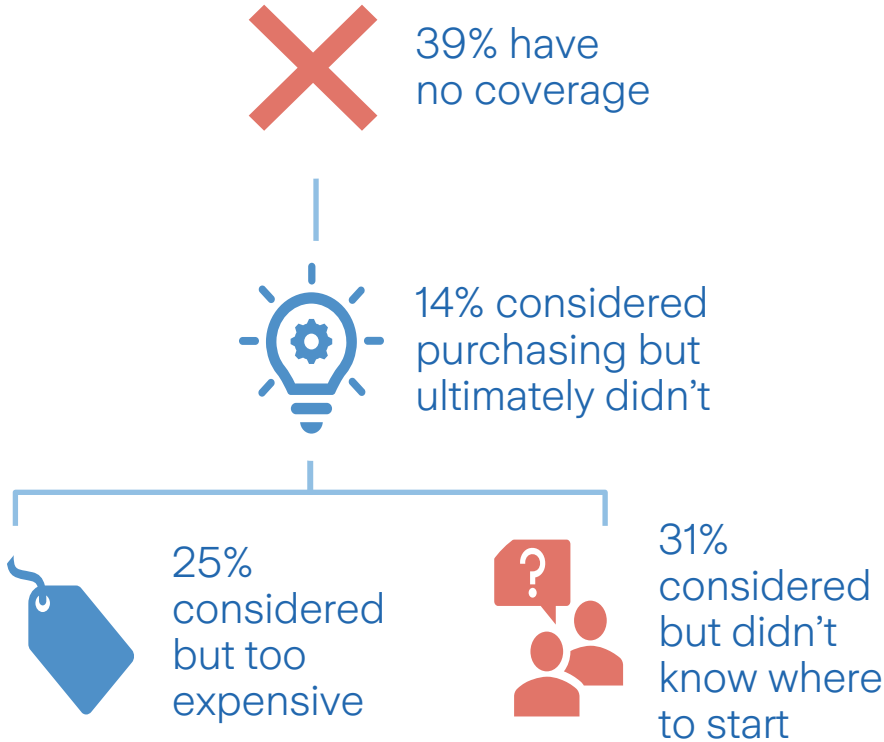
# COVID and RMDs

Zurich American Life Insurance Company



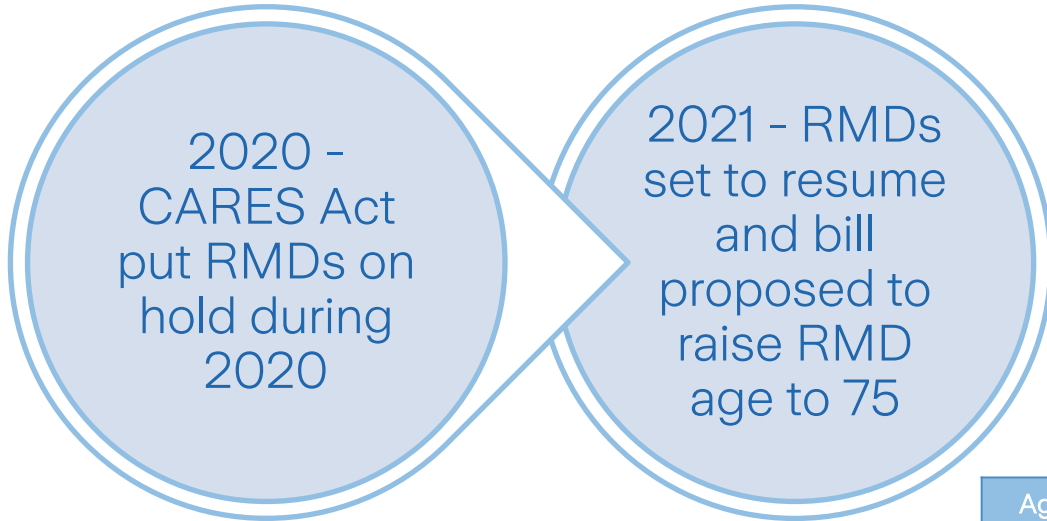
# Life Insurance and COVID-19


## % of Americans in Recent Life Insurance Survey



Source: <https://www.nerdwallet.com/article/insurance/life/how-urgent-is-life-insurance-for-americans-that-depends-on-covid>

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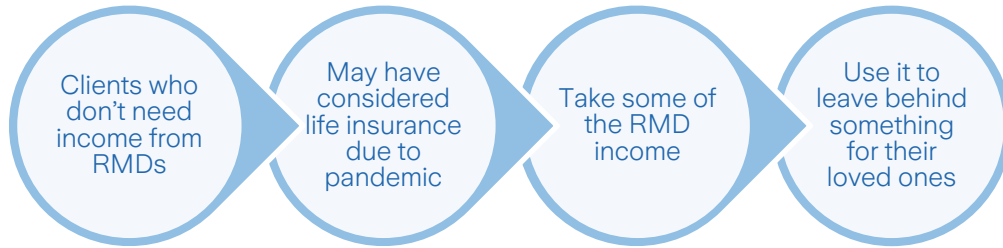


 RMDs = Required Minimum Distributions that Americans are required to receive as distributions from tax-advantaged accounts at the minimum required age (currently age 72). It uses the IRS Uniform Lifetime table to calculate the RMD.

IRS Uniform Lifetime Table

Age	Life Expectancy Factor
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9

Source: [https://www.thinkadvisor.com/2021/01/19/bill-to-raise-rmd-age-to-75-is-coming-back-in-new-congress/?cmp\\_share=share\\_linkedin](https://www.thinkadvisor.com/2021/01/19/bill-to-raise-rmd-age-to-75-is-coming-back-in-new-congress/?cmp_share=share_linkedin)





## Meet Bob, Age 75

- Reasonably good health
- Grandchildren he loves
- Low debt
- Receives social security



## Bob's Traditional IRA

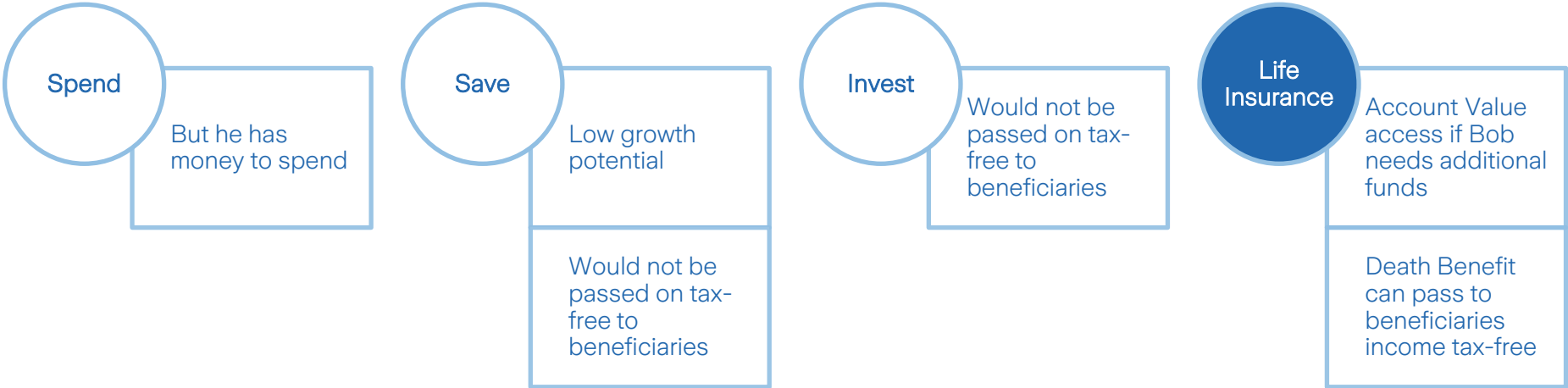
- \$2,000,000 in IRA
- Factor = 22.9
- $\$2,000,000 / 22.9 = \$87,336$
- Doesn't need IRA income



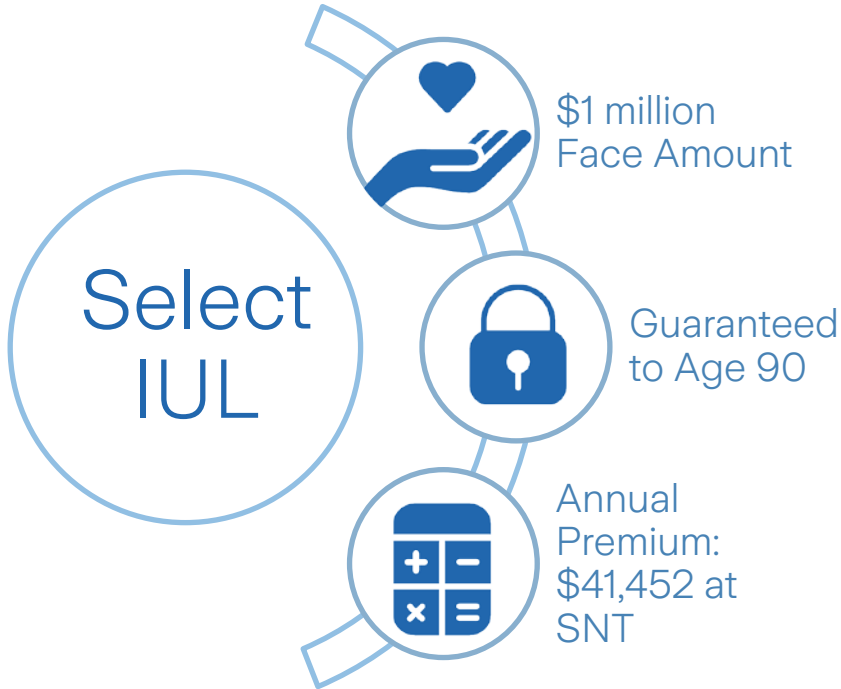
## Bob's Options with RMD

- Spend
- Save
- Invest
- Life Insurance

# Bob's Options with RMD



For informational purposes only. In general, partial withdrawals from a permanent life insurance policy in excess of the policy's basis are taxable, and limited circumstances exist where death proceeds will be taxable. Neither Zurich American Life Insurance Company, its employees nor its agents provide legal or tax advice. Each agent, policy owner or prospect should always consult his/her own attorney, accountant or tax adviser as to the legal, financial or tax consequences and advice on any particular transaction.



## Death Benefit IRR

Age 80	58.0%
Age 85	15.5%
Age 90	5.7%

Premiums are subject to change. Issuance of a policy and premiums are subject to underwriting guidelines and approval. Premiums quoted are for Male, Age 75, annual premium solved to guarantee to age 90 for \$1M of face amount. The death benefit is guaranteed according to the terms of the policy and provided that planned premiums are timely paid and with an additional charge for the NLG Rider.

- COVID → increased interest in life insurance
- Prospects need help knowing where to start
- RMDs are likely to come back in 2021
- For clients who don't need the additional income, life insurance can be an efficient way to pass proceeds onto loved ones





## Zurich American Life Insurance Company

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877 678 7534 [life.zurichna.com](http://life.zurichna.com)

The terms and conditions for the Flexible Premium Adjustable Life Insurance Policy with Index-Linked Interest Options (ICC18-LPIUL-02). The terms and conditions for the No Lapse Guarantee Rider for the Flexible Premium Adjustable Life Insurance Policy with Index-Linked Interest Options are set forth in policy form number ICC18-LPNLG-01, or applicable state variation. The policy is issued by Zurich American Life Insurance Company, an Illinois domestic life insurance company, located at its registered home address of 1299 Zurich Way, Schaumburg, IL 60196.

The policy is subject to the laws of the state where they are issued. This material is a summary of the product features only. Please read the policy carefully for details. Certain coverages may not be available in all states and policy provisions may vary by state

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Thank you

