LET'S TALK MONEY®
July/August 2020

Term or Whole Life?

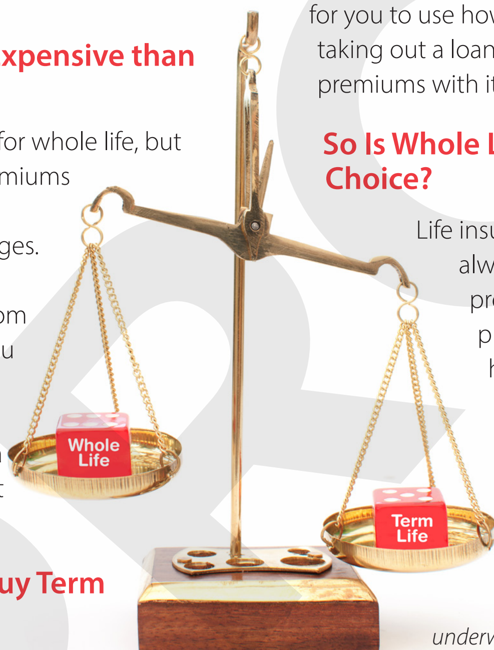
Which type of life insurance is best for you? Term or permanent, the latter shorthand for whole life insurance. Consider the following:

Is Term Life not Permanent?

Term life is insurance that lasts for a stated term. While many term life policies must be renewed annually with premium costs escalating over time, some now have terms of five, 10 or more years. Whole life insurance premiums stay level for as long as you own the policy and pay premiums on time.

Is Term Life Less Expensive than Whole Life?

Initial costs are higher for whole life, but term life insurance premiums increase as you age, prohibitively at older ages. Whole life insurance premiums stay level from beginning to end. If you buy whole life when young, you'll likely pay significantly less than a term policy would cost over your lifetime.



So Why Would I Buy Term Life?

If you can't afford whole life insurance, term life is a good choice. Look for one that allows you to convert to permanent life insurance without the need for underwriting when you can afford more.

What Is Underwriting?

The issuing insurance company will ask you to fill out a medical questionnaire or require a medical exam for higher amounts.

Why Would I Buy Whole Life?

Whole life offers something term life doesn't: cash value*. Over time, this cash value builds for you to use however you like, including taking out a loan on the amount and paying premiums with it.

So Is Whole Life Always the Right Choice?

Life insurance of some type is always the right choice to provide a financial benefit to protect loved ones. If you have a temporary life insurance need or money is tight, term life will still provide this important protection.

**Applications for life insurance are subject to underwriting. No insurance coverage exists unless a policy is issued and the required premium to put it in force is paid. Life insurance is subject to exclusions, limitations and terms for keeping it in force. Loans and withdrawals from a policy will reduce its cash value and death benefit and increase the chance that the policy may lapse.*

Karen Petrucco
Account Manager

LTM Client Marketing
45 Prospect Ave
Albany, NY 12206

Tel: 800-243-5334
Fax: 800-720-0780
sales@ltmclientmarketing.com
www.ltmclientmarketing.com

I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Insurance Version

LTM Client Marketing

Partners in your marketing success

How to Develop Healthy Spending Habits

Developing and maintaining healthy spending habits seems easy in theory, but prove harder in practice. From the time we earn that first paycheck to receipt of our first retirement check, financial goals change, but smart spending habits hold true. Consider practicing these habits through the times of your life:

Young Adults

There is no better time to learn and practice healthy spending habits than in our early adult years. But today's Millennials are swamped with 24/7 sales messages on their electronic devices, television and in print. At any age, start by using your head and putting your heart in cold storage when shopping. When you hear "buy, buy, buy" answer the question "why, why, why?" before spending a dime.

Learn to curb your buying impulses. Ask questions. Do you really need to buy a new $1,200 smartphone when your old one works just fine and is paid off? Do you know how those designer lattes add up each month, each year? Understand your total expenses and learn to differentiate between needs and wants.

Once you take the emotion out of buying, put your new spending plan in writing. Detail your income and expenses, and build an occasional indulgence into your budget. Ultimately, you'll appreciate the discipline you follow to a healthy financial lifestyle.

Midlife Reset

Even the most disciplined savers can fall back into poor spending habits and see their debt levels rise. If this sounds like you, consider the following:

1. Forgive yourself. Everyone makes mistakes;
2. Review your budget and strategize for better spending health;
3. Pay your credit card balances with the highest rates until they're paid in full;
4. If you use your cards again, pay off balances in full each month;
5. Strive to buy with cash instead; and
6. Put the extra cash you saved toward long-term goals.

Near Retirement

The younger you are, the easier it may be to correct poor spending habits. But no time is more important to nail this financial aspect than when you're near retirement. Because this time of your life may include less income than when you worked, it's important to start by lowering your expenses.

Healthy spending habits near and in retirement may start and end with reducing your major expenses. Downsizing your living arrangements could provide the biggest boost to your disposable income. Paying off credit card debt is a must and planning for unexpected expenses should be a priority.

Know, for example, that a home you own will need maintenance at some point, so plan for its costs. Carry the insurance needed to pay for health, disability and long-term care. Revisit your spending plan regularly to account for changes in your life.

Back-to-School Shopping Tips

While summertime brings songs about sun, sand and fun, parents of students know this season includes an extra expense: back-to-school shopping. Here's how to survive this unavoidable annual ritual while keeping your expenses down.

Textbooks are expensive, particularly those needed in college. Save lots of money by buying used, renting, borrowing or downloading e-books.

Kids lose things, including laptops and smartphones, so insure them against loss and other damage

Accept hand-me-downs. If your kids have to wear uniforms and they're the same as used ones in good shape, choose the less-costly used option.

Shop at dollar stores for everyday items including writing instruments, binders and paper.

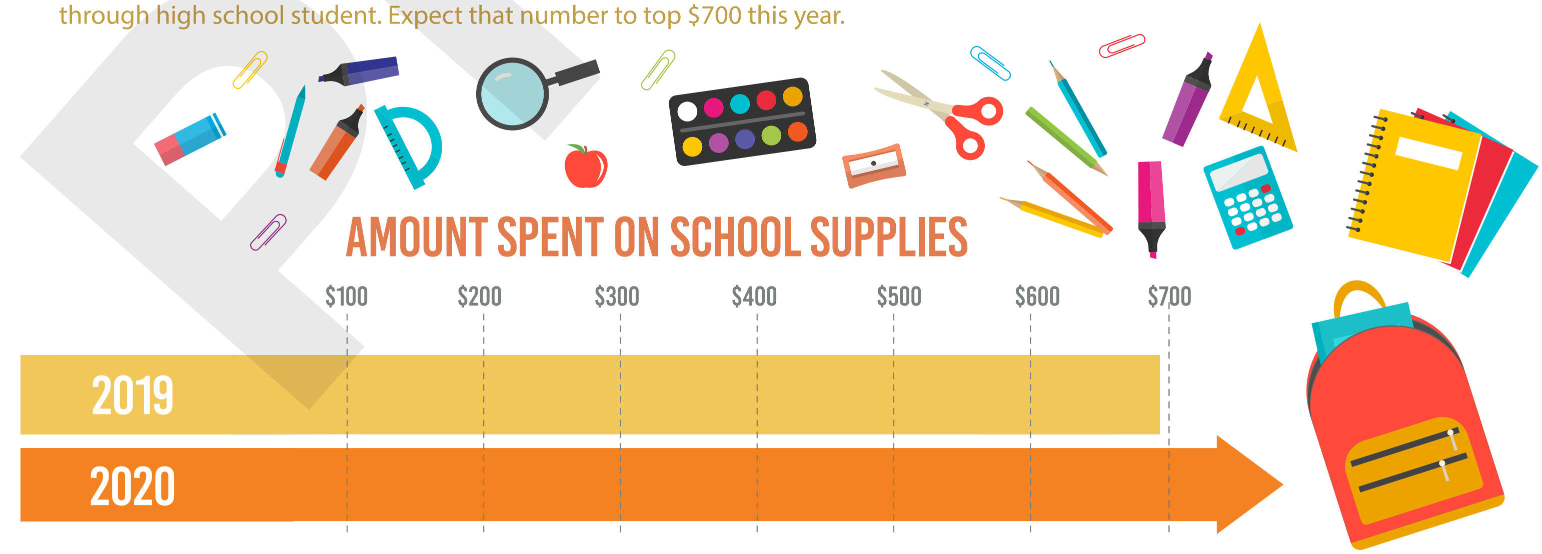
Shop in bulk. Team up with family, friends and neighbors to buy common school supplies in bulk.

Buy computers with lower speed and storage. Higher levels of speed and space cost more and are more likely to be beneficial for gaming than for school research.

Wait for sales. If you can hold off, you may find better prices on electronics and clothing during the holidays than in the back-to-school sales season, when retailers figure they have you cornered.

Back to School Spending Stats

School supplies comprise a healthy portion of back-to-school spending. In 2019, a survey by the National Retail Federation and Prosper Insights & Analytics found that families expected to spend an average $696.70 on school supplies for each elementary through high school student. Expect that number to top $700 this year.



What's an Annuity Exchange?

When you surrender an annuity or cash value life insurance policy, you may face taxes and penalties unless you exchange it in a tax-approved way. That way is a 1035 Exchange, named after a section of the Internal Revenue Code. If you are considering such an exchange, understand the consequences first before making any decision.

Why Exchange?

Why would you want to exchange an annuity?* You may prefer to buy one from a financially stronger company, an important point because annuities are not FDIC-insured. Or you may find one that has a higher initial interest rate.

You could, however, run up against a few obstacles trying to make an exchange. One, you will be older and your premiums could be higher because of it. Two, you could pay more or even be denied coverage because of an adverse change in health. Three, it takes more time to make a 1035 exchange than simply surrendering the policy, but the tax savings may make it worth your while.

1035 Benefits

This section of the tax code allows you to move earned interest from one annuity to another without incurring taxes or early withdrawal penalties. You'll still need to check with your annuity issuer to see if surrender charges, which can be significant, come into play.

If surrender charges are an issue, you may be able to make a partial exchange that's surrender-fee-free. If you exchange policies issued by the same insurer, you may not have to deal with surrender charges. Talk to an insurance professional to learn more.

**An annuity may impose charges, including but not limited to surrender charges, mortality and expense risk charges, administrative fees, underlying fund expenses, and feature charges that can reduce the value of your account and the return on your investment. You will have to pay federal income tax on any earnings you withdraw from the annuity during retirement or before. Payments and guarantees are subject to the claims-paying ability of the issuing insurance company and the underlying investment options are subject to market risk and may lose value.*

We Value Your Input...

Your feedback is very important to us. If you have any questions about any of the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

Financial Industry Regulatory Authority

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

March 18, 2020

Reference: **FR2020-0221-0255/E**
Link Reference : FR2020-0221-0245

Org Id: 23568

1. Lets Talk Money Newsletter July - August 2020 Insurance
   Rule: FIN 2210
   5 Pages

The communication submitted appears consistent with applicable standards.

Reviewed by,

Natlyn D. Murrain
Associate Principal Analyst

aec

Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.

NOTE: *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.*