

Life Settlements Overview

Life Insurance is more than a future benefit, it is a living asset. Like a home, automobile or investment portfolio, Life Insurance can be transferred, bought or sold.

REVITALIZING LIFE INSURANCE

Giving consumers the best possible options is part of an agents ongoing commitment as a financial professional. When addressing a consumers needs, a life settlement is an option that cannot be overlooked.

GIVING A CONSUMER OPTIONS

Historically, senior consumers have surrendered their policies or allowed them to lapsed when they where no longer needed, wanted or affordable. Now the consumer has another option: To sell his or hers ownership and beneficiary rights in exchange for a cash settlement. Settlement proceeds typically far exceed the policy's cash surrender value, thereby unlocking the true value of the policy.

SAMPLE CASE

Client:	Female Age 78
Policy Type:	Universal Life
Policy Size:	3,000,000
Cash Surrender Value:	18,000
Life Settlement Amount:	597,000

SITUATIONS THAT MAKE A LIFE SETTLEMENT AN ATTRACTIVE OPTION:

- Premiums become cost prohibitive or unaffordable
- Poor policy performance results in increased premiums
- Estate changes that reduce or eliminate the need for coverage
- Replacement coverage that is more applicable or less expensive
- Level term policies in which the level term period is ending, causing rapid premium increases.

WHO IS ELIGIBLE FOR A LIFE SETTLEMENT?

Typically ant individual age 65 or older with a policy value of \$250,000 or greater. The policy must be inforce of a minimum of 2 years and must be assignable. Age qualification could vary based on health.

Almost all policy types qualify including Universal, Term (must be convertible term), Whole Life, Survivorship, Adjustable, Variable, First to Die and Second to Die. The policy can be owned by an individual or any entity including a corporation or trust.

THE LIFE SETTLEMENT PROCESS

- Speak to a life insurance agent if this is right for you.
- Your agent will help you fill out the forms and submit the paper work to a settlement company. No medical exam is required. All Information is kept confidential.
- Then the settlement company sends it out to institutional providers (buyers). Offers are typically obtain within 30 – 60 days from the qualification date.
- When offers are made that exceeds the cash surrender value, these offers will be communicated to you through your agent.
- You chose the best offer and once the transaction is completed you have 15 days before the transaction is finalized to reverse your decision for any reason.

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