

# Serious about Life

## Your Policy Your life Your Choice

### Why is Choice Important?

There are many reasons why selling your policy could be a wise financial *Choice*:

- *Your current policy's premiums have become a financial burden*
- *You need funds today to help your children financially, to pay for the high costs of health care, or to take that dream vacation*
- *The primary beneficiary has predeceased you*
- *You have gone through a divorce*
- *Other insurance may be more appropriate*
- *Your estate tax liability has decreased*
- *Your business insurance is no longer needed.*

There may be other reasons to consider a life settlement. Speak with a qualified financial professional if you are unsure if a life settlement is appropriate for you.

### Why should you Consider A Life Settlement?

Consider this: You have owned your home for 20 years and now want to sell it. Instead of getting the best price on the market, you can only sell it back to the original owners at a price they set.

Sound fair? It doesn't to us. This has been the situation with your life insurance policy for many years. Fortunately, you now have a *Choice*. You can now sell your life insurance policy in the secondary market just like any other asset... your home, your car, your investment portfolio...and the value of your policy could be many times more than the current cash value.

### What is A Life Settlement?

A life settlement is the sale of an existing life insurance policy for an amount greater than the cash surrender value but less than the death benefit. Do not expect your insurance company to tell you 90% of universal life policies lapse or are surrendered for the cash value... the price the insurance company is willing to pay.\*

This means only a small number of policies ever pay a death benefit.

## How important is Choice?

When it comes to determining your options for your life policy, it could be the single most important decision you make. *Choice* will allow you to take control of your life...and your life insurance.

## What is the process?

The process of selling your life insurance policy involves only a few simple steps.

You complete a life settlement application and an authorization to release your medical records. These medical records are kept strictly confidential and are only shared with the necessary parties to complete the transaction. No new medical exam is required.

Funding companies will submit competing bids for your policy. Only institutional funding companies are used, so your policy is not being purchased by an individual. Institutional funders manage large portfolios of life policies and the ultimate buyers of the portfolios do not have access to your personal information, including your identity.

*We negotiate with these funders, helping to ensure you receive the highest offer.*

## What's next?

You will be notified of the highest offer by your financial professional. The offers you receive are not binding. You decide whether or not to accept them.

Upon acceptance, you will be sent the closing documents for completion. As an additional safeguard, there is a 15 day rescission period after signing the closing documents during which time you can cancel the settlement transaction for any reason and retain your current policy.

## Sample Cases...

### Obsolete Policy

- Male Client, age 73 with \$2 million policy with no cash value
- Recent reduction in estate tax liability combined with giving strategies rendered the policy unnecessary
- Policy was purchased for \$720,000

### More Appropriate Coverage

- Female Client, age 79, with \$6.8 million policy with little cash value
- Client was going to let the policy lapse due to high premiums
- Policy was purchased for \$3.1 million
- Substantial additional life insurance coverage was purchased with lower premiums

#### Term Conversion Case

- Male client, age 71 with \$7.5 million face term policy due to be converted
- Policy was purchased for \$224,000
- Proceeds were used to purchase new insurance with lower premiums

#### Key Man Coverage

- Business owner, age 67 with \$3.5 million key man policy with little cash value and escalating premiums
- Business owner was going to let the policy lapse
- Policy was purchased for \$500,000

\*September '04 issue of Journal of Financial Service Professionals, by reference to Milliman U.S.A.  
"Report on Life Settlements," National Underwriter, March '04