

We are writing you to address a topic that we have been getting questions on recently. Many clients are asking us about selling their existing life insurance policy. Perhaps you have recently seen a commercial or ad that poses the question “Do you own a life insurance policy that you no longer need? Sell your policy for cash today.”

These commercial ads are becoming more popular and may leave you scratching your head. The reality is your life insurance is a financial asset just like your home, investments, and other assets. Similarly, there may be buyers who want to purchase your policy. Below are some of the most popular questions we get on this topic:

CAN YOU SELL YOUR POLICY?

Selling a life insurance policy is done through a transaction called a life settlement. A life settlement is a sale of an existing life insurance policy to a 3rd party institutional buyer. It provides a source of cash that can fund your financial needs today. It also eliminates the expense of current and future insurance premiums.

WHY WOULD I SELL MY POLICY?

Your life insurance policy is one of your most important assets. Its value is the peace of mind it provides for you and your family, your business, and your estate plan. If your plans change, and the coverage is no longer desired, a life settlement may make sense. Traditionally, if you no longer wanted your life insurance policy, you would surrender it for the cash surrender value or stop paying premiums and allow the policy to lapse. A life settlement would provide additional proceeds beyond the surrender value, which may be the best solution.

WHO QUALIFIES FOR A LIFE SETTLEMENT?

Life settlements are typically eligible for individuals aged 70 or older but may be eligible for younger individuals with a decline in health since purchasing the policy. Our team can review any policy and estimate its value to help you determine if a life settlement is worth considering.

WHAT TYPE OF POLICIES QUALIFY?

Life settlements can be completed on any policy type, including term insurance. Some policy types are more attractive to 3rd party buyers than others. The minimum death benefit to qualify is \$250,000.

WHAT OTHER OPTIONS CAN I DO WITH MY INSURANCE POLICY?

Most clients choose to keep the insurance coverage and make the premium payments to collect the tax-free death benefit. If the premium becomes too burdensome, restructuring the coverage and premium may also be a viable option. If the policy is no longer wanted for death benefit coverage, you may be eligible to exchange it for another product, such as an annuity or long-term care insurance. When immediate cash is preferred, a life settlement should be considered prior to surrendering your policy.

WHY WOULD SOMEONE BUY MY POLICY?

Large institutional investment firms are interested in buying these policies as a diversified investment for their investors. They buy hundreds and sometimes thousands of policies, which are managed in a double-blind trust for client privacy.

Our firm is an active life settlement broker with a dedicated team of professionals that can help you assess whether selling a policy makes sense. Our life settlement division is unique to the industry because we have a large network of life settlement buyers and launch a competitive auction process for every policy, with the goal to create high market value for your policy.

Feel free to call anytime if you have any questions on this topic.

Sincerely,

Your Signature