



THE FIVE TIERS

OF FIDUCIARY BEST
PRACTICES IN LIFE
SETTLEMENTS

Five Tiers of Fiduciary Best Practices in Life Settlements

A Strategic Framework for Financial Professionals to Maximize Client Value and Uphold Fiduciary Excellence



The Five Tiers of Fiduciary Best Practices empower financial professionals to maximize policy value, uphold client trust, and deliver exceptional results through strategic collaboration and expertise

As a financial professional, your commitment to acting in your client's best interest is at the heart of your work. When it comes to life settlements, that fiduciary responsibility becomes even more crucial. Life settlements offer a powerful opportunity to unlock the value of underperforming or unnecessary life insurance policies, but achieving the best outcome requires a thoughtful and strategic approach.

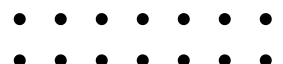
The Five Tiers of Fiduciary Best Practices provide a framework for estate attorneys, wealth managers, CPAs, financial advisors, and trustees to navigate the complexities of life settlements with confidence and integrity. These tiers emphasize collaboration, expertise, and client-first solutions, ensuring that fiduciaries deliver the highest possible value for their clients.

\$842 Million

The total amount seniors received through life settlements in 2023, earning an average of 6.2 times more than the surrender value.

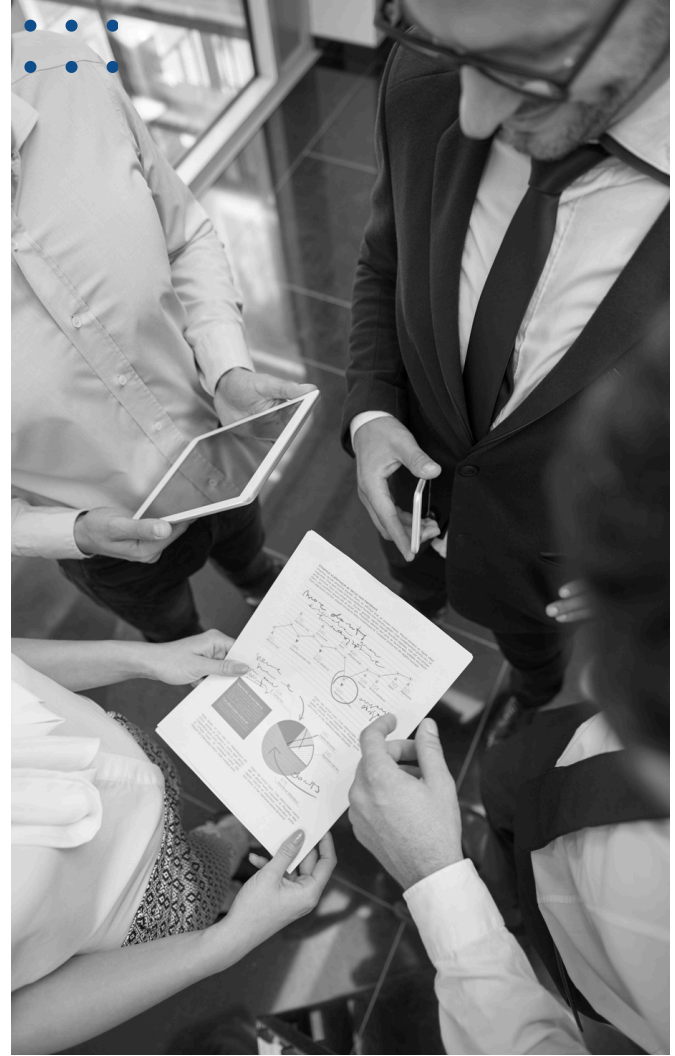
Over \$707 million

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Five Tiers of Fiduciary Best Practices

1. **Client-Centered Decision-Making**
2. **Partnering with Experienced Brokers**
3. **Collaboration Across Professional Disciplines**
4. **Maximizing Financial Outcomes Through Competitive Bidding**
5. **Upholding Fiduciary Integrity**



1

Client-Centered Decision-Making

As a financial professional, your top priority is the financial well-being of your clients and their beneficiaries. When it comes to life settlements, this requires a clear understanding of the key differences between brokers and providers:

- Life Settlement Brokers:
 - Act as fiduciaries, representing the best interests of the policyholder.
 - Use competitive bidding to market the policy to multiple buyers.
 - Focus on securing the highest possible value for the client.
- Life Settlement Providers:
 - Represent institutional investors, not the policyholder.
 - Aim to acquire policies at the lowest possible cost to maximize investor returns.

Choosing an experienced broker ensures your clients receive the full value of their life insurance policy, aligns with your fiduciary duty, and upholds the highest standards of client care.

2

PARTNERING WITH EXPERIENCED BROKERS



Collaborating with a skilled life settlement broker is essential to achieving the best possible outcome for your client's life insurance policy. Brokers act as advocates for the policyholder, leveraging their deep understanding of the secondary market and a network of institutional buyers to create a competitive bidding environment. This process ensures the policy is marketed effectively and positioned to attract the highest offers, far exceeding what would be possible through direct-to-provider sales.

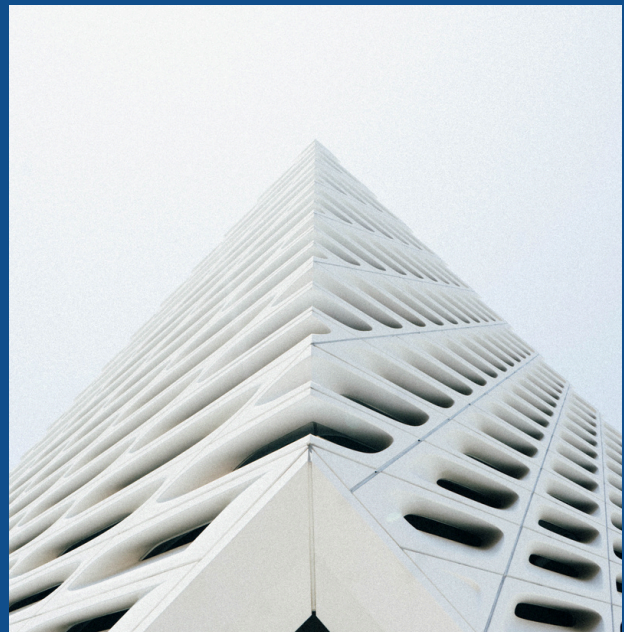
A broker's expertise is invaluable in navigating the complexities of life settlements, from evaluating policy eligibility to managing the intricate bidding process. By aligning the sale with your client's unique financial goals—whether it's maximizing cash flow, reducing premium burdens, or reinvesting proceeds—brokers play a critical role in delivering exceptional value and peace of mind for both clients and their beneficiaries.

COLLABORATION ACROSS PROFESSIONAL DISCIPLINES

Life settlement transactions require input from multiple professionals, including estate attorneys, CPAs, trustees, wealth managers, and insurance specialists.

Each professional brings unique expertise to the table:

- Estate Attorneys: Oversee legal compliance and trust alignment.
- CPAs: Evaluate tax implications and reinvestment strategies.
- Trustees: Ensure fiduciary goals are met.
- Insurance Specialists: Assess policy value and performance.
- By collaborating, fiduciaries create a unified strategy that delivers optimal results for their clients.



3

MAXIMIZING FINANCIAL OUTCOMES THROUGH COMPETITIVE BIDDING

4

Competitive bidding is the cornerstone of achieving the highest possible value for a life insurance policy in the secondary market. This approach ensures that the policy is not just sold but strategically marketed to a broad network of institutional buyers. By creating a competitive environment, multiple buyers are encouraged to bid against one another, ultimately driving up the final offer and maximizing the financial outcome for the client.

This robust process eliminates the risk of undervaluing a policy, which often occurs when selling directly to a provider without market competition. Instead, it positions the policyholder to receive a settlement that far exceeds the cash surrender value or lapse alternatives. The financial benefits of this tier are substantial and versatile, providing clients with liquidity to address immediate needs such as reinvestment opportunities, debt repayment, or funding long-term care and medical expenses. By incorporating competitive bidding, financial professionals can confidently deliver results that align with their fiduciary responsibility and their clients' best interests.



5

UPHOLDING FIDUCIARY INTEGRITY

The fiduciary duty to act in the best interest of the client is not optional—it's the foundation of your role as a trusted advisor. Selling a policy directly to a provider, without the expertise of a broker, risks breaching this duty by leaving money on the table. Partnering with a broker aligns your actions with fiduciary best practices, ensuring transparency, accountability, and superior outcomes for your client.



WHY ADOPTING THESE TIERS MATTERS

By adhering to the Five Tiers of Fiduciary Best Practices, financial professionals can:

- Enhance Client Trust: Demonstrate a commitment to client-first solutions.
- Maximize Policy Value: Ensure competitive bidding secures the best offer.
- Streamline Complex Transactions: Leverage broker expertise to simplify the process.
- Expand Professional Expertise: Add life settlements as a value-added service for your clients.

Life settlements are not just a transaction—they are a strategic tool for fiduciaries to deliver exceptional results. Integrating these best practices into your advisory services positions you as a leader in your field while ensuring your clients receive the highest level of care and financial benefit.

TESTIMONIAL

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As an experienced financial service advisor representing the affluent market, my entire business revolves around my clients and the on-going collaboration with the families representing tax professionals and attorneys. [Asset] has been an asset to my business for many years by helping to focus on delivering solutions for all parties, all while supporting my role as an advisor to bring the very best results for my clients."

– TOT Advisor



Ready to Deliver Maximum Value?

Partner with Asset Life Settlements to integrate life settlements into your practice and deliver exceptional value to your clients. Contact us today for a consultation.

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