

Client Sells \$1.8 Million Policy for \$512,000, Recoups 92% of Cost Basis; Agent Earns \$54,000 in Comp

This life settlement success story showcases how the proceeds from selling an unwanted life insurance policy can provide unexpected liquidity to achieve multiple wealth preservation goals.

CASE PROFILE

- 90-year-old female; 4-6 yr. life expectancy
- \$1.8M Standard UL Policy
- \$94K Premium; Escalating to \$144K
- \$544K Cost Basis / Premiums Paid
- CSV less than \$5,000
- 20 Offers from interested buyers
- \$80K Lowest Offer
- \$512K Highest Offer (Accepted by Seller)
- \$54K Comp paid to Agent

CHALLENGE

The client's financial advisor asked that we expedite the life settlement transaction so that the client could purchase an annuity prior to her 91st birthday using the proceeds from selling the policy.

See case details on reverse side.

- ✓ Outcome exceeded all expectations
- ✓ Client recouped 92% of premiums paid
- ✓ Client freed from escalating premiums
- ✓ Proceeds used to purchase annuity
- ✓ Agent earned generous comp check



Client Sells \$1.8 Million Policy for \$512,000, Recoups 92% of Cost Basis; Purchases Annuity

This case involved a 90-year-old female who was financially burdened by the annual premiums for a \$1.8 million UL policy purchased 20 years ago.

Considering the insured's 4-6 year life expectancy, the family sat down with their financial advisor to discuss their mother's estate planning goals and review the best options for the policy. They explained to the advisor that they could no longer justify keeping the policy in force because the premiums were about to escalate from \$94,000 to \$144,000 a year.

Coincidentally, the financial advisor had recently read an article authored by a co-founder of Asset Life Settlements that was published by *BrokerWorld Magazine*. The article detailed an extraordinary life settlement success story involving a 91-year-old

who was similarly burdened by excess life insurance coverage. The advisor was so impressed with the article because it illustrated how selling a \$3 million policy for \$1,515,000 helped the insured achieve a number of wealth preservation objectives.

The agent shared the article with the family and, after reading it, they decided the best option was to sell the \$1.8 million policy.

As a result, Asset Life Settlements was chosen to represent the policy seller in the secondary market. We immediately proceeded to negotiate with 20 potential buyers until the highest offer was received. Offers ranged from \$80,000 to a high offer of \$512,000, which the client accepted. The timing for receipt of the life settlement payout was perfect in that the family needed to purchase a multiyear annuity prior to their mother's 91st birthday. The settlement check arrived two weeks prior to her birthday.

Key Take-Aways

- Life settlements have emerged as a powerful wealth preservation tool for financial advisors and other professionals who have a fiduciary obligation to recommend the most prudent exit strategy for unwanted or financially burdensome policies..
- Life settlement brokers, such as Asset Life Settlements, have a fiduciary obligation to negotiate the highest possible offer for the client.
- Insurance licensed advisors who facilitate life settlements for their clients have the opportunity to earn commission. In this case, the agent received a commission check for \$54,000. Commissions that are paid to the broker or to the agent are fully disclosed to the client.



The \$512,000 payout from selling the \$1.8 million policy meant that the insured had received free life insurance coverage for nearly 20 years.

As brokers, it's our fiduciary duty to negotiate the highest value for your policy.

Call us at 855-768-9085 to request an immediate estimate.