



ENTREPRENEUR PAYS OFF BUSINESS LOANS

WITH LIFE SETTLEMENT

THE SITUATION

John Vogel*, a 63-year-old entrepreneur, had several large outstanding business loans that he wanted to pay off before retiring. He had two insurance policies with a total death benefit of \$3.5 million, but the cash surrender value for both policies was \$0. John's life expectancy was estimated to be between seven and ten years.

THE OUTCOME

ValMark worked with multiple providers to negotiate settlement offers resulting in a total offer of **\$843,000** or **28%** of John's total death benefit.

SUMMARY	POLICY #1	POLICY #2
POLICY TYPE	TERM	UL
DEATH BENEFIT	\$2,000,000	\$1,500,000
CASH SURRENDER VALUE	\$0	\$0
ANNUAL PREMIUMS	\$46,535	\$21,147
LIFE SETTLEMENT OFFER	\$445,000	\$365,000 + PAYOFF OF \$33,000 LOAN

THE TAKEAWAY

According to a recent GAO study, Life Settlements deliver almost 4X the surrender value to seniors. As the troubled U.S. economy has improved, so has the Life Settlement market. Providers have more institutional money available to bid on policies than they have had in the last several years. Now is the perfect time to begin working on new Life Settlement cases.

*Client name has been changed to protect confidentiality. | Each client's experience varies, and there is no guarantee that a life settlement will generate an offer greater than the current cash surrender value. In such cases, the client can always surrender their policy to the carrier if the coverage is no longer needed. This material is intended for informational purposes only and should not be construed as legal or tax advice or investment recommendations. Consult a qualified attorney, tax advisor, investment professional or insurance agent about the issues discussed herein. Securities offered through ValMark Securities, Inc. Member FINRA/SIPC.

