



* 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.

FUNDING TRUST OWNED INSURANCE

WIDOW USES LIFE SETTLEMENT TO PAY PREMIUMS ON OTHER POLICIES HELD IN TRUST

THE SITUATION

Mary Snow*, an 89-year-old widow, has a sizable net worth, but it has diminished over the last several years. After meeting with her Financial Advisor, they determined that she needed additional liquidity to pay the premiums on her other policies held by the family trust. Mary wanted to assure that the inheritance planned for her family and charities would remain intact.

One of the policies Mary owned was a \$6 million Universal Life policy with a cash surrender value of approximately \$93,000. Her life expectancy is estimated at between 43 and 67 months.

THE OUTCOME

ValMark worked with multiple providers to negotiate a settlement resulting in a total offer of **\$1,565,000** – **26%** of the policy's death benefit and **16X** the cash surrender value.

SUMMARY

POLICY TYPE	UL
DEATH BENEFIT	\$6,000,000
CASH SURRENDER VALUE	\$93,000
LIFE EXPECTANCY	43 –67 MONTHS

LIFE SETTLEMENT OFFER **\$1,565,000** (26% of DB | 16 X CSV)

THE TAKEAWAY

According to a recent GAO study, Life Settlements deliver almost 4X the surrender value to seniors. 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.

