



PHYSICIAN SELLS PART OF TERM POLICY

AND MAINTAINS A PORTION OF COVERAGE

THE SITUATION

Joe Campbell*, a 74-year-old physician, lost a substantial portion of the wealth he had accumulated over his career and was unable to maintain the lifestyle that he and his wife had become accustomed to. Dr. Campbell had two term insurance policies with a total death benefit of \$5 million.

One of the policies (\$3 million) needed to be converted within the next 4 months. The other policy (\$2 million) was not convertible. Dr. Campbell said he couldn't afford to continue paying for the policies. His life expectancy was estimated to be between seven and nine years.

THE OUTCOME

ValMark worked with multiple providers to negotiate settlement offers on both policies. Dr. Campbell decided to sell \$2 million of the \$3 million convertible term policy. As a result, he was able to pay the premiums on the remaining death benefit using the gross proceeds from the sale. Dr. Campbell was greatly relieved to know he could now afford to maintain some coverage for his wife's survivorship needs, while still being able to maintain a comfortable lifestyle.

SUMMARY

	POLICY #1	POLICY #2
POLICY TYPE	TERM**	TERM
DEATH BENEFIT	\$2,000,000	\$2,000,000 OF \$3,000,000
ANNUAL PREMIUMS	\$46,535	\$92,000
LIFE SETTLEMENT GROSS OFFER	\$174,300***	\$475,000***

THE TAKEAWAY

Over the last nine years ValMark has been able to create over \$104 million in gross life settlement proceeds for clients. Over this same time period the average life settlement at ValMark has delivered over 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, making this a favorable time to consider a life settlement as an alternative to lapsing or surrendering your policy.

*Client name has been changed to protect confidentiality. | ** Non-convertible term. Offer not taken. ***The gross offer will be reduced by commissions and expenses related to the sale. | 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.

