

Robin & Peter on LIFE SETTLEMENTS



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What You Need to Tell Your Clients Now

Suddenly, it seems like commercials and ads for life settlements are everywhere. And with this media blitz, there is growing misinformation as well. For example, a healthy 68 year old female cannot sell her \$500,000 Universal Life policy for \$300,000. But, you owe it to your clients to be sure that they are aware of this option and that they have the facts to make good decisions.

The most important thing to know about a life settlement, and to be sure that your clients know, is that it is an alternative to lapsing or surrendering a policy.

With the economy turned upside down, your clients should be evaluating all their assets to see what to keep, what to reposition, what needs to be liquidated to pay for every day living expenses and where they could find unexpected value. Yes, a life settlement is a creative way to find hidden value in a life insurance policy; however, your clients' life insurance could also be the most valuable thing in their portfolio to keep, assuming that they can afford it, as the face amount will pass on to their beneficiaries no matter what the condition of the stock market.

Once someone has made the decision to sell their policy, it's imperative that they know to go to someone that they trust to get them the maximum market value. Selling a policy is somewhat like buying a diamond, it's a "blind item" and you have to trust the dealer! As your clients' trusted advisor, you want them to come to you to help them with this transaction.

And, as your trusted life settlement resource, we will fight to get your clients the most value. Here's how we do that:

- **We are life settlement brokers** and, as such, go to the marketplace of potential buyers to create an auction which forces up the price. Recently, we have done several deals where we have had over 20 bids back and forth among providers (the brokers for the investors), squeezing out every last dollar of value. If your client's policy goes to only one provider, there's no incentive for that provider to pay top dollar as there's no competition. Also, because of our size and long-term relationships with many providers, we have the negotiating clout to get higher bids.
- **We are life insurance professionals** which is our "secret weapon" as we understand how to position the insurance policies to look as favorable as possible to buyers. We also understand the unique value of a life insurance policy and any additional factors that should be considered when selling a policy.

So, what do you tell your clients? First, you want to be sure that they are aware of the possibility of selling their policy, before it lapses or before they surrender it. You then want them to know that that they should come to you, and not to a stranger who's ad popped up on their social media, and why you will be able to help them maximize the value of their policy.

To help you do that, we are available for conference calls with you and your clients and their accountants and/or attorneys. In addition, we have a library of articles available that you could share with your clients. Finally, we have a sample letter that you might wish to send out to your clients to let them know of the possibility of selling policies that they no longer want. To get a copy, you can email or call us.

This is a time unlike we have ever seen in our lives. There are no words for the devastation that the Coronavirus has and is causing and how it impacts all of us. The most important thing is the continued health of our family and friends and of our clients too. BE WELL, STAY SAFE and TAKE CARE.

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