

Robin & Peter on LIFE SETTLEMENTS



Issue No. 111, July 22, 2020

A Life Settlement Can Help Struggling Business Owners Get Through the Pandemic

In addition to the personal financial hardships suffered by many as a result of the Covid-19 pandemic, the finances of many businesses have been significantly damaged as well. Especially hard hit have been restaurants and bars. For businesses and business owners, a life settlement could be the lifeline to get them through this horrible time.

Here's a recent case. A long-time restaurant owner was unable to keep his business afloat amid the pandemic shutdown in his state. Like his employees, the closure of his business meant that his family's primary source of income was gone. He owned a \$900,000 universal life policy that he was going to lapse as he no longer could afford the premium payments.

Fortunately, his agent was on top of the situation. We were able to get him \$256,000 for the policy, which will at least tide his family over for a while. This case is just one example of how a life settlement can be an important option, especially now.

It's critical to pay close attention to your business clients, as well as your personal clients, that are being hard hit by the pandemic. The illustrated case provided much needed personal funds. If, instead, supporting the business was the goal, the sales proceeds could have been used for a cash injection into the business. A life settlement could be the difference between continuing and shutting down.

Keep in mind that it is not just personally-owned policies that can be sold. Business-owned policies that were bought for key person, buy-sell, stock redemption and fringe benefits can be sold in a life settlement as well. And don't forget term policies that are convertible to universal life make especially good candidates.

It's important to stay knowledgeable about your clients' business and personal situations and to make sure that they are aware of the life settlement option. They may need your help now more than ever.

Want to uncover Life Settlement prospects? We have sample letters available for you to send, as appropriate, to both clients and advisors, along with new marketing pieces.

As situations come up, be sure to let us know. As we always say, "it can't hurt to try -- it can only hurt not to!"

Contact us:

Robin S. Weinberger, CLU, ChFC, CLTC
(617) 451-3343

Peter N. Katz, JD, CLU, ChFC, RICP®
(860) 937-2936

Ria J. Johnson, CFP®
(619) 920-4000

John McGinty
(954) 740-2600

Share us on social media:



© 2020 Peter N. Katz. All rights reserved.

