

Robin & Peter on LIFE SETTLEMENTS



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The Two Sentence Sales Track

Last month, [we wrote](#) how convertible term policies, on insureds over age 65 who have had some decline in health since the policy was issued, often make the best candidates for a life settlement. Term policies are everywhere, but how do you find them? All you have to do is ask. Here's a two sentence sales track to help you out - you never know what asking these questions will uncover:

"Do you own any term insurance?"

"Let me take a look?"

Depending on the age, needs and circumstances of your prospect, here are the most likely scenarios that will result:

- Some or all of their term insurance is converted to permanent coverage.
- The term is rewritten for a policy with a lower premium, a longer guaranteed premium period or a longer conversion period.
- Some or all of the coverage is found to be unneeded and becomes a prospect for a life settlement.
- More coverage is required and new insurance is sold.

What's interesting is that in just about every situation, you have the opportunity to benefit your prospect as well as make a commission for yourself - a WIN-WIN for everyone!

Here are several places where you might not think to ask, but where there are potentially lots of term policies that should be reviewed:

- **Property Casualty Agencies** - They often have large amounts of term insurance on their books, for both individual and business clients.
- **Banks** - Frequently, they require term insurance to cover loans, mortgages, etc., and as the loan principal goes down or is paid off, the amount of term required will go down as well.

(over)

▪ **Accountants** - They know which of their clients, especially their business clients, have policies for needs such as buy-sell, key man, and fringe benefits and what needs are changing.

▪ **Attorneys** - Similar to accountants, they know a lot about the changing needs of their clients.

▪ **Human Resource Professionals** - They know who in their companies are retiring and who have large amounts of group term coverage and/or supplemental individual term policies that most likely will lapse at retirement. Keep in mind that most group insurance is convertible and therefore could be saleable as well.

The starting point for considering a life settlement should be after someone has exhausted all other options and decided to surrender or lapse a policy; it is not an alternative to keeping a policy. This decision should be up to the policy owner and, because the life settlement process takes several months to complete, you want to get to appropriate prospects while they still have time to take advantage of the opportunity.

How do you help to preserve this opportunity? All you have to do is ask!

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