

# Robin & Peter on LIFE SETTLEMENTS



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## Look What We Found!

**Life settlements can bring found money!** Here are two recent cases that show how life settlements brought unexpected value to policies that were about to be lapsed or surrendered:

### Case #1:

#### *Who Says Term Insurance Has No Surrender Value?*

A \$2.5 million term policy, on a male age 63, was reaching the end of its premium guarantee and conversion period. The client could not afford the premium to convert the entire policy and was no longer healthy enough to qualify for new term insurance. In a term conversion life settlement, the policy owner sold half the death benefit, \$1.25 million, for \$60,300. The proceeds were used by the insured to help pay for the first few premiums to convert the remaining \$1.25 million of coverage to a new universal life policy. **Yes, it's true - a life settlement can actually help someone keep more life insurance in force for their beneficiaries.**

### Case #2:

#### *When Estate Taxes Are No Longer A Problem*

A \$1 million survivorship universal life policy had been purchased for estate taxes. The insured was a male age 82, and his spouse was now deceased. The reason the policy was purchased, to help pay the estate tax, was no longer relevant, and there was no other need for the policy. As a result, the insured decided to surrender the policy to enhance his retirement income. The cash surrender value was approximately \$91,000. Before putting through the surrender request, his advisor suggested they try a life settlement and as a result, the policy owner received \$330,000 - more than two and a half times the cash surrender value! The insured's retirement was enhanced well beyond his expectations.

If these were your clients, isn't this the kind of result you would have wanted for them? Isn't it your responsibility to try? Call us to determine if you have a life settlement prospect. **It can't hurt to ask - it can only hurt not to.**

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