

Robin & Peter on LIFE SETTLEMENTS



May 20, 2014

Delivering a Death Claim or Life Settlement Check:

What's It Really All About?

When most producers think about life insurance, they think of term, universal life, whole life, interest sensitive life, survivorship life or variable life. They think of cost - "I can get it for you cheaper," the tax benefits, creative ways to pay for it, and how much commission they will make on the sale. What tends to get lost in the numbers and the spreadsheets is what life insurance actually does for the beneficiaries. You can talk about providing money for children to go to college, for families to get to stay in their homes, for businesses to continue and for loans to be repaid, but until you actually deliver a death claim check, you never truly understand what life insurance really is about.

This week, I got a note from one of our life settlement clients. It reminded me of my first experience with a death claim. I was in my 20's and had only been in the business for a few short years. I went to the funeral and afterwards visited the widow to pay my respects. She made me feel so important as she introduced me to everyone in the room. "This is Robin - she's my insurance agent. Because of her, I can keep the kids in the house and keep the store going." I'll never forget that moment. It made me proud of what I do and made me want to sell more.

When insurance is purchased, the usual expectation is that it will stay in force indefinitely or until death. Life has a way of changing and, over time, policies become no longer needed, wanted or affordable and are often lapsed or surrendered. Just like the proceeds from a death claim, a life settlement can make a major difference in someone's life. Money can be used for health care services, long term care costs, repaying debt, supplemental income, charitable giving or gifting.

In trying to convince home office executives why they should let their producers do settlements, we talk about the responsibility to clients to discuss a life settlement as an

alternative to lapse or surrender and as a way to maximize the value of a life insurance policy. But until you actually get meaningful feedback from a life settlement client, you can't really understand what a life settlement does and what a big difference it can make.

Here is the note that we received:

"I'm sorry I never got a chance to tell you how much I appreciate everything you did to help John and I through this most difficult time. Looking back at the struggles and challenges we faced through our financial difficulty and trying to fight several health issues; not to mention cancer for the second time.....well, it was like God had sent an angel to reassure us that everything was going to be just fine. I don't think we've ever had any one fight harder on our behalf. It has most assuredly taken a huge burden off in many areas. The stress level has dropped immensely. Some day if you ever make it to Charleston, West Virginia I'd love to meet you and give you a huge hug! Once again, thank you to you and the others involved with the diligent work and effort it took to help us. God bless you with His grace and glory!"

This policy was about to lapse, but an attentive agent caught it in time and told them about the settlement alternative. It makes us proud of what we do and makes us want to do more.

Life Insurance . . . life settlements . . . what's it all about? It can't hurt to ask - it can only hurt not to.

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