

Robin & Peter on LIFE SETTLEMENTS



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4 Cases That Show How the Life Settlement Market Has Bounced Back

We've repeatedly said that the life settlement market has improved substantially this year. But the best way to illustrate that is to share the details of some recent cases with you.

1. **\$3 million Survivorship UL, wife deceased, male age 90:** The policy was originally bought for estate taxes which, due to ATRA, were no longer a problem for this client. We shopped the policy last year and got an offer of \$700,000, but the client decided he would try to maintain the policy. This year he came back to us because he had trouble coming up with the premium payments. Even though his life expectancy decreased by only 4 months, a year later we were able to get him \$815,000 for the policy which had a cash surrender value of \$246,000. He was thrilled!
2. **\$2 million U.L. on a female, age 79 with relatively modest health impairments:** Life expectancies obtained were 122, 142, and 129 months. The policy had only \$43,000 in cash surrender value and the client could no longer afford the premiums. The client received \$131,000 in a life settlement.
3. **\$500,000 U.L. policy on a male, age 90:** The family was running out of money to pay for his long term care in a nursing home. His life expectancies were 36, 36 and 48 months. The client received \$217,000 for a policy with no cash surrender value, which gave everyone comfort that he would be able to continue to receive care at his existing facility.
4. **\$4 million Survivorship U.L., husband deceased, female age 82:** Life expectancies were 102 and 134 months. Changes in the estate tax law eliminated her need for this insurance. \$575,000 was received for this policy which had a cash surrender value of \$168,000.

All these policies were about to be lapsed or surrendered, and as you can see, a life settlement was a far better solution. Look at the meaningful difference that the additional cash made to these policy owners.

When you hear that your clients have policies that they no longer need, want or can afford, you owe it to them to explore the life settlement alternative. Remember - it can't hurt to try - it can only hurt not to! And the timing for trying today is better than it has been in years!

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