

Robin & Peter on LIFE SETTLEMENTS



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Life Settlements: How to Find Them with Two Easy Questions

Convertible term policies on insureds over age 65 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 are two questions to help you -- you never know what asking these questions will uncover:

- 1. Do you own any term insurance?***
- 2. Can I take a look?***

Depending on the age, needs and circumstances of your client or prospect, here are the most likely outcomes:

- No current changes are necessary, but important future dates like the end of the conversion period or the expiration of the initial premium guarantee are identified.

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

In just about every situation, you have the opportunity to benefit the policyowner, as well as to 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.
- 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. Now that tax season is over, it's a great time to contact accountants, while their clients' situations are fresh on their minds.
- 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.

The life settlement process takes several months to complete; therefore, you want to get to appropriate prospects while they still have time to take advantage of the opportunity. As situations come up, please be sure to give us a call so that we can guide you through the process.

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

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