



## Life Insurance - One of Seniors Greatest "Unknown" Financial Asset in Their Time of Financial Need

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In other words, the policies are surrendered or permitted to lapse. A surrender or lapse is, essentially, a sale of the policy back to the insurance company for the cash value. However, if the insured's health has declined, the insured is no longer insurable in the same rate class; in that case, the policy may be worth considerably more than the surrender value.

At the same time, the senior market was estimated, in 1999, at \$492 billion of in-force life insurance policies.

For many years, the insurance companies were essentially the only market for this commodity in which an individual had been investing for years. The advent of a secondary market has now created a free market for policy owners to value their insurance just as they do other financial assets.

A recent article entitled, "The Benefits of a Secondary Market for Life Insurance Policies," published by the American Bar Association (Real Property, Probate & Trust Journal), concludes that the secondary market is both pro-competitive and pro-consumer. We have outlined the "need to know" details concerning "Life Settlements" for a person that may be interested in seeking this type of financing!

### DETAILS:

#### Why Choose a Life Settlement?

- \*Policy has become too expensive to maintain.
- \*Lapsing a policy provides little or no benefit.
- \*Settlement amount is always greater than the cash surrender value in a policy.
- \*Day-to-day expenses are not easily met.
- \*Decline in health has increased medical expenses.
- \*Health and long-term care have become a financial problem.
- \*Fear of leaving family burdened with debt
- \*New tax laws or estate changes have made current life insurance coverage excessive.
- \*Policyholder living in an assisted care facility has exhausted their ability to pay for their residential care.
- \*Alternative funding is needed for more suitable financial products.

#### Consumer Benefits of a Life Settlement

- \*Receive additional funds to compensate for loss of income since retirement.
- \*Eliminate premium expense.
- \*Meet day-to-day obligations and relieve overall financial stress.
- \*Preserve a high quality of living.
- \*Obtain increased financial liquidity in varying economic times.
- \*Maintain control of affairs before passing.
- \*Observe the benefits of asset distribution.
- \*Do the things you've always wanted to do in life.
- \*Enjoy peace of mind.

#### Financial Planning Benefits

The possibility that a client's insurance policy will have a market value well above its surrender value has at least three major consequences:

- \*When estate planners inventory the market value of a client's assets, they'll need to know the fair market value of not only stocks, bonds, and real estate, but also of life insurance policies.
- \*In estimating death taxes, advisors need to consider whether the IRS will value any life insurance policies on others' lives at their fair market value.
- \*In advising clients how to exit from an unwanted insurance policy, planners need to consider whether a life settlement at fair-market value is the most suitable choice.

#### Ideal Candidates

High net worth clients age 65 and over, with:

- \*A life insurance policy with a face amount of at least \$250,000 (smaller policies can also be marketed);
- \*A change in insurability since the policy was issued;
- \*A life expectancy of 15 years or less.

Visit the link below for more details on how you can cash in on your life policy for needed cash:

<http://www.lordoverall.com>

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#### Contact Information

**T. Thompson**

<http://www.lordoverall.com>

888-293-8227

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