

Life Settlements Explained

by Editor

Whether you call it a Senior Settlement, Lifetime Settlement, or High Net Worth Transaction $\frac{1}{2}$ " Life Settlements have become a very important factor in the estate planning process for seniors. Prior to the Life Settlement Industry, if a senior owned a policy that was no longer wanted, needed or affordable, there was no option but to lapse, cancel, or surrender the policy back to the carrier for the cash surrender value. Life settlements allow qualified policy owners to liquidate a policy for an amount much higher than the cash surrender value. Then, these seniors can take advantage of important financial opportunities using the proceeds of an unwanted, unaffordable or obsolete life insurance policy. Today, with the advancement of Life Settlements as a mainstream financial product, Life Insurance Companies now face competition for the surrendered policies that they once monopolized. The Life Settlement Industry has created a competitive secondary market for life insurance policies. Consumers are now in the driver's seat, free to sell their policies in an open market for the highest available price, well above the cash surrender value offered by insurance companies.

Benefits To Policy Owners

- * Relief of monthly premium expenses
- * Additional funds to supplement retirement income
- * Higher cash payout than the cash surrender value
- * Funds to seek treatments not covered by health insurance
- * Generate profit from a non-performing & often worthless asset
- * Alternative funding for LTC policies, annuities or other investments

Example How it works: Insured Male Age 77 Face Value: \$1,000,000 Cash Value: \$118,000 Surrender Value: \$105,000

Original Offers

Funder #	Offer
#1	\$125,000
#2	\$130,500
#3	\$135,000
#4	\$165,000
#5	No Bid $\frac{1}{2}$ " Declined
#6	\$200,000
#7	\$230,000

Negotiation Phase

Funder #	Offer
#1	\$231,000
#2	Declined to Re $\frac{1}{2}$ " Bid
#3	\$235,000
#4	\$235,000
#5	No Bid $\frac{1}{2}$ " Declined
#6	\$240,000
#7	\$240,000

Negotiation Phase

Funder #	Offer
#1	\$240,000
#2	Declined to Re $\frac{1}{2}$ " Bid
#3	\$247,000
#4	Declined to Re $\frac{1}{2}$ " Bid
#5	No Bid $\frac{1}{2}$ " Declined
#6	Declined to Re $\frac{1}{2}$ " Bid
#7	\$250,000

Purchase Price \$250,000

As you can see, the offers made by Life Settlement Funders can vary greatly. There is absolutely no benefit if you work with only one Funder or even three for that matter. In this case, even Funder # 7, who had the highest original offer, raised their bid by \$20,000. The Power of Negotiation Yields Higher Offers. Metropolitan Advisory Group offers life settlement transactions through their strong relationships with life settlement providers, brokers and direct buyers. If you would like more information. Contact: Jonathan Mittman Vice President Metropolitan Advisory Group, LLC 212-332-7596 jmittman@metropolitanag.com

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