

Is It Time to Settle Your Life Insurance Policy?

We Can Help.



G E N E S I S
COMPLETE LIFE SETTLEMENT SERVICES



Table of Contents

Introduction	3
What Is a Life Insurance Settlement?	4
Is It Worth Considering a Settlement?	5
Should You Consider Settling Your Parent's Policy?	6
Are You or Your Parent a Good Candidate for Life Settlement?	7



Your life insurance policy seemed like a great investment when you first purchased it. However, over time, it has become more of a burden than an asset. Perhaps the reason you took out the policy no longer applies, or maybe the premiums have become more than you can afford. Whatever the reason, you may find yourself no longer in need of the policy you purchased.

You aren't alone, but like many others who no longer have a need for their life insurance policies, you may think your only alternatives are to keep sinking money into the policy, surrender it, or allow it to lapse.

Fortunately, you have more options than you may think.

What Is a Life Insurance Settlement?

Life insurance settlements sound complicated, but the process is actually simpler than buying the policy in the first place! The difference is that you are now the seller, not the buyer. The settlement happens when you sell your existing policy to an institutional investor, which then takes over the premium payments and becomes the owner and beneficiary of your policy. In return, you get a cash payment that's more than the cash surrender value.



In addition to selling your policy for more cash, selling it to an investor also offers the advantage of choice. You can sell it for a lump sum cash payment upfront or opt for a retained death benefit offer. In a retained death benefit offer, the total value of the offer will be higher, but the portion of it will be retained and remitted to your family upon the insured's death, directly from the life insurance carrier. You can also choose a hybrid offer, which allows you to get some cash now and a retained death benefit upon the death of the insured.

Is It Worth Considering a Settlement?

When you first invested in life insurance, you probably didn't consider a time when you wouldn't need it. But things change, and if you find yourself in a circumstance where your policy has become irrelevant or too costly, it may be time to consider a settlement. For instance, when you first bought the policy, you might have had a significant mortgage on your home. Now, the mortgage is paid off. Or perhaps most or all of your children are now self-sufficient, and you no longer need the coverage the policy was providing.

If your policy is a universal life insurance policy, the cost may have risen over the years. It's common for people to underfund such policies, leaving them with costs that are much higher than expected in their later years.

In fact, over the past few years, thousands of universal policyholders have been forced to pay millions collectively every month to maintain their policies. Those who can't afford the increases have had to let their policies lapse or cancel them for small cash amounts, losing their death benefits.

If you're over the age of 65 but have a term policy, this may not be a concern. But once the term is up, your policy expires. If your term policy is convertible to a universal life or whole life insurance product, you may still be able to sell it.



If your original goal for taking out a life insurance policy was to help your family pay off exorbitant estate taxes when you die, that may also no longer be necessary. Recent tax cuts have raised the estate and gift tax exemption to \$11.4 million (and \$22.8 million for married couples). Therefore, you might not need the umbrella anymore. Instead of paying premiums on a policy you no longer need, you can liquidate it and cash out.

Should You Consider Settling Your Parent's Policy?

Having a life insurance policy that's no longer needed is a common reason for seeking a settlement, but sometimes, the opposite is true. The safety net that the policy is meant to provide may be needed sooner than expected. A good example is when adult children have to become caregivers and manage their parents' finances, including life insurance.

A joint report from [Merrill Lynch and Age Wave](#) discovered that 92% of caregivers provide financial caregiving to loved ones. That includes paying bills, managing accounts, filing taxes, and maintaining insurance policies and assets. Unfortunately, many caregivers don't have time to prepare for these responsibilities. In fact, more than 60% of caregivers never expected to become caregivers until the moment care was necessary, and on average, they pay around \$10,400 in out-of-pocket expenses when caring for a loved one.



Most caregivers make arrangements by cutting back on personal spending, dipping into their own savings, or liquidating assets. When caring for an aging parent, the premium payments on a life insurance policy can be draining. Selling the policy for a settlement not only eliminates that burden, but also helps alleviate the cost of providing care.



This solution has helped many of the policy owners we work with, including a 74-year-old male who had a \$500,000 policy. He could no longer afford the premiums and needed help paying for medical bills. We were able to procure an offer for \$155,000. The client and his family were very happy with this outcome.

These and similar settlements have helped countless policyholders and their families gain peace of mind when they need it the most. Whether a policy has become an unnecessary burden or circumstances arise that make it necessary to cash out early, we have the connections and expertise to help you settle it for the greatest value.

Are You or Your Parent a Good Candidate for Life Settlement?

While settling your life insurance policy is often the preferable option, there are several important factors to consider first. If the following criteria are met, then you or your parent are likely a great candidate for life insurance settlement.



- You (or your parent) are over the age of 65.
- The policy you are looking to sell is either a term, whole life, or universal life policy. (Though you could technically sell any type of life insurance policy, universal life and term life are the most likely to have eager buyers.)
- You have a term policy that is convertible.
- Your policy has a face amount of more than \$250,000.
- You no longer need or want your policy, or you can no longer afford it.
- You have had the policy for at least 2 years.

If you meet the above criteria, don't cancel your policy or let it lapse for nothing. Speak with one of our highly experienced life settlement brokers today. Chances are, we will be able to settle your policy and help you find the greatest return.

G E N E S I S
COMPLETE LIFE SETTLEMENT SERVICES