

# GBS Insurance & Financial Services, Inc.

## *Life Settlement Brokerage Division*

### A Life Settlement Introduction

#### **LIFE INSURANCE AND FINANCIAL NEEDS CHANGE OVER TIME**

Many people find that as they reach retirement age, pay off their mortgage or see their children through college, their life insurance has served its primary purpose — to protect loved ones and assets — and is no longer useful. It effectively becomes a “dormant asset.” At this point, the expensive premiums are being directed toward an investment that is under-performing, may no longer be needed or has become unaffordable. In the past, the only choices were to keep paying the premiums, allow the policy to lapse for zero value, or surrender the policy to the insurance company for the Cash Surrender Value.

Today however, there is a relatively new option called a Life Settlement, which allows for senior policy owners to tap previously unrealized value in their unwanted, unaffordable, or underperforming life insurance policies. This asset can now be liquidated for a fair market value and the proceeds redistributed to address the current financial planning goals of the owner such as retirement income, charitable giving, more appropriate life insurance, annuity, long-term care, or simply a vacation.

#### **A HIDDEN ASSET**

You know the fair market value of most of your assets, but do you know the fair market value of your life insurance policy? It may be worth a lot more than you think.

Life Settlements are a viable new tool used by insurance agents and financial professionals to effectively manage life insurance portfolios for their senior clients. Your life insurance policy could be a hidden asset worth more than you ever expected. A Life Settlement can unlock the value of an underperforming, unwanted or unneeded life insurance policy.

#### **WHAT IS A LIFE SETTLEMENT**

A life settlement is the sale of a life insurance policy for a lump sum cash payment. In a typical scenario, a bank or financial institution such as Berkshire Hathaway, Goldman Sachs, UBS or Credit-Suisse to name a few, will purchase the policy, become the owner and beneficiary, and take over the premium payments. The seller is released from any future premium payments and receives a lump sum cash payment, which can be up to 6 times the Cash Surrender Value offered by your insurance company.

#### **WHO QUALIFIES FOR A LIFE SETTLEMENT**

Candidates for a Life Settlement should be over the age of 70 with an unwanted or underperforming life insurance policy of \$250,000 or more. Any type of policy can be settled but universal life and convertible term policies generally carry the most value in the secondary market. The process usually takes anywhere from 3 to 5 months and is initiated by simply completing a Life Settlement Application. Existing medical records are used to help determine the value of the policy and there is never any obligation to sell the policy. Personal information is held in strict confidence and only used for the purpose at hand, which is representing the seller to obtain the highest possible offer for the policy in the shortest amount of time.

***For more information contact your life insurance agent or financial professional.***