



LIFE SETTLEMENT BENEFITS

Meeting the Needs of the Policyowner

Income Needs Have Changed

- Policyowner needs more income
- Policyowner wants to pay off debts
- Policyowner needs funds for medical care, assisted living expenses or LTC insurance
- Policyowner needs funds to meet emergency expenses
- Policyowner can use funds for other investments
- Liquidation of assets due to bankruptcy

Policyowner's Priorities Have Changed

- Policyowner wants to buy vacation or retirement home
- Policyowner wants to take dream vacation
- Policyowner may have option to buy out employer's portion of split dollar policy
- Policyowner may be able to purchase "buy-sell" policy from partner

Insurance Needs Have Changed

- Policyowner has outlived intended beneficiaries
- Purpose was pension maximization and spouse has predeceased insured
- Debts have been liquidated
- Policy has not performed as expected
- Policyowner owns multiple life insurance policies and wishes to eliminate one
- Policyholder wishes to replace an individual policy with a survivorship policy, a long term care insurance policy, or funds for long term care

Need For Life Insurance No Longer Exists

- Premiums are too expensive
- Concerned about long-term care needs and expenses
- Retirement planning concerns due to challenging economy
- Family issues
- Insured out lived beneficiaries
- When a policy is lapsing or being surrendered

Replacement Insurance Is Desired

- The proceeds from a life settlement transaction can be used to purchase a new, more appropriate and more cost effective life insurance policy.
- Non-performing policies
- Single insured to second to die
- Reappearing premiums
- Need for new life insurance, annuities or long term care

Business Insurance Needs Have Changed

- Key employee is no longer "key" or has left
- Other employees have absorbed duties
- Key employee insurance is no longer needed
- Policies funding deferred compensation plans are no longer needed



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- When there is a company/partnership selling
- “Buy-Sell” policies are no longer needed
- Family business has been sold – estate equalization policies are no longer necessary
- Policyowner may use funds to buy out partner’s interest

Estate Needs Have Changed

- Estate tax laws have changed
- Estate has become more liquid
- Estate has diminished in value
- Policyholder wishes to remove the policy from a trust or estate
- A reduction in the value of the policyholder’s estate reduces the tax liability which the life insurance policy was designed to provide for
- New policy should be owned by ILIT

Policyowner Wishes to Make Gifts

- Policyowner wishes to make lifetime gifts to children or grandchildren
- Policyowner can use funds to make charitable gifts or fund charitable trusts
- Increase the amount of gift the charity receives today
- When a charitable organization who owns a donated policy cannot maintain premium payments
- The policyholder wishes to donate highly appreciated assets to charity, but would be faced with liquidity constraints as the result of such a donation

Miscellaneous

- When the insured is 70 years of age or older
- When there is a change in the health status of the insured

Benefits to Life Agents

- Commission from Life Settlement
- Keep annual commission on existing policy
- Customer satisfaction by helping to meet the needs of your client
- Lowers your lapse rate
- Potential sales on more appropriate insurance coverage