

## SUCCESS STORY

## Attorney Felt It Her Fiduciary Duty to Recommend Life Settlement

### CASE PROFILE

- 79 Year Old Male
- Owner of \$500,000 Universal Life Policy
- \$40,000 Annual Premium
- \$0 Cash Surrender Value
- \$30,000 Lowest Offer from a Buyer
- \$125,000 Highest Offer from a Buyer (Accepted)

### CASE OVERVIEW

The insured had initially purchased the policy for estate planning purposes. Over the years the premiums had increased to 8% of the death benefit. With the policy maturing at age 95, the insured could no longer justify a policy with marginal benefit to his estate. His estate attorney felt it her fiduciary duty to recommend a life settlement in order to stop the bleeding and to preserve the cash assets in the client's estate.

*Read Full Case Summary on Reverse Side*



## Fiduciary Duty Drives Attorney to Recommend Life Settlement

Estate attorneys are often on the front lines when it comes to the problem-solving potential of life settlement transactions. The following case summary illustrates how the estate attorney for a 79 year old client with a \$500,000 UL policy was instrumental in preserving the client's cash assets which were being drained by premium payments costing more than \$40,000 per year. Considering the high annual premiums and the fact that the policy had no cash surrender value, the attorney and his client agreed that a life settlement would be the best solution.

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Although the client had initially discussed the idea of a life settlement with an insurance advisor, the advisor was not experienced with life settlements and he referred the matter to an estate attorney who had previously represented clients with life settlement transactions. The attorney chose Asset Life Settlements as his brokerage partner because he was aware of our reputation for successfully negotiating complex secondary market transactions.

### High Premiums a Challenge

Most secondary market buyers prefer to purchase policies with lower annual premiums in the range of 3 to 5% of the death benefit. However, after submitting the case to eight different funders licensed in the state of Florida, we were able to attract offers from multiple buyers. The bidding started with a low offer of \$30,000. Given the seller's fragile health condition and the carrier rating for the policy, we continued to negotiate the offers up to more than \$100,000.

### Key Take-Aways

- This case illustrates the growing number of estate attorneys, CPAs and other professional advisors who have determined that a life settlement is often the most financially responsible course of action for unwanted life insurance policies. These advisors have a fiduciary duty to represent their client's best interests, and this case is but one example of estate attorneys who have fulfilled that duty by recommending a life settlement.
- Insurance specialists have an opportunity to generate client referrals by sharing case examples like this with attorneys and CPAs in their professional network.

Call us at **1-855-768-9085** to explore your client's eligibility for a life settlement or to request a free policy appraisal.

### The Outcome

Once the eighth and final bid came in, we were able to offer the seller a net settlement of \$125,000. The estate attorney recognized that receiving an offer equivalent to 25% of the death benefit was an excellent outcome and recommended the client close the deal.

