



Sell vs. Keep

Your Life Insurance Policy



INTRODUCTION

The idea of life settlement has become more and more popular over the years among seniors. Considering that roughly \$900 billion of life insurance lapses every year, having another option other than “keep versus lapse” is vital. According to a Wharton School study, 88% of all universal life insurance never results in a claim.

The opportunity to sell your policy to a third party is known as a “Life Settlement”. The buyer, as the new owner, then continues to make the ongoing/annual premium payments and accepts full responsibility for the policy. This powerful option, akin to a reverse mortgage, allows the creation of value (often significant) for policy owners in situations where traditionally they could only lapse or surrender the policy.

Reasons Policy Owners Sell A Policy

Selling a life insurance policy is a big decision, and it is important to note there is never an obligation to sell. Discovering what the fair market value is for a life insurance policy is an important step in determining if selling the policy is the best decision. Above all, knowing how much of a cash offer you can receive is paramount.

Working with a broker allows policy owners the peace of mind and confidence that their policy is being reviewed by a global network of qualified funds. The broker will manage the entire process and ensure a competitive environment maximizes the final offer. While many predatory direct buyers exist, attempting to purchase policies for as little as possible, it is a broker’s responsibility to get the highest offer possible for the clients they work with.

In addition, policy owners now can apply electronically from the convenience of their home. This avoids the timely traditional methods which make the process take longer. The only electronic submission platform, designed to make applying fast and easy is available through [Levinson & Associates](#) and [Insuremenowdirect](#). While technology that makes the transaction simple, fast & easy may be valuable, the most important question is how much you can receive.

Let’s next examine a few reasons why Policy Owners sell their policies.



Reason 1 “Eliminate Premiums”

One of the primary reasons policy owners look to sell their life insurance is because of premiums. Over time, as charges inside a policy increase, so does the premium. Life insurance policies are designed to become more expensive the older an insured becomes. While level premiums are often used, if the premium is not paid as planned every year, the premium can quickly become a burden. Even a level premium may become a burden as priorities change and other expenses arise.

Another common time when premiums become an issue is when a term policy reaches the conversion deadline. At this point, the term policy can be converted to a permanent product, with a premium many times what the current term premium is. For example, a \$1 million dollar term policy with a premium of \$3,000 per year could have a premium that increases to \$40,000 per year when converted. Instead of lapsing a term policy for nothing, these policies may be sold.

Whatever the circumstances, eliminating premium payments is a common reason for selling an existing life insurance policy.

Reason 2 “Obtain Funds Now”

Another common reason for selling a life insurance policy is to receive additional funds. Whether it is to cover medical bills, pay for living expenses, that long planned home renovation, or going on a dream vacation; obtaining funds opens the door of possibilities. To determine how much can be received, an application is completed and buyers review all required documentation to provide an offer.

Life insurance policies are a non-traditional asset, and policy owners are often unaware of their right to sell their policies. Furthermore, many learn about this option through direct buyers who focus on obtaining policies for the lowest offer policy. To not only obtain funds now, but obtain the maximum amount of funds for your policy, a broker can be trusted to work for you.

While maximizing how much may be received for a policy is primary, it is important to understand the process takes time. The buyers who can make an offer within one week fit a need, however, committing time to allow the highest offer to be reached is always recommended.



Reason 3 “Needs Have Changed”

Over time, the need for life insurance changes. Kids graduate college, the mortgage is paid off, the business is sold and many other life changing events may occur. While a lower amount of life insurance may still be desired, changing needs often reduces the prudence of maintaining a larger policy.

If a lower amount of insurance is desired, let your broker know. There are certain buyers who may have a solution. The solution is a Retained Benefit Offer (RBO) which allows a policy owner to maintain a portion of the policy with no future premium payment obligations. This type of offer can also be combined with a cash offer!

Reasons Policy Owners Keep A Policy

Deciding to sell a life insurance policy is a major decision. Family members, beneficiaries, and other trusted relationships should be consulted to ensure the policy is only sold if it serves the policy owner. To make the most informed decision, it is important to obtain the maximum offer for a policy to understand the fair market value.

Selling a policy provides more value than lapsing or surrendering; following are a few reasons policy owners decide to keep their policy.

Reason 1 “Valuable Coverage”

Life insurance is one of the most self-less purchases, as the person purchasing the policy will typically not see the benefit. While selling a policy changes this, the value of this self-less product to the beneficiaries cannot be overlooked. Considering the option of selling a policy should always be discussed with the beneficiaries.

Reason 2 “Affordable Premiums”

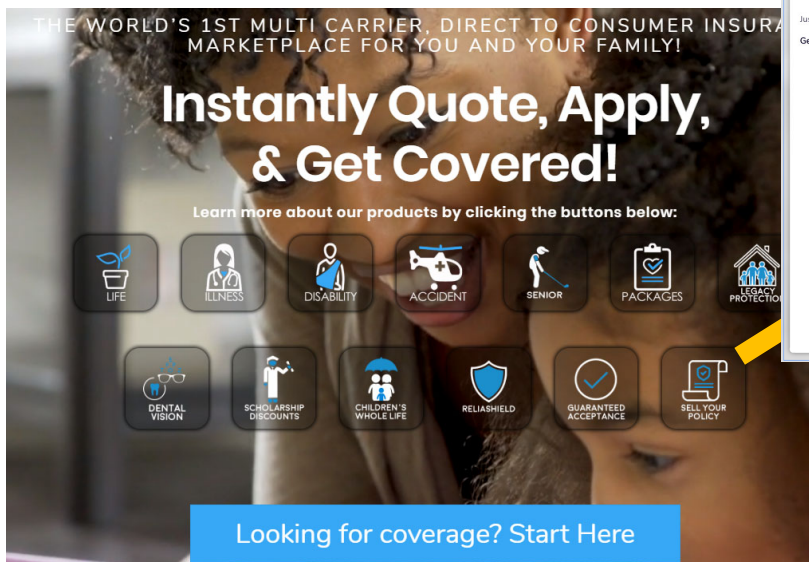
The approved rating class of a policy, combined with age, determines how much the premium will be. Over time, if an insured health declines, the rating class an insured could qualify for also declines, resulting in higher premiums or even a decline for any new coverage. The premiums of an existing policy with a better health rating class can be desirable. Also, older policies will typically have more affordable premiums because they began at a younger age.

Reason 3 “Health Decline”

As an insured's health declines, and life insurance can no longer be obtained, the sale of a policy may become a more difficult decision. Part of determining the fair market value of a policy is taking into account the health of an insured, and those with worse health receive higher offers. Even so, when health has declined, many policy owners must see a high enough offer to justify the sale of their policy.

Starting The Process

Beginning the process electronically is simple, just visit [InsureMeNowDirect](https://www.insuremenowdirect.com) website and select the “Sell Your Policy” option to get started.



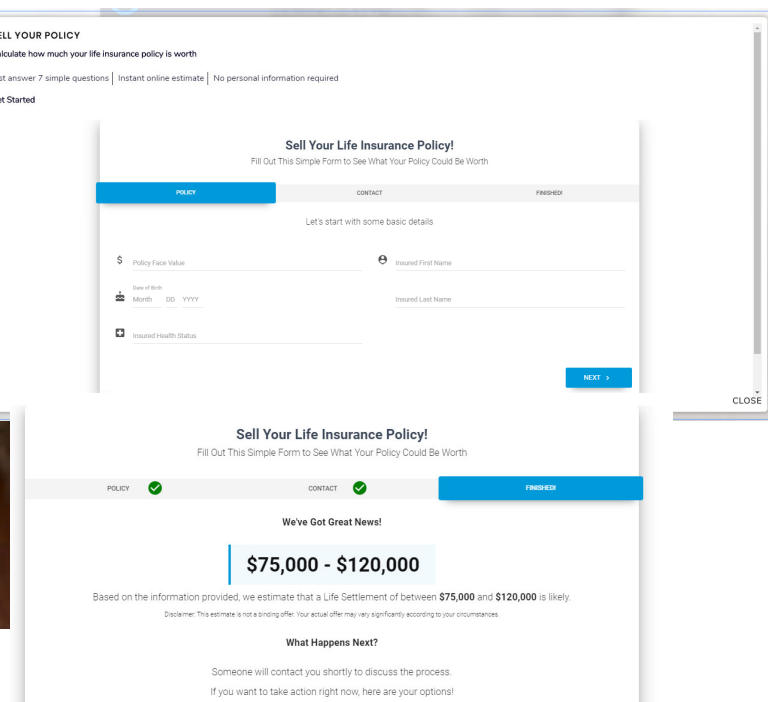
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Insured Last Name: _____
Date of Birth: Month / DD / YYYY
Insured Health Status: _____

Next

Sell Your Life Insurance Policy!
Fill Out This Simple Form to See What Your Policy Could Be Worth

POLICY ☒ CONTACT ☒ FINISHED

We've Got Great News!

\$75,000 - \$120,000

Based on the information provided, we estimate that a Life Settlement of between **\$75,000** and **\$120,000** is likely.
Disclaimer: This estimate is not a binding offer. Your actual offer may vary significantly according to your circumstances.

What Happens Next?

Someone will contact you shortly to discuss the process.
If you want to take action right now, here are your options!

CONCLUSION

A life settlement can be a wonderful financial planning tool. It is however important to take the correct steps to get the best advice for the highest payout. Determining the fair market value of a life insurance policy begins with taking the steps to complete an application. For more information about Insuremenowdirect or selling a policy contact:

Levinson & Associates

bill@carylevinson.com

800-375-2279

<https://www.levinsonandassociates.com/>

Sell Your Policy

