

When to Consider a Life Settlement

Buckeye Life Resources

If life insurance becomes:

- Unwanted
- Unneeded *or*
- Unaffordable

Life settlements are ideal when the policy owner otherwise plans to surrender or lapse the policy in question.

Basic attributes of a marketable case:

Insured

Age	Above 75 (<i>younger if health issues apply</i>)
Life expectancy	Below 15 years

Policy

Type	Universal life & term conversions (<i>primarily</i>)
Death benefit	Above \$200,000

Exceptions may apply to these rules of thumb.

How to start the process:

All that's usually required to determine the marketability and potential pricing of a case is an **in-force illustration** that's run in the following way (and dated within 30 days):

- Level premiums and a level death benefit to age 100, solving for \$1 or nominal cash value at age 100. Any outstanding policy loans should be illustrated as fully paid in Year 1.

This type of illustration facilitates analysis using specialized software, yielding feedback that helps policy owners to decide if a sale might be worth exploring (with minimal time or effort expended by them).

Even if a case isn't viable, there's value in confirming this from a fiduciary perspective because it rules out a sale and prompts policy owners to focus on alternatives.