



Keep-versus-Sell Analysis

Buckeye Life Resources

Case Name: - - -

Death benefit (DB):	\$1,000,000
Life settlement offer (net proceeds to seller):	\$300,000
* Assumed rate of return:	5%
** Indifference year:	≈ 4
Insured's median life expectancy (LE):	6.5 years

- - - **S e l l** - - -

- - - **K e e p** - - -

	Year / LE	Sale Proceeds	Premium Savings	Total	DB (less premiums)	Projected Premiums
K	1	315,000	78,750	393,750	925,000	75,000
E	2	330,750	161,438	492,188	850,000	75,000
E	3	347,288	248,259	595,547	775,000	75,000
P	4	364,652	339,422	704,074	700,000	75,000
	5	382,884	435,143	818,028	625,000	75,000
S	6	402,029	535,651	937,679	550,000	75,000
E	7	422,130	641,183	1,063,313	475,000	75,000
L	8	443,237	751,992	1,195,229	400,000	75,000
L	9	465,398	868,342	1,333,740	325,000	75,000
	10	488,668	990,509	1,479,177	250,000	75,000

* **Assumed rate of return:** The return the policy owner might reasonably expect while investing elsewhere.

** **Indifference year:** The estimated point of economic indifference between keeping or selling the policy. Prior to this point, the policy owner would fare better economically by keeping the policy. After this point, s/he would benefit by selling the policy.

Disclaimer: The foregoing estimates and explanations are rendered by Buckeye Life Resources on a best-efforts basis for illustrative and educational purposes only. Life settlement valuations are inexact, stemming from third-party inputs and other assumptions that may change or lack validity. Anyone who relies on this information assumes full responsibility for its use.