

Buckeye Life Resources

Life Settlement Fiduciary

Retained **D**eath **B**enefit

◀ life settlement option ▶

In lieu of all-cash transactions, RDB sales enable policy owners to retain a portion of their life insurance *without* the obligation of paying future premiums, which are assumed by the buyer. This innovative option for life settlements may appeal to policy owners who can no longer justify the expense of their coverage but want to keep a portion of their death benefit.

In addition, RDBs afford the following flexibility:

- Sellers determine their beneficiaries and may name charitable organizations or the like.
- So-called “hybrid” sales are possible, whereby sellers receive cash *and* RDB consideration from the buyer.
- They may be structured with declining death benefits if sellers need less insurance over time.

RDB sales are not without risks compared to the all-cash alternative, however (e.g., whether the buyer will remain a going concern and pay the required premiums to keep coverage in force). As such, interested policy owners should fully consider the potential drawbacks of RDBs, including ways to mitigate them.

Please contact me to further explore the RDB option.

Todd Everson