

How to Choose a Life Settlement Broker

Buckeye Life Resources

Aside from obvious qualities like professionalism and trustworthiness, here are other important considerations when selecting a life settlement broker:

Expertise: Does the individual or company representing you in the sale of your client's life insurance focus exclusively on life settlements and possess deep industry experience that will yield optimal results?

Fiduciary mindset: Does your broker take to heart his fiduciary responsibilities, placing your client's needs ahead of his own? What's more important to your broker – her commission from the sale or the best interests of your client?

In-house pricing: Is your broker capable of accurately pricing cases at the onset of the process, thereby establishing realistic expectations and goals that mirror market conditions? If not, how can he reasonably expect to obtain fair market value for your client's policy if he's unsure what that amount is?

Auction process: Does your broker conduct a formal and systematic auction designed to extract the maximum value for your client's asset? Buyers in the secondary market strive to minimize what they pay for life insurance policies, so the only way to maximize offers is to create competition between multiple aggressive bidders.

Institutional funding sources: Does your broker solicit bids exclusively from licensed and institutional funding sources that adhere to state regulations and possess the requisite scale and track records to afford your client peace of mind? Alternatively, are private or individual buyers used, as well – especially ones that have not been properly vetted?

Performance-based compensation: How is your broker's compensation determined? Does her commission directly correlate to the value she creates for the benefit of your client (i.e., so her incentives are perfectly aligned with the seller's), or is it derived from an arbitrary measure like the face amount of the policy (in which case she may not be motivated to maximize offers)?

Transparency and disclosure: Is the amount of your broker's compensation – including how it's determined – disclosed in a clear and forthright manner, or is it vaguely referenced in a less conspicuous way? Likewise, does your broker disclose all offers, counteroffers and declinations from the auction, providing evidence of his efforts to market the case effectively?

LE reports: Does your broker have a vested enough interest in your case to purchase multiple third-party life expectancy (LE) reports, which are critical determinants of how policies are valued by potential buyers? If not, this may be a costly disservice to your client.

Service orientation: Is your broker proactive, tenacious and detail-oriented, expediting the lengthy and arduous life settlement process to the extent possible? Does she regularly communicate with you so you're not left guessing about next steps?

Ohio roots and presence: Have you ever met your broker in person? Is he readily available to visit you and your clients when needed?

Please give **Buckeye Life Resources** the opportunity to earn your business over time by consistently exhibiting the foregoing attributes, qualities and best practices.