



When to Consider a Life Settlement

Buckeye Life Resources

If life insurance becomes:

- Unwanted
- Unneeded *or*
- Unaffordable

Life settlements are ideal when policy owners otherwise plan to surrender or lapse their coverage.

Basic attributes of a marketable case:

Insured

Age	Above 75 (<i>younger with health issues</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 required to determine the potential pricing of a case is an **in-force illustration** run in the following way (and dated within 60 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 is worth exploring (with minimal time or effort expended by them).

Even if a case isn't marketable, there's value in ruling out a life settlement from a fiduciary perspective.

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