

# Buckeye Life Resources

*Life Settlement Fiduciary*

## 2 bidders are better than 1



When selling your house, would you prefer a **dozen** potential buyers competing for it or just **one**? The answer is clear if like most sellers your goal is to maximize the sale price.

Not surprisingly, the same logic holds true for life settlements. To approach only **one** (or even a few) potential buyers – called providers – is sure to yield results below fair market value.

### Why?

Providers strive to buy low in order to improve their returns, so unless they're forced to bid competitively, they won't. For example, one of BLR's recent cases underwent **22** lead changes during the course of bidding and a **190%** increase from the opening to winning offer. Tellingly, the first bidder was also the winning bidder.

### Implication

The **only** way to extract fair market value for sales in the life settlement space is to pit multiple aggressive bidders against one another in an auction-style process.

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