



## Agent Resources

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### **Support**

#### **National Representative**

Jason Wyatt

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Email: [jasonwyatt@lisettlements.com](mailto:jasonwyatt@lisettlements.com)

### **Contracting**

E&O is not required

Agent must have Life License AND Life Settlement or Viatical Settlement in soliciting state. (Life Settlement License can be obtained after agent submits their 1<sup>st</sup> piece of business)

Licenses in each state is NOT required for Upline Overrides

### **Applications**

Applications are Universal for ALL States

Submit Applications to:

Email: [newbusienss@lisettlements.com](mailto:newbusienss@lisettlements.com)

**Send Copy to your Agency Owner**

**For agent use only. Not for distribution to the public as sales literature.**

# About Life Insurance Settlements Inc.

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**Life Insurance Settlements Inc.** We serve as a life insurance settlement broker who has multiple partnerships with a number of large licensed institutional funding sources. As a life settlement broker, we create competition much like a auction type atmosphere with 10 or more institutional investors. Our fiduciary responsibility is to create as much competition to assure our mutual client the highest cash settlement possible the industry can provide.

## **What is a Life Settlement?**

A life settlement is the sale of an existing life insurance policy on a senior over the age 65 with a life expectancy of 18 years or less to a third-party buyer. A life settlement can provide immediate liquidity to a policy that is about to lapse, is no longer needed or a policy the client has decided to surrender. This allows policy holders to access money from their existing life insurance policy(s) while they are still living.

## **What is a Viatical Settlement?**

A viatical settlement is an insured at ANY age that is coping with cancer or a life-threatening illness who decides to sell their group life insurance policy through work or any individual life insurance policy they may own while they are still living.

## **What are the client benefits of a Life Settlement?**

- Alternative to Lapsing or Surrendering an existing policy
- Client is no longer required to pay monthly/annual premium payments
- Liquidity
- Relief from financial burdens
- Health care expenses or Long-Term care needs
- Improve a retirement lifestyle

**Fact:** Studies show that 89% of seniors who lapsed or surrendered their policies back to insurance carriers would have considered selling the policy if there were aware that the possibility existed.

**Fact:** Each year more than \$100 BILLION face value of life insurance lapses by seniors over the age of 65- mostly from lack of knowledge that an unneeded or unaffordable policy may be sold.

# Determining A Life Settlement Candidate

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## **Primary factors in determining a Life Settlement candidate**

- The insured's Life expectancy
- The annual premium to keep the policy in force for the life of the insured
- The life insurance policy is over 2 years old and is outside the 2-year contestability period.

Just like underwriting of a life insurance policy, the Life Settlement industry has certain parameters and requirements when determining an offer for the purchase of a life insurance policy. An independent Life Expectancy Company will be used calculate the probable life expectancy using actuarial and physician experts. The shorter the life expectancy the greater the cash settlement or payout to the seller. An insured with a 4-year life expectancy would receive a much higher settlement than an insured with a life expectancy of 10 years. Additionally, the cost of premiums will play a huge factor in determining the overall value of a life insurance policy.

## **Determining a good candidate for a Life Settlement**

- Client age 65 – 75
  - Insured's in this age category will need to be uninsurable with health issues that determine a life expectancy of 18 years or less.
- Client age 75-100
  - Insured is NOT required to have any minor to major medical health issues. However, if the insured does have medical health issues this will lower the life expectancy of the insured while increasing the settlement offer.
- Client with Cancer or a Terminal illness

## **Qualifying Life Insurance Products**

- Whole Life Policies
- Universal (UL) and Indexed Universal Life (IUL) Policies
- Term Policies with Conversion Options (Review clients existing policy for Conversion Period and Language)
- Group Life Insurance: Cancer/Terminal Illness Policy holders who leave work can qualify for Life Insurance Settlements.

## **Other Important Qualifying Factors**

- Policies must have been issued by U.S-based insurance companies. Joint and second-to-die policies are eligible as well.
- Policy has a face value of \$50,000 or greater

## **Determining cash value to face value % client may be eligible for**

1. Cost Basis- Cost of premiums to number of years client is expected to live

Example: Client has a 10-year life expectancy with a face value of 100,000.

**Annual Premium of \$10,000 or more:** the cost basis would equal the death benefit making a Zero investment opportunity.

**Annual Premiums of \$5,000 or less:** more room for investment/rate of return for the buyer making this a more ideal client.

# Sales and Application Process

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**Step 1. Discovery:** Identify the client has a qualifying policy. The agent must use their best possible judgment using the guidelines in determining a life settlement candidate prior to moving forward with an application.

**Step 2. Application:** Complete universal application along with medical questionnaire. Submit a copy to [newbusiness@lissettlements.com](mailto:newbusiness@lissettlements.com) and your Agency Owner.

**Step 3. Conversion Illustrations and Medical Records:** Life Insurance Settlements Inc. will order conversion illustrations from the client's current life insurance company. Attending Physician Statements will be requested as well. This can take up to 4 weeks depending on how long the medical office takes to fulfill the medical records request.

**Step 4. Underwriting:** Life Settlements submits the medical records for review by two independent life expectancy companies. Life expectancy companies calculate the probable life expectancy using actuarial and physician experts. This process takes approximately 1 week.

**Step 5. Analysis:** There are many different factors when valuing a policy such as contract specifics such as premium expense, death benefit and carrier ratings, as well as the insureds age and life expectancy underwriting.

**Step 6. Offer:** Life Insurance Settlements presents the policy to their partners/investors to create as much competition as possible to assure our client receives the highest possible cash settlement. The owner can then choose to either accept or decline the offer.

**Step 7. Disclosure:** Everyone involved on the policy including beneficiaries is included in the discussion of the sale of the insured's life insurance policy.

**Step 8. Acceptance:** Once the offer is accepted and the contracts are sent back to the 3<sup>rd</sup> party investor the funds are sent to an independent escrow account in the client's name.

**Step 9. Purchase and Sale Agreement:** If the policy owner accepts the offer contracts are sent to the owner. The owner will give their acknowledgment of acceptance of the offer. Consent is then given to assign ownership to the 3<sup>rd</sup> party investor.

**Step 10. Funding:** Once the 3<sup>rd</sup> party investor receives conformation that assignment of ownership has taken place, funds from escrow will be released within 24 hours.

**Step 11. 15-Day Rescission Period:** 15-day rescission period If the client were to die or change their mind for whatever reason within 15 days of receiving the funds the transaction can be reversed.

**Step 12. commissions:** Commissions will be dispersed after the 15-day rescission period is over.

# Marketing Life Insurance Settlements

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## Marketing Materials

Marketing materials have been provided for Symmetry agents in a word document so that agents can easily add their contact information. Any other changes must be approved by Life Settlements Inc.

## Implementing into the Symmetry system:

**Weekly Dials:** Life Insurance Settlements is another great opportunity to handling a phone objection. Here is a great way to bring up Life Settlements when a client refuses to set an appointment.

### Information needed to verify if client is a possible candidate

1. Type of policy
2. Age of insured
3. Medical information (B.E.S.T Script)
4. Face value
5. Current Surrender Cash Value (Whole Life and Universal Life)

### Client over the age 65

"I see here that you are \_\_\_\_ years old. We help seniors just like you access money through their existing life insurance policy and can potentially provide you a very nice lump sum cash/wire settlement amount. This is a free program, we provide you with a no cost or obligation appraisal of how much your life insurance policy is worth today. Is this something you would be interested in learning how you could benefit tremendously from your current life insurance?" *(back to script/setting appointment)*

### No insurance or under age 65

"Real quick before I let you go, we are also able to help people fighting with cancer or other life threatening illnesses for insured's of ALL ages by accessing money from their existing life insurance. Is this something you may want to learn more about? *(back to script, set appointment)*

**In Home Appointments:** Life Insurance Settlements is another great way we can add value to our clients and the lives of those they love. After closing your Mortgage Protection or Final Expense sale be sure to have a short discussion with every client about Life Insurance Settlements.

**Client over age 65 with existing Policy**

If your client has a policy that they are considering terminating or has a term policy that is coming up on the end of the term period have the client show you their policy. If the policy holder does not have a copy of the policy, they can contact their carrier and have one sent. If you are with the policy holder during the carrier's business hours you can assist them with contacting the carrier. You can also obtain the necessary information over the phone while with the client. *Follow guidelines set in Determining a Life Settlement Candidate (pg. 3) before taking an application.*

**Unqualified Client or Client Under age 65**

Although the client may not qualify, they may know of someone who does. Discuss how Life Insurance Settlements helps clients sell their existing policies for cash they can use today. Chances are your client knows of someone who is dealing with cancer or terminal illness. They also may know of someone a senior who could benefit from a life insurance settlement.

**Ask for Referrals**

Leave a Life Settlement flyer with each client you meet with. Ask for referrals! This program can help so many families financially. It is our responsibility to educate the public about all of their available options. Many people are not aware that life insurance settlements are an option available to them.

**Other Ways You Can Market Life Insurance Settlements**

You may use Life Insurance Settlement Inc. Life approved materials to market to outside resources. Flyers with your information are a great leave behind. Here are some ideas to reach out to your community.

- Senior Living Centers
- Cancer Centers
- Trade Shows
- Networking Events

# Frequently Asked Questions

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**Taxes:** Some life settlement and viatical settlement transactions are considered tax exempt as detailed in the Healthcare Portability and Accountability Act of 1996. Clients will need to seek advice from their CPA and or tax professional to see if they qualify for this status

**Use of Funds:** There are no restrictions on how the proceeds from a life insurance settlement can be used.

**Costs to Client:** This process is 100% free with zero costs to the client. This is a no obligation free look appraisal for the client.

**Group Policies:** Clients who will not be returning to work due to cancer or a terminal illness may qualify for a life settlement. The group policy will need to be converted within the time allowed per the group policy, usually between 30-90 days.

**Does the Beneficiary Have to Sign Off:** Life Insurance Settlements assures that all parties involved on the policy of the insured is aware and in agreement of the sale of the policy. This includes the insured, policy owner if other than insured, spouse, and ALL beneficiaries.