



635 Court Street, Suite 100
Clearwater, FL 33756-5512

Clearwater Financial Marketing is a
business unit of InterSecurities, Inc.

Life Settlements are offered through
InterSecurities Insurance Agency,
Inc., Securities are offered through
InterSecurities, Inc., member NASD.

What You Need To Know About Life Settlements

A life insurance policy is a marketable asset...



What Is A Life Settlement?

A Life Settlement is a revolutionary financial planning tool that allows senior insureds to sell a life insurance policy that is no longer appropriate.



The policy is sold to institutional investment companies for an amount greater than the cash surrender value which in turn provides the owner of the policy with a lump sum cash settlement.

What Is The Value Of A Policy?

The present market value of a policy is determined by the following factors:

- Premiums required to maintain policy
- Current cash values or loans, if any
- Financial status of the insurance company
- Age and health of the insured
- Life actuarial tables
- Current market interest rates

Who Qualifies?

People age 65 or older with a medical condition and/or a change in health since the policy was issued. Life expectancy can be as low as 2 years to a maximum of 17 years.



What Type Of Policies Qualify?

The insurance policy should have a minimum death benefit of \$250,000. Policy must be in-force for a minimum of two years.

- Universal Life
- Variable Life
- Term Life
- Survivorship Life
- Whole Life
- Adjustable Life
- Group Policies
- Joint First To Die



Planning Applications

Below are a few circumstances that would be appropriate for a life settlement transaction:

Personal Circumstances

- Policy has not performed as anticipated
- Beneficiary has deceased
- Children are now grown
- Desire to change from single to survivor policy
- Divorce changes planning needs
- Change in estate size

Business Changes

- Buy / Sell funding no longer necessary
- Key person has left company
- Business is sold

What Is The Settlement Process?

The owner of the policy fills out a brief application which includes authorizations to obtain medical and insurance information. These forms are submitted along with a copy of the policy, an in-force ledger, and medical records (generally for the past two years). Meds are reviewed by an independent third party evaluator. No medical exam is required.

The case is submitted to numerous purchasing companies (providers) willing



to make the highest offer for the policy. The entire process normally takes about 9 to 18 weeks.

If the offer is accepted by the policy owner, closing documents are

signed, and the settlement is paid in a one time lump sum payment. The owner has no future premium obligations.

Case Examples

Buy/Sell Example

Age 74 - Minor Health Issues
\$450,000 Policy

- Premiums \$32,000
- Buy/Sell Agreement
- Partner Died
- Daughter Has Policy Rights

Life Settlement Solution

Settle Amount of \$106,000.00

Case History Example

Female - Age 72
\$3,000,000.00 Policy

- Small Cash Value
- Under-Performing Policy

Life Settlement Solution

Settle Amount of \$840,000.00

**Insured purchased an annuity with the proceeds*



Surrender Example

Male - Age 69
\$3,000,000.00 Term Policy

- Surrender Value \$0
- Client Was Going to Surrender
- Divorce Decree

Life Settlement Solution

Settle Amount of \$400,000.00

**Case studies are based on cases reviewed by CFM, and are solely intended to demonstrate the potential benefits of life settlements, and should not be relied upon as indicators of future purchase prices.*