

Not an Expert on Life Insurance? Call One!

Through experience, an accountant relationship of mine has learned to pass just about anything related to life insurance by me when he sees any clients dealing with something. Usually this is initially a simple phone call on a generic basis but sometimes includes shooting me documents with client information redacted.

He had one older business owner who was in the process of selling out to other shareholders and a couple million of term insurance policy owned by the company was being transferred out to him. His plan was to convert \$500,000 and gift the policy to a charity. He intended to let the remaining \$1,500,000 lapse.



There is only one thing that should come to mind in a scenario like this: Life Settlement. I had no idea if he would be interested but why would one ever choose to not pick up the phone to make a call to discuss?

I did exactly that and the client was open to exploring the possibility. After all, why not? There was no obligation on his part to do anything, even if I came up with an offer. In the end I worked the market and came up with a couple hundred thousand dollar offer. Money straight to bottom line. He could use it to pay the premiums on the converted policy he gifted to charity or he could give the extra money away or he could buy a boat or... you get the idea.

Not bringing this option to the table would have been tantamount to shredding a \$200,000 check. It is basically free money. Also, imagine the perceived value the accountant has in the eyes of his client now! Hopefully he won't be complaining about accounting fees for a while.

The moral of the story... concerning things you are not an expert on, don't try to judge them for yourself. Just pick up the phone. It's that easy.