

Life Settlements

I have lost track of how many times I have brought the concept of a life settlement to the attention of advisors and policy owners.

With so many poorly performing policies on the books that clients are bailing on as well as the changes in tax law that causes people to re-think their insurance coverage, policy terminations aren't uncommon.

While the target opportunity may not be wide, when it works, the results can be astounding. Recently a non-profit brought me a \$1,000,000 policy on the life of a donor. The policy was out of cash value and the non-profit was paying monthly mortality charges. We ended up netting the charity over half a million dollars.

Even term policies can have a market at times. Corporate key man and buy-sell term policies may have a significant value in the secondary market.