



IMS SETTLEMENTS, LLC

Maximizing Policy Value

Replacement Life Insurance & Life Settlements

One of the long heralded advance planning concepts in the life settlement market is facing growing complexity. It has been estimated that nearly 25% of all life settlements involve obtaining replacement life insurance for the client as the need for life insurance still exists. In the past obtaining a new policy which performed more efficiently than the old policy was no easy task but could and is being done quite often. In 2006 this has become more difficult as life insurance carriers have begun to re-price their products on older age issued Universal Life. This re-pricing is a direct response to the life settlement market in an attempt to eliminate this commonly known arbitrage opportunity. This issue is being made even more complicated by the consolidation of the reinsurance market and the tightening of underwriting guidelines by life insurance carriers. Most life settlement and replacement sale scenarios involve older age insureds with multiple health impairments. As such it is becoming more difficult to find a client a more efficient or better suited policy as conditions with life insurance carriers have become less favorable.

To counter the growing complexity of the market IMS Settlements, LLC now utilizes our in house underwriter to evaluate and shop every replacement life case with over 20 life insurance carriers for the best possible offer. This has helped to eliminate much of the uncertainty involved with obtaining new insurance and has thus made the life settlement transaction go much more smoothly and according to plan. In 2007 we expect that the task of obtaining replacement life insurance will continue to become more complicated. As the market continues to change it will become increasingly imperative to take a hands on approach and to think out of the box, partnering with impaired risk life insurance specialist may be a good idea!

Below is a case example of how IMS Settlements, LLC utilized its comprehensive approach to improve our client's life insurance coverage while creating a liquid capital base.

Case Example:

Male Age 75: Hypertension, Hyperlipidemia, Obesity, Sleep Apnea, Family History of Heart Disease, Chronic Asthma, Calcification of the Arteries and Atrial Fibrillation.

Convertible Term Policy (Life Settlement)

- Face amount: \$1,500,000
- Conversion Premium: \$87,750
- Payment to Owner: \$362,000

New UL Policy

- New \$1,500,00 UL
- Issued Standard (Table Shave)
- Annual Premium \$72,060

FOR MORE INFORMATION

Call 800-914-9483

www.IMSSettlements.com