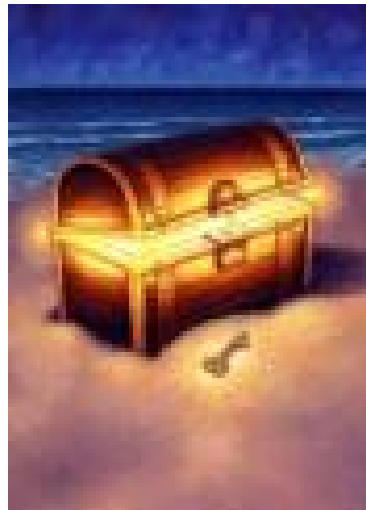


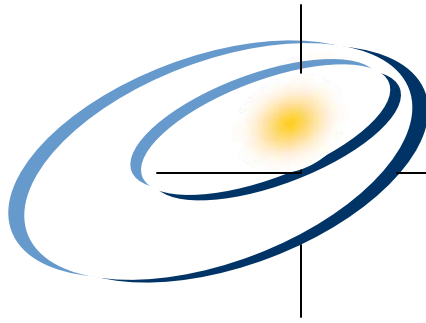
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**Maximizing Policy Value**

# Senior Life Settlements



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Orange, CA 92868 [www.IMSSettlements.com](http://www.IMSSettlements.com)

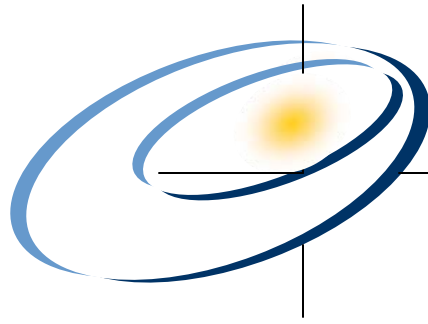


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## **Life Settlement Defined**

- The sale of a life insurance policy generating proceeds that exceed the Cash Surrender Value
- A solution for policy holders wishing to reallocate the assets from unneeded or underperforming life insurance
- Policy ownership is transferred to the purchaser who assumes payments

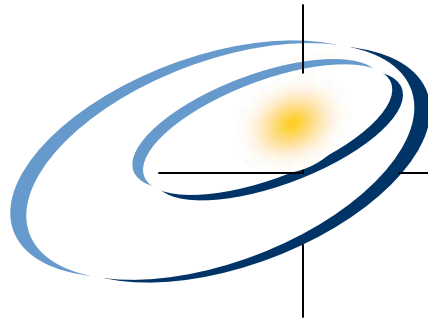


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## **Life Settlement Opportunity**

- There is over \$500 billion of in-force life insurance on people over the age of 65
- In 2004 between \$4 billion and \$4.5 billion of life settlements were sold. Up from approximately \$2 billion in 2002
- 20% of policies on insureds over the age of 65 have a market value that exceeds their Cash Surrender Value
- 88% of Universal Life policies never result in a claim. They are either surrendered or allowed to lapse

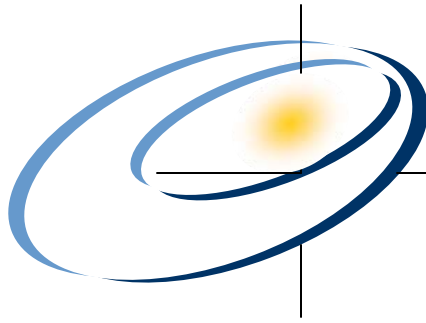


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## When to consider a Life Settlement

- Premiums are too expensive
- Death of beneficiary
- Client is thinking of letting the policy lapse
- Need for capital due to an emergency or to maintain one's quality of life
- Changing circumstances render the need for life insurance obsolete

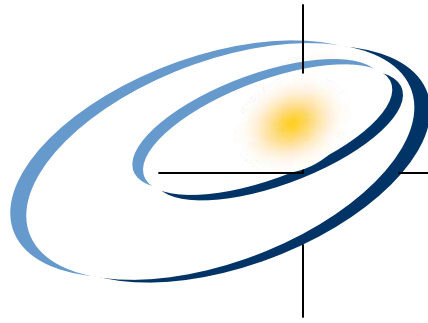


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## **Policies that Qualify**

- Universal Life, Whole Life, Term, Variable Life, and Joint Survivorship policies
- Insured is 65+
- Face amounts of \$100,000 – \$100,000,000+
- A change in the health of the insured since the policy was issued

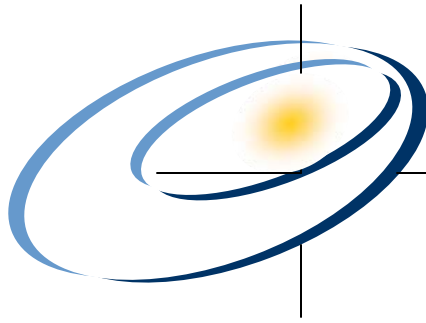


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## **Benefits to the Agent**

- Receive commissions from the Life Settlement
- Create new capital for your client
- Use the proceeds to sell replacement life insurance, long term care insurance, annuities, etc.
- Offer a new value-added service

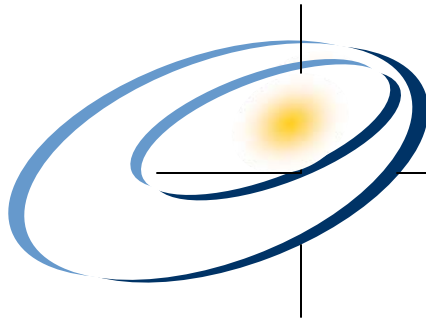


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## **Benefits to the Policy Holder**

- Provides client with liquidity
- Proceeds from a Life Settlement can be used as the client wishes
- Provides capital to purchase a new, more cost efficient policy
- Eliminates an unneeded life insurance policy and its associated costs



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## Case Studies

### Case Example 1

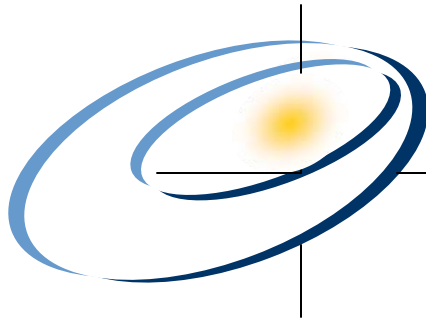
- Male age 80 with a Universal Life policy
- Face amount: \$450,000
- Annual Premium: \$8,000
- Cash Surrender Value: \$27,000
- Life Settlement amount: **\$87,500**

### Case Example 2

- Male age 65 with a Universal Life policy
- Face amount: \$800,000
- Annual Premium: \$12,000
- Cash Surrender Value: \$6,500
- Life Settlement amount: **\$304,000**

### Case Example 3

- Female age 82 with a Universal Life policy
- Face amount: \$10,000,000
- Annual Premium: \$126,000
- Cash Surrender Value: \$354,000
- Life Settlement amount: **\$1,480,000**

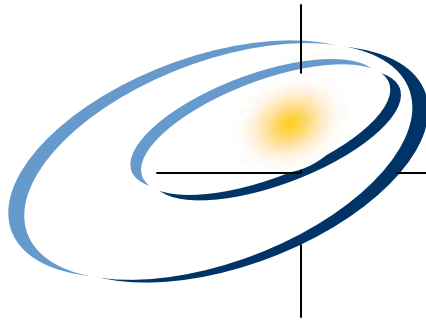


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## **Marketing Tips**

- The best way to start is by reviewing a list of policyholders who seem likely to surrender their policies or let their policies lapse.
- Financial advisors also should think about the life settlement market when they are proposing a 1035 exchange for any policy insuring the life of a senior age 65 or older.
- Another way to qualify your client for a life settlement is to conduct an annual or quarterly review of policies covering the lives of senior insureds. For example, some minimal criteria require the policy's face value to be in excess of \$250,000 and the age of the insured to be 65 or older. Recommending an evaluation of an existing life insurance policy is a great way to reach out to your current clientele and further strengthen your producer-client relationship.
- You may also want to try more traditional methods of marketing to your existing client base such as: targeted mailings, e-mails, as well as having flyers available in the office. IMS regularly works with our producers to develop marketing pieces so please call us if you would like our help in this area.

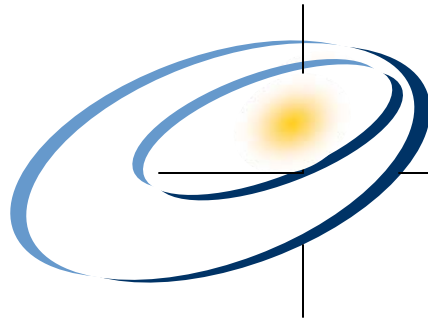


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## **IMS Settlement, LLC**

■ IMS Settlements, LLC is a growing Life Settlement Broker with relationships with over twenty institutional funding sources. Working with IMS on your Life Settlement cases ensures that your client's policy is being shopped for the most competitive offer. Our expertise and back office support is leverage to generate offers and close deals in as timely fashion as possible.



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## **Interest**

- Marketing and training support is available
- For questions and further information please contact:

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[www.IMSSettlements.com](http://www.IMSSettlements.com)