

{ Life Settlements for Businesses

Today there is a service that takes advantage of the little-known fact that life insurance policies, like most any other valuable asset, can be sold. This comes as good news to businesses that otherwise simply don't need these policies any more.

The sale of a life insurance policy is called a Life Settlement. In short, a Life Settlement is the sale of a life insurance policy for more than the policy's cash value, but for less than the policy's death benefit. The buyer becomes the new owner of the policy and agrees to pick up the remaining premium payments, and the seller walks away with cash.

There are large well-funded companies that will purchase these policies, and the market is flooded with strong money looking to buy good policies.

Most any kind of life insurance policy (whole life, term, universal, split-dollar, etc.) from most any insurance company can be sold. Thus, value can be captured from a term policy, which otherwise has no cash value on its own. Also, with insurance policies that do build up cash, the business owner can sell the policy for more than the cash value.

Life Settlements represent an opportunity to "bring value to the table." Imagine the response from your client when they learn that the policy they were simply going to cash in may have a fair market value far exceeding its mere cash value. And because the funds are unrestricted, the owner can simply keep the cash, or use

it in any number of creative ways (ways that lead to more sales opportunities for you).

CASE STUDY: VSPI represented a business whose Chairman had retired several years ago and was now 79 years old. The children had taken over the business and things were not going well. The attorney for the business looked at the Chairman's \$5,000,000 Key-Man policy and found that it had a cash value of \$1,200,000. He was just about to cash the policy in when he heard about VSPI and Life Settlements. The attorney was able to get the company out of hot water by selling the policy for \$2,000,000. By making one phone call, the attorney realized \$800,000 "hidden" dollars for his client. Perhaps you too can make your business clients aware of the hidden value in their life insurance policies.

Here is what we are looking for:

- Policies with a face amount of \$100,000 or more
- Policies that have been in force for at least two years
- The insured under the policy is at least 65 years old

The bottom line is, before you allow a business client to simply cash in a policy (or before a term policy is simply allowed to lapse) contact VSPI to see if more money can be obtained through the Life Settlement alternative.



Stephen M. Watson
President
VSPI

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For more information,
please contact us at
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www.vspi.com