

Life Settlements



Gallagher

Insurance | Risk Management | Consulting



CASE
STUDY

With a client on the verge of letting his policy lapse, Gallagher negotiates two term life insurance policies on the secondary market, resulting in over \$2M in net revenue for the client.*

*Results may vary based on clients individual circumstances and the policy in which the own.

Turn life insurance policies into a financial asset for your clients.

The client need:

When Martin D. was the co-owner of a business, he purchased two term life policies which were used to fund a buy-sell agreement. Now retired and facing some health issues, Martin was going to stop paying the premium on these policies – rendering them worthless -- and divert the expense toward his growing medical costs.

The Gallagher solution:

The Gallagher advisor suggested Martin hold on to the policies while he researched settlement opportunities. In a life settlement, a policy owner sells their no longer needed life insurance policy for more than its surrender value. Policies are sold at an average of four times more than they would earn from surrendering a policy back to the insurance company. In this case, Gallagher conducted significant negotiations and the client was offered a little over \$1M for each policy. Additionally, the term policies were converted to permanent life insurance with a \$160k premium.

Universal life, whole life, variable life, survivorship, group life or term life policies may all qualify for a life settlement.

Start a conversation with Gallagher Life to see if your clients are eligible.

What should your clients know about selling their life insurance policies?

Client pre-qualification considerations:

- Their term life policy is no longer useful
- They are age 65 or older
- Their health has declined
- Policy has been in force for at least two years
- The face value of the life insurance policy is \$100,00 or more

Considerations for settlement eligibility:

- The life insurance company's conversion rider and restrictions
- Type of policy
- Medical record evaluation
- Health status
- Other riders attached to the term policy, such as an accelerated death benefit and long-term care

Contact a Gallagher Life expert today to uncover potential opportunities for you and your clients:

Name

Title

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