

# 12 REASONS WHY YOU MAY WANT TO SETTLE YOUR POLICY

1. Recently had your insurance premium increase significantly and unexpectedly. As a result, you no longer want to pay premiums and would like to sell the policy for a lump sum cash payment.
2. Will likely outlive the maturity date on your life insurance policy.
3. Estate tax exemption thresholds have been lowered, making estate planning life insurance unnecessary.
4. Funds are needed to focus on personal needs such as retirement, long-term care insurance, or family emergencies.
5. Term policy is nearing the end of a term period. You may want the option to convert to a permanent product and receive, through a life settlement, proceeds for an asset that will terminate if not converted.
6. Business is sold or changes are made that result in insurance no longer being needed.
7. You are an executive who has retired and received unneeded insurance through a deferred compensation arrangement.
8. Policies held within a trust are no longer meeting the original trust plan objectives.
9. Current policy is underperforming. The need for insurance may still exist, but you want coverage that has better guarantees.
10. You would like to exchange your current policy for a variable one that provides equity opportunities.
11. You and your business partners have made changes within your Buy-Sell Agreement which makes insurance no longer necessary.
12. Charitable-owned policies are under-performing and need to be replaced in order to preserve the benefit to the charity.





## LIFE SETTLEMENT DISCLOSURE

- In a life settlement agreement, the current life insurance policy owner transfers the ownership and beneficiary designations to a third party, who receives the death proceeds at the passing of the insured. As a result, this buyer has a financial interest in the seller's death.
  - A policy owner should consider the continued need for coverage, and, if the policy owner plans to replace the existing policy with another policy, the policy owner should consider the availability, adequacy and cost of comparable coverage.
  - Policy owners considering the need for cash should consider other less costly alternatives to a life settlement.
  - When an individual decides to sell their policy, he or she must provide complete access to his or her medical history, and other personal information, that may affect his or her life expectancy. This information is requested during the initial application for a life settlement.
  - After the completion of the sale, there may be an ongoing obligation to disclose similar and additional information to the buyer or servicing agent at a later date.
  - A life settlement may affect the insured's ability to obtain insurance in the future and the seller's eligibility for certain public assistance programs, such as Medicaid, and there may be tax consequences.
  - Individuals should discuss the taxation of the proceeds received with their tax advisor.
  - A life settlement transaction may require an extended period of time to complete. Due to complexity of the transaction, fees and costs incurred with the life settlement transaction may be substantially higher than other securities.
  - Once the policy is transferred, the policy owner has no control over subsequent transfers.
  - Valmark and its registered representatives act as brokers on the transaction and may receive a fee from the purchaser.
  - Valmark Securities supervises all life settlements like a security transaction.
  - Securities offered through Valmark Securities, Inc. Member FINRA/SIPC. Investment advisory services offered through Valmark Advisers, Inc., a SEC Registered Investment Advisor. 130 Springside Drive, Suite 300, Akron, Ohio 44333. (800) 765-5201.
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