

# The Secondary Market

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## Capital is Greater Than the Number of Policies in the Secondary Market

The life settlement market contracted five years ago because of the global financial crisis and the lengthening of LEs (life expectancies). The market has rebounded as capital has returned and buyers are looking for policies to purchase as the supply of policies is less than the capital they have to spend. Good policies for sale are receiving multiple offers once again and Veris Settlement Partners has more face amount in closing than we have had in nearly five years partly because of this.

Now's the time for the financial advisor with no previous experience in life settlements to become involved. Bernstein Research, Conning Research and Bergstrom-Hart have all independently concluded that there is more than \$100 billion in face amount on seniors that could be placed in the secondary market in the near future. Yet 49% of financial advisors lack knowledge about life settlements and therefore do not recommend it as an option for their senior clients.

The Insurance Studies Institute (ISI) surveyed seniors and found:

- 40% have lapsed or terminated a policy
- 50% were not aware they could sell their life insurance policy
- 90% who lapsed a policy would have considered a life settlement if they were aware of the possibility
- 60% expressed concern their savings and net worth would not be sufficient during retirement

Clearly, the issue is one of awareness and education. **The flyer on the next page is a rough guide which policies could work as life settlements.** All we need is the insured's date of birth and idea of current health, policyowner state and current illustration to maturity to price your policies with our advanced software. Call us with any potential cases!

Since 2006, Veris Settlement Partners has helped policyowners receive over \$50 million more than if they surrendered their policies back to the insurance carrier. Veris Directors **Steve Shorrock** and **Russel Dorsett** served as CEOs of highly-rated insurance carriers plus Mr. Dorsett served as President of LISA, the Life Insurance Settlement Association. At Veris, our knowledge of the life insurance and life settlement market differentiates us from other intermediaries and makes us an indispensable partner from start to close.

Please call us at 631-239-6655 also for info in marketing life settlements to your clients.

# The Policies That Funders Are Purchasing as Life Settlements

The policy face amount must be at least \$100,000 and the insured must be a US citizen.

GOOD ATTRIBUTES	FAIR ATTRIBUTES	POOR ATTRIBUTES
Insured is age 75 or older; younger if there are serious health issues	Insured is ages 70-75	Insured is younger than 70
Major change in health since policy issue.	Little change in health since policy issue.	No change in health since policy issue.
Current Assumption UL, Convertible Term and SUL with one insured deceased are the most desired policies.	Guaranteed Universal Life and SUL with both insureds living.	Whole Life is the least desired policy type.
Low COIs, policies that are current in premiums.	Minimal cash value, premiums less than 5% of Death Benefit.	Underfunded policies that require high future premiums.
Not premium financed.	Premium financed, financing disclosed to carrier before issue.	Premium financed, financing not disclosed to carrier before issue.
No loan on policy.	—	Loan on policy.

*The above is simply a guide. To get pricing on your policies with our advanced software to find out if they will work as life settlements, all we need is the date of birth of the insured, approximate health and a current illustration to maturity.*



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