

# The Secondary Market

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## Do Your Elderly Clients Have Policies They Cannot Afford But Who Still Need Insurance Protection?

The Retained Death Benefit program might be just what your clients are looking for. A large number of the cases we close today are from policyowners who have accepted a Retained Death Benefit offer.

Retained Death Benefit is an alternative to letting a policy lapse or a traditional life settlement with a cash offer. Sometimes there is a small cash offer that accompanies the Retained Death Benefit. Commissions are consistent with a traditional cash offer.

Relative to taxes, our position on a Retained Death Benefit is that an irrevocable beneficiary is placed on the policy and hence is treated as a tax-free Death Benefit.

Examples of two recent Retained Death Benefit cases that Veris closed:

*Bill and Barbara were the insureds on a \$1.445M Survivor UL policy issued in 2000. Premiums to maturity were \$71,753 and the Cash Surrender Value was \$25,000. Bill died a few years before and Barbara, 78 years old with a history of COPD, had a life expectancy of 11 years. The policyowner wanted to get back premiums of more than \$300,000 that he had put into the policy. The highest cash offer we received was \$150,000 but a \$315,000 Retained Death Benefit offer was accepted. The money put into the policy will be recouped when Barbara dies. Policyowner Raymond Newswanger said, "Veris was a valuable asset in helping me sell my life insurance policy and I feel a great deal of relief in no longer having to keep that policy in-force. I'm very grateful for all their hard work and recommend Veris very highly."*

*Phil was very interested in a \$500,000 offer. He owned a \$2.1M Universal Life policy issued in 1984 with premiums to maturity of \$84,396. There was little cash in the policy. But Phil was young as he was 67 years old, had COPD plus some heart issues and received a LE of 13 years. The policy did not price anywhere near \$500,000 for a cash offer. But we received two Retained Death Benefit offers and Phil gladly accepted a \$500,000 Retained Death Benefit.*

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.

Buyers are looking for policies to purchase as the supply of policies is less than the capital they have to spend.

For more information or to get pricing on your policies with our advanced software, please contact Veris at 631-239-6655.