

# New Funding Recently Entered the Market

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**A**t long last new funding sources have entered the secondary market for life insurance policies. Our firm, Veris Settlement Partners, currently has more face amount in closing than at any time in more than two years. Senior insureds with life insurance policies that are no longer needed, wanted or affordable once again have a viable alternative to lapse or surrender. For ideas on what works, here are some recent life settlement cases that have been funded by the new money that has entered the market:

Mrs. S, an 84-year-old woman with cancer and kidney disease  
LEs (life expectancies) of 34 and 48 months  
\$1.8 million UL policy  
Premiums to maturity of 6.2%, no Cash Surrender Value (CSV)  
Policy issued in 2009  
Gross offer of \$760,000  
Mrs. S needed the cash.

Mrs. J, a healthy 84-year-old woman  
LEs of 125 and 137 months  
\$4 million UL policy  
Premiums to maturity of 5.0%, no CSV  
Policy issued in 2008  
Gross offer of \$250,000  
Mrs. J no longer needed the policy and was very happy to receive the money

Mr. F, a 75-year-old man with heart disease  
LEs of 114 and 146 months  
\$5 million UL policy  
Premiums to maturity of 4.5%, no CSV  
Policy issued in 2009  
Gross offer of \$350,000  
Mr. F no longer needed the policy as well.

Mrs. B, a healthy 84-year-old woman  
LEs of 103 and 105 months  
\$3 million UL policy  
Premiums to maturity of 6.3%, no CSV  
Policy issued in 2008  
Gross offer of \$230,000  
Mrs. B no longer needed the policy as her dependents did not need the money

Mr. P, an 86-year-old man with diabetes  
LE of 72 months  
\$500,000 Survivor UL policy (wife is deceased)  
Premiums to maturity of 3.4%, \$95,000 CSV  
Policy issued in 2002  
Gross offer of \$160,000  
Mr. P was ecstatic receiving this offer as the policy was no longer needed.

Mr. M, a 78-year-old man with recurrent prostate cancer and heart disease  
LEs of 73 and 84 months  
\$1 million UL policy  
Premiums to maturity of 6.4%, \$24,000 CSV  
Policy issued in 1992  
Gross offer of \$190,000  
Mr. M overfunded the policy with \$200,000 in premiums at issue. He no longer needed the policy and was able to receive nearly all his premiums back while having life insurance coverage for 19 years.

Mr. G, a 59-year-old man who is terminally ill  
LEs in the 1-3 year range  
\$500,000 Convertible Term policy  
Premiums to maturity of a converted policy would be 2.0%, no CSV  
Policy issued in 2006  
Gross offer of \$360,000 (72% of Death Benefit)  
Mr. G needed the money to pay for his medical care.

Mrs. A, a 79-year-old woman with heart disease and is severely overweight  
LE of 105 months  
\$500,000 UL Policy  
Premiums to maturity of 4.0%, \$9,000 CSV  
Policy issued in 2009  
Gross offer of \$50,000  
Mrs. A was able to receive an offer that matched the premiums she put in for the past two years.

Mr. C, a 77-year-old man with heart disease  
LE of 90 months  
\$250,000 UL policy  
Premiums to maturity of 6.0%, no CSV  
Policy issued in 1988  
Gross offer of \$30,000  
Mr. C could no longer afford the premiums.

Life settlements can be a superior exit strategy versus a traditional surrender or lapse back to the insurance carrier. This option should be discussed with all senior insureds who have insurance that they might no longer need or want—some states even require it. **FA**

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