



10 Facts About Life Settlements You Need to Know

If you own a life insurance policy you no longer need or want, a life settlement could be a valuable financial option. Many policyholders are unaware that they can sell their existing policies for cash, often for far more than the surrender value.

Here are 10 key facts about life settlements that can help you make an informed decision.

1. Life Settlements Can Offer a Higher Payout Than Surrendering a Policy

When you surrender your policy to the insurance company, you may only receive the cash surrender value, which is often much lower than what a life settlement provider might pay.

2. You Don't Need to Be Terminally Ill to Qualify

Unlike viatical settlements, which are only available to those with terminal illnesses, life settlements are available to seniors typically over 65 or those with declining health.

3. You Can Use the Cash for Anything

There are no restrictions on how you use the proceeds from a life settlement. You can use the funds for medical expenses, retirement, travel, debt repayment, or anything else you choose.

4. Life Settlements Are a Regulated Industry

Many states have strict consumer protection laws in place to regulate life settlements, ensuring fair transactions for policyholders.

5. Even Term Life Policies May Qualify

While permanent life insurance policies are the most common for life settlements, some convertible term policies may also be eligible for sale.

6. Selling Your Policy Can Help Cover Long-Term Care Costs

Many seniors use the proceeds from a life settlement to help pay for assisted living, in-home care, or other long-term care expenses.

7. The Amount You Receive Depends on Several Factors

The payout for a life settlement is determined by:

- Your age and health
- The death benefit of the policy
- The premiums required to keep the policy active
- The market conditions and interest from buyers

8. Premium Financing Can Be Used to Maintain Coverage Before a Sale

For those who want to keep their policy while exploring options, premium financing can help cover ongoing payments until a settlement is completed.

9. Your Beneficiaries Will No Longer Receive the Death Benefit

Once you sell your policy in a life settlement, the buyer takes over ownership and premium payments, meaning your beneficiaries will not receive the death benefit.

10. Not All Policies Will Qualify-Work With a Professional

Every life settlement is unique, and eligibility depends on many factors. Working with an experienced broker or financial advisor can help you navigate the process and secure the best offer.

Scan QR Code below for a hassle free, no cost evaluation

www.brncinsurance.com/life-settlement-calculator/

