DID YOU KNOW?

Turning Your Life Insurance Into Cash

Under certain circumstances – chronic or terminal illness or age 70+ – you have the option to sell your life insurance policy for cash you can use now. Most people don't know this and never take advantage of this financial option when they need it most.

MONEY LEFT ON THE TABLE

291 MILLION
Number of individual & group life insurance polices in force in the U.S.

$19.6 TRILLION
Total face amount

$67 THOUSAND
Average life insurance policy amount

8% Percentage of policies actually paying out a death benefit

MAIN REASONS 92% ARE FORFEITED BEFORE DEATH BENEFIT PAYS OUT:
- Missed/Forgotten Premium Due Dates
- Unable to Afford Rising Premiums

YEAR U.S. SUPREME COURT RULE LIFE INSURANCE POLICIES ARE ASSETS **1911**

21 YEARS CASH SETTLEMENTS FOR LIFE INSURANCE POLICIES HAVE BEEN AN OPTION

TYPES OF SETTLEMENTS

Viatical Settlement

Definition: Tax-exempt sale of policy. Insured must be terminally or chronically ill with a life expectancy of 2 years or less.

VIATICAL ELIGIBILITY REQUIREMENTS

18
- INSURED IS AGE OR OLDER
- INSURED IS CHRONICALLY OR TERMINALLY ILL
- INSURED HAS LIFE EXPECTANCY OF 2 YEARS OR LESS

REASONS TO CONSIDER

- Policy is no longer affordable
- Need money to cover lost income, pay medical or living expenses
- Bucket-list experiences
- Improve the financial future of loved ones
- Pay for uncovered medical treatments such as alternative therapies

Life Settlement

Definition - Discounted sale of policy for a cash. Can result in more money than the existing cash surrender value.

LIFE SETTLEMENT ELIGIBILITY REQUIREMENTS

70
- INSURED IS AGE OR OLDER
- INSURED'S HEALTH HAS CHANGED SINCE THE POLICY WAS ISSUED, IMPACTING LIFE EXPECTANCY

REASONS TO CONSIDER

- Sale of Business
- Dissolution of Partnership or a Divorce
- Premiums no longer affordable
- Retirement
- Bankruptcy
- Key employee leaving company
- Funds for Long-term or Assisted Living Care
- Death of Beneficiary
- To avoid incurring debt or selling other assets

TYPES OF POLICIES ELIGIBLE

For Cash Settlements

WHOLE LIFE INSURANCE
Permanent insurance combining life insurance coverage and an investment fund.

UNIVERSAL LIFE INSURANCE
Like whole life insurance but cash values, premiums and protection amounts can be adjusted.

LIFE INSURANCE THROUGH YOUR JOB

TERM LIFE INSURANCE
Fixed face amount for a limited period of time with no cash value. Coverage remains in force as long as premiums are paid.

GROUP TERM LIFE INSURANCE
Offered through an employer and allows an employee to purchase life insurance at reduced group rates.

30 Deadline to convert either type of coverage into your individual policy
30 DAYS FROM YOUR FINAL DAY OF EMPLOYMENT

Number of eligible COBRA participants who could convert their life insurance policy after leaving job
1 MILLION

01% Percentage who actually do
.01%

When Selling Your Life Insurance Policy

The sale of a life insurance policy is not an easy decision, nor should it be undertaken without the advice of a licensed broker, legal counsel, and/or a tax accountant.

About Beacon Life Funds

For more than two decades, the founders of Beacon Life Funds have been a trusted resource for families looking for a more secure financial future. Beacon helps life insurance policyholders who are terminally or chronically ill realize cash settlements on those policies. Call Beacon at 1-855-417-6677 or visit on the web at www.beaconlifefunds.com.

SOURCES

National Census Bureau, LIMRA, ACLI, NOCOU
American Council of Life Insurers 2013 Fact Book, Chapter 7
(https://www.acli.com/Tools/Industry%20Facts/Publications/Documents/FB14Chapter%207.pdf)
Life Insurance Settlement Association
(http://www.lisa.org/content/5.1/life-settlement-history.aspx)