



Life Settlements

A Short Tutorial

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The Norseman Group



Compliance and Life Settlements

- Education
- Disclosures
- Best Execution

A Solution When Needs Change

- When circumstances change, your client may **not** want or need to maintain certain of their life insurance policies.

Market Value > Cash Value

- How is a policy worth more than its cash?
- Who buys the policy from the insured?

Why Sell a Policy?

- 1) No longer needed to pay Estate Taxes
- 2) Premiums no longer affordable
- 3) Insured has outlived their beneficiaries
- 4) Business Sold, if used to fund a buy-sell

What kind of policies can be sold?

- **Traditional & Variable Universal Life**
- Convertible Term
- Survivorship Life
- Whole Life (rarely qualifies) ☹



Eligibility Guidelines

- Age 65 or older
- Minimum Face of \$250,000
- Policy out of contestability period
- Decline in health since issuance
- Life Expectancy 2-12 years

Why use The Norseman Group, Inc.?

- ✓ Turnkey access to the marketplace
- ✓ Meets highest due diligence standards of major public and private financial entities
- ✓ Best Practice use of Due Diligence Qualified Funders
- ✓ Takes the worry and work out of it for advisors
- ✓ No-Nonsense and Quick Case Analysis

Transaction Requirements & Timeline

- Items from the Advisor
- Actions by the Broker
- Actions by the Advisor

Items from the Advisor

- Current Illustration
- Data Sheet
- HIPAA Release
- Medical Records, or Questionnaire



Getting the Case to Market

- Preparing a Case for the Market
- Life Expectancy Reports
- Choosing the Right Funders
- Negotiating the Best Offer

Closing the Case

- ❑ It's a complicated process, like buying a home
- ❑ Requires a purchasing agreement
- ❑ Should be reviewed by seller's attorney
- ❑ Takes time to accomplish

Client Use of Proceeds

Experience has shown that as many as 4 out of 5 life settlements result in a new sale of a product or service...

- Long Term Care
- Annuities
- Investments

Licensing and Regulation...

- State – by – State
- Separate license may be required
- Know where the policy is owned
- Know your own state law

Conclusions.....

- ❖ Know the value of your client' s assets
- ❖ Determine suitability
- ❖ Follow your Broker Dealer process
- ❖ Best Broker = Best Execution
- ❖ Pay Attention to Licensing



THE END