

THINKING OF CASHING IN YOUR LIFE INSURANCE POLICY?

*Sell Your Policy for 5% to 60% of its Face Amount**

By: Richard S. Bernstein, CEO
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People very often are savvy with their financial investments, including their purchase of a life insurance policy. So you might assume they would use their best judgment and seek out wise advisors when selling them. Unfortunately, too often that does not happen.



Richard S. Bernstein

Sometimes, in haste and lacking information, individuals cash out their life insurance policies for thousands, if not tens of thousands, less than what they could have received. In some cases, they are unaware of secondary effects of selling a policy.

That is why finding the right insurance advisor is important in selling a policy. **You want an insurance broker who can seek bids from a number of “funders” and can create an auction for the policy to ensure you’re getting a top dollar offer. If you agree to the bid, the sale is expedited, contracts are signed, the owner of the policy is changed and you are paid.** The percentage of the face amount of the policy you will receive depends largely on your age, health, life expectancy and any special terms written into the policy.

While we’re at it, here are some other factors to consider. If you are cashing out your old policy, ask what it will cost you to get a new one. You may get cash for the old policy but it may affect your ability to get future coverage, if desired. Additionally, certain state and federal programs have income limitations. Cashing out a policy may eliminate your participation.

Before selling your policy, you will have to release medical and other personal information so the buyer can determine how much to offer for your policy. That information, in turn, may be shared with other parties, lenders, third-party investors, etc. Demand to know what kind of confidentiality safeguards are in place to protect your privacy.

Purchasers want to know as many details about the insured as possible as they are determining the true value of your policy. By buying your policy, they are giving you a lump sum and will be responsible for all future premiums.

Investors in life settlement policies are generally looking for individuals with a life expectancy of two to 17 years. Introduced to the public in the mid-1990s, settlements have proven to be a financial opportunity for senior clients who don’t have chronic or catastrophic illnesses. **They are popular because depending on your age and expectancy, the assignment of your life insurance policy may generate 5% to 60% of your face amount while you are alive. You’ll no longer be responsible for the premium payments and you’ll receive a greater return on your asset than its cash value.**

There are certainly times when you may be pleased to have a life insurance policy settled. Say that a life policy taken out in your name and owned by your children is no longer needed. The sale of the policy may give your children maximum benefits now. You may take great delight that the children can enjoy the sale proceeds during your lifetime.

Whatever decision you make, do so only after consulting with a trusted professional in the life insurance field.

**Based upon age and life expectancy*

Richard S. Bernstein, CEO of Richard S. Bernstein & Associates, Inc., West Palm Beach, is an insurance advisor for high net worth business leaders, families, businesses, municipalities and charitable organizations. An insurance advisor to many of America’s wealthiest families, he is a writer, trusted local and national media resource and expert speaker on estate planning and health insurance. You may contact him at 561.689.1000, e-mail him at rsb@rbernstein.com or visit his website at www.rbernstein.com to schedule a confidential consultation.

Join us for our 25th anniversary season!



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Friday, November 24, 2017
8:30 am - 12:30 pm

Join us the day after Thanksgiving for a light breakfast at Temple Emanu-El in Palm Beach, before heading to your choice of five volunteer project sites. You can also donate nonperishable food, toiletries, and new, unwrapped toys for distribution to agencies that help those in need.

Annual Fellowship Dinner

Wednesday, January 17, 2018
6:00 - 9:30 pm
The Breakers Palm Beach

featuring Rabbi Lord Jonathan Sacks plus presentation of the 2018 John C. Randolph Award



Rabbi Sacks

Sunday Conversations with...



Clockwise from top left: Silvin, Watson, Pollack, D'Elia

Richard René Silvin
Sunday, December 3, 2017
Palm Beach Island Premiere!
Mar-a-Lago: Post to Trump

Robert Watson, PhD
Sunday, January 21, 2018
Is Civility Dead...and Does It Matter?

Richard D'Elia, PhD
Sunday, February 11, 2018
Churchill: France, India, and Other Little-Known Controversies

Deborah Pollack
Sunday, March 18, 2018
Beauty and a Couple of Beasts

4:00 - 5:30 pm
Royal Poinciana Chapel, Palm Beach*
*Note: Dec. 3 only - Wells Fargo Community Room
FREE for Palm Beach Fellowship Members
Non-members: \$10 per session or \$35 Series Pass

NEW SERIES!

Wednesday, February 28, 2018
Wednesday, March 14, 2018
Wednesday, April 11, 2018

5:30 - 7:00 pm
St. Edward Church, Palm Beach
facilitated by Tom O'Brien and Rabbi Howard Shapiro

Enjoy pizza from Amici Market and lively discussions jump-started by the screening at each session of an award-winning short film on thought-provoking topics.

FREE for Palm Beach Fellowship Members
Non-members: \$10 per session or \$25 Series Pass

PALM BEACH FELLOWSHIP OF CHRISTIANS & JEWS

pizza & pathways
in a world turned upside down



L-R: O'Brien, Shapiro

Contact us at (561) 833-6150 or info@palmbeachfellowship.net for more details about our programs, activities, and membership!