

Should I Sell My Life Insurance Policy?

What to do when a policy is no longer needed.

“Life insurance is an asset and can be valued and sold like any other piece of property. A life settlement is the sale of an existing life insurance policy for more than the cash surrender value and less than the death benefit. For some, it’s a valuable alternative to surrender when a policy is no longer needed and is used to fund other planning.”



If you are a senior who no longer needs or wants an existing life insurance policy, you have the option to sell it to an institutional buyer instead of lapsing or surrendering it to the insurance company. This transaction is called a **life settlement**.

Similar to selling real estate, fine art, or heirlooms, it’s important to understand the value of your life insurance before making the decision to lapse, surrender, or materially change the policy. First, get an appraisal, and based on the value, you may decide that selling is the best exit strategy.

If you decide that selling your policy is the right decision for you, ensure you have representation - an advocate for you in the transaction. For some, this starts with their financial advisor, CPA, or attorney. They usually will bring in an independent expert.

INDEPENDENT REPRESENTATION:
The cornerstone of a successful life settlement.



How does a life settlement work?

Over time, the reason you purchased a life insurance policy may no longer exist. Maybe your adult children are financially independent, or your situation has dramatically changed, making premium payments a burden. Regardless, you now have a life insurance policy you no longer need or want.

If you choose to surrender the policy to the insurance carrier, you will receive the cash surrender value (CSV), which is drastically lower than the premiums you’ve paid into the policy over time. If you have a term policy, you will receive nothing for lapsing the policy.

For those who qualify, a life settlement can be a profitable alternative. By allowing an institutional buyer to purchase the policy, you can recoup a larger portion of the premiums paid into the policy, eliminate future premium obligations, and receive an amount much greater than CSV, which can help fund other needs like retirement, healthcare, investments, and more.

How do I get started?

The first step is choosing the right partner who will market your policy and negotiate offers with all available institutional buyers. They will help gather the appropriate policy and health information and assist in navigating the contracting paperwork that will transfer policy ownership.

Who represents you?

Many of the advertisements you see and hear are from life settlement providers who are representing the buyer’s best interests. Make sure you’re working with a [licensed life settlement broker](#) representing your best interests. A seller’s representative will facilitate a secure policy auction that forces competition among institutional buyers, ensuring you get the best offer for your policy.

If you were selling your home, you wouldn’t want the buyer to tell you how much it’s worth. An independent expert can help value the asset and make sure you have sell-side representation.

WHY POLICY OWNERS CHOOSE TO SELL THEIR POLICY

The life settlement solution is valuable in many situations:

- Access to immediate cash for current planning needs like medical expenses, long-term care, retirement, investments, and other financial needs.
- The cost to carry the policy is increasing due to age, a change in health, or contract terms.
- Circumstances have changed - sale of a business, retirement, spouse pre-deceases the other, divorce, bankruptcy, etc.
- Tax law changes result in the need for more or less life insurance. (discuss with financial/estate planner)
- The reason the policy was purchased no longer exists and you want to eliminate the burden of future premium requirements.
- You're living longer than expected and the maturity date of the policy is approaching.
- You want to change complicated insurance structures or eliminate policies that aren't performing as expected.
- You want to make a charitable donation, impacting a beloved cause with a legacy gift.

"Why I sold my life insurance."



I was able to fulfill my giving goals.

I couldn't continue paying premiums.

I purchased a retirement annuity.

I needed to fund caregiving needs.

We wanted more than the cash value.

"My financial advisor and Ashar Group did all the work for me."

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SCREENING

Gather information to provide a range in value.

*NO MEDICAL EXAM REQUIRED

②

NEGOTIATION

Create competition in the market to get the best offer.

③

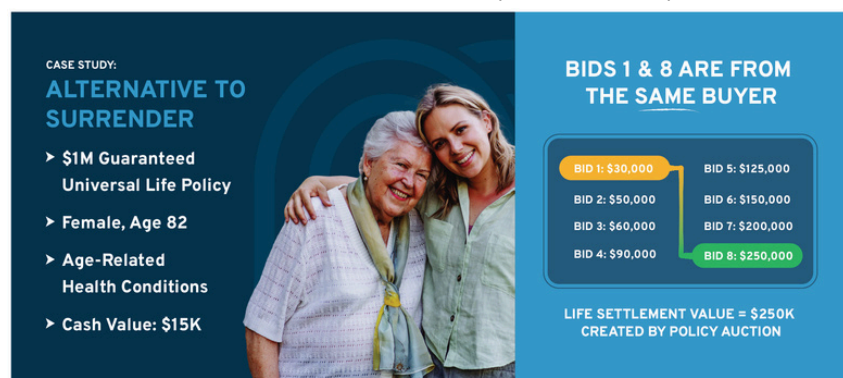
CONTRACTING

Guide through the paperwork to transfer ownership.

The importance of a life settlement policy auction:

Is it better to have one offer or multiple offers? The best way to maximize life settlement value and ensure you're getting the best offer for your policy is to execute a policy auction that forces buyer competition. A nationally licensed life settlement broker can do this for you, accessing all available institutional buyers while guiding you through the contracting paperwork to transfer ownership of the policy.

*Illustration of an actual case study on Ashar's Policy Auction Platform



Who is Ashar Group?

For more than two decades, Ashar Group has been representing policy owners in the life settlement transaction, negotiating offers with institutional buyers, and ensuring the best offer is received. Ashar Group is a nationally licensed life settlement seller's representative. We sit on the same side of the table as the planning professional (financial advisor, CPA, attorney, etc.) and the policy owner clients they serve. We do not sell life insurance, manage assets, or purchase policies. We are an independent resource specializing in life insurance valuation for planning.