



LIFE INSURANCE VALUATION

Integrating **LIFE SETTLEMENTS** into Client Planning

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WHAT IS A LIFE SETTLEMENT

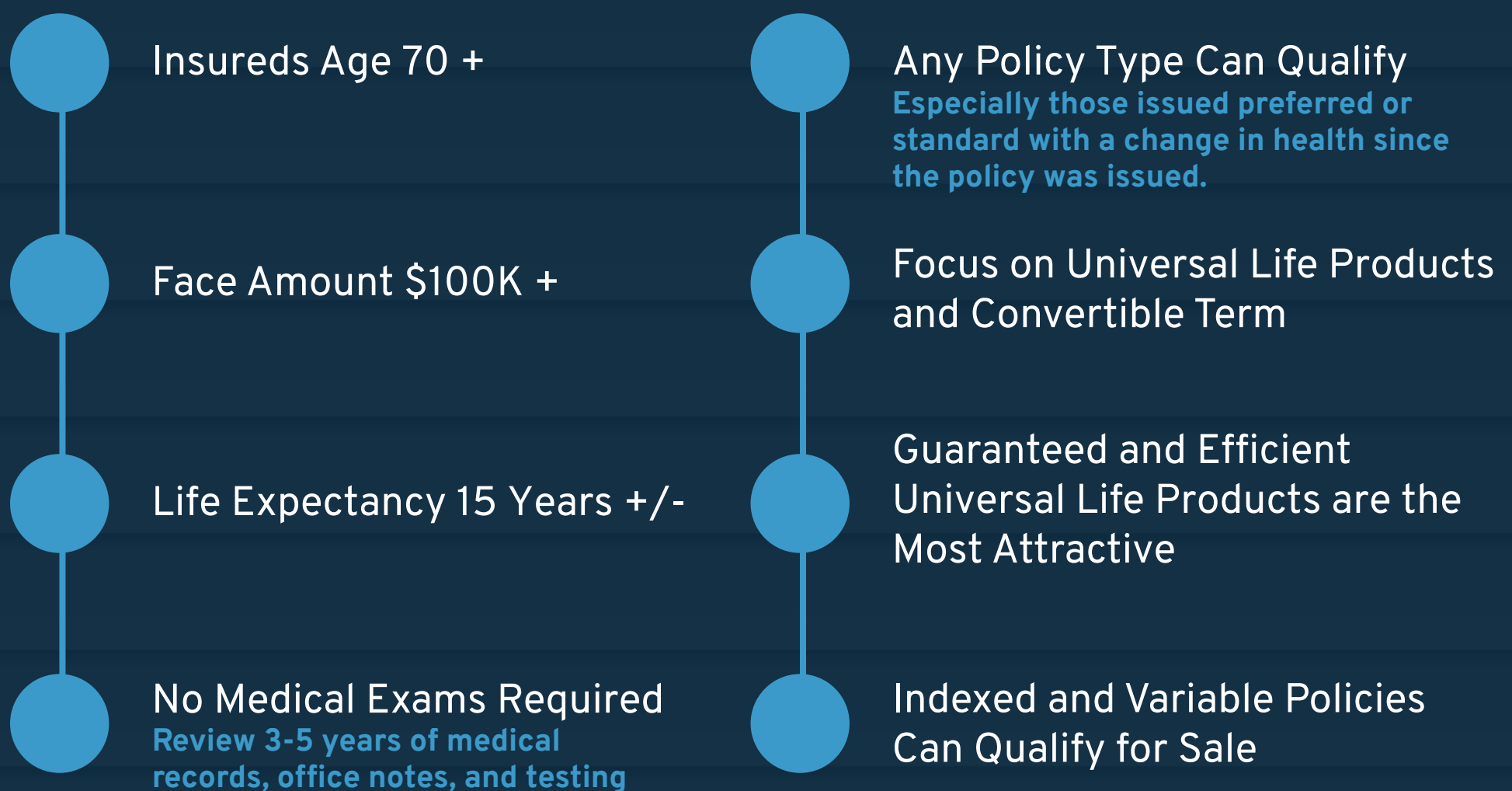
The sale of an existing life insurance policy for **more than the cash surrender value** and **less than the death benefit**.

AVAILABLE IN ALL 50 STATES*
LIFE SETTLEMENTS ARE
HIGHLY REGULATED

*even in states with no specific life settlement regulation



WHO QUALIFIES FOR A LIFE SETTLEMENT



**YES! POLICIES IN AN ILIT CAN BE SOLD.
ALL INTERESTED PARTIES SIGN OFF ON THE SALE.**



CONSUMER-FRIENDLY TAX IMPLICATIONS

EXAMPLE

Death Benefit: \$1 MILLION UNIVERSAL LIFE POLICY	Cost Basis: \$175,000	Cash Surrender Value: \$5,000	Sale Amount: \$200,000
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STEP 1: Obtain Cost Basis

\$175,000 Cost Basis = **\$0** Taxation Up to **\$175,000** of Sale Price

STEP 2: Computation of Tax Liability

\$200,000 Sale Amount - **\$175,000** Basis = **\$25,000** *Taxable as Long-Term Capital Gain*

***NOT INTENDED TO BE TAX OR LEGAL ADVICE.**

**POLICY OWNERS SHOULD SPEAK WITH A TAX
PROFESSIONAL REGARDING THEIR SPECIFIC SITUATION.**



WHEN TO VALUE A LIFE INSURANCE POLICY

PERIODIC PLANNING CONVERSATIONS

Assess performance, suitability, and market value to make informed decisions about retention, replacement, or sale

UPDATING ESTATE PLANS

Decisions about trusts, estate liquidity needs, and potential tax exposure

ORIGINAL PURPOSE NO LONGER APPLIES

Protect minor children, business obligations, or estate tax liability

RETIREMENT OR EXIT FROM A BUSINESS

If policy was purchased for buy-sell agreements or income replacement

MAJOR LIFE CHANGES

Divorce, death, or change in family structure

POLICY IS NOT PERFORMING AS EXPECTED

Premiums are too high or policy performance has deteriorated

BEFORE LAPSE OR SURRENDER

Determine fair market value before walking away from a potentially valuable asset

WHEN LIQUIDITY IS NEEDED

Fund more efficient planning structures, support retirement, enhance investments, or fund long-term

GIFTING OR LEGACY STRATEGIES

Support philanthropic planning, family gifting, or generational wealth transfer strategies

INCREASED LONGEVITY

Insured is living longer than projected



START THE CONVERSATION



***Key tips to help you integrate
the life settlement solution
into your client discussions...***



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LIFE INSURANCE IS AN **ASSET**

NOT JUST A PROTECTION TOOL

Your life insurance policies could hold significant **fair market value** that can be unlocked through a life settlement.





PERIODIC Valuation

Just as real estate or other assets are regularly appraised, life insurance portfolios should be reviewed to determine their current fair market value and relevance to the client's overall planning objectives.

HOW TO START THE CONVERATION:

We've added a fair market value and longevity component to life insurance reviews to assess performance and determine if the policy could qualify for a buyout.

Would you like me to explore this option for you? There's no cost and no medical exam required.



REFRAME THE DISCUSSION

**Would you purchase
this policy today?**

This simple question helps clients and advisors
assess whether a policy still aligns with their
current needs and objectives.

What motivates your client?

TWO SELLER TYPES:

ILLIQUID CLIENTS (REALLOCATION IS KEY)

Those with a desire to eliminate premium obligations due to an immediate liquidity need that outweighs the purpose of keeping the policy in force. This can be particularly impactful for families who are highly invested in real estate or business ventures that require short-term liquidity.

STRATEGIC CLIENTS (ALL ABOUT EFFICIENCY)

These clients frequently review performance metrics as part of their asset allocation strategy and adhere to a mindset of minimizing exposure and maximizing returns. This can be impactful for families with increased longevity, as they face the uncomfortable realization that their family is hedging against the life expectancy of their matriarch or patriarch.

MARKET Update

AUGUST 2025

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There is growing demand among affluent sellers seeking liquidity and planning flexibility.

What factors influence today's offers?

INSURED AGE

Currently, the market is looking for insureds age 70 or older (younger if they have significant health impairments)

INSURED HEALTH

Generally, the market is looking for a decline in health since the policy was issued. Health impairments that impact longevity will yield higher offers.

CLICK TO READ MORE:
Longevity Risk vs. Mortality Risk

POLICY AND PRODUCT TYPE

Buyers have diversification of carriers, products, policy sizes, and insured health conditions. Guaranteed policies and efficient universal life policies are receiving competitive offers in 48 hours without medical records.

CASH VALUE

Policies with low cash value and no loans are more attractive to buyers.

PREMIUM

Policies with low premium ratios generate more interest.



Did the policy I lapsed last year
have life settlement value?

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MITIGATE RISK

Avoid liability as a fiduciary

MISSED POLICY REVIEWS COULD RESULT IN MISSED MILLIONS

**Policies that lapse without
valuation may leave six or
seven figures on the table.**

- ✓ Create liquidity and reallocate premium dollars to fund today's planning needs
- ✓ Prevent unnecessary liability of missed opportunities
- ✓ Avoid difficult client conversations

Def: (ash-er) "do what is right and you will be blessed"

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INDEPENDENT VALUATION

Protects Client's Best Interest

WHO IS GUIDING YOU AND REPRESENTING YOUR CLIENT?

Working with a fiduciary to the policy owner ensures your clients receive unbiased insight that supports informed decisions about retention, replacement, or sale. If the life settlement solution is the chosen path, sell-side guidance will ensure the highest fair market value.

SELL-SIDE LIFE SETTLEMENT BROKERS	BUY-SIDE LIFE SETTLEMENT PROVIDERS
Licensed fiduciary representing the seller/policy owner	Represent the buyer and their interests
Do not purchase policies	Purchase policies on behalf of buyers
Fiduciary duty to protect seller's best interests	Protect buyer's best interests by eliminating competitive bidding
Create competitive bidding auction between multiple buyers	Want to purchase policies for the lowest possible price
Demand fair market value (highest offer) for the client	Offer "fair value" much lower than fair market value

[DOWNLOAD THIS](#)

LIQUIDITY without **Compromise**

Life settlements can be a strategic tool for clients seeking liquidity without disrupting legacy holdings or sentimental assets like real estate.

WHY DO AFFLUENT CLIENTS EXPLORE THE LIFE SETTLEMENT SOLUTION?

- Reallocate 6-7-figure premiums to other needs
- Purchase coverage on younger family members
- Enhance investment portfolios
- Strengthen trust and estate structures
- Fund philanthropic legacies
- Liquidity preservation

BID

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MAXIMIZING VALUE with a **Policy Auction**

Just like real estate, value increases with competition. Ashar's proprietary policy auction platform creates competition among all available buyers.

PRIVATE HNW CLIENT PLANNING CHANGE

PLANNING OBJECTIVE:

Reallocate \$250K Annual Premium to Other Investment Needs



80, Female
Good Health



\$10M GUL
Guaranteed Universal Life



\$100K
Cash Surrender Value



\$250K
Annual Premium



\$1.8M + eliminated premium obligation
Life Settlement Offer
(after 10 bids on policy auction)

COMPETITION INCREASES VALUE

BID 1: \$300,000	BID 6: \$1,100,000
BID 2: \$400,000	BID 7: \$1,300,000
BID 3: \$600,000	BID 8: \$1,500,000
BID 4: \$800,000	BID 9: \$1,750,000
BID 5: \$900,000	BID 10: \$1,800,000

**BIDS 1 & 10 ARE FROM
THE SAME BUYER**

ASHAR GROUP POLICY AUCTION PLATFORM

Def: (ash-er) "do what is right and you will be blessed"

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PRESENTING THE Total Solution

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- Where did we start?
- Why did we go down this path?
- What are the results?
- If we move forward, what do we plan to do?

EXAMPLE



FEMALE, AGE 84
(CHANGE IN HEALTH)



\$1.5M SUL
(MALE DECEASED)



CSV = \$25K
(CASH SURRENDER VALUE)



LIFE SETTLEMENT = \$475K
(AFTER 14 BIDS)

WHAT ARE THE CLIENT'S OPTIONS?

KEEP	SURRENDER	DIRECT BUYER	AUCTION
Continue paying \$45,000 annual premium	Receive \$25,000 cash surrender value (CSV)	Receive \$75,000 (3x more than CSV)	Receive \$475,000 (19x more than CSV)
\$0 no life settlement, but get full DB	\$25K + eliminate premium burden	\$75K + eliminate premium burden	\$475K + eliminate premium burden

Visual representation of an actual case study using
Ashar Group's proprietary life settlement policy auction platform.

WHAT IS NEEDED TO **value a policy?**



Reach out for easy-to-use forms to help gather necessary information

- **INSURED'S DATE OF BIRTH**
 - **Proof Required at Contracting**
- **POLICY INFORMATION (any available information to start)**
 - **Maturity Illustration to Age 105**
 - **Various Illustrations Based on Product Type**
 - **Annual Statement + Premium History**
 - **Copy of the Policy**
- **HEALTH INFORMATION (no medical exam required)**
 - **Activities of Daily Living**
 - **Prescriptions List**
 - **Office Notes + Test Results**
 - **3-5 Years of Medical Records**

YOU DON'T NEED TO BE A LIFE
INSURANCE EXPERT. WE'RE HERE TO
HELP EVERY STEP OF THE WAY.

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TRAINING + Education

CONTACT US



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BECOME A STRATEGIC ALLIANCE PARTNER



PRIORITY VALUATION REVIEWS

Faster turnaround and timely decision-making



EXCLUSIVE EDUCATION FROM LEADING INDUSTRY EXPERTS

In-person and virtual training from nationally recognized authorities in life insurance valuation and life settlements



CUSTOMIZED TOOLS & RESOURCES

Access exclusive tools tailored to your practice, including co-branded client resources to strengthen your firm's value to clients