

# Making Life Better

## Here's Something Your Life Insurance Company May Be Hiding From You

(NAPSA)—American seniors are postponing retirement, primarily for financial reasons. Unfortunately, many experience unexpected health problems and ultimately shorter life spans, according to a recent report from Bloomberg—fortunately, you don't have to be among them. More seniors are exploring creative options to generate the cash needed to pay off bills, finance vacations or deal with health care expenses.

### Hidden Assets

If you're over the age of 70, you may have an asset lying in a drawer right now that could generate immediate cash for your family—and not even know about it.

Explained Darwin M. Bayston, CFA, president and chief executive officer of the Life Insurance Settlement Association (LISA), a nonprofit organization that promotes consumer awareness of alternatives to lapsing or surrendering a life insurance policy, "You have options if you find that you no longer need or can afford that policy."

For example, one option might be to explore the possibility of selling that unwanted or unaffordable life insurance policy, rather than just letting it lapse or surrendering it to the life insurance company for the policy's cash surrender value.

### How A Life Settlement Transaction Works

The sale of a life insurance policy to a third party for more than the policy's cash surrender value is known as a life settlement transaction. The policy owner gets a cash payment, while the purchaser of the policy assumes all future premium payments and gets the benefit upon the death of the insured. Candidates for life settlements are typically aged 70 or older, with a life insurance policy that has a death benefit of at least \$100,000. Seniors who sell their



### Older Americans may have a financial resource they don't even realize they own.

policies may get roughly four to seven times more money than the cash surrender value of the policy.

"LISA is committed to making sure consumers are aware of the fact that their life insurance policies have value and can be sold, just like any other asset or piece of property," added Bayston. "In all likelihood, the life insurance company and the agent who sold the policy won't share that information on their own."

In fact, one study found that 23 percent of professional financial advisers are actually precluded by life insurance companies from disclosing to consumers that they have the right to sell a life insurance policy they are about to lapse or surrender. Perhaps as a result, a survey by the Insurance Studies Institute found that fewer than half of American seniors are aware of the option of selling their life insurance policy.

### Learn More

For further facts about life settlements, how they work and whether you're eligible, call the LISA office at (888) 408-3734 or visit [www.lisa.org](http://www.lisa.org).