

LIFE SETTLEMENTS: MARKET OVERVIEW



Q: What is a life settlement?

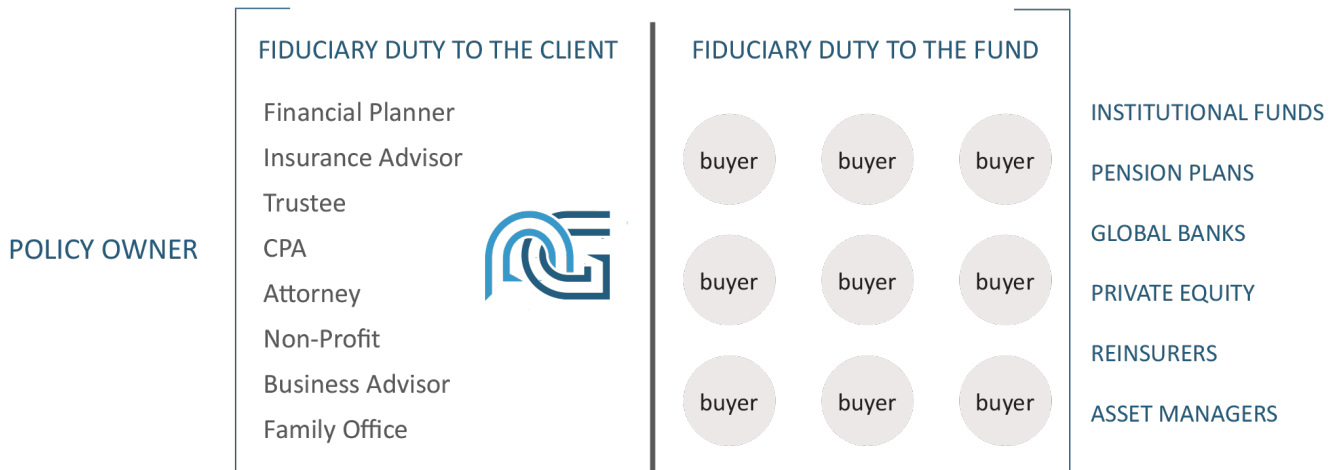
A: The sale of an existing life insurance policy that is no longer needed, wanted, or has become unaffordable, to a licensed institutional buyer for an amount greater than the cash surrender value, but less than the death benefit. The cash surrender value is not the only offer for a policy owner when exiting a policy. On average, a life settlement provides 6-12 times more cash to the policy owner than a policy forfeited back to the carrier for CSV.

Q: How big is the potential market?

A: Nearly 25% of the American population will be age 65 or older by 2060. Seniors are lapsing their life insurance at an alarming rate - approximately \$112B annually. An estimated 20% of seniors who surrender policies leave six to seven figures of additional value on the table.

Q: How does this impact your business?

A: Life settlements and policy valuations are an opportunity to demonstrate value in ways other financial professionals and fiduciaries are not. By collaborating with licensed life settlement specialists, trusted advisors can limit risk and generate liquidity events for clients.



Mitigate Risk and Serve Clients' Best Interests

Protect your business and your reputation by partnering with those who have a fiduciary responsibility to the policy owner versus those that have a fiduciary responsibility to the purchaser.

- How many clients have surrendered policies that have been worth significantly more than the cash value in the contract?
- Could there have been liability for their advisors for not disclosing or documenting their files accordingly?

Common Case Studies

Case Study A:

Mary, age 84, purchased a \$2.8M UL policy in 1988. Current cash surrender value = \$72K. Mary was able to sell her policy for \$1.1M.

Case Study B:

John, age 69, purchased a \$500K convertible term policy for his business in 1983, and is now retiring. John was able to sell his policy for \$75K.

Ideal Candidate for Life Settlements

POLICY

- UL, GUL, SUL, Convertible Term
- Face amount: \$100,000 - \$5M
- Jumbo policies: \$5M - \$50M
- Low cash value, low premium
- Policy matures at 100 or beyond

HEALTH

- Insured age 65 or older (younger if highly impaired)
- Policies issued standard or preferred
- Decline in health since issue
- Life expectancies under 15 years

Transaction Process



Pre-Screening
“Results in
Week One”

Underwriting
No Exam
Required

Policy Pricing

**Agree on
Listing Price**

**Negotiation
and Offer
Acceptance**

**Contracts
Signed**

**Settlement
Delivered**

About Ashar Group

Ashar Group is an independent, nationally licensed life settlement brokerage with fiduciary responsibility to the policy owner. Ashar creates a competitive bidding environment between carefully vetted institutional buyers in order to negotiate the fair market value of life insurance. We do not sell insurance or offer financial planning services. We do not purchase policies or have any stake in companies that do. We are a resource for more than 30,000 planners, attorneys, trust officers, and CPAs nationwide for risk management and insurance planning; philanthropic planning; retirement planning; and estate, gift, and wealth transfer planning.

LIFE SETTLEMENTS | POLICY VALUATIONS | LONGEVITY SERVICES

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