

News For Older Americans

Your Money And Your Life Insurance

(NAPSA)—For many older Americans, selling a life insurance policy can be a lifesaver, fiscally speaking.

The Problem

As reported in The Wall Street Journal, many retirees are struggling to afford recent increases in their life insurance premiums. This can be especially painful for those seniors who were already unprepared for retirement.

According to the Government Accountability Office, households with members between 65 and 74 years old have retirement savings worth about \$649 a month.

An Answer

One option to consider if you can no longer afford your life insurance premium is a life settlement: the sale by the owner of a life insurance policy to a third party for an amount greater than its cash surrender value and less than the death benefit. The seller of the policy gets a cash payment. The buyer of the policy assumes all future premium payments and receives the death benefit upon the passing of the insured.

Americans who are aged 65 or older leave more than \$100 billion in benefits on the table each year by lapsing or surrendering their life insurance policies. A survey by the Insurance Studies Institute found that 90 percent of those seniors would have considered selling their policies if they knew they had other options.

Why To Sell

There are numerous reasons to consider selling a life insurance policy, in addition to premiums



Like any personal property, your life insurance can be sold—through what's known as a life settlement.

being no longer affordable.

- There is a need for resources to pay for health expenses and long-term care.
- A term policy may be reaching the end of the coverage period.
- The insured has outlived the policy's beneficiaries.
- A new policy may be a better personal or financial fit.

Anyone considering a life settlement should first talk with his or her insurance, financial or legal adviser to explore all legal, tax and other consequences from selling the policy.

Learn More

For further facts, or to find a life settlement professional nearby who can help you look into this option and see if it makes sense for you, call (800) 664-9024 or visit the Life Insurance Settlement Association (LISA) website: www.lisa.org.