FOR FINANCIAL ADVISORS

Life Settlement Auctions.

Seeking competitive market value for clients with declining health and unwanted coverage.

When a client's policy goes to a single direct buyer, they receive one offer — on that buyer's terms. A formal, multi-round auction across the institutional buyer market has produced meaningfully higher outcomes in many cases. For clients with a meaningful policy and a health change since issue, exploring the secondary market through a competitive auction may make a significant difference in what they recover.

WHEN TO BRING THIS UP WITH A CLIENT

- Client is age 60+ with permanent or convertible-term coverage and a meaningful health change since policy issue
- Premium is unaffordable, increasing, or the client is planning to surrender or lapse
- Coverage is no longer needed — beneficiaries grown, business sold, estate plan changed
- Trust-owned policy whose original purpose has been resolved
- Convertible term policy nearing the end of its conversion window
- Client received a direct-to-consumer offer — a second opinion is worth exploring

FOR YOUR NEXT CLIENT CONVERSATION

Before this policy lapses or surrenders, consider finding out what it's actually worth on the secondary market. Institutional buyers compete for policies across multiple rounds — and in many cases, the negotiated outcome has exceeded what a single direct offer would have produced. There's no obligation; AdvisorServe evaluates first, and the client decides whether to accept any offer that comes back. A preliminary review is a logical first step.

1 — YOU
Send the in-force illustration, brief health summary, and DOB to AdvisorServe.

2 — ADVISORSERVE
We obtain medical records, life expectancy reports, and prepare the policy for market.

3 — ADVISORSERVE
We launch a multi-round auction across leading institutional buyers.

4 — TOGETHER
You and your client decide whether to accept. We close, transfer, and deliver proceeds.

QUICK FACTS

INSURED AGE
60+

HEALTH PROFILE
Decline since issue

MIN. FACE VALUE
$250,000

PROCESS TIMELINE
3–6 months

BUYER MARKET
Broad institutional
LISA member providers executed ~95% of all life settlement transactions in 2023 (LISA 2023 Market Data)

POLICY TYPES
UL, GUL, WL, VUL, conv. term

OWNER TYPES
Individual, trust, corporate

QUESTIONS ON A SPECIFIC CASE?
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This reference is for advisor use only. Life settlement transactions involve complex legal, tax, and suitability considerations. Always consult qualified professionals. AdvisorServe · Independent. Objective. Trusted.

HYPOTHETICAL CASE STUDY · FOR ADVISOR USE

Why a second opinion matters.

How a competitive auction process can change the outcome — illustrated through a hypothetical client scenario.

HYPOTHETICAL CLIENT SCENARIO

Consider a hypothetical client — call him Rex — age 62, holding a $1,500,000 convertible term policy. As his estate plan changed, the coverage was no longer needed and he began exploring a sale.

A direct-to-consumer life settlement provider offered $315,000. Rex was about to accept. Before he signed, he mentioned the offer to his financial advisor, who suggested exploring the secondary market through a competitive auction process.

After a multi-round auction, the negotiated offer reached $671,000 — more than double the initial direct offer. The auction process is unique to each individual and does not represent that these results are typical, factors such as market competition, client health and contract terms greatly influence the actual results.

This example is illustrative only and does not represent any actual client transaction. Dollar figures are hypothetical and for planning conversation purposes only.

POLICY SNAPSHOT — ILLUSTRATIVE

Policy type	**$1.5M Convertible Term**
Insured's age	**62**
Direct offer received	**$315,000**
Method used	**Competitive Auction**
Final negotiated offer	**$671,000**
Process timeline	**~5 months**

ADDITIONAL VALUE IN THIS SCENARIO

+$356,000

More than 2× the initial direct offer — illustrative only

WHAT AN AUCTION DOES TO THE OFFER

SIDE-BY-SIDE — REX'S HYPOTHETICAL POLICY

Direct provider

$315,000

Competitive auction

$671,000

+$356,000 (113%) more in this hypothetical scenario. Results vary significantly by policy, health status, and market conditions. Each auction is unique; past outcomes are not indicative of future results.

HOW THE PROCESS WORKS

1. **EVALUATE**
   Initial review of the policy and insured to confirm fit.
2. **MARKET**
   Order medical records and life expectancy reports.
3. **AUCTION**
   Multi-round bidding across institutional buyers.
4. **NEGOTIATE**
   Lock in the highest fair value with the top bidders.
5. **CLOSE**
   Transfer ownership and deliver proceeds to your client.

A second opinion may be one of the most consequential steps an advisor takes on an unwanted policy.

Obtaining an independent evaluation may help policy owners better understand available alternatives before allowing a policy to lapse or be surrendered.

IMPORTANT CONSIDERATIONS

In a life settlement, the policy owner transfers ownership and beneficiary designations to a third party who receives the death proceeds at the insured's passing — giving the buyer a financial interest in the seller's death. A policy owner should consider the continued need for coverage and less costly alternatives before settling. Selling a policy may affect eligibility for public assistance programs (such as Medicaid) and may have tax consequences. Once transferred, the policy owner has no control over subsequent transfers. When selling, the insured must provide complete access to medical history; ongoing disclosure obligations may apply post-sale. Consult a qualified tax advisor regarding taxation of proceeds. **About this case study:** Names changed for confidentiality. This is a hypothetical illustration; it does not represent any actual client transaction. Each client's experience varies; past results are not indicative of future outcomes. Offer figures shown are gross; net proceeds are reduced by fees and expenses. Each auction is unique to each policy. **Broker-dealer:** Securities offered through Valmark Securities, Inc. Member FINRA/SIPC. Investment Advisory Services offered through Valmark Advisers, Inc., a SEC Registered Investment Advisor. 130 Springside Drive, Suite 300, Akron, Ohio 44333-2431 · 1-800-765-5201. AdvisorServe is a separate entity from Valmark Securities, Inc. and Valmark Advisers, Inc. Valmark and its registered representatives act as brokers on life settlement transactions and may receive a fee from the purchaser.

QUESTIONS ON A SPECIFIC CASE?

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