AdvisorServe
Independent. Objective. Trusted.

LIFE SETTLEMENT ADVOCACY PROGRAM

Life Settlement Evaluation Report

A preliminary estimate of policy value on the secondary market — prepared by AdvisorServe. Estimates are hypothetical and require formal underwriting to confirm.

$3.00M
POLICY FACE VALUE

$493,938
EST. NET OFFER

PREPARED FOR	PRESENTED BY	REPORT DATE	POLICY FACE AMOUNT
Valued Client	AdvisorServe	June 4, 2026	$3.00M

► STEP 1 · YOU ARE HERE
Evaluate
Preliminary analysis of the policy and insured's health to estimate a value range. No commitment required.

STEP 2 · 1-2 MONTHS
Prepare
Medical records ordered. Third-party LE reports completed. Formal Policy Appraisal Report prepared.

STEP 3 · 1-3 MONTHS
Auction
Policy marketed to institutional buyers. Competitive bidding. Owner decides to accept or decline.

STEP 4 · 2-3 MONTHS
Closing
Closing documents executed. Funds transferred. Buyer assumes ownership and all future premium obligations.

4–7×
AVG MULTIPLE VS. CSV[1]

$4.67B
FACE VALUE PURCHASED (2023)[3]

10–50%
TYPICAL % OF FACE VALUE[2]

WHEN A LIFE SETTLEMENT MAKES SENSE

› Death benefit no longer needed
Goals have changed — estate beneficiaries, business purpose, or key-person need has been eliminated.

› Premiums are a financial burden
At $100,000/year, sustained premium payments may no longer be realistic or desirable for the policy owner.

› Lapse or surrender is being considered
A policy allowed to lapse returns $0. A direct surrender returns only the CSV. Neither creates competition — and neither reveals true market value.

› Liquidity is preferred
A lump-sum settlement today may fund retirement expenses, long-term

KEY FACTS ABOUT THIS POLICY

INSURED Age 76 · Male	HEALTH Fair / Substandard · 270% Mortality
SMOKING Non-Smoker	POLICY TYPE Guaranteed Universal Life
DEATH BENEFIT $3.00M	CASH SURRENDER VALUE $80,000
ANNUAL PREMIUM $100,000/yr (3.33% of face/yr)	EST. LIFE EXPECTANCY 8.1 yrs

BEFORE DECIDING A life settlement is not appropriate for every policy. The insured should carefully evaluate the continued need for death benefit protection, consider all alternatives including retained ownership and a 1035 exchange, and consult a qualified tax and legal advisor before proceeding.

QUESTIONS ON A SPECIFIC CASE?
Seth Freeman, CFP®, CLTC, LTCP · President
sfreeman@advisorserve.com · 770.293.9545

advisorserve.com
Independent. Objective. Trusted.

For Advisor Use Only. This report is preliminary and educational. Estimates are hypothetical and do not guarantee similar results in a live auction. Not legal, tax, or investment advice. Consult a qualified tax advisor before proceeding.

AdvisorServe®
Independent. Objective. Trusted.

ESTIMATED PROCEEDS & EVALUATION CONCLUSION

CASH SURRENDER VALUE

$80,000

What the carrier pays if surrendered today

ESTIMATED NET OFFER

$493,938

Range: $395,000 – $595,000
Based on 270% mortality rating

ESTIMATED VALUE ABOVE CSV

$413,938

+517% above CSV
Potential benefit of pursuing a settlement

Evaluation Conclusion: Based on preliminary modeling, there is a strong possibility of receiving a net offer materially above the cash surrender value. A competitive auction through Valmark's institutional buyer network is worth pursuing. Actual offers will depend on formal life expectancy reports, carrier illustration review, and buyer appetite at the time of auction.

POLICY VALUE COMPARISON — BASE CASE (270% MORTALITY)

6.2×

MARKET MULTIPLE[1]

LISA data: average life settlement delivers 4–7× the cash surrender value. This policy's estimated offer is 6.2× the $80,000 CSV.

16%

% OF FACE VALUE[2]

This policy's estimated offer represents 16.5% of the $3.00M face value. LISA reports a typical range of 10–50%, with most policies at ~20%.

43

REGULATED STATES[4]

Life settlements are regulated in 43 states plus Puerto Rico, covering ~90% of the U.S. population.

SHOULD YOU EXPLORE FURTHER? — SELF-ASSESSMENT

- ☐ I no longer want or need this policy's death benefit protection
- ☐ I am unwilling or unable to continue paying the required annual premium
- ☐ I prefer liquidity — a lump sum today — over continued coverage
- ☐ I am planning to surrender or allow this policy to lapse
- ☐ The estimated net offer provides meaningful value above my cash surrender value
- ☐ I am willing to provide medical history for formal LE underwriting

IF YOU DECIDE TO PROCEED — SIMPLIFIED TIMELINE

01

EVALUATE

This report. No commitment required. Review with your advisor.

02

PREPARE

Medical records gathered. Third-party LE reports ordered. 1–2 months.

03

AUCTION

Institutional buyers bid competitively. Owner chooses to accept or decline. 1–3 months.

04

CLOSING

Funds transferred. Buyer assumes ownership and premium obligations. 2–3 months.

QUESTIONS ON A SPECIFIC CASE?

Seth Freeman, CFP®, CLTC, LTCP · President
sfreeman@advisorserve.com · 770.293.9545

advisorserve.com
Independent. Objective. Trusted.

For Advisor Use Only. This report is preliminary and educational. Estimates are hypothetical and do not guarantee similar results in a live auction. Not legal, tax, or investment advice. Consult a qualified tax advisor before proceeding.

LIFE SETTLEMENT FACTOR SCORECARD — FIVE FACTORS THAT DETERMINE MARKETABILITY

FACTOR	YOUR POSITION	RATING	IMPACT	WHY IT MATTERS TO BUYERS
AGE & LIFE EXPECTANCY Age 76 · LE 8.1 yrs	Prime range — strong demand	✓ Favorable	↑	Policies with life expectancy under 12 years command the strongest institutional offers. Buyers price tightly based on expected hold period and premium carrying cost.
HEALTH STATUS Fair / Substandard · 270% mortality	Impairments present — favorable	✓ Favorable	↑	Health impairments reduce estimated life expectancy and increase institutional appeal. Higher mortality multipliers meaningfully elevate policy attractiveness.
POLICY TYPE Guaranteed Universal Life	GUL — highly preferred	✓ Marketable	↑	Guaranteed and universal life policies are the institutional buyer's preferred products. Premium flexibility allows buyers to manage carrying costs efficiently over the hold period.
ANNUAL PREMIUM LOAD $100,000 · 3.33% of face/yr	Moderate load	⚠ Moderate	→	Lower premiums relative to the death benefit mean lower carrying cost and higher buyer return. Premiums above 5% of face value begin to compress offers significantly.
CASH SURRENDER VALUE $80,000 CSV · 2.7% of DB	Modest — limited offset	⚠ Modest	→	Higher CSV offsets future premium obligations and increases buyer return. CSV also sets a meaningful floor for the settlement offer regardless of percentage.

INSURED **Valued Client**	AGE / GENDER **76 · Male**	HEALTH / MORTALITY **Fair / Substandard · 270%**	POLICY TYPE **Guaranteed Universal Life**
DEATH BENEFIT **$3.00M**	ANNUAL PREMIUM **$100,000**	CASH SURRENDER VALUE **$80,000**	EST. NET OFFER **$493,938**
OFFER AS % OF FACE **16.5%**	VALUE VS. CSV **+517% above CSV**	PREMIUM BURDEN **3.33% of face/yr**	MORTALITY MULTIPLIER **2.70×**

WHY DOES LIFE EXPECTANCY MATTER SO MUCH?

Buyers pay premiums until the insured passes. A shorter life expectancy means fewer premium payments and a faster return on investment. For this policy, the 8.1 yrs estimated LE is in the **prime range for institutional demand** — under 12 years — where offers are strongest.

DOES CARRIER RATING AFFECT WHAT BUYERS PAY?

Yes. Buyers discount for financial strength risk of the issuing carrier. An A+/A++ rated carrier commands a **small premium** in pricing — buyers have high confidence in the eventual death benefit payout. Lower-rated carriers introduce uncertainty that compresses offers.

QUESTIONS ON A SPECIFIC CASE?

Seth Freeman, CFP®, CLTC, LTCP · President
sfreeman@advisorserve.com · 770.293.9545

For Advisor Use Only. This report is preliminary and educational. Estimates are hypothetical and do not guarantee similar results in a live auction. Not legal, tax, or investment advice. Consult a qualified tax advisor before proceeding.

LIFE EXPECTANCY & SURVIVAL ANALYSIS

8.1

YEARS

Mortality multiplier: 270%
2017 CSO Unloaded ANB
Mortality Tables

Life expectancy is the single most important driver of settlement value. It determines the timing of the death benefit and the number of premiums a buyer must pay before receiving their return.

What buyers care about: The shorter the estimated LE, the higher the expected offer. Health impairments that reduce LE meaningfully increase policy attractiveness.

Methodology: 2017 CSO Unloaded ANB tables, adjusted by a mortality multiplier for health status and smoking history. Note: formal LE underwriters use proprietary tables; actual LE reports will differ from this estimate.

15-YEAR SURVIVAL PROBABILITY — BASE CASE (270% MORTALITY, 2017 CSO UNLOADED ANB)

YEAR / AGE	SURVIVAL %	PROBABILITY OF SURVIVAL (BLUE) VS. MORTALITY (AMBER)
Yr 1 · Age 77	94.5%	
Yr 2 · Age 78	88.7%	
Yr 3 · Age 79	82.8%	
Yr 4 · Age 80	76.6%	
Yr 5 · Age 81	70.3%	
Yr 6 · Age 82	63.9%	
Yr 7 · Age 83	57.4%	
Yr 8 · Age 84	50.9%	
Yr 9 · Age 85	44.5%	
Yr 10 · Age 86	38.2%	
Yr 11 · Age 87	32.2%	
Yr 12 · Age 88	26.6%	
Yr 13 · Age 89	21.5%	
Yr 14 · Age 90	16.9%	
Yr 15 · Age 91	12.9%	

QUESTIONS ON A SPECIFIC CASE?

Seth Freeman, CFP®, CLTC, LTCP · President
sfreeman@advisorserve.com · 770.293.9545

For Advisor Use Only. This report is preliminary and educational. Estimates are hypothetical and do not guarantee similar results in a live auction. Not legal, tax, or investment advice. Consult a qualified tax advisor before proceeding.

PROCESS OVERVIEW — TYPICAL TIMELINE: 5–8 MONTHS FROM DECISION TO CLOSE

▶ STEP 1 · YOU ARE HERE

Evaluate

Preliminary analysis of the policy and insured's health to estimate a value range. This report represents Step 1. No commitment is required to proceed to Step 2.

STEP 2 · 1–2 MONTHS

Prepare

Medical records are ordered. Third-party actuarial LE reports are completed by licensed underwriters. A formal Policy Appraisal Report (PAR) is prepared.

STEP 3 · 1–3 MONTHS

Auction

Valmark markets the policy to its network of institutional buyers through a competitive bidding process. The policy owner decides independently whether to accept or decline any offer.

STEP 4 · 2–3 MONTHS

Closing

Closing documents are executed. Funds are transferred to the seller. The buyer assumes ownership, all future premium obligations, and receives the death benefit upon passing.

NEXT STEPS — WHAT HAPPENS WHEN YOU DECIDE TO MOVE FORWARD

YOUR RESPONSIBILITY	Complete the Life Settlement Application & Agreement	ADVISORSERVE	Prepare your policy for the secondary market
YOUR RESPONSIBILITY	Complete 3rd-Party Authorization & HIPAA medical records release	ADVISORSERVE	Obtain medical records from all treating physicians
YOUR RESPONSIBILITY	Provide medical contact information and any additional records requested	ADVISORSERVE / VALMARK	Order third-party LE reports, prepare PAR, and market to institutional buyers

WHAT MAKES ADVISORSERVE'S PROCESS DIFFERENT?

AdvisorServe manages the entire process — from medical record collection to formal LE underwriting to the auction itself — on behalf of your client. You retain your fiduciary role. **Valmark supervises all transactions like a securities transaction**, providing regulatory oversight and documentation.

HOW DOES THE AUCTION MAXIMIZE VALUE?

Multiple institutional buyers bid simultaneously in a managed process. In documented cases, broker-mediated auctions have delivered **materially more** than initial direct offers from a single buyer. Competition is the only mechanism that reveals true market value.[5]

QUESTIONS ON A SPECIFIC CASE?

Seth Freeman, CFP®, CLTC, LTCP · President
sfreeman@advisorserve.com · 770.293.9545

For Advisor Use Only. This report is preliminary and educational. Estimates are hypothetical and do not guarantee similar results in a live auction. Not legal, tax, or investment advice. Consult a qualified tax advisor before proceeding.

OFFER RANGE, METHODOLOGY & DISCLOSURES

STEP	DESCRIPTION	CALCULATION	AMOUNT
1	Total annual premium carrying cost (from policy inputs)	Annual premium input	$100,000
2	Cash value offsets future premiums until depleted	CSV: $80,000 applied first	Reduces carry cost
3	Gross offer — PV of death benefits minus PV of premiums at 14% target IRR	PV(DB) – PV(Premiums)	$686,025
4a	Compensation — 30% of Gross Offer	$686,025 × 30%	$205,808
4b	Compensation — ⅓ of Value Created	($686,025 – $80,000) ÷ 3	$202,008
4c	Compensation — 6% of Death Benefit	$3.00M × 6%	$180,000
—	**Compensation Applied: lesser of the three methods**	**Min($205,808, $202,008, $180,000)**	**$180,000**
—	**Estimated Net Offer**	**Typical range: $395,000–$595,000**	**$493,938**

MORTALITY TABLES

2017 CSO Unloaded ANB Mortality Tables (Male/Female), adjusted by a mortality multiplier for health status and smoking. Note: professional LE underwriters use proprietary tables; formal reports will differ from these estimates.

VALUATION METHOD

Probabilistic discounted cash flow. For each year: probability of death × death benefit, discounted at the target IRR. Future premiums subtracted, weighted by survival probability. CSV offsets premiums until depleted.

OFFER ESTIMATION

Gross offer estimated using a 14% target IRR discount rate reflecting institutional buyer targets. Compensation deducted per the three-tier schedule (lesser of 30% of gross, ⅓ of value created, or 6% of death benefit).

Life Settlement: In a life settlement, the policy owner transfers ownership to a third party who receives the death benefit at the insured's passing — giving the buyer a financial interest in the seller's death. The owner should consider the continued need for coverage and evaluate less costly alternatives first.

Privacy & Medical: Selling requires complete access to medical history. After the sale, there may be an ongoing obligation to disclose additional information to the buyer or servicing agent.

Tax & Eligibility: A life settlement may affect eligibility for public assistance programs such as Medicaid and may have tax consequences. Consult a qualified tax advisor before proceeding.

Report Limitations: This report is preliminary and educational. Life expectancy estimates, offer calculations, and NPV figures are hypothetical and do not guarantee similar results in a live auction. There is no guarantee this policy will receive an offer. This report is not legal, tax, or investment advice. Illustrative only — does not represent any actual client transaction.

Broker-Dealer Disclosure: 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 will receive a fee from the purchaser. Valmark supervises all life settlements like a securities transaction. Life Settlement Providers are reviewed periodically by Valmark to affirm institutional funding sources, errors & omissions insurance, and state licensing.

[1] LISA (lisa.org) — average life settlement delivers 4–7× cash surrender value. [2] LISA, "How is Your Life Settlement Calculated?" — policyholders generally receive 10–50% of face value; most receive ~20%. [3] LISA 2023 Market Data Collection Survey (May 2024) — LISA members purchased .67B in face value in 2023. [4] LISA Regulations Overview (lisa.org/regulations_overview) — 43 states + Puerto Rico regulate life settlements. [5] NAEPC Journal of Estate & Tax Planning, Issue 41 — broker auction (30 bids): 70,000 vs. 80,000 direct offer.

QUESTIONS ON A SPECIFIC CASE?

Seth Freeman, CFP®, CLTC, LTCP · President
sfreeman@advisorserve.com · 770.293.9545

For Advisor Use Only. This report is preliminary and educational. Estimates are hypothetical and do not guarantee similar results in a live auction. Not legal, tax, or investment advice. Consult a qualified tax advisor before proceeding.