

<< **INSURANCE (Continued):** The Life Insurance Settlement Association puts the size of the settlement market at \$12 billion to \$15 billion a year. That's a rich source of commissions for middlemen. They can receive as much as 35 percent of the policy's purchase price or perhaps 5 percent of the policy's face amount. That's why they're so eager to solicit you.

Most investors want cash whole-life and universal-life policies with face amounts of at least \$250,000 to \$500,000. A few accept amounts as small as \$50,000. You can sell a term policy if it's guaranteed renewable or can be converted into universal life. Brokers earn less from variable-life policies and don't like to work with them.

The amount you're offered will depend on your life expectancy as well as such things as the premium amount and how old the policy is. Investors like policies bought some time ago, when you were in better health.

Because of the rich commissions, agents are persuading some people to sell when they shouldn't. As an example, take an older person who knows his or her heirs still need insurance coverage but can't afford to pay the premiums anymore. Selling sounds like the best option.

It's not, Katt says. Instead, start paying the premiums from your cash values. If you die, your beneficiaries will get the net policy proceeds. If you live, you can sell the policy a few years later when the cash values have run down. In the future, you will have a shorter life expectancy — meaning that you will be able to sell at a higher price than you'd get today (grim arithmetic, but that's how it works).

In July (2008) a new company, Legacy Funding Group in Malvern, PA, began loaning money against policies. In most cases clients were offered at least as much as they would have gotten by selling it and possibly more. These so-called **legacy loans** were funded by lenders and investors who paid all the premiums. You would owe no tax and at your death, a portion of the policy proceeds are used to repay the loan plus 9 percent interest. Your heirs get anything that's left, with a minimum guarantee of 10 percent of the money. That's clearly a better deal than a life settlement. Legacy also structured with potentially rising death benefits.

Although the economic climate has changed significantly since July 2008 it's well worth consumers to look at ALL options with regards to life insurance policies. A little knowledge DOES go a long way! [ggd](#)

# Choice

March 2009  
Volume 13 - 3  
Monthly

The Newsletter Of AARP Chapter 1952  
Warner Robins, Georgia  
"To Serve – Not To Be Served"  
[www.Choice1952.com](http://www.Choice1952.com)

Meeting Dates/Time: **Wednesday, March 25<sup>th</sup>** (10:00 A.M.) and **Wednesday, April 22<sup>nd</sup>** (10:00 A.M.)  
Location: Wellston Center - 155 Maple Street | Warner Robins, GA 31093

Officers	Names	Telephone	Board Of Directors	Telephone
President	Frank Gadbois	953-7788	Ivis Bedrick	923-4533
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Choice Editor/Typist	Greg Davis	318-0471	William Hancock	923-7312
			Nancy Harrison	922-1526

### Birthdays For March

Marcella Cunningham	3 <sup>rd</sup>	Mattie Nash	5 <sup>th</sup>	Linda Hartley	6 <sup>th</sup>	Nancy Booth	10 <sup>th</sup>
Sara Dimino	16 <sup>th</sup>	Louise Mullis	16 <sup>th</sup>	Frank W. Gadbois	17 <sup>th</sup>	Mae Hill	21 <sup>st</sup>
Sue Braun	22 <sup>nd</sup>	Elizabeth Warren	22 <sup>nd</sup>	Marion Hughes	27 <sup>th</sup>	Hattie Taylor	28 <sup>th</sup>
Bernice Poole	30 <sup>th</sup>						

### Birthdays For April

Joyce Hutcherson	1 <sup>st</sup>	Kay Cunningham	7 <sup>th</sup>	Justine Nolen	9 <sup>th</sup>	Ann Gaudet	11 <sup>th</sup>
Sybil Bartles	14 <sup>th</sup>	Bill Sutton	22 <sup>nd</sup>	William H. Roy, Jr.	23 <sup>rd</sup>	Eddie Brooks	24 <sup>th</sup>

### WE CARE

*For each new morning with its light, For rest and shelter of the night, For health and food, For love and friends, For everything Thy goodness sends. **Ralph Waldo Emerson (1803-1882)** "Blessed are those who mourn, For they shall be comforted." **Matthew 5:4***

**Minutes From February's Meeting:** Chapter (local) membership is down. Unless membership dues (\$5.00) are paid you will be dropped from the rolls. Phyllis Blount (478/956-4134) will be our new caller. Maureen Echols (478/953-5060) will be Chairman of callers. If anyone has suggestions on programs please refer them to Bob Watson (478/228-1206). Eddie Brooks (478/922-4049) volunteered to be secretary! Sherri Goss Rosenberg (Financial Group) spoke on various financial matters. Bill Hyslip won her book on estate planning!

Provided By Ivis Bedrick (Thank You!) [ggd](#)

## Middle Georgia Community Crusade

- **Monday, April 27 and Tuesday, April 28, 2009. | 6:30 P.M.**
  - Location: Miller-Murphy-Howard Building [Georgia National Fairgrounds] | Perry, GA
    - Guest Speaker: **Dr. Tony Evans**
  - **Wednesday, April 29 and Thursday, April 30, 2009 | 6:30 P.M.**
  - Location: Second Baptist Church | 2504 Moody Road | Warner Robins, GA
  - Guest Speakers: **Evangelist Nick Vujicic** and **Evangelist Willie Raines**
- Tel: 478/953-7480 | [www.MiddleGeorgiaCommunityCrusade.com](http://www.MiddleGeorgiaCommunityCrusade.com)

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**AARP Defensive Driving Classes:** For local classes contact Lynn Partillo (478/971-4473) or Paul Bennett (478/783-1988)

**AARP Tax Aide (February 1 – April 15, 2009):** Contact: 478/929-6960

**Editor's Notes:** Chapter membership (total names versus **active/current dues-paying members**) reveals a "financial imbalance" that directly impacts our ability to publish and mail our newsletter. Consequently, **DURING THE JANUARY 2009 MEETING THE MEMBERS PRESENT VOTED TO TEMPORARILY SUSPEND MASS MAILINGS AND REDUCE THE NUMBER OF PRINTED NEWSLETTERS.** Newsletters will be available at our meetings and will continue to be mailed to our advertisers and sponsors. Please renew/update your membership ... still a "bargain" at only **\$5.00/year!**

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As **your** Editor I'm open to suggestions for our newsletter! So please, keep your membership status/information current, get your newsworthy information and/or photographs to me as soon as possible and help me (us) get new advertisers!

Please contact me at **478/318-0471** and/or via e-mail at **gdavismail@gmail.com!**

Sincerely,

Greg (Formerly Known As "Da Baby") Davis [ggd](#)



### Get A Life ... And Some Cash For A Life Insurance Policy

Source: Telegram & Gazette | June 19, 2008

NOTE: Although this article was written in June (2008) its information has MORE meaning/impact NOW ... especially in today's economy. [ggd](#)

Need money? Got a cash-value life insurance policy? Not feeling too well these days? You may be approached to sell your policy to an investor for cash upfront. Maybe that's a good idea, but maybe not. You might part with a valuable policy unnecessarily and incur taxes you didn't expect.

I'm talking about the life-settlement industry, which appeals to older people seeking cash. If you have a policy you don't need anymore, you have two ways of monetizing it: Surrender it to the life insurance company for its cash value or do a life settlement. (There will soon be an interesting third way, for people who want to keep their policies. More on that below.)

With a life settlement, you're selling your policy to an outside investor who will pay the premiums while you live and collect the proceeds when you die. Investors offer you more - usually, substantially more - than the policy's surrender value.

You generally qualify if you're 65 or 70 and older, and have some sort of health problem. A little bit of doddering helps. A life settlement makes sense if you truly have no need for any more insurance - no beneficiary who could use the money, no charity you want to give the policy to, no business purpose, no estate taxes to fund.

It's also useful if you have a policy that's poorly priced - say, an older universal-life policy with large surrender charges. Sometimes you can sell it for enough to buy a new and better policy for the same face amount, says fee-only life insurance adviser **Peter Katt** of Mattawan, Michigan.

That is, as long as you don't care that a stranger is going to profit from your death. Your policy could wind up in Tony Soprano's Individual Retirement Account. Settlement brokers promise not to reveal your name and address to the investor but it sometimes happens anyway, Katt says.

Policy sales are taxable, but there has been no clear ruling from the Internal Revenue Service. You owe ordinary income tax on the amount by which the policy's cash value exceeds the premiums you paid. Any settlement money you receive in excess of the cash value may or may not be a capital gain. Your accountant decides!

**SEE INSURANCE >>**

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