



Life Insurance Is A Client's Asset

... and they want choice,
for this stage of their life!

Actual Life Settlement Example

- Female policy owner purchased policy at age 70 for estate planning
- Children in 40's, sufficient financial resources
- Policy basics: DB: \$500k; Level Prem. \$23,870, Current CSV \$10k
- Owner now age 88, children in 60's, needs more income/lower expenses

| | Keep Policy | Borrow on CSV | Cancel Policy | Life Settlement |
|--|------------------------|------------------------|---------------|----------------------|
| Proceeds Now | \$0 | \$7k | \$10k | \$115k |
| Premiums to L.E. | \$155k (Owner Paid) | \$155k (Owner Paid) | \$0 | \$155k (CLS Paid) |
| Estate Benefit (Net of Premiums to LE) | \$345k | \$338k | \$0 | \$0 |

It May Surprise You Life Settlements Are Legal In All Provinces

- Life insurance companies, or their Duly Authorized Agents
 - Section 115 states . . . Any person, other than an insurer, or their duly authorized agent
... is guilty of an offence.
- Canadian Life Settlements has become the exclusive Duly Authorized Agent of The Orange Benefit Fund (a national fraternal insurance company)
 - Met with FSCO prior to launch; to ensure compliance with Insurance Act

But Are Insurers Aware, Happy, Cooperative?

- Often claim it is illegal, unsavoury, or insurance premiums will rise . . .
- Attempt to intimidate agents
- Playing with fundamental rights of policy-owners to change beneficiary designation, ownership
- CONSUMERS WILL WIN . . . ONE WAY OR ANOTHER!
- Referral appears the only way . . . for now

What Do Clients Expect From Their Advisors?

- Their interests to come first – whether their advisors are official fiduciaries or not
 - Some will say that there is a conflict between the interests of life agents and their clients best interests when it comes to the secondary market of insurance policies

NOW THERE IS A SOLUTION/DISCLOSURE FOR THE CLIENT

Who, What, How and Compensation

Who

- All policy owners over age 70
- Policy owners under age 70 with terminal illness
- Considering lapsing

How

- Visit the Agents tab of www.canadianlif settlements.com

Policy Criteria

- > \$100,000 death benefit
- Permanent, T100, convertible

Compensation

- 1% of the Death Benefit of a qualifying policy, payable after closing



Actual Life Advance Example

- Alberta business owner with terminal illness; spouse and young family
- Seeking capital to enjoy family time; maintain some estate value for spouse
- Policy basics (2 policies): B. \$2,000,000; CSV \$0; Premiums \$250/yr.
 - LE: 1 year

| | Keep Policies | Borrow on CSV | Accelerated Benefit | Life Advance |
|---|---------------|---------------|---------------------|----------------------|
| Proceeds Now | \$0 | \$0 | \$25,000 | \$1,185,000 |
| Premiums to LE | \$250 | \$250 | \$0 | \$250 (Paid by LIFO) |
| Estate Benefit (Net of Premiums + Advance) | \$1,999,750 | \$1,999,750 | \$1,975,000 | \$466,000 |