

LIFE SETTLEMENTS PROVIDE SOLUTIONS

**IT'S ONE THING TO UNDERSTAND WHAT LIFE SETTLEMENTS ARE;
IT'S QUITE ANOTHER TO HAVE REAL-LIFE EVIDENCE SHOWING WHAT THEY CAN DO.**



Life settlements are fast becoming viable options for advisors to offer their senior clients. Situations change, life takes unexpected twists and turns, and plans are altered to fit new realities.

CHARITABLE GIVING FACILITATION

Trinity Financial Services' managing partner Harry Holan contributes a story about a life settlement funding a charitable gift to a hospital. This strategy works for giving to hospitals, universities and other institutions that accept financial gifts.

Financial advisors, estate planners and CPAs now have an incredible wealth management tool by combining charitable giving and life settlements. Through a life settlement, a senior at least 70 years old can sell a life insurance policy on the secondary market for a far greater amount than the cash surrender value, and then receive a tax deduction on donating the proceeds to his favorite charity.

For example, a wealthy senior is thinking of lapsing a policy or cashing it in for the surrender value because the policy is no longer needed for its original purpose, which was to assist his heirs in paying estate taxes upon his death.

In such a situation, the estate planner wants to discuss with the client the idea that instead of giving up the policy, he should consider selling it for its fair market value on the secondary market. The proceeds could then be used to satisfy the client's philanthropic legacy while decreasing his tax burden.

Furthermore, the cash from the tax savings could then be used to purchase a replacement policy more suitable to the client's current lifestyle or a policy that better fits his current estate-planning objectives.

Not only does the transaction simplify the donor's wish to see his contribution immediately benefit a favorite charity, but the non-profit organization that would otherwise have received the contribution as a donated life insurance policy is not faced with making premium payments and other administrative activities associated with donated policies. Furthermore, the charity has an immediate infusion of cash that can be leveraged and maxi-

mized through the organization's investment portfolio.

Recently, Trinity Financial Services sold a policy that was donated to a hospital by a board member. The policy had a face value of \$2 million and we were able to sell it for 42 percent, so the hospital received a donation for \$840,000 and the board member was able to write off the contribution dollar for dollar.

As of late, this strategy is very popular with universities and their alumni associations as a fund-raising tool. The proceeds from the life settlements spring board many other educational programs and activities.

With this type of wealth transfer taking place, it is vitally important for the financial advisor to understand the positive impact on the financial objectives of their high-net-worth senior clients.

TRINITY FINANCIAL SERVICES IS LOCATED IN ALTAMONTE SPRINGS, FLA. FOR MORE INFORMATION, VISIT THE COMPANY'S WEB SITE, WWW.TRINITYFINANCIALLLC.COM.

Why use a Broker to do Life Settlements?

To guarantee you the highest offer
in the market for your clients' policy!

Trinity will get you the highest offer & commission plan in the industry!

We make sure that:

- You and your client are fully compliant
- Process all necessary documentation to package each case
- Customize every case according to each funders specifications
- Currently using 32 institutional and private funding sources



 **TRINITY FINANCIAL
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