

**The 2007 AIM Life Settlement survey was conducted to better understand the opinions of Financial Advisors towards the industry, their approach to the business, and to gather data for a more effective life settlement training system.**

Perhaps the study's most significant finding is the wide disparity between the perceived responsibility to discuss life settlements and the actual level of participation.

As the life insurance settlement industry continues to evolve, it has reached a point where the majority of Advisors have a positive view of the industry and overwhelmingly consider the appropriate discussion of life settlements to be a part of their fiduciary responsibility. Yet, given these points, *only* 18% rate their life settlement knowledge level as strong, with 46% indicating that they have clients who have lapsed a life insurance policy without seeking a life settlement quote.

**Training approaches:** Based on the survey rankings, Advisors who are active in the life settlement market-place gained their knowledge from industry publications, life settlement companies, websites, and eventual hands on experience. Going forward, the most desired methods for training are from printed materials, then from websites, email/newsletters and webinars.

**New business acquisition:** By far, Advisors who are closing life settlement cases credit their success to their current book of business and their ability to solicit referrals. Eighty percent view referrals as highly important. Other key sources for finding prospects are trade shows, seminars and direct mail.

**Commissions:** A better understanding of life settlement commission programs is needed, with 66% stating that their knowledge level was poor.

**Factors for selecting a life settlement company:** When it comes to choosing a life settlement company several factors are ranked important to

the selection process, with the most important being regulatory and license compliance. Other results vary by the level of experience. Advisors new to life settlements initially seek companies who deliver training and support. Experience advisors seek maximum funding exposure.

**Methodology:** Responses were solicited from over 8400 professionals and provide a cross-section of insurance, financial and legal viewpoints. Over 300 responses were received.

**The next step:** Future training materials will be created to reflect this surveys findings. As with any evolving product offering, like life settlements, it takes time for producers to gain the practical knowledge and experience to become effective. Those who desire initial training or further education only need to reach out to find assistance by contacting our office.

**Senior Life Settlement Background:** A Life Insurance policy, once considered a future benefit, is now a living asset just like real estate, stocks and other valuable investments. As with all assets, understanding a Life Insurance policy's fair market value is essential to making accurate financial decisions. We recommend obtaining a *simple, free, and non-binding* Life Settlement quote before deciding to: 1) retain a policy, 2) cash-out of a policy, 3) lapse a policy, or 4) seek other financial / insurance options.

A Life Insurance Settlement allows a policy owner, business or charity to sell an undesired or unwanted life insurance policy for an amount greater than the cash surrender value and less than the net death benefit, often at 2-4 times the cash surrender value. The policy is purchased by a licensed and institutionally backed funding source in an auction-like environment referred to as the secondary life insurance market. The most favorable conditions for receiving a life settlement offer are on policies with face values over \$250,000 (minimum \$100,000), an insured age of 65 or

## KEY FINDINGS

- The majority of Advisors have a positive view of the senior life settlement marketplace.
- Over the past 3 years the view of senior life settlements has improved.
- 73% of Advisors feel that informing appropriate clientele about life settlements is part of their fiduciary responsibility.
- 46% of senior policies are lapsing without seeking a life settlements quote.
- Only 18% of Advisors rate their life settlement knowledge as strong.
- Only 19% state they have ever closed a life settlement case.
- Advisors are targeting a staggering 3x more life settlement activity in 2007 over 2006.
- Current knowledge base has been obtained primarily from industry publications, life settlement companies and the Internet.
- Advisors prefer more training in the form of printed materials, webinars, email/newsletters and more.
- Overwhelmingly life settlement prospecting comes from current client base and referrals.

more, with a life expectancy between 2 and 15 years. Most policy types qualify - even some term life insurance policies provided they have a conversion option to permanent coverage

**For more information: 1-888-441-8881 or [info@aimsettlements.com](mailto:info@aimsettlements.com)**

## 2007 AIM LIFE SETTLEMENT SURVEY RESULTS

### 1) Which title best describes you?

Insurance Producer	25%
Insurance Broker	20%
Financial / Estate Planner	17%
Senior Advisor	11%
CPA	10%
LTC Professional	9%
Trust Officer	4%
Attorney	3%
Banker	1%

### 2) What is your general view of the senior life settlement marketplace?

Positive	52%
Indifferent	39%
Negative	8%

### 3) How has your view of the senior life settlement marketplace changed over the past 3 years?

Improved	44%
No change	49%
Declined	7%

### 4) Have you ever participated in the closing of a life settlement case?

Yes	19%
No	81%

### 5) If yes, how many life settlement cases did you close in 2006?

Average # by Producer	2.6
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### 6) How many life settlement cases do you expect to close in 2007?

Average # by Producer	8.4
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## 2007 AIM LIFE SETTLEMENT SURVEY

7) In the past 2 years, have any of your clients - over the age of 60 - canceled or lapsed a life insurance policy, without seeking a life settlement appraisal?

Yes	46%
No	54%

8) In your opinion, is it part of an advisor's fiduciary responsibility - where appropriate - to inform clients about a life settlement?

Yes	73%
Uncertain	24%
No	4%

9) How do you rate your knowledge of the life settlement process?

Strong	18%
Fair	51%
Poor	31%

10) How did you acquire your knowledge of life settlements? Respondants were asked to check all that apply

Industry publications	50%
Life Settlement companies	41%
Internet	23%
Hands on experience	19%
Word of mouth	19%
Training sessions	19%

11) Were you to receive training and/or marketing support in life settlements, which medium would you prefer? Respondants were asked to check all that apply

Print marketing materials	44%
Webinars	33%
Training seminars	33%
Email / newsletters	33%
Websites	31%
Video presentations	27%
Customizable materials	17%
Audio presentations	15%
Telephone training	10%

12) Besides a periodic review of your current

clientele, what are the most important means for identifying and prospecting to life settlement candidates?

### ■ Referrals

Highly Important	80%
Somewhat Important	15%
Not Important	5%

### ■ Trade shows

Highly Important	18%
Somewhat Important	52%
Not Important	29%

### ■ Seminars

Highly Important	12%
Somewhat Important	45%
Not Important	43%

### ■ Direct Mail

Highly Important	12%
Somewhat Important	43%
Not Important	45%

### ■ Website

Highly Important	9%
Somewhat Important	34%
Not Important	56%

### ■ Print advertising

Highly Important	8%
Somewhat Important	40%
Not Important	52%

### ■ Telemarketing

Highly Important	5%
Somewhat Important	25%
Not Important	70%

### ■ Radio

Highly Important	2%
Somewhat Important	31%
Not Important	68%

13) Commissions are available from a number of areas related to the life settlement process. How do you rate your knowledge of life settlement commission opportunities?

Strong	13%
Fair	30%
Poor	57%

14) Rate these factors as they pertain to the selection process of a life settlement company

### ■ Regulatory and state licensure compliance.

Highly Important	91%
Somewhat Important	8%
Not Important	1%

### ■ Ease of application. Thorough and expeditious case processing.

Highly Important	80%
Somewhat Important	19%
Not Important	1%

### ■ Personalized service level of individual representative.

Highly Important	76%
Somewhat Important	23%
Not Important	1%

### ■ Ability to expose cases to the widest body of qualified funders. (This item is #1 among

Advisors active in life settlements)

Highly Important	59%
Somewhat Important	39%
Not Important	1%

### ■ Company's marketing support and training.

Highly Important	54%
Somewhat Important	42%
Not Important	4%

### ■ Years of service in the life settlement industry.

Highly Important	51%
Somewhat Important	47%
Not Important	3%

### ■ Resources to deliver highest settlement amount

Highly Important	47%
Somewhat Important	46%
Not Important	7%

### ■ Commission / fee structure.

Highly Important	47%
Somewhat Important	46%
Not Important	7%

We wish to thank all participants in the 2007 Life Settlement Survey. Responses will be utilized to assist us in promoting education and growth in the Life Settlement industry.



[www.aimsettlements.com](http://www.aimsettlements.com)

AIM Life Settlements is a life settlement broker located in Chicago, IL. An active member of the Life Insurance Settlement Association. AIM Life Settlements provides simple, free and non-binding life settlement offers to clients and advisors. 1-888-441-8881 [info@aimsettlements.com](mailto:info@aimsettlements.com)