TRUST LIFE SETTLEMENTS

TRUSTLIFESETTLEMENTS.COM

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THE POLICYOWNER'S GUIDE TO

LIFE SETTLEMENTS

Before you cancel a life insurance policy, find out what it may be worth — and what you'd keep.

Plain-English answers about selling a policy you no longer need, want or can afford.



David Rodriguez
MANAGING BROKER
TRUST LIFE SETTLEMENTS, LLC

- Learn how a life settlement works and who it may fit.
- Compare the offer and the fee: know what you keep.

INSIDE
Your questions answered in plain English

PRESENTED BY

TRUST LIFE SETTLEMENTS
A Better Solution

Trust Life Settlements, LLC
Florida Agency License #L138500
(800) 216-2513 · trustlifesettlements.com

READ THIS FIRST

Thinking About Canceling Your Life Insurance? Ask One Question First.

"What is my policy worth to someone else?"

When premiums rise or coverage is no longer needed, many people call the insurance company and surrender the policy for its cash value. Others stop paying and let it lapse. Many never learn that a regulated market exists for buying existing policies.

That option is called a **life settlement**: you sell your policy to a third party for a lump-sum payment. According to FINRA, the payment is generally more than the policy's cash surrender value and less than its net death benefit. The buyer takes over the premiums.[1]

In 2025, people who sold policies through LISA member providers received an average of **$212,066**. The average cash surrender value was **$24,360**.[2] Your result will depend on your own age, health and policy.

Why policyowners call Trust Life Settlements

- **We represent you, the seller.** We never represent the buyer.[3]
- **We publish our fee.** It's a flat amount based on your offer, not a percentage of your money.[3]
- **We shop your policy.** Eligible policies go to 20+ institutional buyers.[3]
- **You decide.** There's no obligation, and you never pay out of pocket.[3]



GOOD ADVICE FROM FINRA

"The best way to make sure is to shop around."[1]

A broker who represents you can bring several buyers to the table.

Get a free, confidential policy review.

No cost and no obligation. If you sell, our fee is paid from the proceeds at closing.[3]

(800) 216-2513

trustlifesettlements.com/qualify

1. FINRA, "What You Should Know About Life Settlements," finra.org/investors/insights/what-you-should-know-about-life-settlements · 2. LISA, 2025 Annual Market Data (May 19, 2026), lisa.org/article_content.asp?article=49 · 3. Trust Life Settlements, Pricing, trustlifesettlements.com/pricing

A Note Before You Decide

Thank you for picking up this guide. If you're reading it, you may be facing a decision about a life insurance policy you've paid into for years.

Maybe the premiums have gone up. Maybe your children are grown, your mortgage is paid off or your estate plan has changed. Or maybe you simply need the money more today than your family will need the death benefit later.

Whatever the reason, you deserve to know all of your options before you make a choice you can't undo. Surrendering a policy or letting it lapse is final. Selling it may be worth much more, or it may not fit your situation at all. Either way, you should know before you decide.

I also believe you deserve clear, written answers about licensing, fees, agreement terms and your estimated net proceeds before you sign anything. That's why we publish our fee schedule. And it's why this guide asks you to look past the offer and compare what you keep.

Take your time with these pages. Share them with your family, your financial advisor or your accountant. When you're ready, we're here to answer your questions.

Sincerely,

David Rodriguez



David Rodriguez
Managing Broker, License #W313915
Trust Life Settlements, LLC

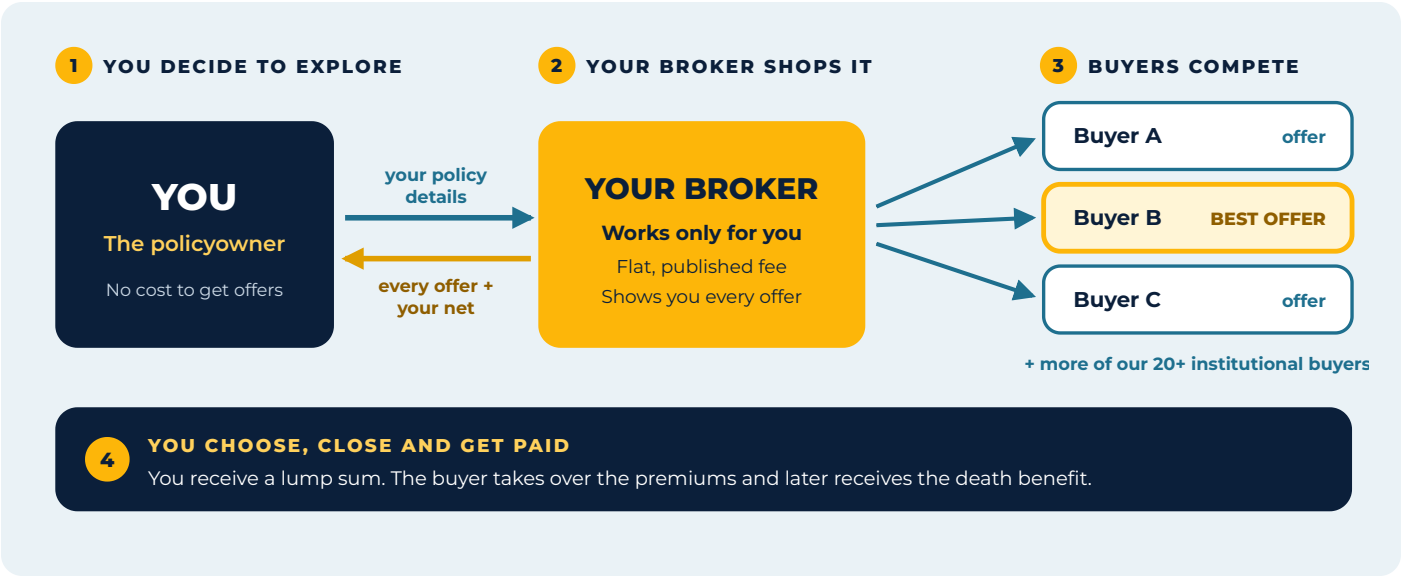


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What Is a Life Settlement?

It's the sale of an existing life insurance policy to a third party for a lump-sum cash payment.



YOU RECEIVE

A lump sum

Cash at closing that you can use for anything: care, bills, retirement income or family.

THE BUYER TAKES OVER

Future premiums

You stop paying premiums. The buyer pays them from then on and receives the death benefit later.[1]

YOUR BENEFICIARIES

No longer receive it

Selling ends your family's claim to the death benefit, so it's worth talking it over together.

Is this legitimate?

Yes. The right to sell a policy goes back to 1911, when the U.S. Supreme Court held in *Grigsby v. Russell* that a valid policy can be assigned to someone without an insurable interest.[2] Today the majority of states regulate life settlements.[1]

Where does the money come from?

Buyers are generally institutions that hold policies until maturity or resell them to other investors.[1] They pay you now in exchange for the death benefit later.

How much will I get?

It depends on your age, health and policy terms.[1] Settlements generally pay more than the cash surrender value and less than the death benefit. Page 7 explains what drives value.

1. FINRA, "What You Should Know About Life Settlements," finra.org/investors/insights/what-you-should-know-about-life-settlements · 2. ***Grigsby v. Russell***, 222 U.S. 149 (1911), Justia, supreme.justia.com/cases/federal/us/222/149/

Your Options, Side by Side

If you no longer want a policy, you usually have more than one choice. Here's how the most common ones compare.

OPTION	WHAT HAPPENS	WHAT YOU RECEIVE	KEEP IN MIND
Keep the policy	You keep paying premiums.	Your beneficiaries receive the death benefit.	Premiums may keep rising, especially on some universal life policies.
Surrender it	You cancel and return the policy to the insurer.	The cash surrender value, if any.	Coverage ends. Surrender value is often far less than market value.
Let it lapse	You stop paying premiums.	Often nothing.	Coverage ends, and years of premiums may be lost.
Reduce coverage	Ask your insurer about a lower death benefit or a paid-up option.	Smaller coverage with lower or no premiums.	Not every policy offers this. Ask your insurer for the details.
Sell it (life settlement)	A buyer purchases the policy and pays the premiums.	A lump sum, generally more than surrender value.[1]	Beneficiaries no longer receive the death benefit. Taxes and benefits may be affected.[1]

When a life settlement may make sense

FINRA notes that a settlement might make sense if you no longer want or need your policy, or can no longer afford the premiums.[1] Common situations include:

- Premiums have become hard to afford on a fixed income
- A spouse or beneficiary has passed away
- Your children are grown or your mortgage is paid off
- Your estate plan or business has changed
- You need money for care, medical costs or retirement



> **"Surrendering a policy or letting it lapse is final. Find out what it's worth first."**
>
> — David Rodriguez, Managing Broker

1. FINRA, "What You Should Know About Life Settlements," finra.org/investors/insights/what-you-should-know-about-life-settlements. This comparison is general information. Your insurer can confirm the options in your specific policy.

Life Settlements by the Numbers

Each year, the Life Insurance Settlement Association (LISA) collects closing data from its licensed provider members. Here's what people who sold their policies received in 2025.[1]

SELLING VS. SURRENDERING · 2025

Average life settlement payout

$212,066

Average cash surrender value from insurers

$24,360

~9x

the cash surrender value, on average

$626.6M

paid to policyowners by LISA members in 2025

$554.6M

more than those policyowners would have received by surrendering or lapsing

–27%

drop in the average surrender value insurers offered, from $33,493 in 2024

FIVE YEARS · 2021–2025

~15,000

policies settled

$3.6B

paid to policyowners

~$3B

more than surrender value would have returned

What these numbers mean for you

Averages describe the whole market, not your policy. Some policies won't qualify, and your offer will depend on your age, health, policy terms and premium costs. The numbers are a good reason to ask the question before you surrender. They're not a promise of any amount.

1. All figures: LISA, "LISA's 2025 Annual Market Data Released" (May 19, 2026), lisa.org/article_content.asp?article=49. Figures reflect transactions completed by LISA licensed provider members and do not guarantee any individual outcome.

Do I Qualify? What's It Worth?

If two or more of these describe you, a free review may be worthwhile.[1]

- **You're 65 or older**
  Some people aged 55–64 with significant health changes may also qualify.
- **Your policy is $100,000 or more**
  This is the face value, or death benefit. Smaller policies rarely qualify.
- **It's whole, universal or convertible term**
  A term policy may qualify if it can still be converted to permanent coverage.
- **Your health has changed**
  Changes since the policy was issued can increase its value to buyers.
- **Premiums are a burden**
  Or you simply no longer need the coverage.
- **It's been in force 2+ years**
  Policies in the two-year contestability period typically can't be sold.

What determines your offer

A buyer estimates how long it may pay premiums before collecting the death benefit. FINRA notes the amount depends on your age, health and the policy's terms and conditions.[2] In practice, buyers look at:

Age
Older insureds generally mean a shorter holding period for the buyer.

Health
Medical records shape the life expectancy estimate.

Premiums
Higher future premiums reduce what a buyer can pay today.

Policy terms
Type, death benefit, loans and cash value all matter.

Competition
Buyers value the same policy differently, so more bids can help.

Check your eligibility in about 60 seconds

Answer six questions online with no personal information required, or try our calculator for a quick estimate.[1]

trustlifesettlements.com/qualify

1. Trust Life Settlements, Eligibility, trustlifesettlements.com/qualify. Buyers set final criteria. · 2. FINRA, "What You Should Know About Life Settlements," finra.org/investors/insights/what-you-should-know-about-life-settlements

FEE TRANSPARENCY

Don't Just Compare the Offer. Compare What You Keep.

An offer is the price a buyer will pay. What you actually take home is the offer minus broker compensation and other transaction costs. That's why FINRA tells consumers to ask how the person they're working with is being paid.[1]

Many brokers charge a percentage of the settlement, so their fee grows as your offer grows. We work differently. Trust Life Settlements publishes five flat-fee tiers based on your gross offer. The fee is a set dollar amount, capped at $60,000, and paid from the proceeds at closing. You never write a check.[2]

Questions to ask any broker

- How are you paid? Is it a percentage or a fixed amount?
- Do you receive any money from the buyer?
- Do you buy policies yourself or own a funding company?
- Will I see every offer and my estimated net proceeds in writing?
- Are you licensed in my state?

IF YOUR GROSS OFFER IS	OUR FLAT FEE
$0 – $100,000	**$6,000**
$100,001 – $250,000	**$15,000**
$250,001 – $500,000	**$30,000**
$500,001 – $750,000	**$45,000**
$750,001 and above	**$60,000 max**

Tiers are based on the gross settlement offer, not your policy's face value. Net proceeds also reflect applicable transaction costs.[2]

HYPOTHETICAL ILLUSTRATION

One $360,000 offer, two ways to pay a broker

Trust flat fee (Tier 3)	**$30,000**
Hypothetical 25% commission	**$90,000**
Difference in broker compensation	**$60,000**

The 25% rate is hypothetical, not an industry average or a competing quote. An offer is not a completed sale. Other transaction costs and taxes are excluded.

Seller-only
We represent you, never the buyer.

Known upfront
You know the fee before you decide to proceed.

No markups
No buyer-side pay, spreads or funding arm.

Second opinion
Have an offer already? We'll review it for free.[3]

1. FINRA, "What You Should Know About Life Settlements," finra.org/investors/insights/what-you-should-know-about-life-settlements · 2. Trust Life Settlements, Pricing, trustlifesettlements.com/pricing · 3. Trust Life Settlements, How It Works, trustlifesettlements.com/how-it-works

Step by Step: What to Expect

Every case is different, but most follow the same clear path. You can stop at any point before you sign a final agreement.[1]

1
Free conversation
A confidential call about your policy and goals. No obligation.

2
Policy review
We look at coverage, premiums, policy type, age and general health.

3
Case preparation
With your permission, we gather policy documents and medical records.

4
Buyers compete
Your case goes to multiple qualified institutional buyers.

5
You review offers
We show each gross offer, our fee, other costs and your estimated net. You decide.

6
Closing documents
If you accept, we coordinate the paperwork and guide you through signing.

7
You get paid
Funds are released to you, less the disclosed fee and applicable costs.

Typical Timeline: 60–90 Days

Many cases take about 60 to 90 days from application to funding.[2] The biggest factor is how quickly medical records and insurer verifications come back.



You stay informed
Our secure client portal shows where your case stands, from submission to payout.[3]

A chance to change your mind
Many states give sellers a rescission period after closing to cancel the sale. Ask how long yours is.

1. Trust Life Settlements, How It Works, trustlifesettlements.com/how-it-works · 2. Trust Life Settlements, Advisor Toolkit, trustlifesettlements.com/partner-resources. Timelines are estimates and vary by policy, buyer and state law. · 3. Trust Life Settlements, trustlifesettlements.com

MAKE AN INFORMED DECISION

What to Weigh Before You Sell

A life settlement isn't right for everyone. FINRA encourages people to proceed with care and to consider several trade-offs before selling.[1] A good broker will help you think through each of them.

01

Your family's death benefit

After a sale, your beneficiaries won't receive the policy's death benefit. Talk it over with them first.

02

Taxes

The payment can be taxable depending on your circumstances.[1] Ask your accountant or tax advisor before you accept an offer.

03

Public benefits

A lump sum may affect eligibility for programs such as Medicaid.[1] An elder-law attorney can help if this applies to you.

04

Future coverage

The sold policy stays in force with the buyer, which may affect your ability to buy new coverage, and new coverage may cost more.[1]

05

Your privacy

Buyers need medical records to make an offer. FINRA suggests asking how your information is protected and who will see it.[1]

06

Costs and fees

Transaction costs can be high, so ask exactly how everyone is paid.[1] Compare net proceeds, not just offers.



Bring your team into the conversation

Many families involve a financial advisor, accountant or attorney before selling. We're glad to talk with them, join a call or send them the details in writing.

1. FINRA, "What You Should Know About Life Settlements," finra.org/investors/insights/what-you-should-know-about-life-settlements. This guide is general information, not tax, legal or investment advice.

Myths, Facts and Protecting Yourself

COMMON MYTHS

Myth: "My policy is only worth its cash value."

Fact: The cash surrender value is what the insurer pays to cancel. Buyers on the secondary market may pay more.[1]

Myth: "Term life can never be sold."

Fact: A term policy may qualify if it can still be converted to permanent coverage.[2]

Myth: "I have to be seriously ill."

Fact: Age, health and policy terms all matter. Many sellers are simply older and no longer need the coverage.[2]

Myth: "I'll have to pay something upfront."

Fact: With Trust, there's no upfront cost. Our fee is paid from the proceeds only if a sale closes.[3]

Myth: "If one company says no, that's final."

Fact: Buyers have different criteria. A policy one buyer passes on may interest another.[2]

PROTECT YOURSELF

A checklist before you sign

- Confirm the broker and buyer are licensed with your state insurance department, and check for complaints.[1]
- Ask who the broker represents and how they're paid.[1]
- Get every offer and your estimated net proceeds in writing.
- Ask how your medical information will be protected.[1]
- Ask whether the buyer will contact you later for health updates.
- Confirm your state's rescission period.
- Never feel rushed. Take time to talk with family and advisors.

Our licensing

Trust Life Settlements, LLC holds Florida Agency License #L138500 with the Florida Department of Financial Services. David Rodriguez is Managing Broker, License #W313915. We serve clients in other states directly or through appropriately licensed parties where required.[4]

1. FINRA, "What You Should Know About Life Settlements," finra.org/investors/insights/what-you-should-know-about-life-settlements · 2. Trust Life Settlements, Eligibility, trustlifesettlements.com/qualify · 3. Trust Life Settlements, Pricing, trustlifesettlements.com/pricing · 4. Trust Life Settlements, About, trustlifesettlements.com/about

Your policy. Your decision. Your money.

Know what it's worth before you let it go.

Don't let a policy slip away unnoticed.

A policy you no longer need may still have market value. Find out before you surrender it or let it lapse.

Compare what you keep.

An offer is only half the story. Our published flat fee shows you what you'd pay before you decide.

Work with someone on your side.

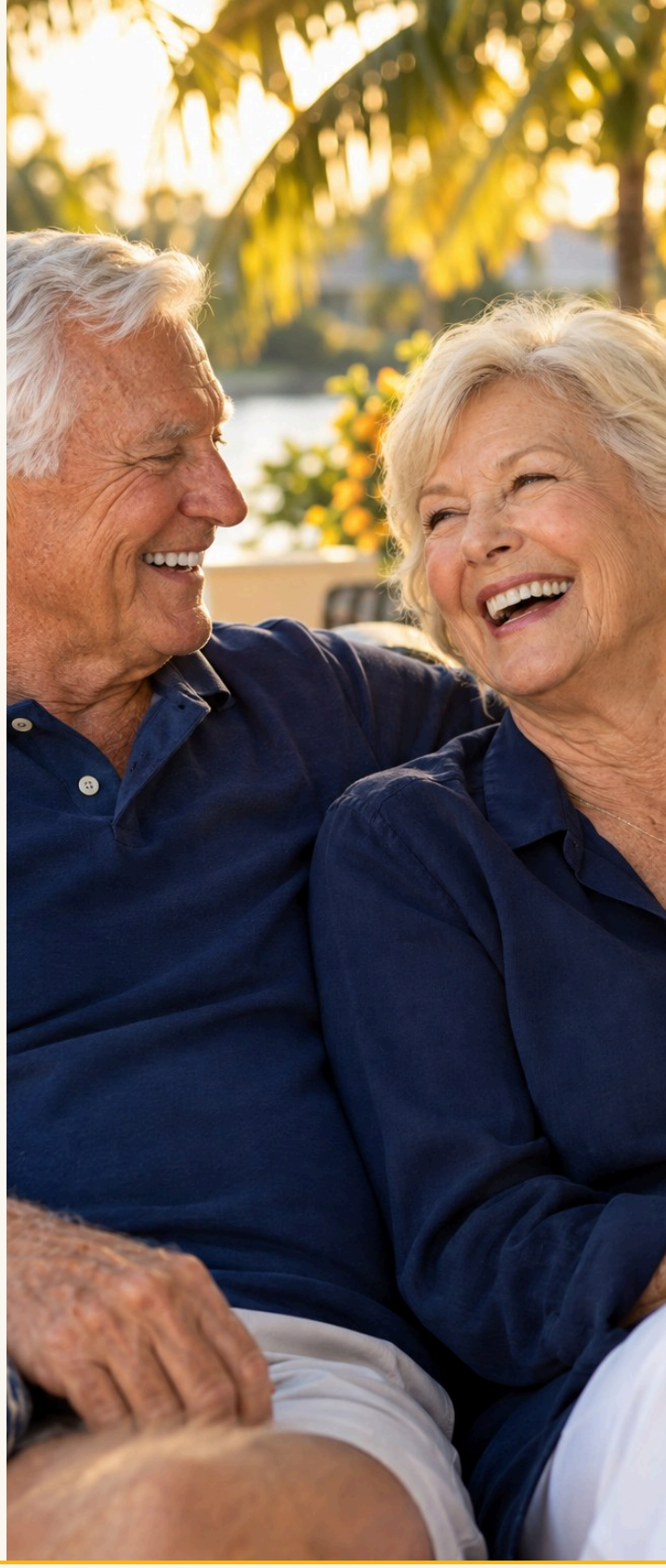
We represent only you, the seller, and we put every detail in writing.

Start your free policy review

Confidential, no obligation, and no out-of-pocket cost. We'll tell you whether your policy may qualify and what our fee would be.

(800) 216-2513

Mon–Fri 9am–7pm · Sat 9am–5pm · Sun 10am–3pm ET



Sources: LISA, lisa.org/article_content.asp?article=49 · FINRA, finra.org/investors/insights/what-you-should-know-about-life-settlements · Trust Life Settlements, trustlifesettlements.com/pricing

Trust Life Settlements, LLC · Florida Agency License #L138500. Life settlements are not suitable for all policyowners. Proceeds may be taxable and may affect eligibility for public assistance programs. Selling a policy ends the death benefit for beneficiaries and may affect the ability to obtain new coverage. This guide is general information, not tax, legal or investment advice. Consult your own advisors. Offers are subject to underwriting and buyer review; results vary. Illustrations are hypothetical.

TRUSTLIFE SETTLEMENTS
A Better Solution

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