



# LIFE SETTLEMENT QUALIFICATION QUESTIONNAIRE

In my day-to-day conversations with advisors, one of the most frequently request I receive is to briefly describe the parameters for a qualified life settlement case. Although there are no specific requirements, here are some general criteria to look for:

**Face amount:** Generally \$250,000 and above. However there are buyers looking for \$50,000 and above, especially qualified Medicaid Life Settlement cases.

**Health:** Some decline in health since the policy was issued.

**Age:** 70-plus works best. However, below 70 will work if there are enough significant health issues.

**Policy:** Single-life UL and term convertible to UL, survivorship life with one deceased. ((Whole life and survivorship (with two alive) are possible if really significant health impairments exist.))

Complete the following questionnaire and record your results in the space provided.

## PART ONE - THE CLIENT

- Male aged 74 or less or female aged 77 or less(1-point)
- Male Aged 75 to 78 or female aged 78 to 81(2-points)
- Male aged 79 to 83 or female aged 82 to 86(3-points)
- Male older than 84 or female older than 87(4-points)
- In good health(1-point)
- Minor health problems(2-points)
- Significant health problems(3-points)
- Has a terminal or catastrophic illness(4-points)

*If the total score exceeds three points please continue to Part Two*

## PART TWO - THE POLICY

- Whole life(1-point)
- Variable(2-points)
- Term or Joint Survivorship(3-points)
- Universal or Joint Survivorship with one deceased(4-points)
- Cash value exceeds 30% of death benefit(1-point)
- Cash value 20-29% of death benefit(2-points)
- Cash value 10-19% of death benefit(3-points)
- Cash value less than 10% of death benefit(4-points)
- Loan value exceeds 30% of death benefit(1-point)
- Loan value 20-29% of death benefit(2-points)
- Loan value 10-19% of death benefit(3-points)
- Loan value less than 10% of death benefit(4-points)
- Premiums exceed 4% of death benefit annually(1-point)
- Premiums between 3% and 4% of death benefit annually(2-points)
- Premiums between 2% and 3% of death benefit annually(3-points)
- Premiums less than 2% of the death benefit annually(4-points)

**TOTAL SCORE:** \_\_\_\_\_

- Less than 10 points:** Requires a score of 5 or greater in Part one to qualify
- 10 or 13 points:** Is a good candidate - please call to discuss further
- 14 points or greater:** Have the client complete the application

*This is intended as a tool to quickly assess whether a life settlement is a viable option for a prospective candidate.*