

# Liquidity, Taxes, and Estate Planning: 3 Reasons to Consider a Life Settlement Now

## At-A-Glance Guide



### 01 - Immediate Liquidity for Year-End Needs

Many policyholders, especially seniors, may face year-end financial obligations such as medical expenses, property taxes, or holiday-related costs. A life settlement can provide an immediate cash payout that can help meet these needs. By closing the transaction before the year ends, policyholders can access the funds when they need them most.



### 02- Tax Strategy

Selling a life insurance policy in a life settlement may trigger taxes, but the timing of the sale can be strategic. For example, if a policyholder is expecting a low-income year or has incurred losses that can offset the gains from the sale, they might choose to sell their policy to minimize their tax burden. Additionally, some policyholders may prefer to sell the policy before year-end to avoid carrying the policy into the next year, where they might have to pay premiums they cannot afford.



### 03- Estate Planning

Policyholders who are considering estate planning strategies may find it advantageous to sell their life insurance policy before the year ends. The proceeds from a life settlement could be reallocated or used to address estate planning goals, such as paying off debt, funding a trust, or providing for family members. Selling the policy may also reduce the size of their estate, which can be beneficial in minimizing estate taxes.



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