



## Viatical Settlements: Should I Sell My Life Insurance Policy To Get Cash Now?

### Viatical Settlements: Some Basics

- **What is a viatical?** A viatical or viatical settlement is the sale of a life insurance policy to a third party
- **Why would I sell my life insurance?** A viatical can provide needed money if you are terminally or chronically ill and in a difficult financial situation.
- **Who is involved?** Generally, three people are involved: You, as a terminally or chronically ill person sell your life insurance policy to an investor in return for a lump-sum payment. The investor then takes over payments on the policy and is the beneficiary of the policy upon your death. Most often, a viatical broker arranges the agreement between you, the seller of the policy, and the buyer using a viatical purchase agreement. The broker is paid a commission.
- **What questions should I ask before I decide on a viatical?** If you are considering a viatical, it is important to find out the answers to some questions:

### What are all the options on your life insurance policy?

- **Do you have any cash value in your life insurance policy?** If so, you may be able to use some of the cash value to meet your immediate needs and still keep your policy in force for your beneficiaries without having to sell it to a third party.
- **Does your life insurance carrier offer accelerated death benefits?** Those benefits could pay you a substantial portion of your policy's death benefit and you wouldn't have to sell your policy to a third party.

### Will your receipt of money from a viatical have any other financial consequences?

- **Will your receipt of cash from a viatical agreement be taxed?** Check with your financial or tax advisor.
- **Will you lose any public assistance or social service benefits such as food stamps or Medicaid if you receive a cash settlement?**

Find out more at: [www.wiserwomen.org](http://www.wiserwomen.org)



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## Are there potential privacy issues?

- Will buyers of your life insurance policy be able to learn your identity?
- Will they know certain medical and personal information about you, such as your address and life expectancy?

## Before you make any major decisions:

- Consult your own financial advisor or attorney.
- Shop around. Talk with several companies and/or brokers to find the best arrangement.
- Remember, you don't have to accept an offer and you can change your mind.
- Check with your state insurance department to verify that the company or broker you are considering is licensed.
- Check with your state attorney general's office for complaints against the company.