MEET ARTHUR,

A MAN IN A TERRIBLE PREDICAMENT

Arthur Benson bought his whole life insurance policy many years ago for a lump sum of $1.9 million. It's now worth over $5.4 million of cash value and has a death benefit of $7.1 million. He's in great health. Well, that's great, right? ...So what exactly is the problem?

The problem is that just 5 years ago, Arthur took out a policy loan of $3.5 million to help purchase an investment property. The insurance carrier has been charging him an 8% interest rate and the loan has already accrued to nearly $5.1 million, a sum he can't begin to pay off. In fact, if he doesn't pay the interest each year (which he can't) then the policy will lapse and terminate in just a few years. **This will eliminate his $7.1 million tax free death benefit and trigger income taxes on a $3.5 million gain! WHAT!?!** How could something so good take a turn so bad?

If Arthur is having trouble paying just the interest, do you think there's any way he'll be able to pay ordinary income taxes on $3.5 million? What about the penalties? Yeah, he's got a problem...

SO , NOW WHAT? WHAT ARE HIS OPTIONS ?

#1 - If he were to surrender the policy now instead of waiting for it to collapse, he'll at least get around $150,000 of surrender value to help offset the nearly **$1.4 million** in taxes. There will be no death benefit. **Ouch and Ouch**.

OKAY, SO WHAT ARE SOME REAL OPTIONS FOR ARTHUR?

#2 - He could sell his policy in a life settlement. Assuming he were able to qualify for one, that would allow him to get about the same amount of cash as a surrender. The settlement buyer would want to pay off Arthur's policy loan immediately after purchase resulting in a very large initial investment so it's unlikely Arthur's family would receive any interest in the death benefit. He wouldn't have to worry about paying premiums and keeping the policy active… **but what about Uncle Sam**? Under the tax rules for settlements, Arthur would still have reportable taxes due from the inside income gain on the policy—which he still can't afford.

#3 – The third option (and, you guessed it, the best one!) is for Arthur to talk to his agent about Fair Market Advisory Services. Fair Market Advisory Services ("FairMarket Advisors") is the exclusive national distributor of proprietary, tailored loans designed to solve predicaments like Arthur's. His non-recourse, fixed interest loan is designed to:

1. Keep Arthur as the owner of his policy, eliminate any taxable event, and let him keep his beneficiaries in place.
2. Never require any out-of-pocket premium payments, obligations or personal liability for the loan.
3. Refinance the massive policy loan in full on a tax-free basis, lowering his interest rate and ensure that the policy never lapses, regardless of how long Arthur lives.
4. Pay Arthur $50,000 in net loan cash proceeds upon closing.
5. Provide his beneficiaries with a net death benefit interest starting at $1,950,000. (See Attached Schedule.)

Now that is a solution! **No Uncle Sam, no loss of policy, cash in hand, future tax-free money for his family, and best of all: peace of mind.**

POLICY BENEFICIARY INTEREST (ESTIMATED)

YEAR	AGE	POLICY BENEFICIARY INTEREST (ESTIMATED)
2021	77	$1,950,000
2022	78	$1,880,000
2023	79	$1,820,000
2024	80	$1,640,000
2025	81	$1,520,000
2026	82	$1,380,000
2027	83	$1,240,000
2028	84	$1,100,000
2029	85	$910,000
2030	86	$710,000
2031	87	$501,000
2032	88	$270,000
2033	89	$50,000
2034	90	$50,000
2035	91	$50,000
2036	92	$50,000
2037	93	$50,000
2038	94	$50,000
2039	95	$50,000
2040	96	$50,000
2041	97	$50,000
2042	98	$50,000
2043	99	$50,000
2044	100	$50,000
2045	101	$50,000
2046	102	$50,000
2047	103	$50,000
2048	104	$50,000
2049	105	$50,000