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New Survey Data Show Life Insurance Offers Many Seniors a Way to Generate Income in Retirement

Almost all seniors hold a life insurance policy, but nearly half are unaware it can be sold for cash now, according to Golden Gateway Financial poll

Oakland, Calif. – May 26, 2009 – Older Americans are increasingly feeling pressure from the same issues affecting the larger economy, such as falling home values, losses in their investment portfolios, and difficulty in obtaining loans or lines of credit. Recently released survey data from a poll of those aged 62 or older by senior financial resource Golden Gateway Financial and the Insurance Studies Institute showed that a majority of these individuals are in a position to immediately benefit from life insurance policies that they currently own but no longer need.

Of those surveyed, eighty percent said that they currently have some type of life insurance. At the same time, nearly half of respondents said they were unaware that they could sell their unneeded life insurance for cash. Through life settlement, or the practice of selling a life insurance policy for more than its cash surrender value, many of America's senior citizens could realize an immediate financial benefit from their life insurance policies.

[Life settlement](#) is the practice of selling an existing life insurance policy for cash before it lapses. Currently, more than 85 percent of all life insurance policies never pay a death benefit¹. As part of a settlement, an investor offers a lump sum cash payment to a policyholder in exchange for assuming ownership of the policy and the payment of premiums. On average, life settlements provide 300 percent the cash surrender value of a policy².

“Life settlement has historically been a financial tool reserved almost exclusively for the wealthy or those with financial planners,” said Eric Bachman, founder and CEO of Golden Gateway Financial. “Now, as life settlement becomes more mainstream, more older Americans can better afford the retirement they desire and deserve.”

The Golden Gateway Financial and Insurance Studies Institute joint survey helped frame the potential for life insurance as a financial tool for seniors, as well as seniors' attitudes about retirement in today's economy. Additional observations from the survey include:

¹ *Understanding Life Settlements and Industry Issues Entering 2008*, Insurance Studies Institute, 2008

² *Data Collection Report 2006*, Life Insurance Settlement Association (LISA)

- The majority of those surveyed (77 percent) were retired and 80 percent earned less than \$75,000 a year in income
- Nearly 60 percent of respondents said that given the economy, they were concerned their savings and overall net worth may no longer be enough to sustain them through retirement
- Twelve percent of those surveyed said they were concerned that they would no longer be able to maintain life insurance payments and risk a lapse in coverage
- Thirty percent of respondents said they were considering returning to work in some capacity or remaining in the work force longer because of the current financial crisis

“The survey data shows that most people purchase life insurance presumably for good economic reasons and to benefit loved ones,” observed Paul Siegert, president and CEO of Insurance Studies Institute. “But the data also clearly shows that this economy has put stress on their ability to continue paying premiums, or has led them to doubt whether the reasons to continue owning the policy remain valid.”

Through Golden Gateway Financial and its life settlement solution, seniors in need of cash can generate additional income in retirement. As with any financial product, life settlement is not for every policyholder and should be researched carefully. However, there are a number of reasons a policy holder could choose to sell their policy, including when the policy outlives its intended beneficiary, when the policy is in danger of lapsing because of unpaid premiums, or simply because the policyholder’s need for extra cash today is greater than the value of future death benefits.

Interested policyholders can visit Golden Gateway Financial to use a simple, intuitive [life settlement calculator](#) that determines how much a policy may be worth and how much money can be saved by not paying future premiums. Additionally, Golden Gateway Financial offers policyholders a dedicated expert who will explain and simplify the transaction from the beginning, a streamlined process with minimal paperwork, and a team of counselors who will scour the marketplace of investors and negotiate with interested parties on their behalf.

The independent online survey, conducted with United Sample, Inc. (www.unitedsample.com) in partnership with Golden Gateway Financial, polled a nationwide representative sample of more than 500 senior citizens aged 62 or older. A complete list of questions and percentage answers are available by [clicking here](#) or by contacting Golden Gateway Financial.

For more information on life settlement or to access the entire suite of Golden Gateway Financial retirement products and tools, including its life settlement and reverse mortgage calculators, please visit <http://www.goldengateway.com>.

About ISI

Keystone, Colorado is home to the Insurance Studies Institute -- a new and rapidly expanding “think tank” incorporated in 2007. By facilitating and promoting innovative research, ISI seeks to create knowledge, share information and enhance understandings of insurance paradigms affecting socio-economics in a free market economy. ISI has numerous research projects, published papers and events, which can be found at www.InsuranceStudies.org. Additional studies are in various stages of development.

About Golden Gateway Financial

Golden Gateway Financial (www.goldengateway.com), located in Oakland, California, is a comprehensive resource for senior citizens, baby boomers and soon-to-be retirees to assess their financial health at retirement. Through a unique set of online tools and clear and unbiased communication, the company helps individuals address “The Great American Retirement Dilemma.” The tools enable users to better assess the security of their nest egg and to make intelligent choices to fully enjoy what should be the best years of their lives. The company also operates the industry’s premiere reverse mortgage and life settlement services with proprietary calculators and products for each, and a team of trained counselors to help seniors better understand the products and evaluate whether they are right for them.

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