

# AN OPEN LETTER TO CANADIAN SENIORS

A seventy-four-year-old friend of mine recently asked me if he could sell his term life insurance policy. Apparently, a friend of his in the United States had just received more than \$100,000 for a term policy she no longer needed. She had told him she'd received "a life settlement."\* He was in a similar situation, needing the cash more than the insurance, except he lived in Ontario. I told him the unfortunate truth: "It can't be done in Ontario. Or most of Canada."

I share this story because my friend is one of millions of Canadian seniors who own life insurance, a valuable asset, and yet, they do not have access to an open and free market system in which they can sell their life policy for *fair market value*. Many other countries provide a secondary market for such transactions and it could be changed here with the stroke of a government pen.

For years I have tried to change this discriminatory practice against seniors. In fact, in addition to writing a book about it, I've met with countless government ministers, staff and insurance industry representatives to try and right this wrong. All to no avail. I've now concluded it's going to take much more – tens-of-thousands of seniors – to get governments to act.

Let me speak specifically about Ontario (our first focus). There are four reasons for this financial inequity:

- 1) Inaction by the Ontario Government:** There's an archaic, eighty-year-old regulation (Section 115 of the Ontario Insurance Act) that prevents the establishment of a free market for the buying and selling of life insurance policies, despite the fact that life settlements are a worldwide practice.
- 2) Opposition by the life insurance industry:** Life insurance companies are fiercely opposed to life settlements and have lobbied governments for decades, preventing seniors from their fundamental "rights:" The right to sell an asset they own for a *fair market value*. Insurers do this because more than 80% of policies are cancelled or lapse before a claim is made, meaning they never have to pay the full, death-benefit. A life settlement changes all this – for the benefit of policy owners instead of insurance companies. If allowed, this would represent billions of dollars being available to seniors rather than staying in the insurer's pockets.
- 3) Lack of awareness by seniors:** As the saying goes, "We don't know what we don't know." And insurance companies want to keep it that way. But if we can get the Ontario Government to change Section 115 (the Harris Government recommended it in 2000), billions of dollars would be available to a sizeable portion of Ontario's more than 2 million seniors. Most MPPs know nothing about this issue. Ask your MPP. And if you're a member of Probus or CARP ask your association.
- 4) Lack of action by insurance agents and financial planners:** Agents have an ethical and fiduciary responsibility to serve the best interests of their clients, you. And yet for too long they've had to submit to the financial power of the insurance companies on this issue. Why? Most are under contract or dependent on insurance companies as a source of income and there's always a threat that the insurance company will terminate their license if life settlements are recommended as an option to surrendering their policy to the insurer. So they avoid fully informing customers about life settlements. It's an insidious intrusion by the insurance companies on the rights of the agents and policyholders.

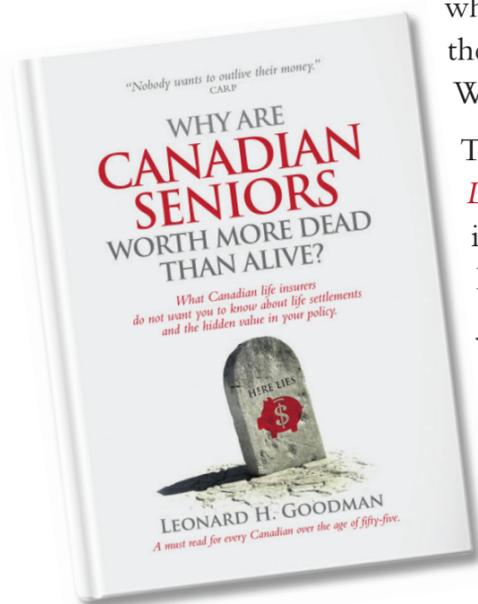
We all know the old maxim, "the squeaky wheel gets the oil" and that governments only listen when our voices are strong, clear, consistent and persistent. Otherwise, they listen to special interest groups and lobbyists who pay for access. Well, we're going to change that.

That's why, in 2016, I, and a small group of seniors, formed the *Life Insurance Settlement Association of Canada* ([www.lisac.ca](http://www.lisac.ca)). Its purpose is to provide a central forum for seniors to learn about the benefits of life settlements and participate in fighting for their right to access the *fair market value* of an asset they own, their life insurance policy.

We intend for the voice of seniors to be heard and continue to advocate for a well-regulated life settlement market in Ontario. It's about putting billions of dollars where they rightfully belong, in the pockets of Canadian seniors.

Sincerely,

*Leonard H. Goodman*  
Founder and Chair



Also visit the website for book excerpts, testimonials and author's bio.  
[www.hereliesyourmoney.com](http://www.hereliesyourmoney.com)

**ADD YOUR VOICE TO THIS FIGHT FOR SENIORS' RIGHTS.**

For more information visit our website at [www.lisac.ca](http://www.lisac.ca) and join LISAC.

\*A life settlement pertains to the sale of an unneeded, in force life insurance policy for an amount that is more than the policy's cash surrender value but less than its death benefit.



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