

March 30, 2020

CLHIA applauds Nova Scotia for banning life settlements

Of course, it does! *This is a win for insurance companies, a loss for Canadian seniors.*

The Canadian Life and Health Insurance Association (CLHIA) is the mouthpiece for life insurance companies in Canada. And they applaud this ban because it is financially good for their members and financially bad for seniors.

Insurance companies have far too much at stake, financially, to do what is *right* for their policyholders, and permit them to access *the fair market value* for their policies *while they are still alive*.

Worse, the provincial and federal governments of Canada continue to enable the insurance industry to operate under these detrimental practices by keeping the facts and truth from citizens; thus, forcing seniors, and all policyholders, to lapse unneeded or unaffordable policies. It prevents seniors from being able to participate in selling their policies in a secondary market, instead they have to sell them back to the issuing company for “pennies on the dollar.” Despite open markets being available throughout the rest of the free world.

In the United States alone, seniors are receiving over \$7 million a day by selling their policies in the secondary market, as opposed to surrendering them back to the issuing company. It’s a critical source of funds for seniors. *Unfortunately, policies can lapse in Canada but not be sold here.*

The other glaring statistic that insurance companies don’t tell policyholders is that 4 out of 5 life insurance policies lapse or are sold *before* becoming a death claim. In other words, the insurer never has to pay. There are verifiable statistics kept from public dissemination and we have provided several links below to help you be better informed. These are well-respected and independent sources. These days, we all have extra time to login during our self-imposed isolation and we urge you to do just that.

The Life Insurance Settlement Association of Canada, (LISAC: www.lisac.ca) was founded several years ago for the express purpose of advocating for all Canadian seniors, *their right* to be able to treat a life insurance policy as an asset, no different than any asset, and to benefit



LISAC

Life Insurance Settlement Association of Canada

from the rapidly increasing value of that asset in an open and free market. Indeed, the United States Supreme Court ruled favourably on this very issue in 1911. And yet, in Canada, we have still done nothing.

The insurance companies are perpetrating an egregious disservice to policyholders and rather than being applauded, it needs to be stopped.

LISAC has repeatedly extended offers to the life insurance industry, and its leaders, to meet and discuss the merits of providing seniors with a *fair market value* for their insurance asset; however, and unfortunately, we have never received a response. Also, LISAC has made several presentations to the Ontario Government and Ministers of Finance, but again, with little real response!

We ask all seniors, and those looking out for the rights of seniors, to join our fight to right this egregious wrong. Contact your local MPP or MLA in each province across the country and ask them why they remain silent on this most important – and for financially struggling seniors, urgent – matter. Ask them: Why do they acquiesce to the life insurance industry?

- Call your MPP/MLA.
- Call your insurance broker and ask him/her to advocate on your behalf.

Most importantly, be safe during these troubling times.

Yours truly,

Leonard H. Goodman

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Chair & Founder/Chair Regulatory Practices

Here are your links to additional information:

www.lisac.ca

www.hereliesyourmoney.com

www.lisa.com