Why Invest in Reliant Life Share's Life Settlements Rather than Rising Cryptocurrencies?

SHERMAN OAKS, CALIFORNIA, UNITED STATES, May 12, 2021 /EINPresswire.com/ -- COVID-19 has largely affected nations and their economies worldwide. And if there's one thing it made many people realize, it is that finding additional or alternative sources of income like investments is very important. The question is, which type of investment is best for you?

Key Takeaways
 Life settlements have no correlations with other markets, making it an attractive investment vehicle that provides diversification to one's portfolio with low risk.

 With the regulation from authorities, investments for life settlements are safeguarded and returns are guaranteed as they are paid by highly rated insurance companies.

Since 2009, there has been a continuous rise of cryptocurrencies or nontraditional types of investment. However, posing too many inherent risks, they may not be the best choice for anyone who would like to start building or diversifying their portfolio, especially with the pandemic we are currently in.

In order to identify which investment is suits you best, it helps to first understand what life settlements and cryptocurrencies are.

What are life settlements and how do they work?

A Life settlement is when an existing life insurance policyholder sells his rights to a third party for a lump sum payment. The money that he or she receives from the sale is more than the surrender value but less than the actual death benefit. After the agreement, the third party who purchased the policy will become the new owner and will take the responsibility of paying its premiums.

Since this type of investment means spending millions to pay for policy premiums, it was originally a vessel that only institutional and corporate investors take advantage of. But over time, it slowly became available to qualified individuals in the form of fractionalized life settlements.

With fractionalized life settlements, two or more investors can put their money into a single policy and be able to reap the benefit by receiving returns that are proportionate to the respective amounts of their investment.

Where do cryptocurrencies come from and how are they used?

Cryptocurrencies, on the other hand, are digital currencies. From the name itself, they are created through cryptography and are enabled by blockchain technology. This technology that they operate on also makes the movement of the currencies decentralized. Meaning, they do not come from the central bank or the government, thus, they don't have control over the system. And because of this, the authorities cannot regulate transactions using these assets.

What are the differences between life settlements and cryptocurrencies in terms of investment?

Security vs. Volatility

Putting your money into a life settlement gives you better security because you would know exactly how much you'll get when it matures. Once the insured dies, the death benefit will be filed with the insurance company and the investors who own part of the beneficial interest in the policy will receive their proportional, pre-determined share of the proceeds.

On the other hand, the market for cryptocurrencies is unpredictable and influenced by several factors like manipulation, decentralization, and more. Hence, a cryptocurrency investor has to ask himself this question: "How can I sleep soundly when the price volatility of cryptocurrencies is high that to get a good return, I have to constantly keep an eye on the market?"

Correlation with other markets

Furthermore, alternative investment vehicles like life settlements are independent of other markets like stocks, bonds, interest rates, and even price commodities. While giving the seller a maximum value for the policy, investors, on the other side of the transaction, are guaranteed to receive a predetermined amount based on their investment. Adding life settlements to one's portofilio will be a good strategy to decrease volatility.

Trends in cryptocurrencies like Bitcoin, in contrast, are increasingly growing correlations with traditional asset classes. According to EFG International's insight on the pros and cons of cryptocurrency, in the five years to end 2021, of the 17 months the S&P 500 declined, bitcoin also went down in 10 of them. It also said that of S&P 500's worst five months, the said cryptocurrency also went down in four of them.

Regulation vs. Hacking and Loss of Investments

Being digital also has its own disadvantages. Cryptocurrencies like Bitcoin pose a great risk of you being a victim of hacking that can result in losing your investment. Since transactions using these digital assets mostly happen in a website or an app, they are vulnerable to hackers.

Worse than that, exchange errors and hacking of digital wallets are not covered by the Federal Deposit Insurance Corporation (FDIC) because these transactions don't go through banks or brokerages. So once you lost your assets because they have been stolen or due to errors in transactions, it will be hard to trace and even retrieve them.

These threats are the results of the absence of regulation. But more than these things, without regulation, there is a higher chance for the manipulation of prices. Without interference and control from the government, the price volatility of cryptocurrencies may be manipulated by powerful individuals including media owners, big-time investors, and more.

On the contrary, life settlement investments are highly regulated with the help of brokers or escrow agents. As for Reliant Life Shares, UMB acts as escrow and accepts the investor's funds until he has chosen which policy to put his money into. Aside from brokers or escrow agents, other parties like Life Insurance and Life Expectancy companies also take part in the process to make sure all details and information provided are correct.

Limitations on Use and Benefit

In addition, some cryptocurrencies come with certain limitations on how they can be used. Since they are not issued by the government, some cryptocurrencies cannot be converted to real currencies and can only be used for transactions on the internet. Also, not all online businesses accept cryptocurrencies as payment for goods and services.

Life settlements, in contrast, offer great returns in the form of cash which will be released by highly-rated insurance companies to the investors once the death claim is filed and finalized.

About Reliant Life Shares
Reliant Life Shares is a company that helps qualified California investors diversify their portfolio by investing in fractionalized life settlements. Life settlements are existing insurance policies that are owned by the company's customers as investments. With an expected double digit annual rate of return in a significant number of cases, Reliant Life Shares offers policies from highly-rated, U.S.-based, Legal Reserve life insurance companies including AXA, John Hancock, Pacific Life, and more. For more information, visit www.reliantlifeshares.com

Reliant Life Shares, LLC
Reliant Life Shares, LLC
+1 818-788-1904
https://reliantlifeshares.com/