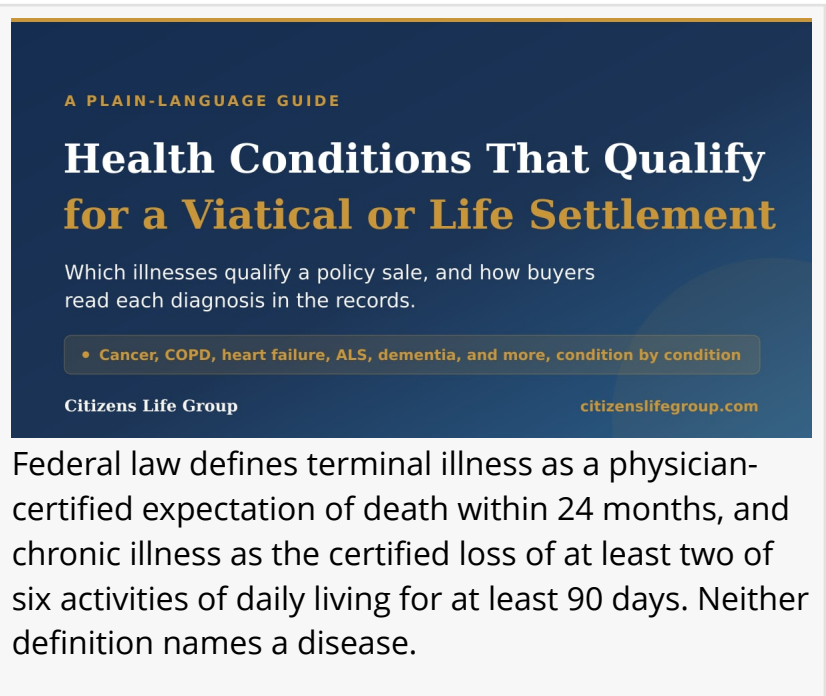


Health Conditions That Qualify Seniors to Sell a Life Insurance Policy: New Guide From Citizens Life Group

Eligibility turns on certification standards in federal law and the NAIC model act, not on a list of qualifying diseases.

ORLANDO, FL, UNITED STATES, August 26, 2026 /EINPresswire.com/ -- Citizens Life Group, a licensed life settlement brokerage based in Orlando, has published a guide to the [health conditions that qualify a life insurance policy for sale](#), organized around the certification standards written into federal and state law rather than around a list of diagnoses. The guide went live Aug. 23 and runs to 16 sections covering cancer, congestive heart failure, chronic obstructive pulmonary disease, dementia, kidney failure, cardiac amyloidosis and ALS, or Lou Gehrig's disease, among others.



A PLAIN-LANGUAGE GUIDE

Health Conditions That Qualify for a Viatical or Life Settlement

Which illnesses qualify a policy sale, and how buyers read each diagnosis in the records.

- Cancer, COPD, heart failure, ALS, dementia, and more, condition by condition

Citizens Life Group citizenslifegroup.com

Federal law defines terminal illness as a physician-certified expectation of death within 24 months, and chronic illness as the certified loss of at least two of six activities of daily living for at least 90 days. Neither definition names a disease.

Federal law names no qualifying disease. Terminal illness means a physician certifies that an illness or physical condition can reasonably be expected to result in death in 24 months or less (Internal Revenue Code section 101(g)). Chronic illness means a licensed health care practitioner certifies an inability to perform, without substantial assistance, at least [two of six activities of daily living](#) for at least 90 days, or severe cognitive impairment requiring substantial supervision (section 7702B). The statute lists the six activities: eating, toileting, transferring, bathing, dressing and continence.

“ People rule themselves out before they ever ask. They look for their illness on somebody's list, don't find it, and stop there.”

Cole Hallman, Managing Partner, Citizens Life Group

State insurance law is drafted the same way. The Viatical Settlements Model Act published by the

National Association of Insurance Commissioners defines "terminally ill" as "having an illness or sickness that can reasonably be expected to result in death in twenty-four (24) months or less," and defines "chronically ill" by the same two-of-six test or by severe cognitive impairment. Definitions vary somewhat by state.

So a diagnosis by itself settles little. In the guide's cancer section, active metastatic disease with a documented life expectancy of 24 months or less prices as a viatical settlement, the sale of a policy by an owner who is terminally or chronically ill. Stage 4 cancer held stable for years on modern treatment more often prices as a life settlement, a sale by an owner who meets neither test, where age carries more weight than the diagnosis. Remission moves the file again. The word cancer describes all three.

How sick does a policy owner have to be?

Often less sick than expected. The guide's first section is the ordinary case: an owner in their seventies managing several conditions at once, which underwriters assess as a combination, not one item at a time. Heart disease alongside diabetes and declining kidney function shortens a documented life expectancy more than any of the three would alone.

"People rule themselves out before they ever ask," said Cole Hallman, Managing Partner of Citizens Life Group. "They look for their illness on somebody's list, don't find it, and stop there. Underwriters are not reading the name of the disease. They are reading what the records say about the last twelve months."

In 2025, sellers received an average of \$212,066 through a life settlement, nearly 9 times the average cash surrender value of \$24,360, according to the Life Insurance Settlement Association's 2025 annual market data. Association members completed 2,955 transactions and paid \$626.6 million to consumers. Individual results vary.

"A diagnosis is not a qualification, and nobody should read it as one," said Jeff Hallman, Managing Director at Citizens Life Group. "It runs the other way too, which is the part people don't expect. If treatment starts working, a file can move out of qualifying on health grounds altogether. That is good news carrying a smaller number. And before anyone sells anything, ask the insurance company what its accelerated death benefit rider would pay out early, then hold that up against the real offers."

An accelerated death benefit rider lets an insurer pay part of a death benefit early. The guide is available on the company's website, and a [companion explainer on viatical settlements](#) is on its YouTube channel.

About Citizens Life Group

Citizens Life Group is a licensed life settlement brokerage based in Orlando, Florida, that

represents the policy seller and shops policies competitively to a network of institutional buyers. Its lead broker, Jeff Hallman, is a Florida licensed life agent (line 0215) with an appointed viatical settlement broker authority (line 0266). Citizens Life Group and its affiliated brokers are licensed in the states where they operate, and sellers can contact the firm to confirm availability in their state. There is no upfront cost to a seller, and any commission is paid from the settlement proceeds and disclosed in writing before the seller agrees to anything. More information is available at <https://www.citizenslifegroup.com>.

This release is educational and is not financial, tax, or legal advice. Eligibility depends on individual health and policy details. Individual results vary, and not every policy qualifies or receives an offer.

Jeffrey Hallman
Citizens Life Group
+1 3212700279

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