

## Authorization to Release Information

The undersigned is the owner of, or named insured under, one or more life insurance policies identified below. In order to effect a life settlement contract between the owner and a life settlement provider, or to effectuate the sale or transfer of a life settlement contract or a settled policy, or interest therein, the undersigned each hereby consent to the release of information to the authorized recipients specified herein.

**Information Authorized to be Released:** Any information (1) concerning or related to the identity of the owner of, or the named insured under, the life insurance policies identified below, (2) that there is a reasonable basis to believe could be used to identify the insured or owner, and (3) concerning or related to the owner's or insured's financial or medical information may be released to the authorized recipients (as defined below). Such information may include (but is not limited to): the name, address, telephone numbers, social security number, tax records, medical records, credit information and other non-public personal information of or related to the insured or the owner, or representative thereof; and the related insurance policy number(s).

**Authorized Recipients of Information:** Information authorized to be released hereunder may be released to (1) any life settlement broker, (2) any life settlement provider (a "life settlement provider"), (3) any person who may seek to purchase from such life settlement provider any life insurance policy insuring the below identified insured's life or other insurance product owned by the below identified owner, (4) any financing entity of a life settlement provider, including, but not limited to, any of its underwriters, lenders, purchasers of securities and credit enhancers, (5) any service provider, including, but not limited to, any life expectancy underwriter, escrow agent or post-purchase policy servicer, (6) any life insurance or annuity company that has issued a life insurance policy insuring the below identified insured's life, and (7) any of the respective affiliates, directors, officers, employees, agents, representatives, independent contractors, accountants, actuaries, attorneys and other representatives and advisors, and successors and assigns of any of the persons or entities covered in the immediately foregoing clauses (1) through (6), inclusive (each, an "authorized recipient"). Each authorized recipient in receipt of information authorized to be released by this authorization may share any such information with any other authorized recipient as if such other authorized recipient had received such information directly from the undersigned.

The undersigned each certify that this authorization has been made freely, voluntarily and without coercion and that the information shown below is accurate and complete to the best of the undersigned's knowledge. The undersigned understands that any revocation of this authorization will not apply to information that has already been released in response to this authorization. Redislosure of the undersigned's information by those receiving the above authorized information may be accomplished without the undersigned's further written authorization and may no longer be protected. The undersigned releases any authorized recipient from any and all liability for actual or alleged damages to the undersigned as a result of good faith compliance with this authorization. This authorization is valid for the duration of the life insurance policy(-ies) specified below, provided that this authorization shall be of no force or further effect if a life settlement contract is not effected. The undersigned each acknowledge receipt of a copy of this authorization.

A copy of this authorization may be accepted as an original. This authorization may be sent via facsimile transmission.

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Insurance Company

Policy Number

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Insurance Company

Policy Number

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Insurance Company

Policy Number

### **Policyowner Information**

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Policyowner Name

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Signer's Printed Name

Signature

Title (if applicable)

Date

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Street Address

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City

State

Zip

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Witness Printed Name

Witness Signature

Date

### **Insured Information**

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Insured Printed Name

Insured Signature

Date

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Street Address

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City

State

Zip

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Witness Printed Name

Witness Signature

Date

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## New York Owner and Insured Disclosures

**IMPORTANT-READ THIS DISCLOSURE FORM AND THE ENCLOSED LIFE SETTLEMENT INFORMATION BROCHURE BEFORE SIGNING A LIFE SETTLEMENT CONTRACT.**

You should carefully read the following information and seek financial, insurance, tax and other advice where appropriate.

1. There are possible alternatives to life settlement contracts, including any accelerated death benefits or policy loans offered by the issuer of the policy.
2. Some or all of the proceeds of a life settlement may be taxable under federal and state law and advice should be sought from a professional tax advisor.
3. Proceeds from a life settlement could be subject to the claims of creditors.
4. Receipt of the proceeds from a life settlement contract may adversely affect the recipient's eligibility for public assistance or other government benefits or entitlements, and advice should be obtained from the appropriate agencies.
5. The Owner has the right to rescind (cancel) a life settlement contract from the time of execution of the contract until fifteen (15) days after the receipt of the life settlement proceeds by the owner.
6. Proceeds will be sent to the Owner within three (3) business days after the life settlement provider has received the insurer or group administrator's acknowledgment that ownership of the policy or interest in the certificate has been transferred and the beneficiary has been designated in accordance with the terms of the life settlement contract.
7. Entering into a life settlement contract may cause other rights or benefits, including conversion rights and waiver of premium benefits, that may exist under the policy or certificate of a group policy to be forfeited by the Owner and assistance should be sought from a professional financial advisor.
8. The owner has the right to know the gross offer or bid that the life settlement provider shall pay pursuant to the life settlement contract; the net amount to be paid to the owner pursuant to the life settlement contract; the name of each life settlement broker, life settlement intermediary, insurance producer or insurance consultant that will be compensated by the life settlement provider, or any affiliate, parent corporation, or subsidiary of the life settlement provider; and the amount of compensation that the life settlement provider, or any affiliate, parent corporation or subsidiary of the life settlement provider, shall provide to a life settlement broker, life settlement intermediary, insurance producer or insurance consultant, or any affiliate, parent corporation or subsidiary of such broker, intermediary, producer, or consultant pursuant to the life settlement contract. For the purpose of this paragraph, "gross offer or bid" means the total amount or value offered by the life settlement provider for the purchase of one or more life insurance policies, inclusive of commissions and fees.

Policyowner's initials \_\_\_\_\_

Insured's initials \_\_\_\_\_

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9. The date by which the funds will be available to the Owner and the transmitter of the funds.
10. The life settlement provider or life settlement broker is required to provide an owner during the solicitation process with a consumer information booklet in a form prescribed by the New York Superintendent of Insurance, or other similar material, subject to the approval of the New York Superintendent of Insurance.
11. The insured may be contacted by either the life settlement provider or the life settlement broker, or any authorized representative thereof, for the purpose of determining the insured's health status or to verify the insured's address, and that the contact shall be limited is limited to once every three (3) months if the insured has a life expectancy of more than one (1) year, and no more than once per month if the insured has a life expectancy of one (1) year or less.
12. The life settlement provider must provide you, the owner, the right to know any affiliations or contractual arrangements between the life settlement provider and the issuer of the policy to be settled.
13. The life settlement provider must provide you, the owner, the right to know any affiliations or contractual arrangements with any other life settlement provider, life settlement broker, life settlement intermediary or party financing the transaction.
14. A life settlement broker represents exclusively, the owner, and not the insurer or the life settlement provider, or any other person, and owes a fiduciary duty to the owner, including a duty to act according to the owner's instructions and in the best interest of the owner.
15. The life settlement provider must provide you, the owner, the right to know the name, business address, telephone number and e-mail address of the independent, third party escrow agent and that the owner has the right to inspect or receive copies of the relevant escrow or trust agreements or documents.
16. A change of ownership could in the future limit the insured's ability to purchase future insurance on the insured's life because there is a limit to how much coverage insurers will issue on one life.
17. The life settlement provider must provide you, the owner, the right to know the name, business address, telephone number and e-mail address of the life settlement provider.
18. All medical, financial or personal information solicited or obtained by a life settlement provider or life settlement broker about an insured, including the insured's identity or the identity of family members, a spouse or a significant other may be disclosed as necessary to effect the life settlement contract between the Owner and provider. If you are asked to provide this information, you will be asked to consent to the disclosure. The information may be provided to someone who buys the policy or provides funds for the purchase. You may be asked to renew your permission to share information every two years.

Policyowner's initials \_\_\_\_\_

Insured's initials \_\_\_\_\_

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## New York Owner and Insured Disclosures Signature Page

**LIFE INSURANCE POLICYOWNER'S AND INSURED'S ACKNOWLEDGMENT: I/We have read and fully understand the Owner and Insured disclosures and acknowledge with my signatures below. A copy of these required written disclosures have been received by the Owner and Insured. Further, I/We have received a consumer information booklet in a form prescribed by the Superintendent, or other similar material, subject to the approval of the Superintendent.**

### **Policyowner 1**

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Printed Name	Signature	Date
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### **Policyowner 2** (if applicable)

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Printed Name	Signature	Date
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### **Insured**

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Printed Name	Signature	Date
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### **Life Settlement Broker**

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Printed Name	Signature	Date
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### **Life Settlement Provider** (to be signed after submission by the LS Broker with seller and insured signatures)

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Printed Name	Signature	Date
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**Life Settlement Broker  
Compensation, Affiliation and Gross Offer to Net Proceeds Disclosure**

Seller's Name \_\_\_\_\_

Insured's Name \_\_\_\_\_

Policy Number \_\_\_\_\_

Policy Face Amount \$ \_\_\_\_\_

Total Gross Offer From Life Settlement Provider  
Before Deducting Compensation/Adjustments \$ \_\_\_\_\_

Less Compensation and Other Adjustments  
Paid From the Proceeds

<u>Name</u>	<u>Compensation/Adjustments</u>
_____	\$ _____
Life Settlement Broker	

_____	\$ _____
Other Compensation/Adjustment	

Total Compensation/Adjustment Paid \$ \_\_\_\_\_

Net Amount Paid to You \$ \_\_\_\_\_

Policy Owner's Initials \_\_\_\_\_

**Life Settlement Broker  
Compensation, Affiliation and Gross Offer to Net Proceeds Disclosure**

State any affiliations or contractual arrangements with any life settlement provider, other life settlement broker, any life settlement transaction intermediary or any financing entity involved in this transaction: (If there are none, then write "None")

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Policy Owner's Initials \_\_\_\_\_

## Life Settlement Broker Compensation, Affiliation and Gross Offer to Net Proceeds Disclosure

Seller's Name \_\_\_\_\_

Insured's Name \_\_\_\_\_

Insurer \_\_\_\_\_

Policy Number \_\_\_\_\_

Policy Face Amount: \_\_\_\_\_

Cash Surrender Value: \_\_\_\_\_

### Offers, Counteroffers, Acceptances and Rejections

	Provider's Name	Provider's Name	Provider's Name	Provider's Name	Provider's Name
Gross Offer	\$	\$	\$	\$	\$
Counteroffers					
Counteroffers					
Acceptances					
Rejections					

Policy Owner's Initials \_\_\_\_\_

## Acknowledgement and Signature Page

LIFE INSURANCE POLICY OWNER'S ACKNOWLEDGEMENT: I have read and received a copy of the disclosure form entitled "Life Settlement Broker Compensation, Affiliation and Gross Offer to Net Proceeds," including the section entitled "Life Settlement Broker Life Settlement Offers, Counteroffers, Acceptances and Rejections," to which this acknowledgement is attached.

Owner

Life Settlement Broker

\_\_\_\_\_  
Signature of Policy Owner

\_\_\_\_\_  
Signature of Life Settlement Broker

\_\_\_\_\_  
Printed Name of Policy Owner

\_\_\_\_\_  
Printed Name of Life Settlement Broker

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

[If multiple owners, all owners must sign.]

# Life Settlements—What You Should Know Before Selling Your Life Insurance Policy

## What is a Life Settlement?

A life settlement is the sale of a life insurance policy to a third party called a life settlement provider. The owner of the life insurance policy sells the policy to the life settlement provider and receives an immediate payment in return.

The life settlement provider becomes the new owner of the life insurance policy, pays any future premiums and receives the death benefit when the person whose life is insured under the policy (the insured) dies.

The New York State Insurance Department wants you to have the facts before you sell your life insurance policy. This booklet provides some of that information, but it is only a starting point. **Consult your own professional financial advisor, attorney, or accountant to help you decide if this is the most suitable arrangement for you.**

## Consider Your Options

If you are planning to sell your policy because you need funds to pay expenses, there may be other options available under your policy that may allow you to keep your policy in force for your beneficiaries.

Ask your insurance agent or insurance company if your life insurance policy has any cash value. Generally, life insurance policies allow you to take a policy loan up to the amount of the cash value. You may also be able to take out some of the cash value to meet your immediate needs. You should seek the advice of your insurance agent or other professional before using the cash value of your policy.

Find out if your policy allows you to reduce the amount of the death benefit in order to lower the amount of premium you are required to pay. If you are planning to sell your policy because the premiums have gotten too high, this may provide a way to maintain some of the death benefit in force.

Find out if your policy has an accelerated death benefit. If the insured under the policy is terminally ill or chronically ill, you may be able to accelerate some or all of the death benefit while the insured is still alive.

## Other Important Information

- Comparison shop. Get quotes from several life settlement providers to make sure you have a competitive offer.
  - If you use a life settlement broker, the broker represents exclusively you and has the duty to act in your best interests and according to your instructions.
  - If you use a life settlement broker, he or she is required to disclose the amount of compensation to be paid to him or her by no later than the date the life settlement contract is signed.
  - Find out the tax implications. Not all proceeds received from the sale of your life insurance policy are tax-free.
  - It is important to know that the proceeds you receive from a life settlement may be accessible by your creditors.
  - Find out if you may lose any public assistance benefits, such as supplementary social security benefits, food stamps or Medicaid, or other government benefits or entitlements if you receive proceeds from a life settlement transaction.
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- The life settlement provider or its authorized representative may contact the insured for the purpose of determining his/her health status. The insured may not be contacted more often than once every three months if the insured has a life expectancy of more than one year, and no more than once per month if the insured has a life expectancy of one year or less.
- The insured's medical, financial or other personal information may be disclosed to certain other parties if the insured has provided written consent for these disclosures.
- After a life settlement provider buys your policy, the provider may resell the policy to other parties.
- You have the right to change your mind about the life settlement transaction AFTER you receive the proceeds of the life settlement. You have the right to rescind (cancel) the life settlement contract from the time the contract is signed until fifteen days after you receive the proceeds.
- If you are asked to or you plan to buy a new life insurance policy with a primary purpose of selling it to a third party, then this may be a stranger-originated life insurance (STOLI) transaction that is prohibited by New York Insurance Law.

**Questions to Ask Your Professional Financial Advisor, Insurance Agent, Employer or other Professional Advisor**

- If I sell my policy, will I still need life insurance protection?
- If I sell my policy, will the insured under the policy be able to buy additional life insurance on his/her own life?
- If I have a group life insurance certificate under an employer or other group life insurance policy, does the policy permit me to sell it?

If you have questions about selling a life insurance policy, life settlements generally or a life settlement provider, life settlement broker, or life settlement intermediary, you may contact the New York State Insurance Department. Visit the Department's website at <http://www.ins.state.ny.us>

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