



**Please list the names and phone numbers of any additional Physicians and/or Specialist**

Name	Phone
_____	_____
_____	_____
_____	_____

**Policy Owner Information**

Policy Owner(s): \_\_\_\_\_

Name(s) of Trustee(s): \_\_\_\_\_ SS or Tax ID#: \_\_\_\_\_

Current Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone Numbers: Day: \_\_\_\_\_ Evening: \_\_\_\_\_

Marital Status: \_\_\_\_\_ Male: \_\_\_\_\_ Female: \_\_\_\_\_ Dependent Children: Yes \_\_\_\_\_ No \_\_\_\_\_

Have you been or are you now a party to bankruptcy? Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, please attach all discharge papers.

**\*\*\*Please list any additional owners or Trustees on a separate sheet.**

**Beneficiary Information**

Name(s) of Beneficiary(ies): \_\_\_\_\_

**Life Insurance Policy Information**

Name of Insurance Company: \_\_\_\_\_

Policy Number: \_\_\_\_\_ Date of Issue: \_\_\_\_\_

Coverage/Face Amount: \$ \_\_\_\_\_ Amount of Premium: \_\_\_\_\_

Date the Last Premium was Paid: \_\_\_\_\_ Date Next Premium is Due: \_\_\_\_\_

Policy Owner Type: **Circle one:** A. Individual B. Trust C. Corporation

Policy Type: **Circle one:** A. Term B. Whole Life C. Universal Life D. Survivorship E. VUL F. Other

Loans: \$ \_\_\_\_\_ Current Surrender Value: \$ \_\_\_\_\_

Has this Policy ever lapsed? Yes \_\_\_\_\_ No \_\_\_\_\_

What is the Reason for the Sale of this Policy? \_\_\_\_\_

### **Fraud Notice**

**"Any person who knowingly presents false information in an application for insurance or for a viatical settlement contract may be guilty of a crime and may be subject to fines and confinement in prison."**

### **Disclosure Notice and Advice to Policy Owner and Insured**

1. There are possible alternatives to life settlement contracts/selling your life insurance. This may include the option of an accelerated death benefit or policy loans offered by your life insurance company. You are advised to consult a financial advisor, certified public accountant, or an attorney regarding these potential alternatives.
2. That a broker represents exclusively the owner and not the insurer or the provider, and, if required by State law, owes a fiduciary duty to act according to the owner's instructions and in the best interest of the owner.
3. Some or all of the proceeds of the life settlement may be taxable under federal income tax and/or state franchise and income tax laws. You should consult a professional tax advisor.
4. Life settlement proceeds could be subject to the claims of creditors.
5. Receipt of the proceeds of a life settlement may affect your right to receive Medicaid or other government benefits or entitlements. Advice on such effects should be obtained from the appropriate government agencies.
6. The owner has a right to rescind the life settlement contract within fifteen days of the date it is executed by all parties and the owner has received the disclosures contained herein. Rescission, if exercised by the owner, is effective only if both notice of the rescission is given, and the owner repays all proceeds and any premiums, loans, and loan interest paid on account of the provider within the rescission period. If the insured dies during the rescission period, the contract shall be deemed to have been rescinded subject to repayment by the owner or the owner's estate of all proceeds and any premiums, loans, and loan interest to the provider.
7. Proceeds will be sent to the owner within three business days after the provider has received the insurer or group administrator's acknowledgment that ownership of the policy or interest in the certificate has been transferred and that the beneficiary has been designated in accordance with the life settlement contract.
8. Your entering into a contract may cause other rights or benefits, including conversion rights and waiver of premium benefits that may exist under the policy, to be forfeited by the owner. Additionally, 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. Assistance should be sought from a financial advisor.
9. Disclosure to an owner shall include distribution of a brochure or Buyer's Guide during the solicitation process describing life settlements. The NAIC's form for the brochure shall be used unless another form is developed or approved by the commissioner.



**Signatures**

I/We understand that Stonehill Settlements, Inc., has a duty to find the most competitive offer available for my/our life insurance policy (ies). Therefore, I/we hereby grant to Stonehill Settlements, Inc., the exclusive right to broker my/our life insurance policy(ies) which may only be terminated upon thirty (30) days prior written notice. Prior to making the decision to sell the Policy, I/We have had the opportunity to discuss any questions about the transaction with other appropriate professionals such as my/our lawyer, accountant and tax advisor or have freely chosen not to do so.

I/We agree that all of the information provided in this application is material and represent and warrant that all of the information is true and correct to the best of my/our knowledge. I/We acknowledge that I/We have read and understand the contents of the DISCLOSURE NOTICE.

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Signature of Insured 1	Printed Name of Insured 1	Date
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Signature of Insured 2	Printed Name of Insured 2	Date
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Signature Policy Owner— <i>(if other than insured)</i>	Printed Name of Policy Owner	Date
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Signature Policy Owner 2— <i>(if applicable)</i>	Printed Name of Policy Owner 2	Date
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Signature of Witness	Printed Name of Witness	Date
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Signature of Broker	Printed Name of Broker	Date
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6. Inability to Condition Treatment, Payment, Enrollment, or Eligibility for Benefits on Provision of Authorization: I understand that no authorized HCP or other covered entity may condition my treatment, payment, enrollment or eligibility for benefits on whether I sign this authorization.

I understand that this authorization is not a consent or an authorization requested by a health care provider, health care clearinghouse or health plan covered by the privacy regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (the HIPAA Privacy Regulations”). I further understand that, as a result of this authorization, there is the potential for my PHI that is disclosed by any Authorized HCP to an Authorized Recipient to be subject to redisclosure by the Authorized Recipient and my PHI that is disclosed to such Authorized Recipient may no longer be protected by the HIPAA Privacy Regulations.

I certify that I am executing and delivering this authorization freely and unilaterally as of the date written below and that all information contained in this authorization is true and correct. I further certify that this authorization is written in plain language and that I have retained a copy of this signed authorization for future reference.

INDIVIDUAL:

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Signature of Insured	Printed Name of Insured	Date
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Signature of Witness	Printed Name of Witness	Date
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## Questions to Ask

- Do I still need life insurance protection?
- If I sell my policy, how do they decide how much cash I get?
- Is this an employer or other group policy? If so, do I need permission to sell it?
- If I sell my policy, who will be the legal owner?
- Do I need the advice of a tax or estate planning advisor before I decide to sell my policy?
- Who will have specific information about me, my family or my health status?
- After I sell my policy, can it be resold by the buyer?

*Your state insurance department may have a list of life settlement providers and producers that are licensed to do business in the state. Contact them to make sure yours are on the list.*

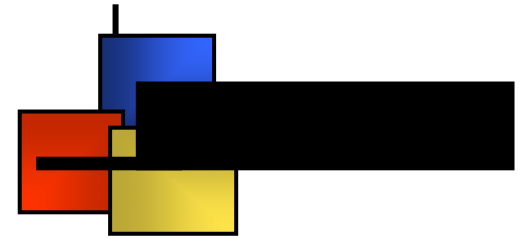
## Always Check with Your State

Contact your state insurance or securities departments to learn about the issues and risks of life settlements *if*:

- you're considering selling your life insurance policy;
- you're asked to sell your life insurance policy *and* your health hasn't changed since you bought the policy;
- you're asked to buy a new life insurance policy *and* immediately sell it for cash.

## Buying a Life Insurance Policy?

If you're interested in buying a life insurance policy as an investment, contact your state securities department *before* you make a decision.



# Selling Your Life Insurance Policy

*Understanding Life Settlements*

## What is a Life Settlement?

A life settlement is the sale of a life insurance policy to a third party. The owner of the life insurance policy sells the policy for an immediate cash benefit.

The buyer (the life settlement provider) becomes the new owner of the life insurance policy, pays future premiums, and collects the death benefit when the insured dies.

At one time, most life settlements were from people with a life-threatening illness. Now, individuals who are not facing a health crisis may sell their life insurance policies to get cash.

*Your state insurance department and the National Association of Insurance Commissioners want you to have the facts before you sell your life insurance policy. This brochure 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're selling your policy to get cash to pay expenses, check all of your options. You may find a way to get more cash from your life insurance policy.

1. Ask your insurance agent or company if you have any cash value in your life insurance policy. You may be able to use some of the cash value to meet your immediate needs and keep your policy in force for your beneficiaries. You may also be able to use the cash value as security for a loan from a financial institution.
2. Find out if your life insurance policy has an *accelerated death benefit*. An accelerated death benefit typically pays some of the policy's death benefit before the insured dies. It may be a way for you to get cash from a policy without selling it to a third party.

## Consumer tips

- Comparison shop. Get quotes from several companies to make sure you have a competitive offer.
- Find out the tax implications. Not all proceeds received from the sale of your life insurance policy are tax free.
- It's important to know that any of your creditors could claim your cash settlement.
- Find out if you will lose any public assistance benefits such as food stamps or Medicaid if you get a cash settlement.
- The buyer of your policy can periodically ask you about your health status. The buyer is required to give you a privacy notice outlining who will get this personal information. Be sure to read it.
- Check all application forms for accuracy, especially your medical history. All questions must be answered truthfully and completely.
- Make sure the life settlement provider agrees to put your settlement proceeds into an independent escrow account to protect your funds during the transfer.
- Find out if you have the right to change your mind about the settlement AFTER you get the money. If so, how many days do you have to reconsider and return the money?