



## Policy Evaluation and Application Form

### Personal Data

First Insured Name: \_\_\_\_\_ SS #: \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Second Insured Name: \_\_\_\_\_ SS #: \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

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.

### Medical History

Please give a brief description of your medical condition:

\_\_\_\_\_  
\_\_\_\_\_

Name of Personal Physician: \_\_\_\_\_

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

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

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Has the Insured used any tobacco or nicotine products within the last 5 years? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_

**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? \_\_\_\_\_

**Supplemental Life Insurance Policy Information:**

1. Has this Policy or any of its proceeds ever been used as security for a loan made to the original policy owner (or any affiliate of the original policy owner) for the purpose of paying all or part of the ongoing policy premium payments? Yes \_\_\_\_\_ No \_\_\_\_\_

2. If Seller purchased this Policy with financial assistance from a lender or investor ("Financier"), do any of the following apply to the financing?

(a) the original policy owner or the Insured received a financial inducement to finance the premiums: Yes \_\_\_\_\_ No \_\_\_\_\_

(b) the Financier has a potential interest in the death benefit or possible proceeds from the sale of this Policy: Yes \_\_\_\_\_ No \_\_\_\_\_

(c) the financing arrangement included a pre-arrangement to sell this Policy: Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to question 1 or any of the questions in 2 above is Yes, please provide details: \_\_\_\_\_

3. Has there ever been an option or other arrangement of any kind to purchase, sell or transfer any of the following?

(a) the Policy: Yes \_\_\_\_\_ No \_\_\_\_\_

(b) the beneficial interest in the Policy: Yes \_\_\_\_\_ No \_\_\_\_\_

(c) the entity owning the Policy: Yes \_\_\_\_\_ No \_\_\_\_\_

4. Please state the basis for the original policy owner's (if not the Seller) insurable interest in the life of the Insured(s): \_\_\_\_\_

5. Does the Insured require substantial supervision due to concerns about his/her health and safety because of severe cognitive impairment or has the Insured been diagnosed or treated by a licensed member of the medical profession consulted by the applicant for any catastrophic, terminal, life-threatening or chronic illness, disease, or medical condition that will reasonably be expected to result in a life expectancy of twenty-four (24) months or less? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, please describe: \_\_\_\_\_



10. All medical, financial, or personal information solicited or obtained by Stonehill Settlements Inc. about the insured/policy owner, including the insured/policy owner's identity or the identity of family members, a spouse, or significant other may be disclosed as necessary to effect the life/viatical settlement between you and the Provider. If the insured/policy owner is asked to provide this information, the insured/policy owner will be asked to consent to the disclosure. The information may be presented to someone who buys the policy or provides funds for the purchase. The insured/policy owner may be asked to renew his or her permission to share information every two years.

### **Applicant's Acknowledgement of Receipt of a Brochure on Viatical/Life Settlements**

By my signature hereinafter affixed, I/we confirm and acknowledge that I/we acknowledge receipt of a brochure describing the process of viatical/life settlements.

### **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—(if other than insured)	Printed Name of Policy Owner	Date
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Signature Policy Owner 2—(if applicable)	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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## **Authorization for Disclosure of Protected Health Information (HIPAA Compliant)**

I, the undersigned individual, authorize the disclosure of my protected health information (“PHI”) as defined under the applicable privacy regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) as follows:

1. **Classes of Persons Authorized to Disclose My Protected Health Information:** I authorize each doctor, hospital, nurse, pharmacy, physician, physician practice group, laboratory and any other type of health care provider (each, an “Authorized HCP”) having any PHI about me to disclose any and all of my PHI as provided under this authorization. I acknowledge that all of my PHI in the possession or control of any authorized HCP is necessary for the purpose for which this authorization is given as described below. I authorize each Authorized HCP to rely upon a photostatic or facsimile copy or other reproduction of this authorization.
  
2. **Classes of persons authorized to Receive My Protected Health Information:** I authorize each Authorized HCP to disclose my PHI under this authorization to (a) Stonehill Settlements Inc., (b) any life settlement provider, (c) any person who may seek to purchase any life insurance policy insuring my life or other insurance product I own, (d) any financing entity of a life settlement provider, including, but not limited to, any of its underwriters, lenders, purchasers of securities and credit enhancers, (e) any life expectancy provider, (f) any life insurance company that has issued a life insurance policy insuring my life, and (g) any of the respective affiliates, agents, employees, representatives, advisors, successors and assigns of any of the persons or entities covered in the immediately foregoing clauses (a) through (f), inclusive (each, an “Authorized Recipient”).
  
3. **Description of Protected Health Information and Purpose of Disclosure:** This authorization shall apply to any and all of my health and medical data, information and records, whether or not personally or individually identifiable or protected under any federal or state confidentiality or privacy laws or regulations, including information relating to psychiatric or neuropsychiatric conditions, AIDS/HIV and/or drug or alcohol abuse/treatment. The purpose of this authorization and all disclosures of my PHI made under this authorization are for purposes of allowing the Authorized Recipient (a) to analyze, assess, evaluate or underwrite my health or medical condition, or life expectancy, in connection with the possible sale of any life insurance policy, or certificate of life insurance, under which my life is insured to any Authorized Recipient and (b) to monitor, track or verify my health or medical status and condition in connection with any life insurance policy under which my life is insured, that any Authorized Recipient purchases.
  
4. **Expiration of Authorization:** This authorization shall remain valid until, and shall expire, two (2) years from the date hereof.
  
5. **Right to Revoke Authorization:** I acknowledge and understand that I may revoke this authorization any time with respect to any Authorized HCP by notifying such Authorized HCP in writing of my revocation of this authorization and delivering my revocation by mail or personal delivery at such address designated to me by such Authorized HCP; provided, that, any revocation of this authorization shall not apply to the extent that the Authorized HCP has taken action in reliance upon this authorization prior to receiving written notice of my revocation.

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 Policy Owner—(if other than insured)	Printed Name of Policy Owner	Date
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Signature Policy Owner 2—(if applicable)	Printed Name of Policy Owner 2	Date
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Signature of Witness	Printed Name of Witness	Date
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### Authorization for Release of Policy Information

I hereby request and authorize \_\_\_\_\_ (Insert Name of Insurance Company), the issuer of life insurance policy number \_\_\_\_\_, owned by \_\_\_\_\_ (Insert Name of Policy Owner), and insuring the life of \_\_\_\_\_ (Insert Name of Insured), to release to Stonehill Settlements Inc., and/or its agents, successors, assignees, and affiliates, and their authorized representatives, any and all information concerning the above policy (including any conversions thereof or replacements therefore). This includes, but is not limited to, a complete copy of all policies and policy forms, master policies and certificates for any group policies, all applications, policy illustrations, verification of coverage forms, annual or periodic statements, premium information, change of ownership forms, change of beneficiary forms, and collateral and/or absolute assignment forms, as well as all other information reflecting ownership and benefits payable under the policy, liens and assignments, premium waivers, and all provisions of the policy related to the foregoing.

This Authorization shall be effective and remain valid for twenty-four (24) months from the date of signature entered below. However, if any governing law or regulation limits this authorization to a shorter period of time, then this Release shall remain in force for the maximum period of time allowed by law.

I agree that any copy or facsimile of this Authorization shall be as valid as the original.

This Authorization may be signed in counterparts if required to complete execution. This Authorization is effective as to each Insured and each Policy Owner immediately upon witnessing of such individual's signature, and is not conditioned upon signature by other insureds or Policy Owners. It shall be sufficient that the signature on behalf of each party appear on one or more such counterparts. However, witnesses must sign the same sheet at the same time as signature of the person whose signature is being witnessed.

#### EXECUTED BY THE POLICY OWNER AS FOLLOWS:

Signature Policy Owner	Printed Name of Policy Owner	Date
Signature of Witness	Printed Name of Witness	Date
Signature Policy Owner 2	Printed Name of Policy Owner 2	Date
Signature of Witness	Printed Name of Witness	Date



## APPENDIX A

### Selling Your Life Insurance Policy

Today it is possible for you to sell your life insurance policy to someone else (a viatical settlement provider) for an immediate cash payment. This financial arrangement, known as a viatical settlement, is best suited for people who are living with an immediate life-threatening illness and facing tough financial choices. A viatical settlement may also be beneficial for individuals who do not have a terminal or chronic illness, but wish to sell the policy for other reasons including, changed needs of dependents, wanting to reduce premiums, and cash for meeting expenses.

It may not always be in your best interest to sell your life insurance policy. Before you take action, you want to be sure you understand:

- What future benefits you may lose
- What other options may be available

Selling your life insurance policy is a complex financial arrangement. This guide will help you make an informed decision.

We recommend that you:

- Evaluate your needs
- Check all your options
- Understand how the process works
- Know your rights
- Check with the Mississippi Insurance Department.

#### Step 1, Evaluate your needs

Before you sell your policy and give up valuable insurance protection, think about whether your need for life insurance has changed since you bought the policy. If it hasn't, selling your policy may not be the right choice. If you sell your policy now, your beneficiaries **will not** be paid a benefit at your death.

If you sell your policy now, remember premiums go up a lot as you grow older. You may not want to pay the higher cost to replace your coverage later.

#### Step 2, Check all of your options

You may be able to get the cash you need now without selling your policy.

#### Policy Cash Values

Contact your current life insurance agent or company to see if you have any cash value in your policy. Ask if you can:

borrow from the cash value and still keep the insurance in force,  
cancel the policy for its current cash value,  
use the cash value as collateral to get a loan from a financial institution.

Your insurance company must tell you about your options if you ask.

### **Accelerated Death Benefits**

Find out if your policy has an “accelerated death benefit.” It may be your best option.

Many life insurance policies do have an accelerated death benefit. With that benefit, policyholders who are terminally ill, affected with certain diseases or permanently confined in a nursing home can access 50% or more of a policy’s death benefit while still living. An accelerated death benefit could pay you a large part of your policy’s death benefit and you could keep your policy.

A very important feature of the accelerated benefit is that when the policyholder dies, the beneficiaries get the remaining death benefit. This means that eventually 100% of the policy benefits will be paid out either to the insured or the beneficiary.

### **Other considerations**

Think about what it will mean if you do sell your policy. Check out the tax implications. Not all proceeds from a viatical settlement are tax-free.

Find out if creditors could claim any of the money you would get from a viatical settlement.

Find out if you will lose any public assistance benefits such as Medicaid or other government benefits if you accept a cash settlement for your life policy.

### **Comparison Shop**

To learn the market value of your policy, it’s a good idea to contact three to five viatical settlement providers. Or you could use a viatical settlement broker who would contact several viatical settlement providers for you. Your financial advisor can help you decide whether to work with a viatical settlement provider or through a viatical settlement broker.

### **Summary**

Everyone’s financial situation is different. A viatical settlement may or may not be the best approach for you. Check it out for yourself. We recommend that you ask an advisor who is qualified to review your finances to help you review your options.

### **Step 3, How the process works**

If you decide to sell your life insurance policy to a viatical settlement provider, you will enter into a viatical settlement agreement with the provider. You, the seller, agree to accept a cash payment for your policy.

The amount will be less than the face amount the policy would pay upon your death. (For example, you might agree to accept a \$75,000 cash payment for a \$100,000 policy.)

The viatical settlement provider buying your policy:

becomes the new owner of your policy,  
names the beneficiary,  
collects the full death benefit when you die,  
begins paying premiums on the policy, and  
may sell your policy again.

There are four basic phases required to complete a viatical transaction.

### **Phase 1— Qualifying to sell your policy (underwriting)**

The viatical settlement provider will need information about you before making an offer. Usually it will take some preliminary information from you over the phone and send you this paperwork to sign:

a medical release form so the viatical settlement provider can get and review your medical records  
an authorization form to contact your insurance company to confirm benefit, premium, and ownership of your policy.

To avoid delays, it's important that you give complete and accurate information about your medical history.

If you apply with more than one viatical settlement provider, each will contact your doctor for medical records and your insurance company for policy information.

### **Phase 2—Calculating the offer**

The viatical settlement provider uses the information it gets in the underwriting phase to make an offer. To develop an offer, a viatical settlement provider takes into account various factors including:

- Estimated life expectancy and medical condition of the insured. Generally, the shorter the life expectancy of the insured, the more the viatical settlement provider will offer for the policy.
- The amount of life insurance coverage.
- Loans or advances, if any, previously taken against the policy.
- Amount of premiums necessary to keep the life insurance policy in force.
- The rating of the issuing insurance company.
- Prevailing interest rates.
- The minimum payment required by Mississippi Insurance Regulation

### **Phase 3—Closing the agreement**

If you accept an offer, a closing package is forwarded to you, the seller, for approval and signature. Closing documents typically include an offer letter, a viatical settlement contract, and the forms the insurance company needs to transfer ownership of the policy to the viatical settlement provider.

The closing documents are then returned to the viatical settlement provider for its signature.

The viatical settlement provider will put the cash payment owed to you in escrow, if required, and send the signed insurance change forms to the insurance company to record the change.

### **Phase 4—Receiving the Payment:**

Once the insurance company notifies the viatical settlement provider that the changes on the life insurance policy have been recorded, the payment is released to you, the seller, within two business days.

In Mississippi, you may have the right to change your mind about the settlement AFTER you receive the money, provided you return all the money. Miss. Code Ann. § 83-7-217(3) allows 15 days to review your settlement arrangement.

### **Step 4, Know your rights**

#### **State laws**

Mississippi provides you with important consumer protections. You'll want to contact the Mississippi Insurance Department if you have any questions about the following consumer protections Mississippi requires:

- A viatical settlement broker or viatical settlement provider arranging viatical settlements must be licensed with the Mississippi Insurance Department.
- The viatical settlement provider buying your policy must keep your identity and medical history confidential unless you give written consent to tell others.
- To protect your proceeds, the viatical settlement provider buying your policy must put your money into an escrow account with an independent party during the transfer process.
- You have the right to change your mind about the settlement AFTER you receive the money, provided you return all the money. You have 15 days to review your settlement arrangement.
- The new owners of your policy are limited in how often they may contact you about your health status.

#### **Federal tax laws**

Two groups of people may receive benefits from a viatical settlement without owing federal income tax:

persons who have been diagnosed with a terminal illness and with a life expectancy of 24 months or less  
and  
certain chronically ill individuals.

If you qualify for this federal tax-free treatment, you also must use a viatical settlement provider that is licensed in the state where you live, or, in states where licensing is not required, that complies with the standards of the National Association of Insurance Commissioners' Viatical Settlements Model Act.

Remember that, as when interpreting any tax laws, it's always best to check with your own financial advisor.

### **Avoiding Consumer Fraud**

If you have been contacted by someone who wants you to buy a policy and then sell it immediately, you should contact your the Mississippi Insurance Department. You may be a target for fraud.

If you are asked to buy a life insurance policy for the sole purpose of selling it, you may be participating in fraud.

If you are asked to invest in a viatical settlement, we recommend you contact the Mississippi Secretary of State's Office to learn more about the issues and risks that might be involved in such an investment.

### **Step 5, Check with your state insurance regulator**

#### **State licensing**

For a complete list of authorized viatical settlement providers, brokers, and their representatives, call the Mississippi Department of Insurance.

#### **Seller Checklist**

Before you sell your policy be sure you know the answers to these questions.

#### **Evaluating your needs**

Do you still need life insurance?

Do you have dependents who might rely on your life insurance benefits should anything happen to you?

If you don't need life insurance protection now, what are the chances you'll need it in the future?

#### **Current policy benefits**

Can you borrow from the cash value?

Can you cancel the policy for its current cash value?

Can you use the cash value as collateral to get a loan from a financial institution?

Do you have an accelerated death benefit feature?

## **Taxes and other financial considerations**

Is the money you get from selling the policy taxable?

Will the money you get from selling the policy affect your eligibility for government benefits?

Do you need the advice of a tax or estate planning specialist before you decide to sell your policy?

If you sell your policy, can any of your creditors claim the money?

## **Understanding the process**

If you sell your policy, who will be the legal owner?

Is the viatical settlement provider buying your policy licensed?

If you sell your policy, how will the value you get be calculated? What interest rate will be used?

If you sell your policy but then change your mind, can you get your money back?

Will investors have specific information about you, your family or your health status?

How are fees or commissions paid to the viatical settlement broker or provider?

## **Protections in your state**

Contact the Mississippi Insurance Department to find out more about the laws governing viatical settlements in Mississippi.