

WHAT YOU NEED TO KNOW ABOUT TRUST OWNED LIFE INSURANCE



As a trustee, chances are, you need to know more about Trust Owned Life Insurance (TOLI).

WHY TOLI TRUSTEES ARE AT RISK

A recent Prince & Associates study found that 83.5 percent of advisors who reported acting as trustees said they did not have stated guidelines and procedures for overseeing life insurance. At the same time, the law is very specific about the duties and liabilities of trustees under the Uniform Prudent Investors Act. It may come as no surprise that litigation has increased in this area, with the potential for sizable judgments against trustees.

A PRO-ACTIVE SOLUTION

If you have concerns about your personal liability... about how the current market climate and interest rates affect your TOLI portfolios...and whether there may be newer, better, more cost-efficient solutions...contact us. As specialists in Trust Owned Life Insurance, we have helped trustees, attorneys and advisors across the country with these challenges. Our approach is based on The TOLI Expert System[®] – a time-tested professional process employing analytical tools developed and managed by our nationally-recognized team of trust owned life insurance experts.

HOW WE CAN BENEFIT BOTH THE CLIENT AND TRUSTEE

The TOLI Expert System[®] employs a five-step process that draws upon our specialized expertise and tools in estate planning, investment theory, trust law, accounting, and risk management (*see page two*). Through this specialized system, the client is assured of a cogent and thorough process resulting in written documentation which sets forth:

- ✓ Clear objectives for the insurance, and
- ✓ Written quantifiable standards to assist the trustee in the selection, structure, maintenance and service of the policy over the grantor's lifetime

WE INVITE YOU TO TAKE THE NEXT STEP

Our professional expertise, process and tools can help you measure and manage policy performance, as well as provide you with the documentation needed to demonstrate compliance with the UPIA. We invite you to contact us at (866) 696-8141 to set up a confidential meeting to discuss a specific client situation and help you uncover dangers and opportunities that may be buried in trust owned insurance policies. From there, we can determine how to best assist you and your client.

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OUR FIVE-STEP PROFESSIONAL PROCESS



The TOLI Expert System® employs a five-step process that draws upon our specialized expertise and tools in estate planning, investment theory, trust law, accounting, and risk management.

1. THE LIFE INSURANCE DESIGN QUESTIONNAIRE® – is an analytical assessment tool that helps the grantor clarify the purpose of the insurance held in trust and creates objective specifications for evaluating the insurance.

2. THE LIFE INSURANCE POLICY MANAGEMENT STATEMENT™ – gives clear direction to trustees on how they can optimize policies held in trust and clarifies in writing the duties of the advisor and the trustee.

3. THE UNDERWRITING ADVOCACY PROCESS™ – is an optional service that assists advisors with helping clients obtain large amounts of insurance for the trust when the proposed insured has significant health impairments.

4. THE COMPREHENSIVE MARKET ANALYSIS™ – examines and compares various insurance products from several carriers using objective, quantifiable standards established by the client. This written report gives the trustee the assurance that the selection criteria are consistent with the process required of a fiduciary in accordance with the Uniform Prudent Investor Act.

5. THE POLICY ASSURANCE PROTOCOL™ – is a written service contract between the Trustee and the Advisor. It provides for an annual process to review and report on the policies held by the trust and assures that policies are managed in a manner consistent with the intent of the grantors and will produce the optimum benefit for the beneficiaries as outlined in The Life Insurance Policy Management Statement™.



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