



# LIFE SETTLEMENT APPLICATION

## CHECKLIST FOR APPLICATION PACKAGE

- Application filled out completely, signed, dated and witnessed
- HIPAA compliant release (“Authorization”) signed, dated and witnessed
- Notice of Disclosure (“Disclosure”) signed, dated and witnessed
- Copy of the insurance policy if available, or a copy of the face page
- In force illustrations showing zero cash value at maturity
  - If Universal Life policy, show minimum premium payments
  - If Term policy, submit a current illustration and a conversion illustration to a permanent policy showing minimum premium payments
  - If Whole Life policy, run a vanishing premium illustration
- Medical records for the last five years including family history
- If policyowner has ever been bankrupt, include a copy of the bankruptcy discharge
- If policyowner has ever been divorced, include a copy of the divorce decree

In some cases the following may be requested: updated medical records, doctors’ notes, test results, or alternate illustrations.

\_\_\_\_\_  
Representing Agent (print name)

\_\_\_\_\_  
Broker/Dealer

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Fax

\_\_\_\_\_  
E-Mail

Is the representing agent the agent of record?     Yes     No

\_\_\_\_\_  
Agent signature

\_\_\_\_\_  
Date

**REMINDER: ALL NEW CASES MUST HAVE THIS DOCUMENT ATTACHED AND MUST BE SENT TO OUR PROCESSING CENTER.**

**3 Mark Financial Texas, Inc.**  
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# LIFE SETTLEMENT APPLICATION

## INSURED INFORMATION

First Insured Name		Date of Birth	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
First Insured Social Security Number	Driver's License Number	Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, what country?	
Daytime Telephone Number		Evening Telephone Number	
Address			
City	State	Zip	
Second Insured Name (if joint policy)		Date of Birth	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
Second Insured Social Security No.	Driver's License Number	Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, what country?	
Daytime Telephone Number		Evening Telephone Number	

## OWNER INFORMATION

Policy Owner		Social Security or Tax ID number(s)	
Complete Trust or Corporation name, and names of Trustee(s) or two officers			Date of Trust
Owner's Permanent Address			
City	State	Zip	
Beneficiary	Has the policy Owner ever declared bankruptcy? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, date discharged: _____		
Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, what country? _____		Driver's License Number(s)	

## LIFE INSURANCE POLICY INFORMATION

Insurance Company		Policy Number	Issue Date
Face Amount \$	Total Policy Loan \$	Current Annual Premium \$	
Next Premium Amount \$	Next Premium Due Date	Premium Payments <input type="checkbox"/> Annual <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	
Current Cash Surrender Value \$	Policy Type: Universal Life Whole Life Variable Life Term Survivorship Other (Please specify) _____		

Are there any liens against the policy?

Yes  No If yes, explain: \_\_\_\_\_

If there are multiple owners, please attach an additional page including full name of owner(s), date of birth, driver's license number, social security or tax ID number, address and telephone number with area code. If more than one policy is being submitted, please attach an additional page including policyowner(s) and life insurance policy information as requested above.



# LIFE SETTLEMENT APPLICATION

## MEDICAL INFORMATION

Please list any specific health conditions: \_\_\_\_\_

Height: \_\_\_\_\_ Weight: \_\_\_\_\_

Has insured smoked:  Cigarettes  Cigars  Cigarillos  Pipe      In the past 12 months?  Yes  No

### *First Insured*

Name of Primary Physician		Date/Reason Last Seen
Address		Telephone Number (with area code)
City	State	Zip
Name of Specialist Physician		Date/Reason Last Seen
Address		Telephone Number (with area code)
City	State	Zip

### *Second Insured (if joint policy)*

Name of Primary Physician		Date/Reason Last Seen
Address		Telephone Number (with area code)
City	State	Zip
Name of Specialist Physician		Date/Reason Last Seen
Address		Telephone Number (with area code)
City	State	Zip

*If there are any other physicians who have treated you in the last five years, please attach an additional page including full name of physician(s), address, and telephone number with area code.*

## PERSONAL ACKNOWLEDGEMENT

I represent and warrant that the information contained in this application is correct and accurate and you may rely thereon and that I will immediately notify 3 Mark Financial Texas, Inc. of any changes in the information. I further give my consent to 3 Mark Financial Texas, Inc and its agents to release this application and all information gathered while processing it as necessary for the sole purpose of soliciting the purchase of my life insurance policy. I acknowledge that I am submitting this application for 3 Mark Financial Texas, Inc to evaluate the purchase of my life insurance policy and that 3 Mark Financial Texas, Inc is under no obligation to purchase my policy. I acknowledge I may be contacted by 3 Mark Financial Texas, Inc regarding the information contained in this application. I understand that some or all of the proceeds from a life settlement may be taxable and that I am encouraged to consult with an attorney or tax advisor concerning this transaction. I also acknowledge that neither 3 Mark Financial Texas, Inc nor any of its affiliates or representatives have made any representations or provided any advice concerning the possible tax consequences or treatment of the proceeds of this transaction.

Insured name	Signature	Date
Second insured name	Signature	Date
Policyowner name	Signature	Date
Witness name	Signature	Date



# AUTHORIZATION

Please include this authorization to release records and policy information with this application.

I hereby authorize each physician, doctor, physician practice group, nurse, pharmacy, hospital, clinic and/or any other health care provider identified below (each, an "Authorized Discloser") to provide 3 Mark Financial Texas, Inc. and/or any of its affiliates, directors, officers, employees, agents, independent contractors, service providers or other authorized representatives ("3 Mark"), any and all information and/or records as to diagnosis, treatment and/or prognosis (including any and all dates thereof) concerning my past, present or future physical or mental history or condition. I also specifically authorize each Authorized Discloser to release to 3 Mark the results of any HIV or AIDS test as well as any other information relating to sexually transmitted diseases, drug or alcohol abuse and psychiatric evaluations and/or information.

I understand that all medical information disclosed hereunder will be treated as confidential and will only be used by 3 Mark in connection with its decision to purchase and/or maintain one or more life insurance policies under which my life is insured. I further understand that I am not required to sign this Authorization in order to obtain health care benefits (treatment, payment or enrollment).

I hereby authorize my insurance company to furnish 3 Mark with any information or forms in connection with any life insurance policy under which my life is insured (including any conversions thereof or replacements therefore).

I acknowledge and understand that I may revoke this Authorization at any time with respect to any Authorized Discloser by notifying such Authorized Discloser of my revocation of this Authorization in writing and delivering my revocation by mail or personal delivery at such address designated by such Authorized Discloser; provided, that, any revocation of this Authorization shall not apply to the extent that (i) the Authorized Discloser has taken action in reliance upon this Authorization prior to receiving notice of my revocation or (ii), if this Authorization was obtained as a condition of obtaining insurance coverage, other law provides an insurer with the right to contest a claim under an insurance policy.

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, any of my medical information disclosed by any Authorized Discloser to 3 Mark may be redisclosed by 3 Mark and 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 I fully understand its contents. I will retain a copy of this signed Authorization for future reference.

I specifically authorize and request my insurance company and each Authorized Discloser to rely upon a photostatic or facsimile copy or other reproduction of this Authorization.

This Authorization shall remain valid until, and shall expire on, the date one year following the date of my death.

**AUTHORIZED DISCLOSERS:**

name of insured	signature of insured	date
date of birth	social security number	
name of witness	signature of witness	date
name of owner (if other than insured)	signature of owner (if other than insured)	date
name of witness	signature of witness	date



## DISCLOSURE

Insured's Name: \_\_\_\_\_ Social Security: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

### NOTICE OF DISCLOSURE

1. There may be alternatives to a life settlement contract including, but not limited to, accelerated benefits, loans secured by the policy, and surrender of the policy for cash value offered by the issuer of the policy for which you may be eligible. The terms and conditions of such benefits may vary with each individual insurance carrier and/or policy. We encourage you to contact the issuer of your policy to discuss these other benefits.
2. Some or all of the proceeds of your life settlement may be taxable under federal income tax and/or state franchise and income tax laws. 3 Mark Financial Texas, Inc. strongly urges you to consult your own attorney or tax advisor concerning this transaction. 3 Mark Financial Texas, Inc. makes no representation and gives no advice concerning the possible tax consequences or treatment of the proceeds of this transaction.
3. Some or all of your life settlement proceeds may adversely affect your eligibility for social security income, public assistance, public medical services including Medicaid or other government benefits or entitlements. Advice on such effects should be obtained from the appropriate government agencies.
4. Proceeds from a life settlement may not be exempt from claims of creditors, personal representatives, trustees in bankruptcy and receivers in state or federal court.
5. If your policy contains a provision for double or additional indemnity for accidental death, or contains riders or other provisions insuring the lives of a spouse, dependents or others, there may be a loss of coverage. We urge you to contact the issuer of your life insurance policy for information on these provisions.
6. Entering into a life settlement will have an effect on payment of premiums and disposition of proceeds, cash values and dividends and may cause other rights or benefits, including conversion rights and waiver of premium benefits that may exist under the policy to be forfeited by you.
7. All medical, financial or personal information solicited or obtained by 3 Mark Financial Texas, Inc. about the insured, including the insured's identity or the identity of family members, a spouse or significant other, may be disclosed as necessary to effect the life settlement between you and 3 Mark Financial Texas, Inc.. If the insured is asked to provide this information, the insured 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 may be asked to renew his or her permission to share information every two years.
8. The insured may be contacted by 3 Mark Financial Texas, Inc. or its authorized representative for the purpose of determining the insured's health status. This contact will be limited to no more frequently than once every three (3) months.
9. Funds will be sent to you within three (3) business days after 3 Mark Financial Texas, Inc. has received the insurer's or group administrator's acknowledgement that ownership of the policy or interest in the certificate has been transferred and the beneficiary has been designated.
10. You have the right to rescind a life settlement contract before the earlier of thirty (30) calendar days after the date upon which the settlement contract is executed by all parties or fifteen (15) calendar days after the receipt of the settlement proceeds. Rescission is effective only if both notice of the rescission is given, and repayment of all proceeds and any premiums, loans, and loan interest to the settlement provider is made within forty-five (45) days after the end of the rescission period. If the insured dies during the rescission period, the settlement contract shall be deemed rescinded.
11. You are encouraged to contact an attorney, accountant, financial planning advisor, insurer, tax advisor or social services agency regarding potential consequences resulting from entering into a life settlement.
12. An NAIC brochure describing the sale of your life insurance policy is provided.



# DISCLOSURE

Insured's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Insured's Typed or Printed Name: \_\_\_\_\_

Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner's Typed or Printed Name: \_\_\_\_\_

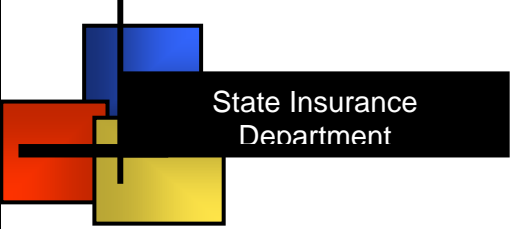
Witness's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Witness's Typed or Printed Name: \_\_\_\_\_

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State Insurance  
Department

# Viatical Settlements

## *Buying Viaticals as Investments*

### **Before You Decide**

*Viatical settlements allow life insurance policyholders to sell their policies to investors for an immediate cash benefit. In return, the buyer of the viatical settlement 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 viatical 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.*

*If you are asked to put your money into this type of investment, it is critical that you understand the risks involved, know how your investment will be used and know what the likely return will be. Contact your state insurance department if you need more information.*

### **Be an Informed Investor**

- A viatical settlement is not a liquid investment. You can't "cash in" your principal if you change your mind. There is no return on your investment until the insured dies and the death benefit is paid.
- There is no guaranteed annual rate of return. The rate of return depends on when the insured dies and no one can perfectly predict a person's life expectancy. You should find out the life expectancy of the insured and how that determination was made. Remember that individuals who sell their policies in a viatical settlement may not have a life-threatening illness. They may be selling the policy because they can't afford it or no longer need it.
- You are investing in a life insurance policy and premiums must be paid until the insured dies. Find out who is responsible for paying the premiums. Could *you* ever be responsible for paying the premiums? For example, if the insured lives longer than expected, will you have to pay the premiums? If so, this could decrease your rate of return.

## Watch for These Special Risks

- **Group Insurance:** The main risk under an employer provided group policy is that the employer or the insurance company could terminate the group policy. If that happens, the insured may have the right to change to an individual policy but the premium will usually be higher. You will want to ask if there are any special rules about changing from the group policy and who will be responsible for paying any additional premiums.
- **Incontestable Clause:** Insurance companies may refuse to pay death claims for policies less than two years old. In the first two years, the death benefit could be denied for various reasons including suicide or false medical information.
- **Term Insurance:** Term life insurance is issued for a certain number of years. An insurance company won't pay the death benefit if the insured outlives the term of the policy. Find out if it is possible to change the policy to a whole life policy.
- **Retirement Funds:** If you will be using money from retirement funds such as a 401(k), IRA, Keogh, or another qualified retirement plan, check with your tax advisor first to make sure you won't lose any tax advantages.

## Questions to Ask

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- Is the principal and return on my investment guaranteed?
- How is the return on my investment calculated?
- When is the principal and return on my investment paid?
- What fees or other cost am I required to pay?
- Will I ever be required to pay the premiums on the insurance policy?
- What happens if the insured outlives me?
- 

*Your state insurance department and the National Association of Insurance Commissioners want you to have the facts about viatical settlements before you invest. This pamphlet provides some of that information, but it's only a starting point. Consult your own professional financial advisor, attorney, or accountant to help you decide if this is the most suitable investment for you.*

## Always Check with Your State

- Your state may have a list of viatical settlement providers and brokers licensed to do business in the state. Make sure yours are on the list.
- Ask for a copy of regulations related to viatical settlements for your financial advisors to review.

## Selling a Life Insurance Policy?

If you're interested in selling your life insurance policy, contact your state insurance department *before* you make a decision.

**STATE INSURANCE  
DEPARTMENT**

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