



3 Mark Financial - Texas, Inc.
1600 Highway 6 Suite 400
Sugar Land, TX 77478
281.269.2300

PROMULGATED DISCLOSURE – STATE OF TEXAS

NOTICE OF DISCLOSURE (TEXAS)

- 1. Receipt of a life settlement may affect your eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. The money you receive for your life insurance policy also may be taxable. Before completing a life settlement contract, you are urged to consult with an attorney, accountant, estate planner, financial planning advisor, your insurer or insurance agent, tax advisor, or a social service agency concerning how receipt of a payment will affect you, your family, and your spouse's eligibility for public assistance. For more information about life settlements generally, contact the Texas Department of Insurance at 1-800-252-3439.**

Life settlement -- A transaction whereby a written agreement is solicited, negotiated, offered, entered into, delivered, or issued for delivery in this state, under which a life settlement provider acquires, through assignment, sale, or transfer of a policy insuring the life of an individual who does not have a catastrophic or life-threatening illness or condition, by paying the owner or certificate holder compensation or anything of value that is less than the net death benefit of the policy.

- 2. El aceptar una liquidación tipo pago en vida podría afectar que usted pueda inscribirse en los programas de asistencia pública, tales como los de Asistencia Médica de Medicaid, Ayuda para Familias con Hijos Menores (AFDC), Ingreso Suplementario del Seguro Social (SSI) y otros programas de ayuda para la compra de medicamentos. Es posible que también tenga que pagar impuestos por el dinero que usted reciba por su seguro de vida. Antes de firmar cualquier acuerdo tipo pago en vida lo exhortamos que consulte con un abogado, contador, planeador de patrimonios, consejero económico, su aseguradora o agente de seguros, consejero (perito) en materia de impuestos o con (y con) una agencia (las agencias) de servicios sociales para que se informe cómo el recibo de dichos pagos podría afectar su capacidad, la de su familia y la de su cónyuge para recibir asistencia pública. Para más información en general respecto a los acuerdos tipo pago en vida llame al Departamento de Seguros de Texas al 1-800-252-3439.**

Pago en Vida - Una transacción en la cual por medio de un contrato por escrito a cumplir en este estado se solicita, negocia, ofrece, compromete, establece o expide, que bajo dicho contrato un proveedor de liquidación tipo pago en vida adquiera, por medio de asignación, venta o transferencia, la póliza de seguro de vida de un individuo que no padece de una enfermedad o padecimiento catastrófico o que amenaza la vida, al pagar al propietario o tenedor de la póliza una compensación o cualquier cosa de valor de menos cuantía que la suma neta del beneficio de muerte que estipula la póliza.

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LIFE SETTLEMENT APPLICATION - TEXAS

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.

Life Insurance Agent (print name)

Broker/Dealer

Address

Phone

Fax

E-Mail

Is the agent also the agent of record on original policy? Yes No

Is the agent registered with the Texas Department of Insurance? Yes No

Agent signature

Date

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

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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 Texas
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 (Please complete a separate application for each policy).

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 \$0	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: _____

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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.

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

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PERSONAL ACKNOWLEDGEMENT

I represent 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. 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 3 Mark Financial - Texas, Inc. has not 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

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Required Notice
Important Information You Need to Know
Before Entering Into a Life Settlement

What are life settlements?

A life settlement is the sale of a life insurance policy or certificate (hereafter referred to as policy) issued on the life of a person, who does not have a catastrophic or life-threatening illness or condition that is likely to result in death within 24 months, for a dollar amount that is less than the policy's face value. The person who is insured under the policy is called a life settlor. This person may or may not be the owner of the policy. Only the owner of the policy has the right to sell the policy. If you do not own the policy, the owner cannot sell the policy without your consent. The entity that buys the policy is called a life settlement provider (hereafter referred to as provider) and must have a registration from the Texas Department of Insurance (hereafter referred to as TDI). Additionally, there are persons called brokers or provider representatives, who help with the sale of the policy. The provider representative or broker must also have a registration from TDI.

A life settlement offers you the opportunity to receive a portion of your policy's death benefit while you are still alive.

How do life settlements work?

Most providers, provider representatives, or brokers will ask you to complete an application and medical release forms so that they can gather information from your life insurance company and your doctors. All information gathered must be kept confidential and cannot be given to anyone without your written approval. If you qualify, the provider will make you an offer for your policy. The amount offered for your policy will be based on facts such as how long you are expected to live, the amount you pay for premiums, the rating of your insurance company, and your policy's provisions (e.g., a waiver of premium). If you accept the offer, you will be asked to sign a life settlement contract.

Do I have to sell all of my policy?

No. You can sell all of your policy or you can sell only a part of your policy. If you sell only a part, you will be required to assign or transfer only the part being sold. If you sell the entire policy, the provider will become the new owner of the policy.

Is there a difference between a broker and a provider representative?

Yes. Although both a broker and a provider representative will help you with the sale of your policy, there are important differences between them. A broker works for you. A broker will check with several providers to find the best offer for you. A provider representative works for a provider. A provider representative will only check with the provider that he or she works with to get you their offer. If you use someone to help with the sale of your policy, you may want to ask whether they are a broker or a provider representative.

Is the provider, provider representative, or broker required to keep my information confidential?

Yes, any financial, medical, or personal information obtained by a provider, provider representative, or broker about you, including your family members, a spouse, or a significant other, may not be shared with anyone unless you have given written approval that the information may be shared. Any written approval for the sharing of this information must show who may get the information and why it will be released.

If I enter a life settlement contract, when will I get my money and who from?

The answer to this question depends on how the provider runs its business. Some providers use an escrow agent or trustee to handle the money that will be paid to you. If an escrow agent or trustee is used, the escrow agent or trustee will send you the money within three business days of the date the insurance company confirms to the provider that the transfer of ownership has been completed. If an escrow agent or trustee is not used, the provider will send you the money within three business days from the date you signed both the contract and the papers needed to transfer or assign your policy to them.

What if I change my mind?

If you change your mind about selling your policy, you can cancel the life settlement contract at any time up to the 15th day after you receive the money from the provider. To cancel the life settlement contract, you will have to return any money the provider paid to you for the purchase of your policy along with any premiums the provider paid to keep the policy in force. If you change your mind, remember to arrange with the provider to have the insurance company transfer the ownership of the policy back to you.

What if I die shortly after selling my policy?

If you die at any time up to the 15th day after you receive the money from the provider, the settlement contract will automatically cancel. The provider will pay the owner of your policy or beneficiaries designated by the owner in the life settlement contract any proceeds it receives from your policy, minus any money it already paid for the purchase of your policy and any premiums it paid to the insurance company to keep your policy current. The insurance company or the provider should refund any unearned premiums paid.

What happens after I get my money?

After the provider has paid the owner for the sale of the policy, they may begin calling to check on the health status of the life settlor.

What if I don't want to be contacted about my health status?

If you do not want to be contacted about your health status, you may appoint an adult person or persons to be contacted on your behalf. That person must be in regular contact with you and you must give the provider their name, address and phone number. Once you give the provider this information, they may not contact you unless they have tried and have not been able to reach your contact person for more than 30 days. If you need to, you can change your contact person at any time by sending a written notice to the provider.

How will I know who will be calling me or my contact person about my health status and how often can they call?

The provider must give you the name, address, and phone number of the person who will be contacting you or your contact person(s) about your health status. If your life is expected to end in one year or less, contacts to check on your health status are limited to once every 30 days. If you are expected to live for more than one year, contact is limited to once every three months.

Will the provider be calling my doctor to check on my health status?

Some providers will use your signed medical release form to check with your doctor for updates on your health status. The medical release form tells your doctor that you want your doctor to give your medical information to the provider, their broker, or provider representative. If you decide you do not want the provider to contact your doctor, you have the right to withdraw your medical consent in accordance with law.

Does anyone make money or commissions from the sale of my policy?

You have the right to ask for and receive the names of all the people who have or will receive some type of payment from the sale of your policy, along with the amount and terms of the payment. You may ask for this information at any time.

How will I know if my policy includes extra coverages like accidental death, future increases in the death benefit, or covers other family members? Do these affect my settlement?

Some policies contain extra coverages. You may want to contact your insurance company or agent to see if your policy contains a provision or rider providing extra coverages.

If your policy includes a benefit for accidental death, the additional death benefit may not be included as part of your settlement. The additional death benefit will remain payable to your beneficiaries or your estate.

If your policy provides future increases in the death benefit, you may want to ask how much the provider is paying you for the purchase of this benefit.

If your policy is a joint policy, or provides coverage on the lives of other family members or anyone other than yourself, there may be a possible loss of coverage.

Are there other options available besides selling my policy?

Your insurance company may offer options, such as accelerated death benefits, loans, and surrender of the policy for its cash value. Before entering into a life settlement, you should contact your insurance company or agent to see what options are available.

What other things should I know about a life settlement contract?

Some things that may be affected if you enter a life settlement are:

- there may be a loss of life insurance coverage on your spouse or other family members, if the policy (or any riders attached to it) covers their lives;
- the amount of premiums you pay;
- policy cash values or dividends, if provided for in the policy;
- a loss of other rights or benefits, including conversion rights and waiver of premium benefits that may exist under the your policy;
- you may incur tax consequences;
- your ability to receive supplemental social security income, public assistance, and public medical services including Medicaid; and
- the money you receive for your life settlement could be taken away from you by creditors, personal representatives, trustees in bankruptcy, and receivers in state or federal court.

Because of the above, you should contact an attorney, accountant, estate planner, financial planning advisor, tax advisor, social services agency, your insurance company, or agent, as applicable, to find out what effect selling your policy will have on you.

What if I have a complaint?

You may file a complaint with the Texas Department of Insurance, Consumer Protection, Mail Code 111-1A, P. O. Box 149091, Austin, Texas 78714-9091; or by calling the Consumer Help Line between 8 a.m. and 5 p.m., Central time, Monday-Friday at 1-800-252-3439; by faxing a complaint to TDI at 1- 512-475-1771; by completing a complaint on-line at www.tdi.state.tx.us; or by e-mailing a complaint to Consumer.Protection@tdi.state.tx.us