



## Life Settlements Disclosure Regarding Public Assistance

### English

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

### Español

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.

TFS-DPA-06/1



## Qualification Form

### PERSONAL INFORMATION

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

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

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

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

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

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

Daytime Telephone Number: \_\_\_\_\_ Evening Telephone Number: \_\_\_\_\_

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.

### IF POLICY OWNER IS DIFFERENT THAN INSURED

Policy Owner (*if other than insured*): \_\_\_\_\_

Name of Trustee: \_\_\_\_\_ SS or Tax ID #: \_\_\_\_\_

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

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

Daytime Telephone Number: \_\_\_\_\_ Evening Telephone Number: \_\_\_\_\_

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, Trustees or Beneficiaries including address and telephone information on a separate sheet.**

TFS-QP1-06/1



**LIFE INSURANCE POLICY INFORMATION**

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

Policy Number: \_\_\_\_\_ Date policy was issued: \_\_\_\_\_

Coverage/Face Amount:\$ \_\_\_\_\_ Amount of Premium:\$ \_\_\_\_\_  
(monthly/quarterly/semi-annually/annually)

Loan Amount:\$ \_\_\_\_\_ Current Surrender Amount: \$ \_\_\_\_\_

Type of Policy: Term ( ) Whole Life ( ) Universal Life ( ) Group (employer)( ) Other ( )

Policy Premium Financed? - Yes ( ) No ( ) Finance Company \_\_\_\_\_

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

**MEDICAL HISTORY**

Name of Personal Physician(s): \_\_\_\_\_

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

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

Telephone #: \_\_\_\_\_ Facsimile #: \_\_\_\_\_

Give a description of your current and past medical condition(s) and diagnosis dates:

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

Please list the names and phone numbers of any additional Physicians and/or Specialists:

Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_

Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_

Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_

**FRAUD WARNING**

ANY PERSON WHO KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE OR AN APPLICATION FOR A LIFE SETTLEMENT CONTRACT IS GUILTY OF CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

TFS-QP2-06/1



**AUTHORIZATION FOR DISCLOSURE OF INSURANCE POLICY INFORMATION AND  
PROTECTED HEALTH INFORMATION  
(HIPAA COMPLIANT)**

The undersigned insured (hereafter referred to as “I”, “me” or “my”), authorize the disclosure of my protected health information as defined under the privacy regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (“PHI”) as follows:

1. I hereby authorize any physician, medical practitioner, hospice, hospital, clinic, health care provider, or other medical or medically related facility, insurance support organization, pharmacy, governmental agency, insurance company, group policyholder, employer, benefit plan administrator, or any other institution or person (each, an “Authorized Discloser”) to provide **Trinity Financial Services, LLC** and/or its authorized representative, my life insurer (collectively, the “Authorized Recipient”) with any and all information as to diagnosis, treatment and prognosis with respect to any physical or mental condition including psychiatric conditions, drug or alcohol abuse, of or related to the insured.
2. This authorization allows for the disclosure, inspection, and copying of any and all records, reports, and/or documents, including any underlying data, regarding the care and treatments or hospitalization, including, but not limited to, all testing materials completed by or administered to the insured, along with any and all medical charts, clinical or doctors’ notes, memoranda, medical reports, X-ray reports, index cards, history notes, pictures, records and medical bills in your possession and control. This authorization shall apply to any and all of the insured’s health and medical records and information, whether or not personally identifiable or protected under any federal or state confidentiality or privacy laws or regulations.
3. Release of Policy Information. (For Financial Purposes). I understand that the information authorized for release may also include life insurance policy information, including but not limited to, applications, forms, Verification of Coverage, Illustrations, riders and amendments concerning any life insurance policy under which my life is insured. I hereby authorize my life insurance company to furnish Trinity Financial Services, LLC with any information herein described above.
4. I understand that life settlement providers, their medical underwriters, contingency re-insurers and any other entity which requires or is compelled by law to receive such PHI to complete a life settlement contract transaction or in order to sell a life settlement contract (each “Authorized Recipient”) will use information released or obtained pursuant to this authorization for the purpose of pursuing and/or completing the sale of life insurance policy(ies) of which I am the owner or which I am the insured, and I hereby expressly authorize such use and disclosure of my PHI made under this authorization. I understand that my PHI may be secured by a third-party provider and may be electronically transmitted to the Authorized Recipient, including transmission via web posting to a secure web site. I agree that a photocopy or facsimile of this authorization shall be valid as the original.
5. I agree that this authorization shall remain valid for the life of the undersigned (or the last to survive of the undersigned if more than one signatory) or until the policy lapses without the possibility of reinstatement, whichever is earlier, absent any provisions of any applicable state statute or regulation to the contrary, in which event it shall remain valid for the maximum period permitted there under.

1<sup>st</sup> Insured or Patient’s Signature: \_\_\_\_\_ Date: \_\_\_\_\_

2<sup>nd</sup> Insured or Patient’s Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Policy Owner’s Signature: \_\_\_\_\_ Date: \_\_\_\_\_

TFS-QP4-06/1



**AUTHORIZATION CONTINUED**

6. Right to Revoke Authorization: I acknowledge and understand that I may revoke this authorization any time with respect to any Authorized Discloser by notifying such Authorized Discloser 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 Discloser; provided, that, any revocation of this authorization shall not apply to the extent that the Authorized Discloser has taken action in reliance upon this authorization prior to receiving written notice of my revocation.
7. Inability to Condition Treatment, Payment, Enrollment or Eligibility for Benefits on Provision of Authorization: I understand that this authorization is voluntary and I am not required to sign. No Authorized Discloser 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 HIPPA 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 Discloser to an Authorized Recipient to be subject to re-disclosure by the Authorized Recipient and my PHI that is disclosed to such Authorized Recipient may no longer be protected by the HIPPA Privacy Regulations.

I certify that I am executing and delivering this authorization freely and unilaterally as of the date written below. 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.

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

Signature of 1<sup>st</sup> Insured: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of 2<sup>nd</sup> Insured: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Policy Owner: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Witness: \_\_\_\_\_ Date: \_\_\_\_\_



**Acknowledgment Form for Life Settlements**

THE STATE OF \_\_\_\_\_ §  
§ KNOW ALL MEN BY THESE

PRESENTS:

COUNTY OF \_\_\_\_\_ §

That \_\_\_\_\_ and  
(Name of Life Settlor)

\_\_\_\_\_ does acknowledge that, to the best  
(Name of Policy Owner, if different from the Life Settlor)

of his/her knowledge, the following are true representations:

- The Life Settlor does not have a catastrophic or life-threatening illness or condition that is likely to result in death within 24 months.
- A copy of the required written disclosures have been received and read by the Life Settlor and the policy owner.
- All of the documents (applications, medical release forms, etc.) used to effect the life settlement have been received and read by the Life Settlor and the policy owner.
- The life settlement contract is being entered into knowingly and voluntarily.

Witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Life Settlor's Signature

\_\_\_\_\_  
Policy Owner's Signature, if different  
from the Life Settlor

\_\_\_\_\_  
Life Settlor's Printed Name

\_\_\_\_\_  
Policy Owner's Printed Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

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

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



THE STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

Before me, \_\_\_\_\_, on this day personally appeared  
(Printed name of Notary)  
\_\_\_\_\_ and \_\_\_\_\_,  
(Printed name of Life Settlor) (Printed name of Policy Owner, if different from the Life Settlor)

known to me to be the person(s) whose name(s) is subscribed to the foregoing instrument, and acknowledged to me that the named person(s) executed the same for the purposes and considerations therein expressed, in the capacities therein stated, and as the act and deed of said Life Settlor and policy owner.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Notary Seal)

\_\_\_\_\_  
(Notary Public Signature)  
Notary Public, State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



## **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 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 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 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 15<sup>th</sup> 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 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](http://www.tdi.state.tx.us); or by e-mailing a complaint to [consumer.protection@tdi.state.tx.us](mailto:consumer.protection@tdi.state.tx.us).