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NY, CA AND IL DISCLOSURE REQUIREMENTS

NY – Disclosure to Owner

1. there are possible alternatives to life settlement contracts, including accelerated benefits offered by the issuer of the policy;
2. some or all of the proceeds of a life settlement contract may be taxable and that advice should be sought from a professional tax advisor;
3. the proceeds from a life settlement contract could be subject to the claims of creditors;
4. receipt of proceeds from a life settlement contract may adversely affect the recipients' eligibility for public assistance or other government benefits or entitlements and that advice should be obtained from the appropriate agencies;
5. the owner has a right to rescind a life settlement contract from the time of execution of the contract until fifteen days after the receipt of the life settlement proceeds by the owner;
6. proceeds will be sent to the owner within the business days after the life settlement provider has received the insurer or group administrator's acknowledgment of the ownership of the policy or interest in the certificate and the beneficiary has been designated in accordance with the terms of the life settlement contract;
7. entering into a life settlement contract may cause other rights or benefits, including conversion rights and waiver of premium benefits, that may exist under the policy or certificate of a group policy to be forfeited by the owner and that assistance should be sought from a professional financial advisor;
8. gross offer or bid that the life settlement provider shall pay pursuant to the life settlement contract; the net amount to be paid to the owner pursuant to the life settlement contract; the name of each life settlement broker, life settlement intermediary, insurance producer or insurance consultant that will be compensated by the life settlement provider, or any affiliate, parent corporation, or subsidiary of the life settlement provider; and the amount of compensation that the life settlement provider, or any affiliate, parent corporation or subsidiary of the life settlement provider, shall provide to a life settlement broker, life settlement intermediary, insurance producer or insurance consultant, or any affiliate, parent corporation or subsidiary of such broker, intermediary, producer, or consultant, pursuant to the life settlement contract. For the purposes of this paragraph, "gross offer or bid" means the total amount or value offered by the life settlement provider for the purchase of one or more life insurance policies, inclusive of commissions and fees;
9. the date by which the funds will be available to the owner and the transmitter of the funds;
10. the life settlement provider or life settlement broker is required to provide an owner during the solicitation process with a consumer information booklet in a form prescribed by the superintendent, or other similar material, subject to the approval of the superintendent;

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state-approved forms

11. the insured may be contacted by either the life settlement provider or life settlement broker, or any authorized representative thereof, for the purpose of determining the insured's health status or to verify the insured's address, and that the contact shall be limited to once every three months if the insured has a life expectancy of more than one year, and no more than once per month if the insured has a life expectancy of one year or less;
12. any affiliations or contractual arrangements between the life settlement provider and the issuer of the policy to be settled;
13. any affiliations or contractual arrangements with any other life settlement provider, life settlement broker, life settlement intermediary or party financing the transaction;
14. a life settlement broker represents exclusively the owner, and not the insurer or the life settlement provider or any other person, and owes a fiduciary duty to the owner, including a duty to act according to the owner's instructions and in the best interest of the owner;
15. the name, business address, telephone number and e-mail address of the independent, third party escrow agent and that the owner has the right to inspect or receive copies of the relevant escrow or trust agreements or documents;
16. a change of ownership could in the future limit the insured's ability to purchase future insurance on the insured's life because there is a limit to how much coverage insurers will issue on one life; and
17. the name, business address, telephone number and e-mail address of the life settlement provider.

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NY – Disclosure to Insured

1. the insured may be contacted by either the life settlement provider or life settlement broker or any authorized representative thereof, for the purpose of determining the insured's health status or to verify the insured's address, and that the contact shall be limited to once every three months if the insured has a life expectancy of more than one year, and no more than once per month if the insured has a life expectancy of one year or less;
2. a change of ownership could in the future limit the insured's ability to purchase additional insurance on the insured's life because there is a limit to how much coverage insurers will issue on one life; and
3. "all medical, financial or personal information solicited or obtained by a life settlement provider or life settlement broker about an insured, including the insured's identity or the identity of family members, a spouse or a significant other may be disclosed as necessary to effect the life settlement contract between the owner and provider. If you are asked to provide this information, you will be asked to consent to the disclosure. The information may be provided to someone who buys the policy or provides funds for the purchase. You may be asked to renew your permission to share information every two years".

State of California
Department of Insurance
Life Settlement Licensee
Disclosure to Life Settlement Applicant
(To be provided no later than at time of application for any life settlement contract)

IMPORTANT: READ THIS DISCLOSURE FORM BEFORE SIGNING ANY LIFE SETTLEMENT CONTRACT.

You should carefully read all of the following points and seek financial, insurance, tax and other advice where appropriate.

1. There may be possible alternatives to life settlements which exist and include, but are not limited to, accelerated benefits options that may be offered by your life insurer.
2. Some or all of the proceeds of a life settlement may be taxable. Assistance should be sought from a professional tax adviser.
3. There may be an impact on the receipt of public assistance. The applicant should contact the State Department of Health Care Services and the State Department of Social Services under Section 11022 of the Welfare and Institutions Code for further information.
4. Proceeds from a life settlement could be subject to the claims of creditors.
5. Entering into a life settlement contract may cause other rights or benefits, including conversion rights and waiver of premium benefits that may exist under the policy or certificate of a group policy to be forfeited. Assistance should be sought from a financial adviser.
6. Entering into a life settlement could limit the insured's ability to purchase life insurance in the future because there is a limit to how much coverage insurers will issue on one life.
7. The owner has a right to rescind a life settlement contract within thirty (30) days of the date it is executed by all parties and the owner has received all required disclosures, or fifteen (15) days from receipt by the owner of the proceeds of the life settlement, whichever is sooner. Rescission will only be effective if both notice of rescission is given and all proceeds and any premiums, loans, and loan interest paid on account of the provider are repaid within the rescission period. If the insured dies during the rescission period, the contract shall be deemed to have been rescinded subject to repayment by the owner or the owner's estate of all proceeds and any premiums, loans, and loan interest to the provider.
8. Proceeds will be sent to the owner within three (3) business days after the provider has received the insurer or group administrator's acknowledgement that ownership of the policy of the interest in the certificate has been transferred and the beneficiary has been designated in accordance with the terms of the life settlement contract.

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9. All medical, financial, or personal information solicited or obtained by a provider or broker about an insured, including the insured's identity or the identity of family members, a spouse, or a significant other may be disclosed as necessary to effect the life settlement contract between the owner and provider. If you are asked to provide this information, you will be asked to consent to the disclosure. The information may be provided to someone who buys the policy or provides funds for the purchase. You may be asked to renew your permission to share information every two (2) years.
10. The insured may be contacted by either the provider or the broker or its authorized representative for the purpose of determining the insured's health status or to verify the insured's address. This contact is limited to once every three (3) months if the insured has a life expectancy of more than one (1) year, and no more than once per month if the insured has a life expectancy of one (1) year or less.
11. The broker represents the owner, exclusively, and not the insurer or the provider or any other person, and owes a fiduciary duty to the owner, including a duty to act at any times according to the owners' instructions and in the best interest of the owner.

12. The name, business address, and telephone number of the life settlement broker are as follows:

 (brokers' printed name)

 (address)

 (telephone number)

13. The following affiliation(s) or contractual relation(s) exists between the provider and the broker:

_____.

14. The following affiliation(s) or contractual relation(s) exists between the provider and with the issuer of the policy to be settled: _____.

LIFE INSURANCE POLICY OWNER'S ACKNOWLEDGMENT: I have read and fully understand this disclosure form. I have received a copy of this disclosure to keep for my records.

LIFE INSURANCE POLICY OWNER
 By:

LIFE SETTLEMENT PROVIDER OR BROKER
 By:

 Printed Name:

 Printed Name:

 Date:

 Date:

State of California
Department of Insurance
Life Settlement Broker
Disclosure to Owner and Insured
(To be provided prior to the execution of the life settlement contract)

IMPORTANT: READ THIS DISCLOSURE FORM BEFORE SIGNING ANY LIFE SETTLEMENT CONTRACT.

The Commissioner may consider any failure to provide the disclosures in this form as a basis for suspending or revoking a broker's license. You should carefully read all of the following and seek financial, insurance, tax and other advice where appropriate.

1. The name, business address, and telephone number of the life settlement broker are as follows:

Broker's (printed) name: _____

Address: _____

Telephone number: _____

2. A full, complete, and accurate description of all offers, counteroffers, acceptances, and rejections relating to the proposed life settlement contract (including name of party, date made, price and any other material terms) is:

Attached.

As follows: _____

3. The following affiliation or contractual arrangements exists between the broker and the provider making an offer in connection with the life settlement arrangement:

None.

As follows: _____

4. To be provided only where the owner of the policy is also the insured: the following life expectancy estimates were provided in connection with the life settlement:

LE Provider	Life Expectancy Estimate
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LE Provider _____ Life Expectancy Estimate _____

LE Provider _____ Life Expectancy Estimate _____

LIFE INSURANCE POLICY INSURED AND OWNER'S ACKNOWLEDGMENT: I have read and fully understand this disclosure form and have received a copy to keep for my records.

LIFE SETTLEMENT BROKER

By:

Printed Name:

Date:

LIFE INSURANCE POLICY INSURED

By:

Printed Name:

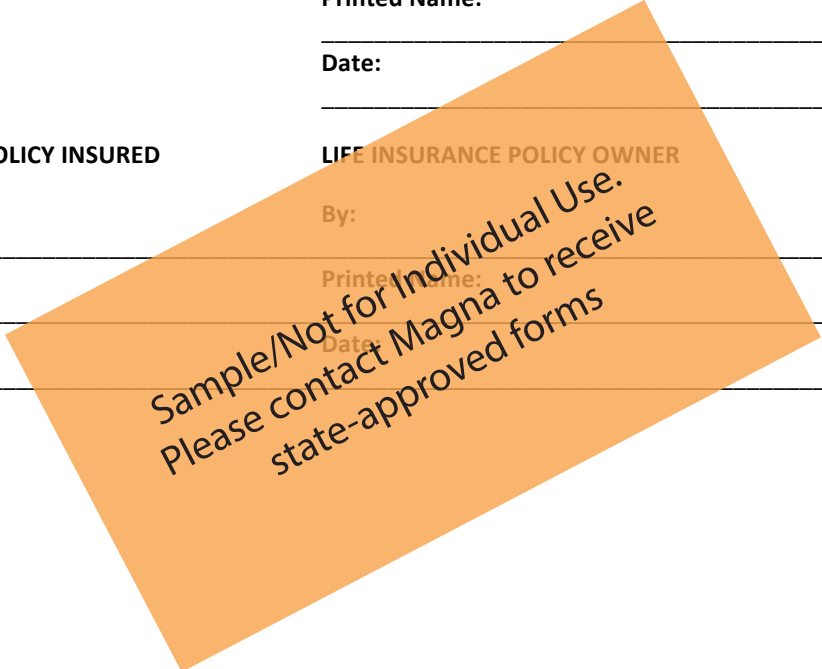
Date:

LIFE INSURANCE POLICY OWNER

By:

Printed Name:

Date:



State of California
 Department of Insurance
 Life Settlement Provider
 Disclosure to Owner
 (To be provided prior to the execution of the life settlement contract)

IMPORTANT: READ THIS DISCLOSURE FORM BEFORE SIGNING ANY LIFE SETTLEMENT CONTRACT.

The Commissioner may consider any failure to provide the disclosures in this form as a basis for suspending or revoking a provider's license. You should carefully read all of the following points and seek financial, insurance, tax and other advice where appropriate.

1. The name, business address, and telephone number of the life settlement broker are as follows:

Broker's (printed) name: _____

Address: _____

Telephone: _____

2. Pursuant to California law, the policy owner is entitled to the disclosure of the gross purchase price the life settlement provider is paying for the policy, the net amount of the purchase price to be paid to the owner's life settlement broker, and the amount of the purchase price to be paid to the owner of the policy.

a. The **gross purchase price** (the total amount or value paid by the provider for the purchase of the life insurance policy, including all commissions and fees) paid by the life settlement provider for the policy is \$_____.

b. The amount of the purchase price to be paid to the owner's **life settlement broker** is: \$_____.

c. The net amount of the purchase price to be paid to the **owner** is: \$_____.

LIFE INSURANCE POLICY OWNER'S ACKNOWLEDGMENT: I have read and fully understand this disclosure form and have received a copy to keep for my records.

LIFE INSURANCE POLICY OWNER

LIFE SETTLEMENT PROVIDER

By:

By:

Printed Name:

Printed Name:

Date:

Date:

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IL – Viator Disclosures

1. If a viator enters into a viatical settlement contract, then the beneficiaries of the life insurance policy lose the life insurance policy's benefits, equity, and protection. In addition, by entering into this viatical settlement contract, the insured may not qualify for another life insurance policy or may be required to pay substantially higher premiums.
2. There are possible alternatives to viatical settlement contracts including any accelerated death benefits or policy loans offered under the viator's life insurance policy.
3. A viatical settlement broker represents only the viator and not the insurer or the viatical settlement provider and owes a fiduciary duty to the viator, including a duty to act according to the viator's instructions and in the best interest of the viator.
4. Some or all of the proceeds of the viatical settlement may be taxable under federal income tax and state franchise and income taxes, and assistance may be sought from a professional tax advisor.
5. Proceeds of the viatical settlement contract may be subject to the claims of creditors.
6. Receipt of the proceeds of a viatical settlement may affect the viator's eligibility for Medicaid or other government benefits or entitlements. Advice should be obtained from the appropriate government agencies.
7. The viator has the right to rescind a viatical settlement contract before the earlier of 30 calendar days after the date upon which the viatical settlement contract is executed by all parties or 15 calendar days after the viatical settlement proceeds have been paid to the viator. Rescission, if exercised by the viator, is effective only if both notice of the rescission is given and the viator repays all proceeds and any premiums, loans, and loan interest paid on the account of the viatical settlement within the rescission period. If the insured dies during the rescission period, the viatical settlement contract is deemed to have been rescinded, subject to repayment by the viator or the viator's estate to the viatical settlement provider of all viatical settlement proceeds and any premiums, loans, and loan interest paid on the account of the viatical settlement within 60 days after the insured's death.
8. Funds must be sent to the viator within 3 business days after the viatical settlement provider has received the insurer or group administrator's written acknowledgment that ownership of the policy has been transferred and the beneficiary has been designated.
9. Entering into a viatical settlement contract may cause other rights or benefits, including conversion rights and waiver of premium benefits that may exist under the policy, to be forfeited by the viator. Assistance should be sought from a financial adviser.
10. "A viatical settlement provider or viatical settlement broker may ask the insured for medical, financial, and personal information. All medical, financial, or personal information solicited or obtained by a viatical settlement provider or viatical settlement broker about an insured, including the insured's identity or the

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identity of the insured's family members, the insured's spouse or the insured's significant other, may be disclosed as necessary to effect the viatical settlement between the viator and the viatical settlement provider. If you are asked to provide this information, you will be asked to consent to the disclosure. The information may be provided to someone who buys the policy or provides funds for the purchase. You may be asked to renew your permission to share information every 2 years."

11. Following execution of a viatical settlement contract, the insured may be contacted for the purpose of determining the insured's health status and to confirm the insured's residential or business street address and telephone number, or for other purposes permitted by law. This contact is limited to once every 3 months if the insured has a life expectancy of more than one year, and no more than once each month if the insured has a life expectancy of one year or less. All such contacts shall be made only by a viatical settlement provider licensed in the state in which the viator resided at the time of the viatical settlement, or by the authorized representative of a duly licensed viatical settlement provider.
12. If the policy to be viaticated is group coverage, the insured is advised to check with the manager of the group about whether permission is required to sell the policy or other conditions.
13. Entering into a viatical settlement contract will result in investors having a financial interest in the insured's death.

II – Additional Disclosures

“Important Consumer Notices”

By entering into a viatical settlement contract:

1. You are making a complex financial decision that may or may not be in your or your family's financial best interest. Seek independent advice from financial planning experts and responsible government agencies.
2. You may not be able to purchase another life insurance policy.
3. You could lose Medicaid and other valuable government benefits.
4. You will receive proceeds that may be subject federal and state taxes and to the claims of creditors.
5. You have sold your life insurance policy to strangers who have a financial interest in the life and death of the person whose life is insured by the policy.
6. You or your residence may be contacted on a regular basis to determine if you have died or if your health status has deteriorated.