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## TIPS FOR FASTER CLOSINGS

*Closing a life settlement transaction can sometimes be lengthy and tedious. However, delays in the closing process can be avoided by following these recommendations:*

1. If a **Letter of Competency (LOC)** is required. Make sure to schedule an appointment with the insured's/owner's physician as you receive the closing documents.
2. Order a **Verification of Coverage (VOC)** as soon as you receive your closing package. Keep in mind that:
  - Carriers may take up to 30 (thirty) days to complete a VOC
  - Most funders require VOCs dated within 30 days of the closing date
3. Signing Parties: Remember that in order to complete the life settlements contract you will need access to the following parties (*in most cases simultaneously*):
  - Insured
  - Owner(s) of the policy
  - Notary
  - Witness
  - Beneficiary(ies)
  - Spouse of the policy owner (*if applicable*)
  - Trustee(s) (*if owned by a trust*)
  - Partners or authorized corporate officers (*if owned by a partnership or corporation*)
4. **Contract:** Use the Life Settlements Contract Checklist to make sure all documents have the required signatures in place and verify that initials are placed in the spaces provided.
5. Verify that the following parties have been selected and that their information has been accurately recorded in the closing package:
  - Designated Contacts: Persons the provider will be contacting in to request updated medical records and to inquire on the insured's health status.
  - Primary Designee: The person the provider will need to contact to obtain the Death Certificate of the insured.
6. **Life Expectancy Reports:** Most funders require full versions of life expectancy reports, dated at within at least 60 days from the closing date. Please verify that the life expectancy reports provided comply with funder requirements and fall within the range to determine whether or not you will need to request new ones.

7. **Tax Identification Number:** If the policy is owned by a trust, verify that the TIN provided is accurate and that it matches the supporting documents requested. If the policy is owned by a company or partnership an Employer Identification Number (EIN) may be provided as long as supporting documents are submitted.

**8. Policy Changes:**

- If the owner(s) or beneficiary(ies) has changed during the life of the policy, make sure you gather and submit all the documents that provide evidence of such changes.
- If the policy was converted from a term life insurance policy to a universal life insurance policy, please provide copies of the original policy, receipt of the conversion premium and the new policy documentation including the conversion application.
- Some additional requirements may be needed after the provider reviews the original application for Insurance.

9. **Change Forms:** When sending the closing documents to Magna, please verify that the Change of Ownership (COO) and Change of Beneficiary (COB) forms submitted are the correct forms required by the life insurance company.

**Please note:**

- You must send at least 2 executed copies of each of the forms (COO and COB).
- **DO NOT** date these forms.

10. **Tax Identification Number:** If the policy is owned by a trust, verify that the TIN provided is accurate and that it matches the supporting documents requested.

If the policy is owned by a company or partnership an Employer Identification Number (EIN) may be provided as long as supporting documents are submitted.

11. **Policy Status:** Purchasers require that policies be in “good standing” at the time of purchase, meaning the transaction **WILL NOT** be completed if the policy is in grace or has lapsed.

Make sure you keep all premiums current.

12. **Account Values:** Offers normally include “contingencies” (or conditions that need to be met in order to complete a transaction). Contingencies in some cases include a minimum required account value. Prior to closing, please verify that the policy’s account value at the time of closing will meet the minimum account value required by the purchaser.

If additional premiums need to be made in order for the minimum account value to meet its required level and the premium payment accepted by the carrier results in an account value that exceeds the minimum amount required, the purchaser **MAY** agree to refund the unused portion of the premium.