

TIPS FOR SUCCESSFUL SUBMISSIONS

When Magna and its funders evaluate and price cases they require accurate and updated information. If a funder makes an offer on a case based on outdated and inaccurate information, the offer may be reduced or withdrawn.

Following these recommendations will ensure a fast response and help avoid any future complications:

1. Make sure you have all the submission requirements:

- Life settlement/broker application
- Medical information release/Health Insurance Portability and Accountability Act (HIPAA) form
- Medical records covering the past five (5) years. Records from all doctors and health care facilities must be included. Recent medical records are a must (at least within the last three (3) months)
- Current in-force Illustration with level premiums to maturity and minimum cash surrender value of \$1,000 at maturity or age 100
- Life expectancy reports

PLEASE NOTE: Most funders will require at least one life expectancy report prior to making a formal offer to purchase a policy. Policies without at least one LE may not be priced and will experience submission processing delays.

2. **Make sure the information is current.** Both Magna and its funders need current information on both the policy and the insured. In order for a case to be accurately reviewed, the information provided should be current:

Item	
Life Expectancy Reports	Dated within the last 60 days
Illustrations	Dated within the last 60 days
Medical Records	Five (5) years of medical history and updated records up to at least (6) months prior to submission

3. **Know policy characteristics.** In some instances policy information may be overlooked. To ensure that all the relevant information is provided the following questions should be answered prior to submitting a case:

• **Is the policy a term life insurance policy?**

- Has the policy been converted?
- When does the conversion period end?
- What assumptions were made in the conversion illustration?

- **Has this policy ever lapsed?**

- When was it reinstated?

- **Is the policy currently in grace?**

- Will a premium payment be made to take the policy out of grace?
- How many days has the policy been in grace?

- **Does the policy have any of the following riders?**

- Accelerated Death Benefit
- Return of Premium
- No-Lapse Guarantee

4. **No-Lapse Guarantee Rider:** Policies with a no-lapse guarantee tend to have illustrations with little or no account values which makes it difficult for Magna and its funders to extract cost of insurance (COI) for valuation purposes.

These policies have one or more “shadow accounts” that are not reflected in the illustration. Depending on the amount of premiums that have been paid into the policy, these accounts may sometimes accrue negative balances. (This happens when the premiums paid are less than the amounts needed to keep the policy in-force.)

If the policy has a no-lapse guarantee, the funder is likely to request one or more of the following items:

- COI illustration with positive account values to maturity or age 100.
- An illustration with a lapsed rider and positive account values to maturity or age 100.
- A policy summary or a verification of coverage (VOC) that illustrates the account values across ALL policy accounts.

5. **Know Your Clients’ Expectations:** The success of a life settlements transaction is highly dependent on the policy seller’s expectations and whether or not those expectations can be met by funders given policy characteristics and market conditions.

Before submitting a policy, make sure you discuss the following questions with your client:

- What is the purpose of selling the policy?
- What are the alternatives to a settlement?
- What are the seller’s expectations?
- Is the seller aware of current market conditions?

6. **Retained Coverage Insurance Settlement:** Does your client want to retain a portion of the policy’s death benefit? Make sure you familiarize yourself with Magna’s RDB Program and discuss this option with your client.

Please send all submissions to submit@magnalifeselements.com.