

## OKLAHOMA CHECKLIST – LIFE SETTLEMENT

Please use this checklist to insure you have enclosed all the documents necessary to process your application efficiently.

- \_\_\_\_\_ Completed *Personal and Insurance Information Form*
- \_\_\_\_\_ Completed, signed and witnessed *Authorization for the Release of Medical and/or Insurance Form*
- \_\_\_\_\_ Photocopy of the *Life Insurance Policy*
- \_\_\_\_\_ Photocopy of the *Insured's Driver's License*
- \_\_\_\_\_ Read and sign the *Information and Disclosure Statement for Life Settlement*
- \_\_\_\_\_ Photocopy of *Medical Records* for past five years.\*
- \_\_\_\_\_ *Statement* from Insurance Company reflecting the policy's cash value, loan value and premium payment structure.\*
- \_\_\_\_\_ Photocopy of *Divorce Decree* (if applicable).\*
- \_\_\_\_\_ Photocopy of *Discharge from Bankruptcy* (if applicable).\*

Fax or mail all copies and documents to:

Stephen M. Watson, President  
Viatical Settlement Professionals, Inc.  
2 West Runswick Drive  
Richmond, Virginia 23238

Tel. 804-740-3900  
Toll Free: 888-321-9057  
Fax: 804-740-8880

\*These items are optional, but if included the response time will improve.



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

## CONFIDENTIAL PERSONAL AND INSURANCE INFORMATION

After receiving the following pages of information, we will be able to evaluate the opportunity to present you with an offer to purchase your life insurance policy. Please complete the following forms and sign as indicated.

### 1. PERSONAL DATA

Date: \_\_\_\_\_

Name of Insured \_\_\_\_\_  
Social Security Number \_\_\_\_\_  
Current Address \_\_\_\_\_  
City/State/Zip \_\_\_\_\_  
County \_\_\_\_\_  
Telephone Number(s): Daytime ( ) \_\_\_\_\_ Evening ( ) \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Marital Status: \_\_\_\_\_ Sex: ( ) Male ( ) Female  
Dependent Children: ( ) Yes ( ) No

If Policy Owner is Different than above:

Name of Policy Owner \_\_\_\_\_  
Tax Identification No./Social Security Number # \_\_\_\_\_  
Current Address: \_\_\_\_\_  
City/State/Zip \_\_\_\_\_  
Telephone Number(s): Daytime ( ) \_\_\_\_\_ Evening ( ) \_\_\_\_\_

### 2. LIFE INSURANCE POLICY INFORMATION

Please enclose a copy of the policy or please complete the following:

Name of Insurance Company \_\_\_\_\_  
Policy Number \_\_\_\_\_  
Date Policy was issued: \_\_\_\_\_ Coverage/Face Amount: \$ \_\_\_\_\_  
Amount of Premium: \$ \_\_\_\_\_ How frequently is premium paid? \_\_\_\_\_  
Loans? \$ \_\_\_\_\_ Current Surrender Value: \$ \_\_\_\_\_  
Type of Policy: ( ) Term ( ) Whole Life ( ) Universal Life ( ) Other \_\_\_\_\_  
Is this a group or individual policy? ( ) Individual ( ) Group ( ) Converted Group

If group policy, please provide the following information:

Name of Organization Providing Coverage: \_\_\_\_\_  
Name of Benefits Manager or Third Party Administrator \_\_\_\_\_  
Telephone No. (    ) \_\_\_\_\_. May we contact the person named above? (    ) Yes (    ) No

### 3. MEDICAL HISTORY

Please give a brief description of your medical condition: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of physician seen for this medical condition:

Name of Physician: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: (    ) \_\_\_\_\_

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

Who is your primary or family physician? (If different from above)

Name of Physician: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: (    ) \_\_\_\_\_

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

If there are other physicians that have treated you in the last three years, you may attach an additional page including their full name, address and telephone.

\_\_\_\_\_  
Signature of Insured

\_\_\_\_\_  
Signature of Policy Owner

## AUTHORIZATION FOR RELEASE OF MEDICAL AND/OR INSURANCE INFORMATION

I hereby authorize any physician, medical practitioner, hospice, hospital, clinic 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 to provide Viatical Settlement Professionals, Inc. (VSPI) and/or its authorized representatives or designees, any and all information as to diagnosis, treatment and prognosis with respect to any physical or mental condition including psychiatric conditions, or drug or alcohol abuse, of or relating to the insured.

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 treatment of the insured, and any other information in your possession concerning any treatment 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.

I understand that the information authorized for release may also include insurance policy information, including but not limited to, forms, riders and amendments concerning the policy. I understand that funding sources will use information released or obtained pursuant to this Authorization for the purposes of pursuing and/or completing the sale of life insurance policy(ies) on which I am the owner or insured. I agree that a photographic copy or facsimile of this Authorization shall be valid as the original. I agree that this Authorization shall remain valid for twenty-four (24) months and may be revoked at any time by notice in writing to Viatical Settlement Professionals, Inc. at the address shown on this form.

|                               |               |                                    |               |
|-------------------------------|---------------|------------------------------------|---------------|
| _____<br>Signature of Insured | _____<br>Date | _____<br>Signature of Policy Owner | _____<br>Date |
| _____<br>Printed Name         | _____<br>Date | _____<br>Printed Name              | _____<br>Date |
| _____<br>Signature of Witness | _____<br>Date | _____<br>Signature of Witness      | _____<br>Date |
| _____<br>Printed Name         | _____<br>Date | _____<br>Printed Name              | _____<br>Date |

# VIATICAL SETTLEMENT PROFESSIONALS, INC.

## VSPI

### OKLAHOMA

## INFORMATIONAL AND DISCLOSURE STATEMENT LIFE SETTLEMENT

### SELLING YOUR LIFE INSURANCE POLICY

Today it is possible for you to sell your life insurance policy to someone else (a life settlement provider) for an immediate cash payment. This financial arrangement, known as a life settlement, is a transaction with an individual who does not have a catastrophic or life-threatening illness or condition. Owner means the owner of a life insurance policy insuring the life of a person that does not have a catastrophic or life threatening illness or condition or the certificate holder who enters into an agreement under which the life settlement provider will pay compensation or anything of value, which compensation or value is less than the expected death benefit of the insurance policy or certificate, in return for the owner's assignment, transfer, sale, devise, or bequest of the death benefit or ownership of the insurance policy or certificate to the life settlement provider.

It may not always be in your best interest to sell your life insurance policy. Before you take action, you want to be sure you understand:

- a. What future benefits you may lose.
- b. What other options may be available.

Selling your life insurance policy is a complex financial arrangement. This guide will help you make an informed decision.

We recommend that you:

1. Evaluate your needs
2. Check all your options
3. Understand how the process works
4. Know your rights
5. Check with your state insurance department

### STEP 1 EVALUATE YOUR NEEDS

Before you sell your policy and give up valuable insurance protection, think about whether your need for life insurance has changed since you bought the policy. If it hasn't, selling your policy may not be the right choice. If you sell your policy now, your beneficiaries will not be paid a benefit at your death.

If you sell your policy now, remember premiums go up a lot as you grow older. You may not want to pay the higher cost to replace your coverage later.

## STEP 2 CHECK ALL YOUR OPTIONS

You may be able to get the cash you need now without selling your policy. You may have alternatives to life settlements, including accelerated benefits offered by the issuer of the policy, loans secured by the policy and surrender of the policy for cash value

### POLICY CASH VALUES

Contact your current life insurance agent or company to see if you have any cash value in your policy. Ask if you can:

1. Borrow from the cash value and still keep the insurance in force.
2. Cancel the policy for its current cash value.
3. Use the cash value as collateral to get a loan from a financial institution.

Your insurance company must tell you about your options if you ask.

### ACCELERATED DEATH BENEFITS

Find out if your policy has an “accelerated death benefit”. It may be your best option.

Many life insurance policies do have an accelerated death benefit. An accelerated death benefit could pay you a large part of your policy’s death benefit and you could keep your policy.

A very important feature of the accelerated benefit is that when the policyholder dies, the beneficiaries get the remaining death benefit. This means that eventually one hundred per cent of the policy benefits will be paid out either to the insured or the beneficiary.

### OTHER CONSIDERATIONS

Think about what it will mean if you do sell your policy. Check out the tax implications. Not all proceeds from a life settlement are tax-free. An owner may incur tax consequences from entering into a life settlement. Persons interested in entering into a life settlement should consult their tax advisor. Find out if creditors could claim any of the money you would get from a life settlement. The proceeds of a life settlement may not be exempt from creditors, personal representatives, trustees in bankruptcy and receivers in state or federal court. Persons interested in entering into a life settlement should consult an attorney or financial advisor regarding these potential consequences. Find out if you will lose any public assistance benefits such as Medicaid or other government benefits if you accept a cash settlement for your life policy. A life settlement may affect ability to receive supplemental social security income, public assistance and public medical services. Persons interested in entering into a life settlement should consult an attorney, financial advisor or social services agency regarding these potential consequences.

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, to be forfeited. Assistance should be sought from a financial adviser.

## COMPARISON SHOP

To learn the market value of your policy, it is a good idea to contact three to five life settlement providers. Or you could use a life settlement broker who would contact several life settlement providers for you. Your financial advisor can help you decide whether to work with a life settlement provider or through a life settlement broker.

## SUMMARY

Everyone's financial situation is different. A life settlement may or may not be the best approach for you. Check it out for yourself. We recommend that you ask an advisor who is qualified to review your finances to help you review your options.

## STEP 3 HOW THE PROCESS WORKS

If you decide to sell your life insurance policy to a life settlement provider, you will enter into a life settlement agreement with the provider. You, the seller, agree to accept a cash payment for your policy. The amount will be less than the face amount the policy would pay upon your death. (For example, you might agree to accept a \$75,000 cash payment for a \$100,000 policy.)

The life settlement provider buying your policy:

1. Becomes the new owner of your policy.
2. Names the beneficiary
3. Collects the full death benefit when you die
4. Begins paying premiums on the policy, and
5. May sell your policy again.

There are four basic phases required to complete a life settlement transaction.

### PHASE 1 QUALIFYING TO SELL YOUR POLICY (UNDERWRITING)

The life settlement provider will need information about you before making an offer. Usually it will take some preliminary information about you before making an offer. Usually it will take some preliminary information from you over the phone and send you this paperwork to sign:

1. A medical release form so the life settlement provider can get and review your medical records.
2. An authorization form to contact your insurance company to confirm benefit, premium and ownership of your policy.

To avoid delays, it is important that you give complete and accurate information about your medical history. If you apply with more than one life settlement provider, each will contact your doctor for medical records and your insurance company for policy information.

### PHASE 2 CALCULATING THE OFFER

The life settlement provider uses the information it gets in the underwriting phase to make an offer. To develop an offer, a life settlement provider takes into account various factors including:

1. Estimated life expectancy and medical condition of the insured. Generally the shorter the life expectancy of the insured, the more the life settlement provider will offer for the policy.

2. The amount of life insurance coverage.
3. Loans or advances, if any, previously taken against the policy.
4. Amount of premiums necessary to keep the life insurance policy in force.
5. The rating of the issuing insurance company
6. Prevailing interest rates
7. State laws, if any, that require a minimum payment.

### PHASE 3 CLOSING THE AGREEMENT

If you accept the offer, a closing package is forwarded to you, the seller, for approval and signature. Closing documents typically include an offer letter, a life settlement contract, and the forms the insurance company needs to transfer ownership of the policy to the life settlement provider.

The closing documents are then returned to the life settlement provider for its signature.

The life settlement provider will put the cash payment owed to you in escrow, if required, and send the signed insurance forms to the insurance company to record the change.

### PHASE 4 RECEIVING THE PAYMENT

Once the insurance company notifies the life settlement provider that the changes on the life insurance policy have been recorded, the payment is released to you, the seller, usually the next business day.

In many states, you may have the right to change your mind about the settlement after you receive the money, provided you return all the money. Typically the law allows 15 days to review your settlement arrangement. In some states the life settlement company has the option to deny rescission after 15 days from the date the proceeds are placed in escrow as provided by law.

### STEP 4: KNOW YOUR RIGHTS

#### STATE LAWS

Many states have laws that provide important consumer protections. You will want to contact your state insurance department to see which of the following consumer protections your state requires. Determine if:

1. A life settlement broker or life settlement provider arranging life settlements must be licensed with your insurance department.
2. The life settlement provider buying your policy must keep your identity and medical history confidential unless you give written consent to tell others, unless it is necessary to effect the life settlement or pursuant to a subpoena from a legal authority. In some states, all medical, financial or personal information solicited or obtained by a life settlement company or broker, including the identity or the identity of family members, a spouse or a significant other, is confidential and shall not be disclosed in any form to any person, unless disclosure is necessary to effect the life settlement and the life settlement company and prior and knowing written consent is provided prior to the disclosure. All persons to whom the confidential information is disclosed pursuant to the consent shall maintain the confidentiality of such information, and not disclose it to any other person in any form, without prior and knowing written consent. The Owner and insured are advised that the information may be provided to financing entities including individual and institutional

purchasers which are unknown to the Owner and Insured, without the Owner and insured's consent. The insured may designate any adult individual in regular contact with the insured as the contact for all inquiries about the insured's health status, and, if such designation is made, a life settlement company cannot make such an inquiry to the insured, unless the company is unable, after diligent effort, to contact the designee for more than thirty days. The insured may change this designation at any time, upon written notice to the life settlement company.

3. To protect your proceeds, the life settlement provider buying your policy must put your money into an escrow account with an independent party during the transfer process. Some states require a provision that upon receipt of documents to effect the transfer of the policy, the life settlement company may at its option either;
  - (A) make unconditional payment immediately, either in a lump sum or in installment payments, or
  - (B) pay the proceeds of the settlement to an escrow or trust account managed by a trustee or escrow agent in a national or state bank that is a member of the Federal Deposit Insurance Corporation, where such proceeds shall remain until:
    - (i) the proceeds are disbursed upon acknowledgment of the transfer of the policy by the issuer of the policy, or the expiration of the rescission period without rescission by the policy owner, whichever occurs later;
    - (ii) the proceeds are transferred to purchase an annuity from an insurance company licensed by a state in the United States, or through an escrow or trust account which provides for installment refunds and which is established by a bank licensed by a state in the United States, or
    - (iii) the proceeds are returned to the life settlement company upon notice of the policy owner's rescission within the rescission period.

Some states provide that if the proceeds are payable in installments, then all forms of contract, and/or informational material must specify that installments must be effected through an annuity purchased from an insurance company licensed by a state in the United States, or through an escrow or trust account which provides for installment refunds and which is established by a bank licensed by a state in the United States.

4. You have the right to change your mind about the settlement AFTER you receive the money, provided you return all the money. Some states provide that the rescission provision may require the policy owner to reimburse the life settlement company the amount of the life settlement, plus premiums or other contractual charges paid by the life settlement company to maintain the policy in force. If the life settlement contract provides interest on the life settlement amount while in the escrow account the rescission provision may require the policy owner to reimburse such interest in addition to the life settlement amount. The reimbursement may be required to be in the form a certified or bank cashier's check payable to the order of the life settlement company.
5. The new owners of your policy are limited in how often they may contact you about your health status.
6. Your right to know, upon request, the identity of any person who will receive a commission or other form of compensation from the life settlement company or broker with respect to the life settlement and the amount and terms of such compensation.
7. Some states provide that all forms of contract used to effect life settlements shall contain a witnessed page stating that he or she has received and read the written informational materials, has received and read all of the documents used to effect the life settlement, represents a full and complete understanding of the benefits of the life insurance policy and is entering into the life settlement knowingly and voluntarily.

General Rules with respect to Oklahoma include the following:

1. The policyholder has a right to rescind a life settlement contract within thirty (30) days after it is executed by all parties or within fifteen (15) days from the receipt of the life settlement proceeds by the owner, whichever is less.
2. All medical information solicited or obtained by any licensee shall be subject to the applicable provisions of state law relating to confidentiality of medical information.
3. Any person who knowingly presents false information in an application for insurance or a life settlement contract is guilty of a crime and may be subject to fines and confinement in prison.
4. With respect to policies containing a provision for double or additional indemnity for accidental death, the additional payment shall remain payable to the beneficiary last named by the owner prior to entering into the life settlement agreement, or to such other beneficiary, other than the life settlement provider, as the owner may thereafter designate, or in the absence of a designation, to the estate of the owner.

#### TAX LAWS

When interpreting tax laws it is best to check with your financial advisor. Viatical Settlement Professionals, Inc., VSPI is not giving tax advice and recommends that a tax advisor be consulted on such issues. The undersigned understands that the function of the broker is solely to secure a buyer for the life insurance policy and there are no representations or warranties about the financial status of the buyer, the legal status of the buyer or any subsequent purchaser, or of any tax consequences of the transaction. The undersigned releases and holds harmless the broker in this transaction of any claims resulting from this transaction other than intentional fraud.

I have read the above informational and disclosure statement and enter into a life settlement knowingly and voluntarily.

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Witness

Date: \_\_\_\_\_

Viatical Settlement Professionals, Inc.  
VSPI  
2 West Runswick Drive  
Richmond, VA 23238

## AUTHORIZATION TO RELEASE POLICY INFORMATION

I, \_\_\_\_\_ hereby authorize \_\_\_\_\_  
(Name of Policy Owner) (Name of Insurance Company)

the issuer of insurance policy number \_\_\_\_\_ insuring the life/lives of:  
(Policy Number)

\_\_\_\_\_ to release any and all  
(Name of Insured(s))

information directly to Viatical Settlement Professionals, Inc. (VSPI), and/or its successors, assigns, and authorized representatives. The information may include, but is not limited to, the following information and documents:

- Copy of the policy, including the application therefor.
- Any and all forms promulgated with respect to the Policy and rights of the insured and/or owner, including forms relating to the beneficiary, absolute or collateral assignment, change of ownership, premium payments, loans, withdrawals, payment provisions and/or conversion.
- In-force illustrations of the policy including projections of values into the future.
- All other requested information related to my life insurance Policy.

A photographic copy or facsimile of this Authorization shall be valid as the original. This Authorization shall remain valid for the life time of the undersigned (or the last to survive of the undersigned if more than one signatory), absent any provision of any applicable state statute or regulation to the contrary, in which event it shall remain valid for the maximum period permitted thereunder.

\_\_\_\_\_  
Signature of Policy Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

## AUTHORIZATION FOR DISCLOSURE OF PROTECTED HEALTH INFORMATION

I, the undersigned individual, authorize the disclosure of my Protected Health Information (“PHI”) as defined under the privacy regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) as follows:

1. Classes of Persons Authorized to Disclose My Protected Health Information: I authorize each doctor, hospital, nurse, pharmacy, physician, physician practice group, and any other type of Health Care Provider listed below (each, an “HCP”) having any PHI about me to disclose any and all of my PHI as provided under this authorization. I authorize each Authorized HCP to rely upon a photostatic or facsimile copy or other reproduction of this authorization.

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2. Classes of Persons Authorized to Receive My Protected Health Information: I authorize each Authorized HCP to disclose my PHI under this authorization to VIATICAL SETTLEMENT PROFESSIONALS, INC. (“VSPI”), its affiliates and any of their directors, officers, employees, agents, independent contractors, service providers or other representatives (each, an “Authorized Recipient”).

3. Description of Protected Health Information Authorized for Disclosure and Purpose of Disclosure: This authorization shall apply to any and all of my health and medical data, information and records, whether or not personally or individually identifiable or protected under any federal or state confidentiality or privacy laws or regulations. This authorization and all disclosures of my PHI made under this authorization are for purposes of allowing the Authorized Recipient (1) to analyze, assess, evaluate or underwrite my health or medical condition, or life expectancy, in connection with the possible sale of any life insurance policy, or certificate of life insurance, under which my life is insured to the Authorized Recipient and (2) to monitor, track or verify my health or medical status and condition in connection with any life insurance policy under which my life is insured that is purchased.

4. Expiration of Authorization: This authorization shall remain valid until, and shall expire on, the date of my death.

5. Right to Revoke Authorization: I acknowledge and understand that I may revoke this authorization any time with respect to any Authorized HCP by notifying such Authorized HCP 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 HCP; provided, that, any revocation of this authorization shall not apply to the extent that the Authorized HCP has taken action in reliance upon this authorization prior to receiving written notice of my revocation.

6. Inability to Condition Treatment, Payment, Enrollment or Eligibility for Benefits on Provision of Authorization. No HCP or other covered entity may condition your treatment, payment, enrollment or eligibility for benefits on whether you 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 HIPAA. I further understand that, as a result of this authorization, there is the potential for my PHI that is disclosed by any Authorized HCP to an Authorized Recipient to be subject to redisclosure by the Authorized Recipient and my PHI that is disclosed to such Authorized Recipient may no longer be protected by HIPAA privacy regulations.

I certify that I am executing and delivering this authorization freely and unilaterally as of the date written below and that all information contained in this authorization is true and correct. I further certify that this authorization is written in plain language and that I have received and retained a copy of this signed authorization for future reference.

\_\_\_\_\_  
Signature of Individual

\_\_\_\_\_  
Signature of Personal Representative of Individual  
(if necessary)

\_\_\_\_\_  
Print or Type Name of Individual

\_\_\_\_\_  
Description of Personal Representative's Authority  
(Power of Attorney, Guardian *ad litem* or similar status)

Date: \_\_\_\_\_

Date: \_\_\_\_\_