



## OVERVIEW

**THE LIFE SETTLEMENT ADVOCACY PROGRAM**

The Life Settlement Advocacy Program™ is designed to guide you through a life settlement transaction and to ultimately provide the highest level of value to your client. The program consists of six essential steps which are outlined below. The Life Settlement Advocacy Program™ offers a variety of support tools and support systems to help you complete each of the necessary steps involved in a life settlement transaction.

In addition to being aware of the opportunities that exist in the life settlement marketplace, it is important to have a system in place that can help support a “best practices” approach to this business – The Life Settlement Advocacy Program™ can provide assistance with this process.

**1 DISCOVERING LIFE SETTLEMENT OPPORTUNITIES**

The first step of the Life Settlement Advocacy Program™ is to discover the opportunities that exist within the life settlement marketplace – a process which begins with proper education. In order to better educate clients on this marketplace, we have developed a few support tools to assist in the education process:

- UNLOCKING THE LIFE SETTLEMENT OPPORTUNITY – a PowerPoint presentation designed to explore the various elements of life settlements. It touches on subjects such as the history of the marketplace, current market conditions, criteria for potential cases, sample cases, and many other topics.
- WHAT MAKES A GOOD LIFE SETTLEMENT – a one page document that summarizes “why” and “when” a life settlement may be a viable option. It is broken into three sections; the advantages of a life settlement, the criteria for identifying a good life settlement, and finally, the situations in which a life settlement may make sense.

**2 EVALUATING POTENTIAL OPPORTUNITIES**

After potential life settlement opportunities have been identified, the next step is to evaluate them. The Life Settlement Advocacy Program™ offers the following support tools to help with this process:

- THE POLICY APPRAISAL REPORT™ – a proprietary pricing model and analytical assessment tool that calculates an estimated range of offers for a particular policy.
- THE LIFE SETTLEMENT FILTER™ – a questionnaire designed to gather information about both the insured and the life insurance policy. The answer to each of the questions has a point value associated with it.

Once the questionnaire is completed, the point values of each of the questions are tallied. The total score helps to describe the likelihood of receiving life settlement offers on the secondary market. Depending on the point total, the viability of a case ranges from “highly unlikely” to “most likely”. The goal of this questionnaire is to help to determine the marketability of a particular case.

**3 INITIATING THE LIFE SETTLEMENT TRANSACTION**

After a case has been evaluated and classified as a good candidate for life settlement, the next step is to initiate the life settlement transaction. There are two support tools used in this process.

- THE LIFE SETTLEMENT ENGAGEMENT AGREEMENT – a formal agreement between the client and the advisor which identifies their commitment to one another in the transaction. This includes full disclosure of how total compensation will be calculated.
- THE LIFE SETTLEMENT INQUIRY™ – a record that serves as both the formal application and medical authorization and is required to engage in a life settlement transaction.



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**4 GENERATING AND NEGOTIATING OFFERS**

One of the key features of the Life Settlement Advocacy Program™ is the proprietary bidding process. Because we treat this transaction as a security, we are obligated to ensure that the best execution occurs on every single life settlement transaction. In order to facilitate this, we developed a systematic bidding process through which we generate offers from our providers. We believe that this process allows the sellers to be confident that they are receiving a fair market value for their policy. It is important to note that only institutional providers are eligible to purchase policies in The Life Settlement Advocacy Program™.

**5 THE CLIENT DECISION**

After the offer process has ended and a single highest offer has been made, it is time for the client to make a decision. Our advisors can work with clients to help evaluate their situations and determine whether or not a life settlement is truly the right option. We have extensive experience and expertise in both the life insurance and life settlement marketplaces. With a decision this significant, it is important to consider all of the options. We can help in this process.

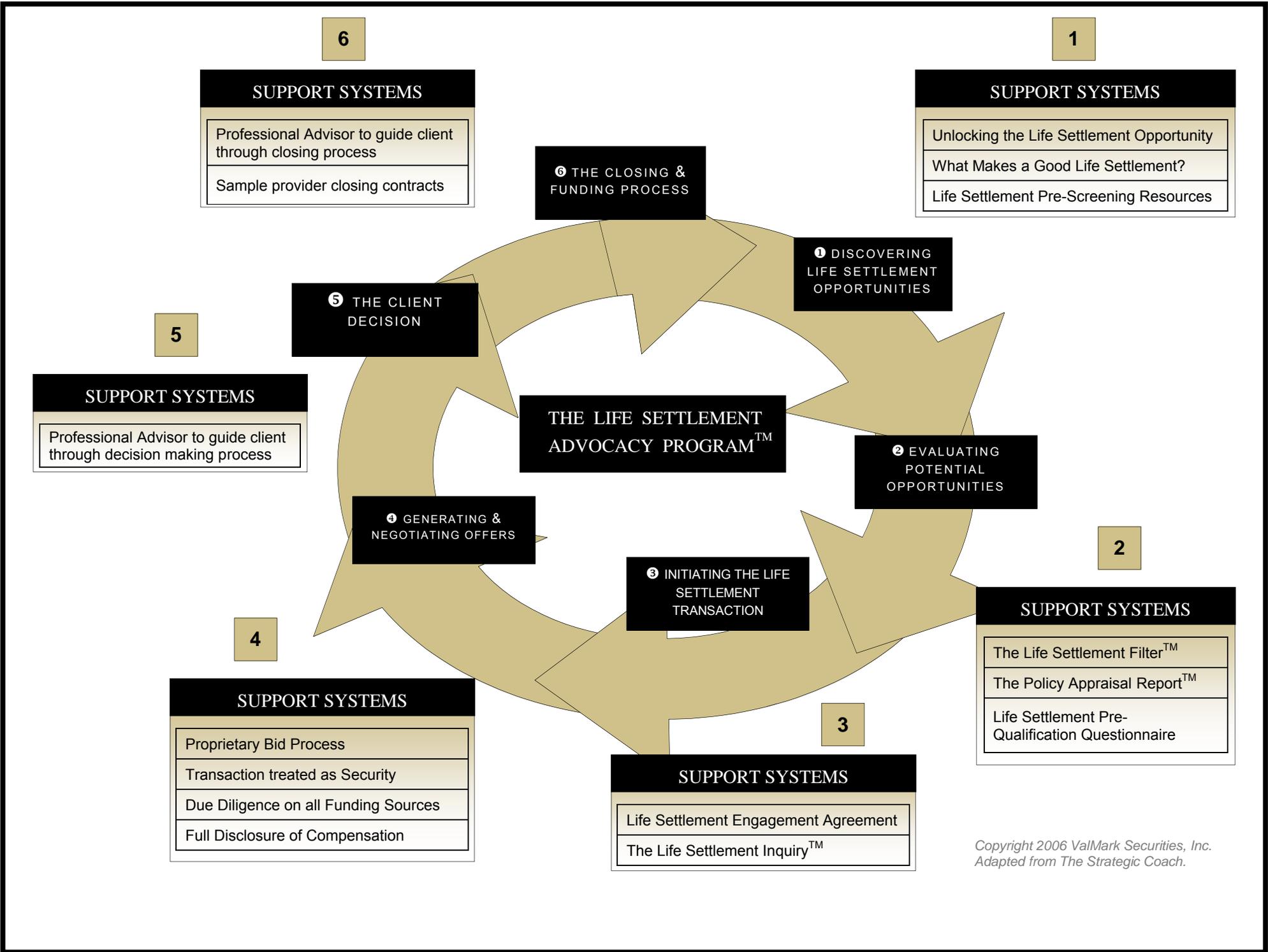
**6 THE CLOSING AND FUNDING PROCESS**

If it is determined that a life settlement is truly the best option, The Life Settlement Advocacy Program™ offers a support system to help clients through the closing process. There are sample closing contracts available for client review in order to ensure their highest level of comfort with the transaction. In addition, when the time comes for clients to execute the formal agreement necessary to sell their policy, our professional advisors will guide clients and their representatives through the closing process step-by-step.

**IMPORTANT INFORMATION**

In a life settlement agreement, the current life insurance policy owner transfers the ownership and beneficiary designations to a third party, who receives the death proceeds at the passing of the insured. As a result, this buyer has a financial interest in the seller's death. When an individual decides to sell their policy, he or she must provide complete access to his or her medical history, and other personal information, that may affect his or her life expectancy. This information is requested during the initial application for a life settlement. After the completion of the sale, there may be an ongoing obligation to disclose similar and additional information at a later date. A life settlement may affect the seller's eligibility for certain public assistance programs, such as Medicaid, and there may be tax consequences. Individuals should discuss the taxation of the proceeds received with their tax advisor. ValMark Securities considers a life settlement a security transaction. ValMark and its registered representatives act as brokers on the transaction and may receive a fee from the purchaser.

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