

**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 recipient 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 If the insured dies during the rescission period, the contract shall be deemed to have been rescinded subject to repayment by the owner or the owner's estate of all proceeds and any premiums, loans, and loan interest to the provider.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.

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: \_\_\_\_\_

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

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

**LIFE SETTLEMENT PROVIDER OR BROKER**

By: \_\_\_\_\_

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

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