



EQUITABLE

Equitable Financial Life Insurance Company  
Equitable Financial Life Insurance Company of America (EFLOA)  
Equitable Financial Life and Annuity Company  
Equitable Financial Life Insurance and Annuity Company (CA)

# Life Insurance Disbursement

Traditional and Variable Life Series

## 1. Type of Request

Please complete the sections listed below if you are requesting a:

- Policy Loan — sections 2, 3, 6, 7, 8
- Application or Disbursement of Dividends — sections 2, 4, 6, 7, 8
- Surrender — sections 2, 5, 6, 7, 8

## 2. Owner's Information (Please Print)

Policy Number(s) (Required):

\_\_\_\_\_  
\_\_\_\_\_

Insured's Name: \_\_\_\_\_  
First Middle/MI Last

Owner's Name (if other than insured): \_\_\_\_\_  
or Name of Entity If Corporation, First Middle/MI Last  
Partnership or Trust Owned

Owner's Daytime Phone Number: \_\_\_\_\_  
xxx-xxx-xxxx

Owner's Email Address: \_\_\_\_\_

Joint Owner's Name: \_\_\_\_\_  
First Middle/MI Last

Owner's Address: \_\_\_\_\_  
Number and Street Apt. / Suite / Floor

City State Zip Code

For Addresses Outside the United States:

Country: \_\_\_\_\_ Country Postal Code: \_\_\_\_\_

Return:

### Express Mail:

Equitable Financial Life Insurance Company  
Life Operations  
8501 IBM Dr, Suite 150  
Charlotte NC 28262-4333

### Regular Mail:

Equitable Financial Life Insurance Company  
Life Operations  
P.O. Box 1047  
Charlotte, NC 28201-1047

### Toll-free Fax Number:

(855) 268-6377

### For Assistance:

#### Call:

(800) 777-6510

Monday - Thursday:

8:30 AM to 7:00 PM EST

Friday: 8:30 AM to 5:30 PM EST

### To Sign Up For eDelivery:

Visit us at

[www.equitable.com](http://www.equitable.com)

# **CHECK THE BOX THAT APPLIES TO YOUR REQUEST**

## **3. Policy Loan**

- All loans accrue interest and could have a permanent effect on the policy.
- The use of policy loan values may be a transaction covered under your state's replacement regulation. We suggest you contact your financial professional to determine if additional requirements may be necessary.
- This loan will be made in accordance with the Loan Provision in your policy.
- As stated in your policy, the minimum loan amount is \$500.00 for variable Life insurance policies except for the following states: Florida, New Jersey, New York, North Carolina, Texas, and Oregon
- Please consult your tax advisor before implementing any changes to an employer owned policy.

☐ **Issue Check in the Amount of \$** \_\_\_\_\_

☐ **Maximum Loan**

☐ **Maximum Loan with Dividends**

☐ **Pay Premium due on Policy Number** \_\_\_\_\_ **in the Amount of \$** \_\_\_\_\_ \*

\* Required for Variable Life insurance policies only.

## **4. Disbursement or Application of Dividends\***

- Equitable Life Account, Universal Life and Variable Life policies do not earn dividends. For partial withdrawal of cash value for these products, please contact our office for the appropriate form.
- To withdraw dividends on Economatic-type policies, please contact the Life Operations Center for proper request form.
- Please consult your tax advisor before implementing any changes to an employer owned policy.

### **Dividend Source**

- ☐ Current Dividend
- ☐ Dividend Additions
- ☐ Dividend Accumulations
- ☐ Paid-Up Additions Cash Value

### **Dividend Application**

- ☐ Disburse in Cash \$ \_\_\_\_\_
- ☐ Apply to Policy Number \_\_\_\_\_
- Premium Due \$ \_\_\_\_\_
- Loan Principal** \$ \_\_\_\_\_
- Loan Interest Due** \$ \_\_\_\_\_

- \* **Policies with the Supplemental Insurance Rider (SIR):** Applying dividends, dividend additions or paid-up additions under this rider to pay premiums due will increase your SIR one-year term insurance costs and may impact the amount of your premiums in the future.

## **5. Surrender (Cancellation) of Policy/Contract**

- Life insurance is a critical part of a broader financial plan. There are many options available, and you have the right to shop around and seek advice from different financial advisors in order to find the option best suited to your needs.
  - Please consult your tax advisor before implementing any changes to an employer owned policy.
- ☐ **Please check this box if you wish to terminate your policy.**

**In surrendering this policy/contract, it is understood that all rights, privileges and benefits under said policy/contract, except the right to receive the amount of the cash surrender value, are cancelled.**

Equitable Financial Life Insurance Company/Equitable Financial Life Insurance Company of America (EFLOA)/Equitable Financial Life and Annuity Company/Equitable Financial Life Insurance and Annuity Company (CA) considers the original policy lost, stolen or destroyed if not returned. By my signature below I(We) agree to indemnify Equitable and any of their affiliates or subsidiaries from any and all claims, suits, damages, costs and expenses they may suffer as a result of their election to waive submission of the original policy as normally required.

☐ **The policy/contract is enclosed.**

## 6. Delivery Options

PLEASE SELECT ONLY ONE OPTION FOR WHERE YOU WOULD LIKE YOUR PAYMENT SENT. IF YOU DO NOT COMPLETE THIS SECTION, WE WILL DEFAULT TO THE ADDRESS OF RECORD AND SEND YOU A CHECK VIA FIRST CLASS MAIL.

- ☐ **First Class Mail** No Fee
- ☐ **Direct Deposit** No Fee – Please enter your bank account information in the section below. Your bank or financial institution may take up to 2 or more business days to credit the funds to your account.
- ☐ **Express Delivery** \$35 fee (Express Delivery cannot be delivered to P. O. Box)
- ☐ **Wire Transfer** \$90 fee — Only available for net wire amounts of \$5,000 or more. Please enter your bank account information in the section below.

IF YOU ELECT EXPEDITED DELIVERY OR WIRE TRANSFER, THE APPLICABLE FEE WILL BE AUTOMATICALLY DEDUCTED FROM THE NET DISBURSEMENT AMOUNT.

### Direct Deposit & Wire Transfer Section

IF YOU ELECTED DIRECT DEPOSIT OR WIRE TRANSFER YOU MUST COMPLETE THIS SECTION OR YOUR REQUEST WILL BE DELAYED.

Enter your bank account information on lines 1-4. Equitable will attempt to validate the bank account. If this cannot be verified, a check will be mailed to the address of record.

1

2

3

4

Routing Number

Account Number

- ☐ This bank account has been previously used by me to electronically receive funds from Equitable. I acknowledge for my own security, if any changes have been made to my account (account closing, etc.) that prevents verification of the specified account, a check payable to me will be mailed to my address of record.
- ☐ This bank account has not been used previously for electronic transfer of funds with Equitable. I acknowledge that for my own security, Equitable will attempt to validate the bank account, if this cannot be verified a check payable to me will be mailed to my address of record

#### Wire Agreement

By my signature, I consent to the following:

- I certify that the bank routing number and bank account number provided are accurate. I understand that I should certify these with my bank or financial institution prior to submitting the form to ensure that I have the correct information for wire. Incorrect information may misdirect and/or delay receipt of your funds.
- I certify that the above account(s) bears my name, that I am an unrestricted and authorized signor for each account and that the funds are being deposited to a financial institution within the US and will remain in a US Bank. The funds will not be credited further to an international bank.
- I hereby authorize Equitable Financial Life Insurance Company to wire the amount of my withdrawal in the account listed above at the above-named bank/financial institution. This authorization will become effective only upon acceptance by Equitable.
- In the event that Equitable notifies the financial institution that funds to which I am not entitled have been deposited to my account, in error, I hereby authorize and direct the financial institution to return said funds to Equitable as soon as possible. If the funds erroneously deposited to my account have been drawn from that account so that return of those funds by the bank to Equitable is not possible, I agree to repay such erroneous deposit to Equitable within thirty (30) days from notification by Equitable that such payment was erroneous. In addition, should any future payments be due to me during or after that 30-day period, I authorize Equitable to recover the erroneous funds by off-setting the amount erroneously paid to me from any future payments from Equitable until the amount of the erroneous deposit has been recovered, in full. Further, I understand and agree that, if there is an outstanding debt due and owing to Equitable as a result of the erroneously-deposited funds, any future payments I make to Equitable will be applied toward reducing the outstanding debt owed by me and will not be applied for any other purpose, until the erroneous deposit has been recovered, in full. It is understood that I will be notified by Equitable when the erroneous deposit has been fully recovered by Equitable.

1  
Name as it appears on bank account

Name as it appears on bank account

2  
Name of Bank / Financial Institution

Bank Address

Bank - City, State, & Zip Code

3  
Bank ABA / Routing # (9 Digits)

4  
Account #

\* Required Selection, please check one of the following options.

☐ - checking account

☐ - savings account

## 7. Tax Withholding

Social Security Number:

Employer Identification Number:

\_\_\_\_\_  
xxx-xx-xxxx

\_\_\_\_\_  
SSN ☐

TIN ☐

EIN ☐

### Part 1: Taxpayer Identification Number

- By my signature below I certify that the number listed above is my correct Taxpayer Identification Number (Social Security Number for an individual or Employer Identification Number for a non-natural owner) and that I am a "U.S. person" (including a "resident alien") with respect to the U.S.
- If I am not a U.S. person, I have provided a completed IRS Form W-8BEN.
- Please be advised: Due to IRS implementation of the Foreign Account Tax Compliance Act (FATCA), taxable disbursements made to entity (business, estate or trust) owners/payees may be subject to 30% withholding if proper documentation is not on file. Proper documentation is considered to be a properly completed and signed IRS Form W-9 for domestic entities. Foreign entities are expected to submit a properly completed and correct type of IRS Form W-8. In the event proper documentation is not on file with Equitable & EFLOA we will withhold the required 30% upon disbursement. For further details regarding the FATCA rules and regulations and how disbursements may be affected, please contact your tax advisor.

**Part 2: Notice of Withholding of Income Tax Withdrawals or Distribution:** *We will default to a 10% federal withholding if no election is made, if your election with this form differs from IRS Form W-4R, we will withhold as instructed on your Form W-4R. Form W-4R is available at [www.irs.gov](http://www.irs.gov)*

- A. ☐ **I DO NOT WANT** Federal Income Taxes and state income tax (if applicable) withheld from the taxable portion of my benefits. I have provided my U.S. residence address and correct Taxpayer Identification Number. I have provided the correct Social Security Number for an individual or Employer Identification Number for a non-natural owner. I understand that I am responsible for the payment of estimated taxes, and that I may incur penalties if my payments are not enough.
- B. ☐ **I WANT** to have 10% Federal Income Tax withheld from the taxable amount of my benefits (you may also designate an additional percentage below).
- C. ☐ In addition to the federal and state (if applicable) income taxes withheld from the taxable portion of my benefits, I would also like additional income tax withheld: I understand IRS W-4R is required, if no IRS Form W-4R is attached, or if the Form W-4R is incomplete or invalid, 10% default withholding will apply.

Federal: \_\_\_\_\_% + 10% = \_\_\_\_\_% and State (if applicable): \_\_\_\_\_%

**"FEDERAL TAX LAW REQUIRES US TO NOTIFY YOU THAT ALL OR PART OF THE AMOUNT DISBURSED MAY BE INCLUDABLE IN GROSS INCOME DEPENDING UPON THE INVESTMENT IN THE CONTRACT."**

## 8. Signatures

I acknowledge and understand that the release of policy values may affect the guaranteed elements, non-guaranteed elements, face amount or surrender value of the policy from which the values are released.

### Individual or Joint Owned Policies

Signature: \_\_\_\_\_  
Signature of Owner Current Date (mm/dd/yyyy)

Signature: \_\_\_\_\_  
Signature(s) of Joint Owner(s) Current Date (mm/dd/yyyy)

### Corporate, Partnership or Trust Owned Policies

Signature: \_\_\_\_\_  
Signature of Corporation Officer, Title (Required) Current Date (mm/dd/yyyy)  
Partner or Trustee

☐ I am the only officer of the Corporation

\_\_\_\_\_  
Print Name of Officer, Partner or Trustee

Signature: \_\_\_\_\_  
Signature of Absolute or Collateral Assignee and Title (if applicable) Current Date (mm/dd/yyyy)

\_\_\_\_\_  
Name of Assignee

Medallion Signature Guarantee: (Please Place Stamp Below)

As a protection against fraud, we may require a Medallion Signature Guarantee under certain circumstances. We may update specific requirements or add signature guarantees in other circumstances, at our discretion if we deem it necessary or appropriate to help protect against fraud. The best source of a Medallion Signature Guarantee is a bank, savings and loan association, brokerage firm, or credit union with which you do business. A Notary Public cannot provide a Medallion Signature Guarantee. Notarization will not substitute for a Medallion Signature Guarantee.

## 9. Special Instructions

## General Information about Signature Requirements

**Multiple/Joint Owners:** Must be signed by all Owners.

**Assignments:** 1) Collateral — Assignee and present Owner;  
2) Absolute — Assignee.

**Corporation:** Submit a Corporate Resolution executed by an officer other than the Insured. The Corporate Resolution should authorize the transaction, include evidence of the officer's signature, and must be dated on or before the change request.

- 1) Disbursements applied to premiums and/or existing loans — One officer, who may also be the insured may sign
- 2) Cash disbursements — One officer OTHER than the insured is required. The insured officer can sign provided a copy of the corporate resolution granting such authority accompanies the request.

**Attorney-in-Fact/Guardian:** Must be signed by either the Attorney-in-Fact or Guardian with their title listed. A copy of the appointment is needed if it is not already on file.

**Partnerships:** Submit a partnership statement executed by a Partner other than the Insured, or two partners if Insured signs. The Partnership statement should state:

- (a) the names of all partners at the time the partnership acquired an interest in the policy;
- (b) that there has been no change in the partnership;
- (c) that the policy has not been assigned or transferred;
- (d) that the partner signing the form is authorized to act on behalf of the partnership, if these are the facts; and
- (e) evidence of all partners signatures. If any change has taken place, full details should be furnished to us. The signing partner should include his or her title with their signature.

**Trusts:** Submit a copy of the Trust Pages indicating

- (a) the name and date of the trust;
- (b) the name(s) of the trustee(s) or successor trustee(s);
- (c) the signature page; and
- (d) any amendments or restatements.

**Electronic Signatures:** We do not accept electronic signatures.

## Important Disclosures For Your Information

For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

### Important information about your life insurance policy from the New York Department of Financial Services

Please be advised that if you surrender your policy at this time prior to the expiration of an equity index crediting period, no additional interest based on the equity index will be credited, since the equity index crediting period has not yet expired. Only the guaranteed interest, if any, will be credited to the account.

To avoid losing additional interest based on an equity index, you are advised to consider alternatives to a full surrender of the policy prior to the crediting of additional interest based on the equity index, such as a policy loan or, if available, a partial withdrawal of the policy. Please speak with your advisor to determine which option is best for you.

- ☐ **New York state policy holders please check here to indicate you have read and understand the above information. New York state policy holders must return this page with a checked box in order for surrender to be processed.**



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You do not need to return these pages with your request.

**Important Information about your life insurance policy  
from the Oregon Bureau of Insurance**

**Life insurance is a critical part of a broader financial plan. There are many options available, and you have the right to shop around and seek advice from different financial advisers in order to find the option best suited to your needs.**

Please contact the Oregon Insurance Division for further information. Visit the website at [insurance.oregon.gov/consumer/life-insurance/understand\\_life.html](https://insurance.oregon.gov/consumer/life-insurance/understand_life.html) or call an advocate at 1-888-877-4894 or (503) 947-7984.

**Important information about your life insurance policy  
from the State of Washington Office of the Insurance Commissioner**

**Life insurance is a critical part of a broader financial plan. There are many options available, and you have the right to shop around and seek advice from different financial advisers in order to find the options best suited to your needs.**

You are encouraged to consider the following possible alternatives to requesting a surrender of your life insurance policy. These alternatives include, but are not limited to:

- **Accelerated Death Benefit:** Your policy may provide an early or accelerated discounted benefit payment if you have a terminal or chronic illness.
- **Cash Surrender:** Your policy may have a cash surrender value your life insurer would pay if you cancel it.
- **Gift:** You may be able to gift your policy to your beneficiary, who would then assume responsibility for paying premiums.
- **Life Settlement:** You may be able to sell your life insurance policy to a third party for an amount that, under Washington law must be greater than the cash surrender value or accelerated death benefits under your policy. You pay no further premium. The third party becomes the policyholder and receives the benefit upon the insured's death.
- **Maintain Your Policy:** You may be able to maintain your life insurance policy in force by paying the premiums directly or using your current policy values to pay the premiums.
- **Policy Changes:** You may be able to reduce or eliminate future premium payments by obtaining a paid-up policy, by reducing optional coverages, or through other options available from your life insurer.
- **Policy Loan:** You may be able to take out a loan from your life insurance company using the cash value of your policy as collateral. Loan proceeds can be used to pay the premiums or for other purposes.
- **Third-Party Loan:** You may be able to get a loan from another party to pay your policy's premiums. In return, the lender may require an assignment of a portion or all of the policy's death benefits.

These options may or may not be available depending on your circumstances and the terms of your life insurance policy. Please see your policy or contact your life insurance company, financial advisor, agent or broker to determine your particular options.

If you're a Washington state resident and have questions about life insurance and your rights, contact the Office of the Insurance Commissioner at 1-800-562-6900, or go to [www.insurance.wa.gov](http://www.insurance.wa.gov). Ask questions if you don't understand your policy.



Here's a list of commonly used terms:

**Accelerated death benefit:** A benefit allowing terminally ill or chronically ill life insurance policyholders to receive cash advances of all or part of the expected death benefit. The accelerated death benefit can be used for health care treatments or any other purpose.

**Cash surrender value:** This term is also called "cash value," "surrender value," and "policyholder's equity." The amount of cash due to a policyholder who requests the insurance company cancel their life insurance policy before it matures or death occurs.

**Expected death benefit:** The face amount of the policy, less any policy loan amounts, that the insurance company is expected to pay the beneficiaries named in the life insurance policy upon the death of the insured.

**Lapse:** Refers to a life insurance policy ending or expiring when a policyholder stops making premium payments.

**Life settlement:** Refers to a contract in which the policyholder sells his or her life insurance policy to a third party for a one-time cash payment which is greater than the cash surrender value, but less than the death benefit of the policy. A life settlement includes a viatical settlement, defined below.

**Policy loan:** A loan issued by an insurance company using the cash value of a person's life insurance policy as collateral.

**Viatical settlement:** An arrangement in which someone with a terminal illness sells his or her life insurance policy at an amount less than the death benefit. The ill person receives cash, and the buyer receives the full amount of the death benefit. This death benefit is payable once the former policyholder dies.

*This brochure is for informational purposes only and does not constitute an endorsement of any of the options described above.*

Important information about your life insurance policy  
from the Commonwealth of Kentucky  
Department of Insurance  
Commissioner's Office

**Life insurance is a critical part of a broader financial plan. There are many options available, and you have the right to shop around and seek advice from different financial advisers in order to find the options best suited to your needs.**

You are encouraged to consider the following possible alternatives to letting your life policy lapse. These alternatives include, but are not limited to:

- **Accelerated Death Benefit:** Your policy may provide an early or accelerated discounted benefit payment if you have a terminal or chronic illness.
- **Cash Surrender:** Your policy may have a cash surrender value your life insurer would pay you if you cancel it.
- **Gift:** You may be able to gift your policy to your beneficiary, who would then assume responsibility for paying premiums.
- **Life Settlement:** You may be able to sell your life insurance policy to a third party. You pay no further premium. The third party becomes the policyholder and receives the benefit upon the insured's death.
- **Maintain Your Policy:** You may be able to maintain your life insurance policy in force by paying the premiums directly or using your current policy values to pay the premiums.
- **Policy Changes:** You may be able to reduce or eliminate future premium payments by obtaining a paid-up policy, by reducing optional coverages, or through other options available from your life insurer.
- **Policy Loan:** You may be able to take out a loan from your life insurance company using the cash value of your policy as collateral. Loan proceeds can be used to pay the premiums or for other purposes.
- **Third-Party Loan:** You may be able to get a loan from another party to pay your policy's premiums. In return, the lender may require an assignment of a portion or all of the policy's death benefits.

These options may or may not be available depending on your circumstances including your age, health or the terms of your life insurance policy. Please see your policy or contact your life insurance company, financial advisor, agent or broker to determine your particular options.

If you're a Kentucky state resident and have questions about life insurance and your rights, contact the Department of Insurance at 800-595-6053 (in-state only), or go to <http://insurance.ky.gov>. Ask questions if you don't understand your policy.

Here's a list of commonly used terms:

**Accelerated death benefit:** A benefit allowing terminally ill or chronically ill life insurance policyholders to receive cash advances of all or part of the expected death benefit. The accelerated death benefit can be used for health care treatments or any other purpose.

**Cash surrender value:** This term is also called "cash value," "surrender value," and "policyholder's equity." The amount of cash due to a policyholder who requests the insurance company cancel his/her life insurance policy before it matures or death occurs.

**Expected death benefit:** The face amount of the policy, less any policy loan amounts, that the insurance company is expected to pay the beneficiaries named in the life insurance policy upon the death of the insured.

**Lapse:** Refers to a life insurance policy ending or expiring when a policyholder stops making premium payments.

**Life settlement:** Refers to a contract in which the policyholder sells his or her life insurance policy to a third party for a one-time cash payment which is greater than the cash surrender value, but less than the death benefit of the policy. Life settlements are a regulated transaction in Kentucky.

**Policy loan:** A loan issued by an insurance company using the cash value of a person's life insurance policy as collateral.

*This brochure is for informational purposes only and does not constitute an endorsement of any of the options described above.*

**Important information about your life insurance policy  
from the Maine Bureau of Insurance**

**Life insurance is a critical part of a broader financial plan. There are many options available, and you have the right to shop around and seek advice from different financial advisers in order to find the option best suited to your needs.**

You are encouraged to consider the following possible alternatives to requesting a surrender of your life insurance policy. These alternatives include, but are not limited to:

- **Accelerated Death Benefit:** Your policy may provide an early or accelerated discounted benefit payment if you have a terminal or chronic illness.
- **Cash Surrender:** Your policy may have a cash surrender value your life insurer would pay if you cancel it.
- **Gift:** You may be able to gift your policy to your beneficiary, who would then assume responsibility for paying premiums.
- **Life Settlement:** You may be able to sell your life insurance policy to a third party for an amount greater than the cash surrender value or accelerated death benefits under your policy. You pay no further premium. The third party becomes the policyholder and receives the benefit upon the insured's death.
- **Maintain Your Policy:** You may be able to maintain your life insurance policy in force by paying the premiums directly or using your current policy values to pay the premiums.
- **Policy Changes:** You may be able to reduce or eliminate future premium payments by obtaining a paid-up policy, by reducing optional coverages, or through other options available from your life insurer.
- **Policy Loan:** You may be able to take out a loan from your life insurance company using the cash value of your policy as collateral. Loan proceeds can be used to pay the premiums or for other purposes.
- **Third-Party Loan:** You may be able to get a loan from another party to pay your policy's premiums. In return, the lender may require an assignment of a portion or all of the policy's death benefits.

These options may or may not be available depending on your circumstances and the terms of your life insurance policy. Please see your policy or contact your life insurance company, financial advisor, agent or broker to determine your particular options.

If you're a Maine resident and have questions about life insurance and your rights, contact the Maine Bureau of Insurance at 1-800-300-5000, or go to [www.maine.gov/pfr/insurance](http://www.maine.gov/pfr/insurance). Ask questions if you don't understand your policy.

## **A Consumer's Guide to...**

### **Selling Your Life Insurance Policy**

What You Should Know About Viatical and Life Settlements

Paul R. LePage  
Governor

Eric Cioppa  
Superintendent

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### **Understanding Viatical and Life Settlements**

Some Definitions

A viatical settlement occurs when a person with a terminal or a chronic illness sells his or her life insurance policy to a third party (a viatical & life settlement provider), for a cash payment that is less than the full amount of the death benefit. The person selling the life insurance policy is the “viator.” VIATICAL comes from the Latin word (vi-at-i-cum), meaning: “Supplies for a journey.”

A life settlement occurs when a person who does not have a terminal or chronic illness sells his or her life insurance policy to a third party (a viatical & life settlement provider) in return for a cash payment of less than the full amount of the death benefit.

A viatical & life settlement provider is the person or company that becomes the new policy owner in return for a payment made to the seller. As the new policy owner, the viatical & life settlement provider must pay any premiums that are due, and eventually collects the full amount of the death benefit from the insurance company.

All viatical & life settlement providers doing business in Maine must hold a Maine license as a viatical & life settlement provider and must comply with Maine law.

Only the owner of the life insurance policy can sell the policy to a viatical & life settlement provider. If you are the insured, but not the owner, your consent to the transaction will be required if the sale involves an examination of your medical records.

If your employer provides you with a group life insurance policy, check with the insurance company that issued the policy to see if you are the owner or can become the owner. In many cases, if you leave your job the insurance company allows your employer to transfer the policy to you (which means that you become the owner of the policy).

### **Get the Facts Before you Make a Decision**

Before you enter into any viatical or life settlement transaction you should:

- Contact a viatical & life settlement broker or viatical & life settlement provider for information about settlements.
- Understand how the process works.
- Contact the Maine Bureau of Insurance (800-300-5000 in Maine or 207-624-8475) for information about current laws that may protect you and to confirm that the broker or company you are considering doing business with is properly licensed in Maine.
- Know that you don't have to accept any settlement offer.
- Know that you must be truthful when you answer application questions.
- Know that in Maine you have a certain period of time to change your mind after signing the settlement agreement or after receiving the proceeds. You may cancel the contract without question on the earlier of the following: the 30th day after the date the viatical settlement contract is signed by both parties or the 15th day after the date you receive the check.

If you decide to cancel the transaction within the given time period, you will need to return the proceeds you were paid and the premiums the buyer paid.

- Contact a professional tax advisor to find out the tax implications. Proceeds are only tax-free under certain circumstances.
- Consult with your own financial advisor who knows your personal financial needs and who can advise you of other financial consequences if you sell your policy.
- Know that your creditors could claim the proceeds.
- Find out if you'll lose any public assistance benefits such as food stamps or Medicaid before electing to receive any proceeds
- Know that you will be required to provide certain medical and personal information.

## **Consider all your Options**

A viatical or life settlement may or may not be the right choice for you. If you need money, you may have other choices besides selling your life insurance policy to a viatical & life settlement provider:

- Check to see if your policy has an “Accelerated Death Benefit” provision or find out if your life insurance carrier will offer accelerated death benefits. An accelerated death benefit is a feature of a life insurance policy that typically pays some or all of the policy’s death benefit before the insured dies. It could pay you a substantial portion of your policy’s death benefit and you wouldn’t have to sell your policy to a third party. This usually has little or no cost.
- Find out if your life insurance policy has any cash value. You may be able to use some of the cash value to meet your immediate needs and keep your policy in force for the beneficiaries without having to sell it to a third party. You may also be able to use the cash value as security for a loan from a financial institution.
- Contact your life insurance carrier to learn about other options under your policy.

## **Questions to Ask Before You Sell Your Policy**

- Do I still need life insurance protection?
- Will I qualify for a new life insurance policy in the future?
- If I sell my policy, how will the viatical & life settlement provider decide how much money I will be offered?
- Is this an employer or other group policy? If so, do I need their permission to sell it?
- If I sell my policy, who will be the legal owner?
- After I sell my policy, can the policy be resold?
- Will investors have specific information about me, my family, or my health status?

## **Consumer Tips**

Decide whether to sell your policy directly to a viatical & life settlement provider or whether to go through a viatical settlement broker who will do the comparison shopping for you. (you should not have to pay a fee for this.)

If you don’t use a viatical settlement broker, comparisons shop on your own. Talk to at least three viatical & life settlement companies to make sure you are getting a fair deal.

Check all application forms for accuracy, especially information about your medical history.

Make sure the viatical & life settlement provider agrees to put your settlement proceeds in escrow with an independent party or financial institution to be sure your funds are safe during the transfer. The escrow account must be maintained in a state or federally chartered financial institution whose deposits are insured by the Federal Deposit Insurance Corporation.

Understand whether buyers may learn your identity when they buy your policy and whether they will know certain medical and personal information about you, such as your address and life expectancy.

## **Consumer Alert**

If you are interested in selling your life insurance policy, contact the Maine Bureau of Insurance (800-300-5000 in Maine or 207-624-8475) to receive more information.

If you are buying someone else's life insurance policy as an investment or if you are asked to invest in or buy a life settlement, contact the Securities Division of Maine's Department of Professional & Financial Regulation at (207) 624-8551.

Additionally, if you've been contacted by someone who wants you to buy a policy and then sell it immediately, contact the Maine Bureau of Insurance. This activity may be considered fraudulent and the parties may be prosecuted by the appropriate authorities.

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The Maine Bureau of Insurance

34 State House Station

Augusta ME 04333

800-300-5000 (in Maine)

207-624-8475

[www.maine.gov/pfr/insurance](http://www.maine.gov/pfr/insurance)

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