



Application Procedure for Life Insurance Purchased By a Newly Formed Irrevocable Life Insurance Trust (ILIT)

- I. Application for insurance is completed and submitted to insurance carrier for underwriting purposes:
 - Owner and beneficiary should be listed as “trust agreement to be drafted”
 - Owner signature line is left blank
 - Proposed insured(s) sign only the proposed insured lines
 - Client’s attorney is directed to begin preliminary drafting of trust
 - Advisor copies all application pages for future use in creating new application needed later in the process.

- II. Brokerage Unlimited, Inc. processes application and collects all medical requirements. Carrier completes underwriting and makes an offer to issue:
 - BUI prepares revised quotes reflecting formal offer from carrier
 - Advisor notifies BUI when offer is accepted by proposed insured
 - Client directs attorney to complete and prepare trust for execution
 - Client provides advisor (and BUI) with formal name of trust and date of execution.

- III. Advisor completes new application:
 - Insert the formal name of trust in the owner and beneficiary boxes
 - Obtain signatures of proposed insured(s) on the new application
 - Obtain signatures of the Trustee of trust (date of signatures must be on or after date trust is executed) on the new application.
 - Submit new application to BUI
 - Grantor “funds” trust with annual exclusion gift
 - Trustee sends Crummey letter(s) to beneficiaries
 - Carrier issues policy with delivery requirements

- IV. At conclusion of withdrawal period (commonly 30 days):
 - Advisor delivers policy to trustee and obtains signatures on required delivery paperwork along with initial payment from trustee and submits same to BUI.
 - BUI forwards to carrier home office and verifies policy has been placed into force

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