



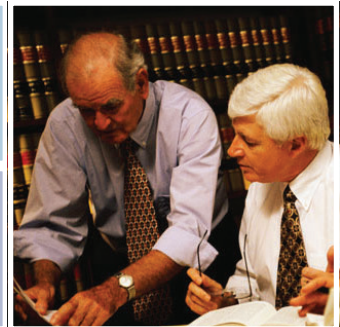
Update Your Needs Analysis

Change is one thing you can count on. Business start-ups become industry leaders. Children grow up and have children of their own. Bigger houses, smaller houses, vacation houses, and rental properties. Life changing events may occur such as college tuition, retirement, disability, divorce and death. A lot can change in your life after you buy a life insurance policy – and those changes can impact your policy. PERFORMANCE EVALUATION helps keep your financial strategy intact.

PERFORMANCE EVALUATION



**Trust
Owned**
LIFE INSURANCE



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A LIFEMARK PARTNER

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Are You Taking Fiduciary Care of All Trust Assets?

PERFORMANCE EVALUATION

is a consumer-driven process that provides a comprehensive analysis on the performance of your life insurance policy. It is critical to review this financial asset regularly to keep pace with market conditions to ensure the needs and goals of the plan are met properly when compared to the best products offered today.

A benefit we offer at no cost.

Now that virtually all states have adopted the Uniform Prudent Investor Act (UPIA), the blasé attitude is giving way to more reflective consideration of the matter. The UPIA sets standards for trustees in managing and investing trust assets – life insurance which is one of those assets. Unfortunately, this is one asset that is typically overlooked.

Life insurance, a sophisticated financial asset, is often times the sole asset of these trusts. The precise fiduciary duty owed by a Trustee of an Irrevocable Life Insurance Trust to its beneficiaries has never been clearly denoted and still remains an unresolved question. However, the trustee has a duty to appropriately manage risk and document fiduciary evaluation of all trust assets.

Failure to do so can expose fiduciaries to breach of trust liability.

While the underperformance of a single asset is no longer a basis for liability, the argument has been made that the failure to consider life insurance in the context of the overall portfolio and in comparison to other possible life insurance policies that could be acquired can result in a breach of fiduciary duty and surcharge.¹

Just like any other asset, life insurance must now be selected, managed, investigated, and monitored.

Many cash value policies are interest-sensitive, meaning some elements of the policy – dividends, cash values and even premiums – can change as interest rate conditions change.

There has been a downward pressure on interest rates and dividend scales resulting in underperformance of several life insurance policies. This has critically impacted policy cash values and premium adequacy which in some cases has resulted in lapsed policies.

The PERFORMANCE EVALUATION process adds value and can create greater results for all involved by providing a peace of mind for the fiduciary.

- **STEP 1**

Monitor Trust Assets

Trustee is required to comply with the UPIA by managing and investing the assets of the trust.

- **STEP 2**

Review Trust Goals

An annual review of trust goals with both the grantor and trust beneficiary is key in determining prudent investment strategies for trust assets.

- **STEP 3**

Document Solutions

The TOLI Investment Policy Statement documents the commitment to fiduciary responsibility of managing trust assets and monitoring risk tolerance.

The resulting Performance Evaluation Report provides the analysis you need to make informed decisions on this very important financial product – the life insurance policy.

Talk to your financial advisor about a free PERFORMANCE EVALUATION. We're eager to help.

PERFORMANCE EVALUATION implements existing policy coverage and annual performance analysis with trust objectives and current product efficiencies.

