



12 Things to Do While Managing ILITs During a Pandemic

Leon Wessels, Life Insurance Trust Company

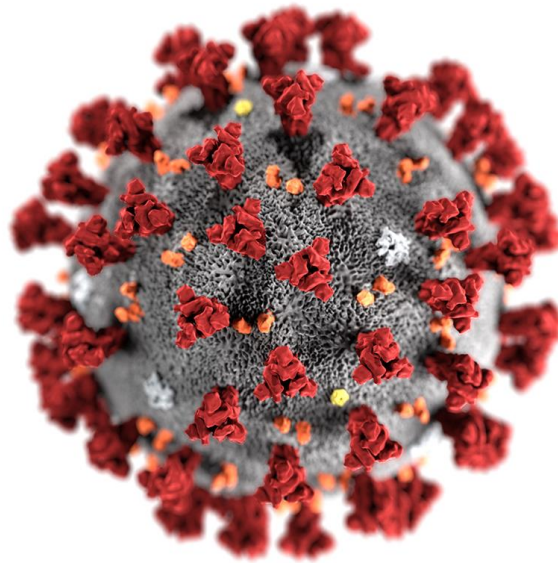
John Barkhurst, ITM TwentyFirst

April 29, 2020

We're Back!



The Covid-19 Pandemic



Continuing Education Credits

- 1 hour of CEC for:
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The screenshot shows a webpage from itm twentyfirst with the tagline "keeping trusts on track". The main heading is "Free Continuing Education Credits For CTFA & CFP Designations". Below this, there is a form with the following fields: Name, Email Address, Date, and Webinar Title, each with a corresponding input box. There are three checkboxes for designations: "CFP® - Certified Financial Planner®" (with CFP License Number and Last 4 numbers of SS Number fields), "CTFA - Certified Trust Financial Advisor", and "FIRMA Certified Member CE Credit". At the bottom, there is a note: "Note: All continuing education credit applications must be back to ITM TwentyFirst no later than 7 days after webinar presentation to be assured of timely submission. Thank you." The footer contains office addresses for Minneapolis, MN; New York, NY; and Cedar Falls, IA, along with the itm twentyfirst logo and the website URL itm21st.com.

Upcoming Webinars in May



Wednesday

May 13, 2020

1:00 pm central

An Insider's Guide to Life Insurance in a Challenging Environment

Michael Brohawn, CFP® , CLU® , CAP®



Wednesday

May 27, 2020

1:00 pm central

Minimizing Trustee Liability in a Changing Market

Judith Pearson, Nomadx Solutions

ITM TwentyFirst University Faculty

- Leon Wessels, Life Insurance Trust Company
- John Barkhurst, ITM TwentyFirst
- Michael Brohawn, CFP® , CLU® , CAP®
- Judith Pearson, Nomadx Solutions
- Special Guest Speakers



The Moral of the Story



Managing ILITs During a Pandemic



4 Main Focuses:

- Fiduciary Responsibilities for ILITs
- Trust Administration
- Policy Management
- Client Communication

Fiduciary Responsibilities

1. ILIT Fiduciaries have a duty to protect beneficiary interests

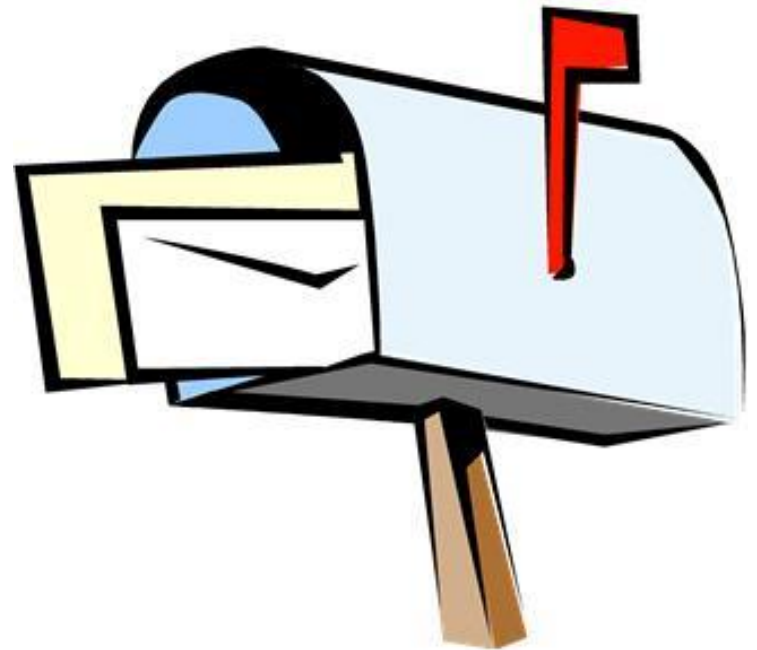
2. The Grantor is to have no incidence of ownership



Trust Administration

3. Gift Notices – If possible, provide Grantors with extra time to contribute to pay policy premiums

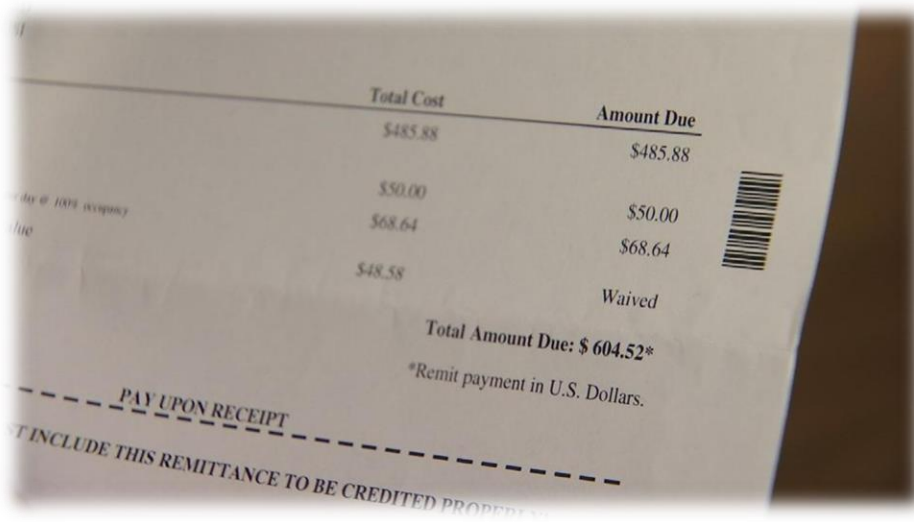
4. Crummey Letters – Be prepared for trust beneficiaries to exercise their right to withdrawal gifts made to the trust



Trust Administration

5. Policy premium monitoring and payment process

- Process incoming mail daily and identify policy premium due notices immediately
- Call the insurance company to confirm the premium payment was received and applied correctly



Policy Management

6. Be prepared for an increase in carrier service request turn-around times

- Longer than normal hold times
- Delayed illustration preparation and death claim processing



Policy Management

7. Most carriers are offering grace period extensions and premium deferral programs

8. Most states are providing additional relief options and policy lapse protection



Policy Management

9. Expect to request a lot more inforce illustrations in the coming months to evaluate policy funding alternatives



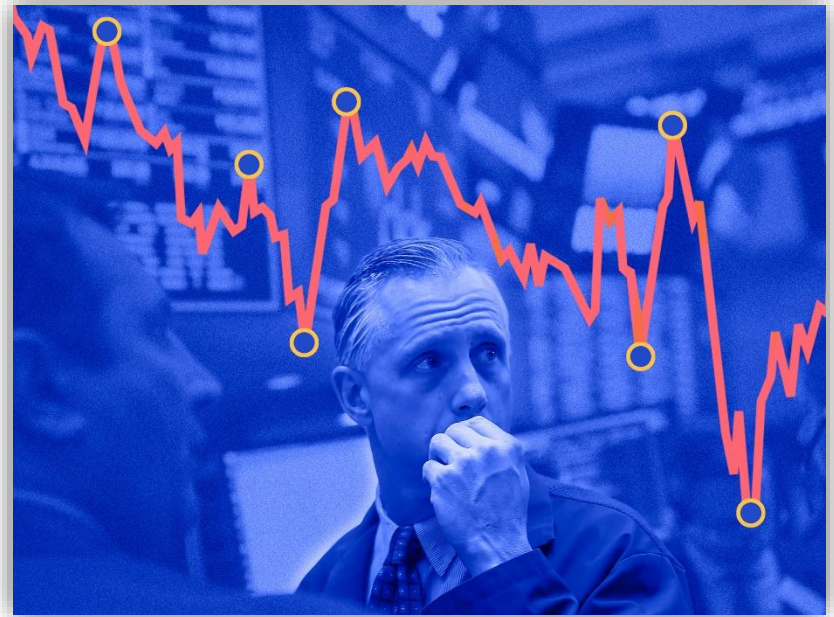
10. Be prepared for an increase in requests from Grantors to take loans against their trust owned policies



Policy Management

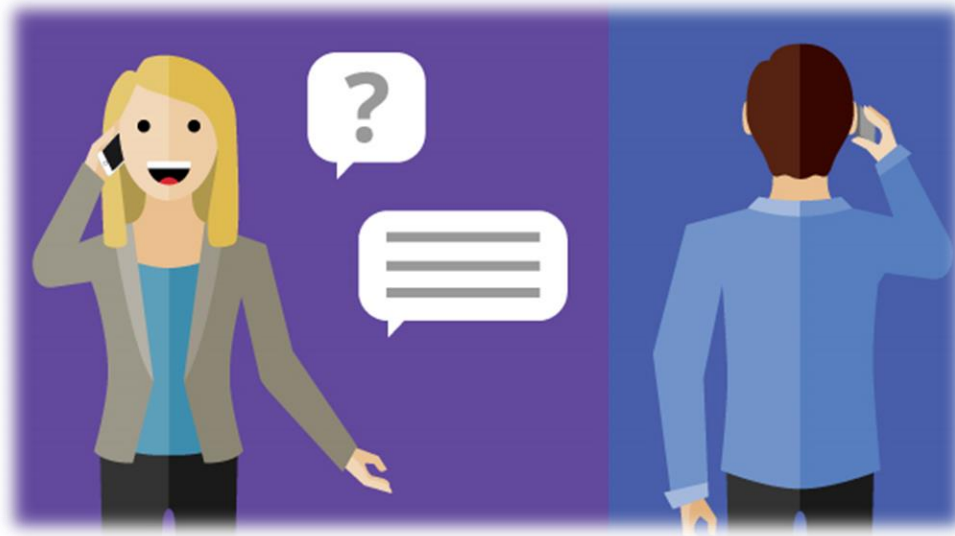
11. Variable Universal Life – All VUL policies should be reviewed right now

- Prioritize by starting with any policies projected to lapse within the next two years



Client Communication

12. Pro-active client communication with all interested parties will ensure best possible outcomes and limit fiduciary liability



Final Thoughts | Q&A

- Recap 12 Things
- Visit itm21st.com/education to download this presentation and past webinar recordings, as well as view all upcoming courses
- Next webinar: Wednesday, May 13th at 1 pm CT
- Subscribe to the ITM TwentyFirst blog at itm21st.com/blog
- Questions?