

MECHANICS OF THE LIFE SETTLEMENT APPRAISAL PROCESS

STEPS IN THE PROCESS.

- 1 An insured who meets the conditions and qualifications for a life settlement transaction should be provided with an Melville Capital life settlement application, along with a medical authorization and APS Request form. Should the insured be working with a lawyer or accountant, we will still require that the insured also work with a licensed financial advisor. That financial advisor will become the insured's contact person throughout the life settlement process.
- 2 After completing and signing these forms, our staff will check the forms for accuracy. Once everything is in order, the insured's medical authorization and release form will be sent to all of the insured's physicians and hospitals noted on the APS Request form. When the insured's medical records are returned, they will be packaged for submission to all potential life settlement funding companies.
- 3 Each funding company will in return make an offer to purchase or decline the case through the negotiation process. The highest offer Melville Capital receives will be presented to the financial advisor and then passed on to the insured for his/her acceptance or rejection. It is generally true that the longer the insured's life expectancy, the lower the offer, because the cost of maintaining the policy in full force and effect until the insured's date of death is significantly higher. The age and medical condition of the insured plays the most significant part in determining the offer price for the purchase of an insurance policy.

WHO IS INVOLVED IN THE PROCESS.

The following are the typical parties to each life settlement transaction:

THE POLICY OWNER:

The policy owner quite frequently is the insured. However, that is not always the case. Often the policy owner, rather than being the insured himself, is a family member, trust, corporation or charitable organization.

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