

## LEARNING CENTER

# INSURANCE

## The TOLI Expert System™

The TOLI Expert System™ is an analytical process that assists clients and their advisors in making certain that they are getting the most out of their insurance dollars. It was especially created by Lebel & Harriman to address the complex tax, trust and legal issues involved in the ownership of life insurance inside irrevocable insurance trusts.

*Lebel & Harriman's* TOLI Expert System employs a five-step process that draws upon specialized expertise and tools in Estate Planning, Investment Theory, Trust Law, Accounting and Risk Management.

Through this specialized system, the client is assured of a cogent and thorough process that results in:

1. Clear objectives for the insurance and
2. Written quantifiable standards that will be used to assist the trustee in the selection, structure, maintenance and service of the policy over the grantor's lifetime.

### Step 1

## The TOLI Expert Engagement

The first step of the TOLI process is to identify the client's objectives for determining how to maximize their insurance dollars. The TOLI Expert Engagement Agreement:

1. Outlines the services to be provided;
2. Establishes the scope of the engagement; and
3. Clarifies the roles of the Trustee, the Grantor, the Attorney, and the Insurance Professional, *Lebel & Harriman*.

## LEARNING CENTER

If existing insurance is to be evaluated, the policies need to be identified, and authorization must be given in order to gather data from the insurance companies.

For this step in the process, the engagement is with ValMark Advisers, Inc., a Cleveland-based, FINRA registered RIA, where Lebel & Harriman is registered as an investment advisor representative. A registered investment advisory firm is necessary because the evaluation of alternatives often involves equity-based products. Therefore, this advice is governed by The 1940 Investment Advisors Act and requires the use of a FINRA regulated firm.

The terms and scope of the engagement and method of compensation are documented in The TOLI Expert Engagement Agreement, which provides the full disclosure required by the 1940 Act. This contract is between the client and/or the Trustee and ValMark Advisers, Inc.

### Step 2

#### The Life Insurance Design Questionnaire®

The Life Insurance Design Questionnaire® is an analytical assessment tool that helps the grantor clarify the purpose of the insurance held in trust. By answering the Questionnaire, the grantor is able to establish quantifiable specifications for the insurance policy and its structure.

These specifications then serve as the basis for creating a written *Life Insurance Policy Management Statement*™ unique to the client's trust and specific goals. By using this tool, Lebel & Harriman is able to help the client and the client's advisors create objective specifications for evaluating the insurance.

### Step 3

#### The Life Insurance Policy Management Statement™

The Life Insurance Policy Management Statement™ brings an analytical discipline to the process of selecting, structuring and servicing life insurance that has long been missing from traditional providers of life insurance. Unlike most trust assets, life insurance has often not been selected or managed in a way that is consistent with the *Second Restatement of Trusts* and the *Uniform Prudent Investor Standard*. This document gives clear and specific direction to trustees on how they can optimize life insurance policies held in trust and clarifies in writing the duties of each advisor and the trustee.

### Optional

#### The Underwriting Advocacy Process™

## LEARNING CENTER

The Underwriting Advocacy Process™ is an optional service that assists advisors with helping their clients obtain large amounts of insurance for the trust in cases where the proposed insured has significant health impairments.

The process employs specialized medical expertise and a unique method of packaging the case in order to secure insurance on the most favorable terms.

***Once the case is researched and packaged, a confidential market search is conducted to identify insurers who will underwrite the case on a favorable basis.***

As part of the TOLI Expert System™, The Underwriting Advocacy Process is available exclusively to select offices including Lebel & Harriman LLP, who are members of a unique collaborative of national financial service professionals.

### Step 4

#### The Comprehensive Market Analysis™

Using the objective, quantifiable standards established by the client in the LIDQ™, Lebel & Harriman LLP creates a detailed analytical report called The Comprehensive Market Analysis™. This analysis examines various funding options based on objective standards that were enumerated by the client in the Life Insurance Policy Management Statement™.

Specifically, the report compares and evaluates various insurance products from several vendors using common specifications created by the client.

***In this manner, the client and advisors are able to assess which products meet the selection criteria, and are most likely to meet the client's long term needs and objectives.***

This written report gives the trustee the assurance that the selection criteria are consistent with the process required of a fiduciary in accordance with the *Second Restatement of Trusts*.

### Step 5

#### The Policy Assurance Protocol™

The Policy Assurance Protocol™ is a written service contract between the Trustee and *Lebel & Harriman* that mirrors the requirements for policy maintenance and service created in The Life Insurance Policy Management Statement™.



207.773.5390  
Info@LebelHarriman.com  
366 US Route One Falmouth, ME 04105

## LEARNING CENTER

The Protocol supplies the trustee with annual reporting on the policies covered. It assures that the policies are managed in a manner that (1) Is consistent with the intent of the grantors and (2) Will produce the optimum benefit for the beneficiaries – as outlined in The Life Insurance Policy Management Statement™.