# Irrevocable Trust Implementation Guide
## (Trustee to Apply for Insurance)

1) Grantor decides to establish an irrevocable trust and has Grantor's attorney review Ascensus Trust’s specimen document for any necessary modifications.

2) Agent or Grantor's attorney sends two completed, signed and witnessed trust agreements, customer identification worksheet (Exhibit A, attached), and attorney information (Exhibit D1 or D2, attached) to Ascensus Trust for review and a check payable to Ascensus Trust for the set-up fee and first annual fee.

3) Ascensus Trust notifies the Agent of acceptance or declination of the trust. If trust is declined, Ascensus Trust returns the fees.

4) If accepted, Ascensus Trust signs both trust agreements and sends one back to Agent or Grantor's attorney for delivery to the Grantor. (Ascensus Trust may request additional fees for modified documents, if necessary.)

5) Agent forwards insurance application(s) to Ascensus Trust to be signed by Ascensus Trust as owner and beneficiary. (Ascensus Trust will also complete name of owner and beneficiary, tax ID and mailing address.)

6) Ascensus Trust forwards application(s) as per Agent's instructions.

7) Grantor forwards initial contribution (in the amount of the initial premium), to Ascensus Trust. **Check is to be made payable to Ascensus Trust and should have no reference to insurance or premiums**. (Check should accompany application.)

   ***NOTE***: *Agent must remember that these applications are submitted open and advise the Grantor and the Grantor's attorney that passing funds to AscensusTrust is not paying money to the insurance company on a policy. Insurance protection does not begin until a policy has been issued and AscensusTrust makes payment to the insurance company. Remember, the premium payment will not be sent to the insurance company until both the "Crummey" provision has been satisfied and the policy has been issued. "Crummey" provision lapse is approximately 30 days after receipt of the initial contribution from the Grantor. Agent should have the Grantor sign letter in acknowledgement of this fact. (See Exhibit B, attached.)*

8) "Crummey" notices are mailed to the beneficiary(s).

9) Ascensus Trust, upon satisfaction of "Crummey" provision and written notification of acceptance of application, pays premium to the insurance company.

10) Ascensus Trust will notify the Grantor of subsequent premiums and will send out all "Crummey" notices upon receipt of contributions from the Grantor to the Trust.

**In review, the following items need to be forwarded to Ascensus Trust to begin the process to establish the Irrevocable Trust.**

A) Two copies of Ascensus Trust's Irrevocable Trust Agreement, completed, signed & witnessed. Be sure the Grantor (and Spouse if applicable), with Grantor's attorney, complete the following information when drawing up the trust agreement (refer to Ascensus Trust's specimen document):

| | | |
|---|---|---|
| 1) | Page 1. | Date, name and address of Grantor(s) |
| 2) | Page 3. | Choose one paragraph in Article 3(e) Co-Grantor or 3(f) Single Grantor Agreement |
| 3) | Page 8. | Signatures of Grantor(s) and Witness(es) |
| 4) | Page 9. | Exhibit A of Trust Agreement |
| 5) | Page 16. | Exhibit B of Trust Agreement |

B) Customer identification worksheet, completed & signed. (Exhibit A, attached.)

C) Attorney information form. (Exhibit D1 or D2, attached.)

D) A check payable to Ascensus Trust for the set-up fee and first annual fee (see Exhibit G of the Trust Agreement). If an agreement requires special review by Ascensus Trust, as it may determine in its discretion, a quote for any additional fees will be forwarded to the Grantor prior to acceptance of the trust.

E) "Irrevocable Trust Case Transmittal" form, attached.

Ascensus Trust will contact the appropriate Parties in accordance with the trust agreement regarding any questions about ongoing administration.

# Irrevocable Trust Implementation Guide
## (Grantor Transfers Insurance Policies)

1) Grantor decides to establish an irrevocable trust and has Grantor's attorney review Ascensus Trust's specimen document for any necessary modifications.

2) Agent or Grantor's attorney sends two completed, signed and witnessed trust agreements, customer identification worksheet (Exhibit A, attached), and attorney information (Exhibit D1 or D2, attached) to Ascensus Trust for review and a check payable to Ascensus Trust for the set-up fee and first annual fee.

3) Ascensus Trust notifies the Agent of acceptance or declination of the trust. If trust is declined, Ascensus Trust returns the fees.

4) If accepted, Ascensus Trust signs both trust agreements and sends one back to Agent or Grantor's Attorney for delivery to the Grantor. (Ascensus Trust may request additional fees for modified documents, if necessary.)

5) Grantor contributes insurance policy(s) to Ascensus Trust. If a premium is due on the policy(s), please send check with the policy(s). The payment is considered a trust contribution. **The check is to be made payable to Ascensus Trust and should have no reference to insurance or premiums.** A signed owner/beneficiary change form must be forwarded along with the policy. Ascensus Trust signs as new owner and beneficiary and forwards the form as per the Agent's instructions.

***NOTE***: *Agent must advise the Grantor's attorney that because existing Grantor-owned insurance policy(s) were contributed to the Trust, the 3-year rule may apply. (The Grantor must live for 3 years after the transfer of the insurance policy(s) on Grantor's life in order for the policy proceeds to be excludable from the Grantor's estate for Federal Estate Tax purposes. Agent should have the Grantor sign letter in acknowledgement of this fact. (See Exhibit C, attached)*

6) "Crummey" notices will be sent based on amount of gift value (IRS Form 712) as calculated by the LIC and/or the amount of the current premium. Premium payment will be sent to the insurance company when the "Crummey" provision has been satisfied (approximately 30 days after receipt of the initial cash payment from the Grantor).

7) Ascensus Trust will notify the Grantor of subsequent premiums and will send out all "Crummey" notices upon receipt of contributions from the Grantor to the Trust.

**In review, the following items need to be forwarded to Ascensus Trust to begin the process to establish the Irrevocable Trust.**

A) Two copies of Ascensus Trust's Irrevocable Trust Agreement, completed, signed & witnessed. Be sure the Grantor (and Spouse if applicable), with Grantor's attorney, complete the following information when drawing up the trust agreement (refer to Ascensus Trust's specimen document):

1) Page 1. Date, name and address of Grantor(s)
2) Page 3. Choose one paragraph in Article 3(e) Co-Grantor or 3(f) Single Grantor Agreement
3) Page 8. Signatures of Grantor(s) and Witness(es)
4) Page 9. Exhibit A of Trust Agreement
5) Page 16. Exhibit B of Trust Agreement

B) Customer identification worksheet, completed & signed. (Exhibit A, attached.)

C) Attorney information form. (Exhibit D1 or D2, attached.)

D) A check payable to Ascensus Trust for the set-up fee and first annual fee (see Exhibit G of the Trust Agreement). If an agreement requires special review by Ascensus Trust, as it may determine in its discretion, a quote for any additional fees will be forwarded to the Grantor prior to acceptance of the trust.

E) "Irrevocable Trust Case Transmittal" form, attached.

Ascensus Trust will contact the appropriate Parties in accordance with the trust agreement regarding any questions about ongoing administration.

# **Exhibit A**

Dear Financial Professional:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person[1] who opens an account. Since you are Ascensus Trust's direct line of contact with our customers we need your help in obtaining this information.

There are four important steps we need you to follow before we can complete the account setup process.

1.) Please provide each Grantor with Ascensus Trust's Customer Verification Notice.

2.) Fill out the attached Customer Identification Worksheet.

3.) Verify the information you have received against an unexpired government issued photo identification form such as a drivers license. Use the space allotted on the Customer Identification Worksheet to write the drivers license number, state of origin, and expiration date

4.) Sign and date the attached Customer Identification Worksheet and return it to Ascensus Trust.

Thank you in advance for your help.

Sincerely,

*Andie Hensler*

Andie Hensler
Compliance Manager

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[1] Person as defined by 31 CFR 103.11(z) includes individuals, corporations, partnerships, trusts, estates, joint stock companies, associations, syndicates, joint ventures, other unincorporated organizations or groups, certain Indian Tribes and all entities cognizable as legal personalities.

Ascensus Trust Customer Verification Notice
Irrevocable Life Insurance Trust

**CUSTOMER NOTICE**
**Important Information About Procedures For Opening A New Account**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Ascensus Trust Customer Identification Worksheet
Irrevocable Life Insurance Trusts

Name of Grantor ______________________________

Date of Birth ______________________________

Social Security Number ______________________________

Physical Address ______________________________

______________________________

Drivers License Number
State/Expiration Date ______________________________

Name of Co-Grantor ______________________________

Date of Birth ______________________________

Social Security Number ______________________________

Physical Address ______________________________

______________________________

Drivers License Number
State/Expiration Date ______________________________

In addition to obtaining the information above, I have provided each Grantor with a copy of Ascensus Trust's Customer Verification Notice and have verified the information entered above against a valid government issued photo ID.

| | |
|---|---|
| Signature | Title/Company Name |
| Print Name | Date |

This document may be mailed with your signed trust agreement package or faxed to Ascensus Trust attention Specialty Trust Department at 800-591-2564.

**Exhibit B**

[Letterhead of Agent]

Date

Name/Address of
Grantor

RE: Trust U/A dated _______________

Dear Grantor:

In connection with a life insurance policy application being made by the Trustee of the above-captioned Trust, of which you are the Grantor, you should be aware that any cash contributed by you to the Trustee of the above-captioned Trust does not constitute a payment to the insurance company on a policy and that insurance coverage will not begin until a policy is issued and the Trustee makes a payment to the insurance company.

Sincerely,

_________________________
Name of Agent

Acknowledged:

_________________________
Name of Grantor(s)

**Exhibit C**

[Letterhead of Agent]

Date

Name/Address of
Grantor

RE: Trust U/A dated ____________

Dear Grantor:

With respect to the insurance policy(ies) and/or cash contributed by you to the above-captioned Trust, you should be aware that such policies/cash, and the proceeds thereof, may be includable in your estate for estate tax purposes for the 3-year period following their contribution to the Trust. I understand you have consulted your own legal and tax advisors with respect to this and other legal and tax issues arising in connection with the above-captioned Trust.

Sincerely,

________________________
Name of Agent

Acknowledged:

________________________
Name of Grantor(s)

# **Exhibit D1**

[Letterhead of Attorney]

Ascensus Trust
PO Box 10699
Fargo, ND 58106

Attn: Trust Administrator

I have reviewed and executed the enclosed trust document with the advice of my attorney. I am not relying on Ascensus Trust for legal advice.

A copy of the trust agreement has been furnished to my attorney. My attorney is:

Name: ______________________________
Address: ____________________________
____________________________
Phone: ______________________________

If you have any questions at this time, please contact my attorney directly.

Sincerely,

______________________________
Grantor

______________________________
Grantor

**Exhibit D2**

Ascensus Trust
PO Box 10699
Fargo, ND 58106

Attn: Trust Administrator

I have reviewed and executed the enclosed trust document without the advice of my attorney. I am knowledgeable in trust and estate matters and I am not relying on Ascensus Trust for legal advice.

I will furnish a copy of the trust agreement to my attorney in the event legal issues arise in the future. My attorney is:

Name: ______________________________
Address: ____________________________
____________________________
Phone: ______________________________

If you have any questions at this time, please contact my attorney directly.

Sincerely,

______________________________
Grantor

______________________________
Grantor

# Irrevocable Trust Case Transmittal

Mail To:

Ascensus Trust Company
1126 Westrac Dr.
P.O. Box 10699
Fargo, ND 58106-0699

Date Submitted Irrevocable Trust ______________________________

Date Received by Ascensus Trust ___________________________________

1. Name of Grantor(s) __________________________________________________

   Address ____________________________________________________________

   ____________________________________________________________

2. Name of Service Agent _______________________________________________

   Address ____________________________________________________________

   ____________________________________________________________

   ____________________________________________________________

   Phone ______________________________________________________________

3. Agency ______________________________________________________________

4. Agent's Address _______________________________________________

   ______________________________________________________________

   ______________________________________________________________

   Phone ______________________________________________________________