

Irrevocable Burial Trust Agreement

GCU
OPTION TO APPLY FOR A “BURIAL TRUST”
Available on new and existing Whole Life policies

Protection of assets at any age is important, but especially so when faced with the need for nursing home services, Medicaid and Supplemental Security Income. One option that may help to preserve eligibility for these services, while at the same time protecting assets from the reach of creditors, is to place your GCU life insurance policy in the GCU Irrevocable Burial Trust Agreement.

Upon naming the Irrevocable Burial Trust as the irrevocable beneficiary, the Trust becomes the Owner of the policy and as Trustee, is obligated to apply the policy proceeds towards burial and funeral expenses up to the face amount of the policy. The benefit of naming the Irrevocable Burial Trust as Owner is that it may help the insured qualify for Medicaid and Social Security Income eligibility.

A further benefit is that the policy proceeds, to the extent they are applied to burial and funeral expenses, would in most cases be protected from claims made by creditors, including the state and federal government. Any proceeds unnecessary for burial or funeral expense would be paid to the insured's estate and would then be available to creditor's claims.

Because the policy proceeds are to be applied to burial and funeral expenses, the proceeds avoid the cost and delay of probate, and because they constitute life insurance proceeds, they are tax-free upon death.

COMPLETING THE IRREVOCABLE TRUST AGREEMENT

- When completed for a NEW Life Insurance application:
 - On the Life Application:
 - Use Proposed Insured's **Full Legal Name**.
 - Indicate in the ownership section that the Proposed Insured is the **Owner**.
 - List the Primary Beneficiary as **“The GCU Irrevocable Life Insurance Burial Trust”**. (Eligibility for additional primary beneficiaries varies by State)
- When completed for an EXISTING Life Insurance application:
 - Only the actual Irrevocable Trust Agreement forms are required. A new Life Application is not necessary.
- In order to complete the requirements of the Burial Trust, The Grantor must be both the Insured and Owner of the policy.
- Only GCU life insurance policies are eligible. Minimum issue face amount is **\$5,000**. In some cases, the minimum issue and the maximum amount permitted by State law will be the same.

- The total face amount of the policy or policies placed in the Trust may not exceed the following for residents of each state:

○ Arizona: \$15,000	California: \$15,000	Colorado: \$15,000
○ Connecticut: <i>\$8,000</i>	Florida: \$15,000	Georgia: <i>\$10,000</i>
○ Idaho: \$15,000	Illinois: \$15,000	Indiana: <i>\$10,000</i>
○ Iowa: \$15,000	Kansas: <i>\$7,000</i>	Kentucky: \$15,000
○ Maryland: \$15,000	Minnesota: \$15,000	Mississippi: \$15,000
○ Missouri: \$15,000	Nevada: \$15,000	New Jersey: \$15,000
○ North Carolina: \$15,000	Ohio: \$15,000	Pennsylvania: \$15,000
○ South Carolina: \$15,000	Tennessee: \$15,000	Texas: \$15,000
○ Utah: <i>\$7,000</i>	Virginia: \$15,000	Wisconsin: \$15,000

- This product is NOT available in Michigan or West Virginia.
- The Contingent Beneficiary of the policy or policies placed in the Trust must be the estate of the insured, unless otherwise prescribed by law.

The representations contained herein are not guarantees and do not constitute legal or tax advice, nor do they insure that this product is appropriate for the client's situation. Before purchasing any life insurance product, the client should seek the advice of an attorney and an accountant. Laws are subject to change and may result in the treatment of this product negative to the client's situation.

I hereby acknowledge that I have read, understand, and accept the terms, conditions and explanations as set forth above.

Signature of Applicant

Date

GCU

5400 Tuscarawas Road, Beaver, PA 15009
1-800-722-4428

Irrevocable Burial Trust Agreement

Grantor/Owner: _____ Date of Agreement: _____

Beneficiary: GCU Irrevocable Burial Trust, as Trustee of the

(Name of Grantor/Owner) Trust.

Life Insurance Policy

Life Insurance Company: GCU

Insured: _____

Life Insurance Policy #: _____

Initial Amount of Insurance: _____

THIS IRREVOCABLE TRUST AGREEMENT is entered upon the following terms and conditions:

- 1. TRUST ESTATE:** The Grantor hereby establishes this Trust and names the GCU Irrevocable Burial Trust as irrevocable and Trustee of the Trust. The Grantor has named the Trust as beneficiary of certain life insurance policy/ies on the life of the Insured as shown above. The life insurance policy/ies and the benefits payable thereunder are hereafter referred to as the "Trust Estate". The Trust Estate shall be held and distributed in accordance with trust provisions and for the purposes state herein.
- 2. TRUST AS BENEFICIARY:** The Trust shall be the irrevocable beneficiary of the life insurance proceeds. Neither the Trust nor the Trustee shall have the responsibility to pay the premiums for the life insurance policy/ies. The Grantor shall pay all premiums due for the life insurance policy/ies. Should the life insurance policy/ies lapse or otherwise terminate, this Trust shall also terminate concurrently.
- 3. DISTRIBUTION UPON DEATH:** Upon the death of the Insured, the surviving spouse, estate of the Insured, or funeral home shall notify the Insurer indicated above and provide the necessary proof of death to Trustee. The Trustee shall then claim the life insurance proceeds payable under the life insurance policy. The Trustee shall only distribute said life insurance proceeds to pay for burial and funeral expenses. Trustee, in its sole discretion, shall determine the amount of any such payments and the persons or organizations to receive such payments. However, in no event shall Trustee be required to pay any amount in excess of said life insurance proceeds. Any life insurance proceeds in excess of funeral expenses described herein shall be paid by the Trustee to the estate of the Insured.

4. **POWERS OF TRUSTEE:** The Trustee is hereby authorized to and shall perform all acts necessary in fulfilling the purpose and intent of this Agreement. The Trustee shall not be liable for any mistake or error of judgment in the administration of the Trust, including but not limited to distributions made pursuant to Paragraph 3. Any Successor Trustee shall have and may exercise all the rights, powers, duties and discretions conferred or imposed on the original Trustee. The Grantor expressly waives any requirement that (1) the Trustee be bonded; (2) the Trust or any separate trust created by this Agreement be submitted to the jurisdiction of any court; (3) the Trustee be appointed or confirmed by any court; or (4) the Trustee's accounts be heard and allowed by any court. The Trustee shall not be required to obtain a court order to exercise any power or discretion under this Trust. These provisions, however, shall not prevent any of the beneficiaries or the Trustee from requesting any of the procedures waived in this paragraph.

5. **SPENDTHRIFT PROVISIONS:** No title to the Trust Estate, nor the income therefrom, shall vest in the heirs of the Grantor, and neither the principal nor the income of this Trust shall be liable to be reached in any manner by the creditors of the Grantor or by the creditors of the heirs of the Grantor except as stated herein. Further, the Grantor and the heirs of the Grantor shall not have any power to alienate, encumber, anticipate or dispose of any interest in the Trust Estate, nor the income therefrom, except for the purpose of arranging for payment of burial and funeral expenses.

6. **IRREVOCABILITY AND ASSIGNMENT OF RIGHTS UNDER POLICY:** This agreement and the trust herein created are irrevocable. The Grantor shall have no power to alter, amend, or modify this Agreement in any way. Grantor further irrevocably assigns to the Trustee all ownership rights under the policy, including but not limited to the right to surrender the policy for cash, obtain a loan against the policy, elect to exercise any of the dividend options in the policy, or reassign ownership of the policy or change the beneficiary of the policy.

7. **REPRESENTATIONS OF GRANTOR; INDEMNIFICATION:** Grantor acknowledges and agrees that Trustee, its employees, officers, and agents are not attorneys at law and have not provided the Grantor with any legal advice with regard to this agreement, including but not limited to its legal operation or effect, its coordination with estate planning, if any, of the Grantor, and the availability of the insurance or its cash value as an asset for Medical Assistance eligibility. Grantor further acknowledges that this trust does not conflict with or duplicate any other trust or estate instrument or any other agreement relating to the payment of his or her funeral expenses. Grantor further acknowledges and agrees that he/she has had the opportunity to have this agreement reviewed by legal counsel of his or her choice. Grantor represents to the Trustee that he/she has the legal capacity and authority to enter into this agreement. Grantor hereby indemnifies and holds harmless the Trustee, its employees, officers, directors, and agents from, against and in respect of any and all liabilities resulting from, arising out of or incurred in connection with or arising out of this agreement.

IN WITNESS WHEREOF, the parties thereto have set their hand and seal the day and year written above.

WITNESS: _____ GRANTOR: _____
(to be signed by the Insured)

TRUSTEE: _____
(to be signed by the GCU Home Office)