

## LCX System

### **LCX Life: Life Settlement Marketing Organization (LSMO)**

Welcome to the LCX Life! We are excited to work with you to bring a totally new approach to life settlements to your agents and their clients. Life settlements have evolved considerably over the last two decades into a mainstream financial option for seniors and people with health challenges that own an unneeded or unwanted life insurance policy. LCX Life traces its roots back to 2007, as the first to create a vehicle to convert life settlements into tax-free long-term care benefits.

Today, LCX Life is the only Life Settlement Marketing Organization (LSMO) in the industry. We provide a turn-key life settlement platform for independent life insurance brokerage, and we contract with multiple life settlement carriers and unique, niche buyers to provide a comprehensive range of direct-to-buyer outlets for life settlement contracts of all policy types and sizes.

LCX Life also continues to lead the way in the life settlement marketplace with innovative life settlement products designed to address the unique challenges of aging and impaired health.

#### Life Settlement Solutions Menu:

- *Traditional Life Settlement*
- *Speed Settlement (non-underwritten)*
- *Whole Life and IUL Reverse Settlement (non-underwritten)*
- *LTC-Settlement (HSA Benefit Plan)*
- *Viatical Settlement (cancer and certified terminal)*

Whatever type of insurance policy or circumstances a client may have, LCX Life offers the widest range of direct-to-buyer options in the market for a policy owner to find the best value to address their financial needs.

### **Working with LCX Life**

The LCX Life mission is to work with our IMO/BGA partners to build a network of Appointed Referral Agents who are educated and supported to offer the life settlement option to policy owners contemplating lapse or surrender. We also work with independent agents, financial advisors, lawyers, accountants, and long-term care industry service providers. With LCX Life, we can rescue thousands of policies every year, and in the process, deliver a recurring revenue stream to your organization.

LCX Life revolutionized the life settlement transaction by providing a direct link to the end-buyers of life settlements-- eliminating the need to work through a life settlement broker. Appointed Referral Agents do not need to obtain any new licenses or complete CE's, and are covered by E&O. We make life settlements easy by simplifying and speeding up the process with dedicated account management, and turn-key support for all Appointed Referral Agent's needs. In fact, there is no need to provide medical records, manage cases, or negotiate settlement offers because LCX Life does all that work for you!

## The LCX Life System

We know that you, and your agents are busy everyday managing your core business lines. You are constantly approached about new business opportunities, and have to be careful that what you introduce into your system doesn't distract people from their bread and butter. That's why we designed LCX Life to be a turn-key outlet for agents and advisors to refer life settlement opportunities for a quick evaluation, and then to have the settlement process managed without them distracted by all the details. Appointed Agents need only refer a case to you, and then let LCX Life do all the work.

LCX Life provides a systematic onboarding, rollout, and agent support system that is designed to give each agent a turn-key life settlement back office-- through you as their LCX Life connection.

**Onboarding and Rollout:** The LCX Rollout process is designed to plug your office into our system for agent training, marketing, support, and then case submissions and management. Once your agents submit a case to you, we take over all the work and keep you informed of progress with weekly reporting.

- 1- Onboarding session with the BGA team and LCX to review appointment, case submission and management, and rollout and agent marketing materials/schedule
  - a. LCX Announcement and Presentation/Webinar email templates to BGA
  - b. LCX Case Submission templates to BGA
  - c. LCX Agent Education and Drip Marketing templates to BGA
  - d. LCX Life Settlement training Webinar modules (voluntary)
- 2- Rollout commences with an announcement, webinar and/or in-person sessions, ongoing drip communications, weekly and monthly topical webinar series, and marketing tools provided for agent use.

**Appointment and Lead Referral:** The LCX Appointment process is similar to the Carrier-IMO appointment process for life, health, and annuity distribution. LCX provides Appointment Agreement via email to any of BGA's agents requesting to be contracted. Once they are appointed they are registered in the LCX database-CRM as appointed downline agents of the BGA. Cases are submitted as a lead referral to the BGA to submit to LCX (any agents submitting cases directly to LCX will be downline of the BGA).

The LCX Case Submission template contains four elements:

- Step 1: Life Settlement Fact Finder Guide (qualify the prospect)
- Step 2: Life Settlement Solution Menu (pick the right Settlement options)
- Step 3: Intake Form (submit policy holder information and in-force illustration)
- Step 4: Life Settlement Process MAP (step-by-step guide of the settlement process)

**Marketing:** There are two ways for agents to add life settlements to their practice as a new profit-center working with LCX.

- ✓ Retail: Agents can add the life settlement option to their daily mix of products and services just like any other insurance based or financial product by using the template educational materials with their marketing, website and online communications, emails, presentations, and other education opportunities.

- ✓ Wholesale: Agents can use the LCX Policy Review service as a lapse and surrender prevention strategy for their Book of Business. As lapse or surrender notices are received, those policies should be screened to see if they could qualify for a settlement, LCX will also analyze the Book of Business to identify all the policies that could potentially qualify to be settled, and then the agent can reach out to policy owners letting them know they should not abandon a policy without first determining with their agent if they could qualify for a life settlement.

**Agent Compensation:** LCX Life offers the only no-load settlement in the industry. Once a transaction is complete, the policy owner receives the entire settlement offer without any brokerage commission taken out by a third-party settlement broker.

- Appointed Agents are paid a fixed percentage of the death benefit as a referral fee separate from the offer to the policy owner
  - The hierarchy receives a fixed percentage of the death benefit, and the IMO/BGA has the option to manage the compensation payouts:
    - Tier III- Appointed Agent up to 1.75%
    - Tier II- BGA up to 1.25%
    - Tier I- IMO up to .25%
- \* Compensation ratios cannot exceed reasonableness and suitability standards*
- LCX Life is the only settlement transaction that is transparent to the policy owner and agent, providing fixed comp based on the death benefit, and not taken out of the offer
    - Because the referral fee is not taken out of the offer to the policy owner it is not a commission, and is not subject to reporting and disclosure requirements

**Policy Evaluation and Settlement Process:** LCX Life focuses on making the settlement process as quick and simple as possible. We take the work out of the hands of the agent, and all they are required to do is present a lead for our three step evaluation and settlement process.

**Step One – Information:** Submit policy owner information and a current, in-force illustration.

**Step Two – Analysis:** Policy owner information is reviewed for age, gender, state of residence, and prevailing health impairments impacting remaining life expectancy (the typical qualifying range is 2-10 years). The policy illustration will be reviewed to analyze the policy economics and requirements to keep in-force for the remainder of the insured's life.

**Step Three – Results:** Longevity/Settlement experts present a policy valuation analysis detailing what the owner could expect to receive as a percentage of the death benefit as a purchase price for their policy. A formal purchase and sale agreement is executed if the policy owner agrees to the valuation offer. The typical time it takes from initial lead intake, to closing and releasing funds is 30-90 days-- depending on the type of settlement transacted.