



## LifeSettlement FAQ Sheet

### What are the qualifications to invest into iWise Life Settlement offerings?

Before participating in a life settlement investment, investors must meet financial qualification standards. These requirements ensure that investors understand the unique risks and potential returns associated with life settlement portfolios.

Investors must qualify as either **Accredited Investors** (per SEC guidelines) or **Qualified Investors** (per internal investment standards).

#### Accredited Investor (SEC Regulation D, Rule 501)

An individual must meet **at least one** of the following criteria:

- **Income Test:** Earned at least **\$200,000** annually in the last two years (**\$300,000** joint income with a spouse) and expects the same for the current year.
- **Net Worth Test:** Holds a **net worth exceeding \$1 million**, excluding the value of their primary residence.
- **Professional Criteria:** Holds certain financial licenses (e.g., **Series 7, Series 65, or Series 82**).
- **Institutional Investor Qualification:** Entities such as trusts or family offices with **\$5 million+** in assets may qualify.

#### Qualified Investor

For individuals who do not meet the **Accredited Investor** threshold, an alternative **Qualified Investor** standard applies:

- Must have a **net worth of at least \$250,000**, excluding the primary residence, car, and household furnishings.
- If they qualify under this threshold, they are **limited to investing no more than 10% of their total net worth** in life settlements.

## What is the minimum investment into iWise Life Settlement offerings?

- **\$10,000** for a **Cash/Non-Qualified Investment**
- **\$25,000** for an **IRA/Qualified Investment**

## What costs are associated with iWise Life Settlements?

- If you invest with cash, the only cost occurs **if there is a capital call** and the **policy maintenance reserve account is depleted**. To minimize this, iWise has structured a **pooled policy maintenance reserve account**, reducing the likelihood that you'll ever pay out of pocket.
- If you invest through a retirement account, iWise will cover any **fees associated with your account** and this investment for **two years per \$25,000 invested**, increasing your return on investment.

## Which IRA provider do you use?

- When investing through a retirement account, iWise helps you set up a **Self-Directed IRA (SDIRA)**.
- We recommend **IRA Club**, known for low fees and excellent service.
- If you already have an SDIRA, we can work with your existing provider.
- If you need to transfer funds from a traditional institution, we cover all transfer costs and ensure your transfer is **tax-deferred**.

## What are the risks?

- As with any investment, life settlements carry risks. The **primary risk is longevity**, meaning the insured may outlive projections, extending the investment term.
- To mitigate this, iWise:
  - Orders **life expectancy reports from medical experts** to assess policy maturity.
  - Maintains a **policy maintenance reserve** to cover ongoing premiums.
  - Diversifies portfolios across multiple policies to minimize risk.

## How is the life expectancy determined?

- Life expectancy is assessed and updated by specialized **medical underwriting firms** utilizing Board certified doctors and the latest in actuarial science.
- Reports analyze:
  - **Medical records**
  - **Family history**
  - **Past life insurance applications**
  - **Actuarial tables**
- These reports are available to investors upon request.

## Is this legal?

- Yes. Life settlements have been legal for over **100 years**.
- The **U.S. Supreme Court** ruled in *Grigsby v. Russell* (1911) that **life insurance policies are personal property** and can be sold, just like any other asset.
- Life settlements are further regulated in many states to **ensure transparency and investor protection**.

## Are life settlements the same as viaticals?

- **No.** While both involve selling life insurance policies, there are key differences:
  - **Life Settlements:** Policies owned by **senior citizens (ages 65+)** with life expectancies of **3-10 years**.
  - **Viaticals:** Policies owned by individuals with **life-threatening illnesses**, usually **under age 60**, with less than **2 years life expectancy**.
- iWise **does not invest in viaticals** due to high risk and uncertain life expectancy outcomes.

## How does iWise select policies for investment?

- Policies are carefully selected based on:
  - **Highly rated insurance carriers (A-rated or better)**
  - **Comprehensive updated medical underwriting**
  - **Policy diversification** to mitigate risk
  - **Actuarial-based life expectancy projections**

## How do life settlements compare to traditional investments?

- **Unlike stocks, bonds, and real estate, life settlements are not tied to market fluctuations.**
- Investments are structured with **actuarial data**, meaning **returns are based on policy maturities, not economic conditions**.
- Ideal for **portfolio diversification and risk management**.

## How can I learn more?

Visit [www.iwiseins.com](http://www.iwiseins.com) or call **844 GO IWISE** to begin your journey to financial certainty.