

GCU



Invested in Peace of mind

IRREVOCABLE LIFE INSURANCE BURIAL TRUST
AGENT'S GUIDE



The GCU Irrevocable Life Insurance Burial Trust

General Information

Prior to a discussion of how Irrevocable Burial Trusts (IBTs) can be used to help qualify for Medicaid, it is helpful to understand exactly what defines an Irrevocable Burial Trust. A trust is a legal agreement in which an individual (called the Grantor) sets aside a certain amount of money for a specific purpose or person. In this case the purpose of the Trust is for funeral costs. In doing so, the money set aside is no longer considered to belong to the Grantor, since the Trust is “irrevocable”. Irrevocable means the Trust cannot be reversed or dissolved for any reason.

There is often considerable confusion about products dealing with burial costs, since many of them appear to be similar to one another yet **aren't**, while other products **don't** appear different but **are**.

For example, Irrevocable **Burial** Trusts and Irrevocable **Funeral** Trusts are identical products. However, Pre-paid funeral plans, pre-need funeral plans, life insurance for funeral expenses and final expense insurance are the names of similar products which **may OR may not** be **critically different with regards to Medicaid eligibility**.

The GCU Irrevocable Life Insurance Burial Trust is **ONLY** available in the following states: AZ, CA, CO, CT, FL, GA, ID, IL, IN, IA, KS, KY, MD, MN, MS, MO, NV, NJ, NC, OH, PA, SC, TN, TX, UT, VA, and WI. This product is **NOT** available in Michigan or West Virginia.

The GCU is a fraternal benefit society organized under the laws of the Commonwealth of Pennsylvania and is tasked solely with the mutual benefit of its members and their beneficiaries, and not for profit. GCU issues certificates as part of our fraternal mandate.

Products

The GCU Irrevocable Life Insurance Burial Trust is available **ONLY** on any new or existing GCU Whole Life policy.

Issue Ages

The insured must be between ages 50 and age 85 to apply for coverage; minimum and maximum face amounts apply.



Calculation and Attained Age

GCU's policies are rated at Current Age at the time of application for premium determination in **ALL** states *except California*. In **California ONLY**, agents should have the applicant list his/her age based upon "age closest birthday", using the Six Month rule. For example, a client who is 80 years and 7 months old is 81 for rating purposes. A client who is 80 years and 2 months is 80 for rating purposes.

Minimum/Maximum Issue Face Amounts

Minimum Issue: \$5,000 Initial Death Benefit

Maximum Issue: 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:	\$8,000
Florida:	\$15,000
Georgia:	\$10,000
Idaho:	\$15,000
Illinois:	\$15,000
Indiana:	\$10,000
Iowa:	\$15,000
Kansas:	\$7,000
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:	\$7,000
Virginia:	\$15,000
Wisconsin:	\$15,000

Underwriting Classes

Policies are issued on a standard or substandard basis. Rates are age, gender, tobacco, and non-tobacco specific.

GCU will charge an additional premium for tobacco users. In order to receive a non-tobacco premium, a person must be tobacco-free for a minimum of 24 continuous months. Non-tobacco is defined as no use of cigarettes (tobacco or medical marijuana), electronic cigarettes, cigars, pipe, chewing tobacco, nicotine gum, nicotine patches, and any other product containing nicotine of any kind. An applicant who is taking nicotine supplements should be quoted tobacco user rates.

Underwriting

Full underwriting is required. See underwriting guidelines.

There are two separate underwriting risk classes: Standard and Substandard. Each risk class has a separate premium rate.

For details, please refer to the [GCU Field Underwriting Guide](#).

Payment of Premiums.

GCU requires the initial premium to be included with the application.

Maintenance of Solvency

The premium rates and benefits provided in this certificate are not subject to change. If any emergency should arise which would impair the solvency of GCU, the Board of Directors of GCU may determine an equitable apportionment of the deficiency. The owner may pay any such apportionment in cash. There shall be no personal liability on the part of the owner for such apportionment except against the equity of this contract. If not paid in cash, the apportionment shall stand as an indebtedness against this contract and bear interest at a rate of 5% per annum.

Annual Surplus Refunds

GCU's Whole Life product is a participating certificate. It will share in the divisible surplus as determined annually by the Board of Directors. Dividends are not guaranteed. The certificate will not share in any divisible surplus when it is continued in-force as extended term insurance.

Certificate Exclusions

The GCU Irrevocable Life Insurance Burial Trust has only one exclusion: suicide within the first two years from issue date of the certificate.

The Application Process

To comply with the Patriot Act, agents are legally required to see the applicant in person and to verify their identity **prior** to taking an application.

If the GCU Irrevocable Life Insurance Burial Trust is to be applied to an **EXISTING GCU** Life Insurance certificate, only the actual Burial Trust form itself is required.

If the GCU Irrevocable Life Insurance Burial Trust is being applied to a NEW Life Insurance application, you will need to complete the following forms:

1. The GCU Life Insurance app – Please be sure to use the appropriate State Approved version for the State of residence for your prospective insured.

2. A signed Blood Authorization form (#GCUBloodAuth092011) - While blood work may not be a requirement of the underwriting process, GCU mandates a signed Blood Authorization form's inclusion with all Life Insurance Applications.

The Application Process *(continued)*

3. The actual GCU Irrevocable Life Insurance Burial Trust form. An example of a completed form is included at the end of this Agent Guide.

Completing the GCU Irrevocable Life Insurance Burial Trust form:

- o Your prospective insured will sign Page 2, acknowledging the specifics of the IBT
- o For Page 3, be aware of the following:
 - **Grantor/Owner** = Your Prospective Insured
 - **Beneficiary:** “Greek Catholic Union of the USA Irrevocable Burial Trust, as Trustee of the (Your Prospective Client’s Name) Trust”
 - **Insured:** Your prospective client
 - **Life Insurance Policy #**
 - If IBT is accompanying the application, leave **BLANK**.
 - If IBT is being added to an existing contract, enter the contract’s number.
 - **Initial Insurance Amount** = Initial Death Benefit generated by the premium mode.
- o Signatures on **Page 4:**
- o **Witness: YOU** the agent.
- o **Grantor:** Your client.
- o **Trustee:** Leave **BLANK**. This will be signed by GCU Home Office.

PLEASE NOTE:

The application for insurance forms the basis of an important contract, and therefore, the utmost care must be used in its preparation. The GCU will require **strict compliance** with the following rules:

- o The application should be completed in dark ink, printed legibly and must contain **NO** blank questions.
- o Applications must be received by the Home Office within 30 days after they are dated.
- o Applications received more than 30 days after they are dated will **NOT** be accepted.

GCU does **NOT** accept:

- o Post-dated checks; C.O.D. applications; partial payments;
- o Applications with the date altered; applications where “white-out” has been used;
- o Personal checks from an agent or agency.

MAIL APPLICATIONS TO:
GCU New Business
5400 Tuscarawas Rd
Beaver, PA 15009

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.

Jane Smith

Signature of Applicant

5-1-2019

Date

GCU

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

Irrevocable Burial Trust Agreement

Grantor/Owner: Jane Smith Date of Agreement: 5-1-2019

Beneficiary: GCU Irrevocable Burial Trust, as Trustee of the
Jane Smith Trust.
(Name of Grantor/Owner)

Life Insurance Policy

Life Insurance Company: GCU

Insured: Jane Smith

Life Insurance Policy #: _____

Initial Amount of Insurance: \$15,000

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: Andrew Agent GRANTOR: Jane Smith
(to be signed by the Insured)

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



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