



ILIT Management Roles and Responsibilities

An ILIT trustee has the sole fiduciary responsibility for all trust and policy administration activities, including annual policy risk management determinations and communication. If a trustee lacks life insurance and policy risk management expertise, the trustee also has a duty to delegate these functions to providers that have the requisite TOLI-specific expertise. To avoid breach of trust and predatory practices allegations resulting from the selection of unqualified providers, the below matrix summarizes typical ILIT responsibilities and delegated functions.

ILIT Responsibilities	Attorney	Accountant	Fee-Based Consultant	Fee-Based TOLI Vendor	Agent/Broker	Family Member	Professional Trustee
Trustee							
ILIT and TOLI Admin							
TOLI Policy Evaluation							
TOLI Performance Report							
Tax and Accounting							
Legal Documents							
Investment Policy Stmt							
Policy Sales							
Policy Remediation							
Life Settlement							

- Trustee:** A trustee serves as a trust and beneficiary protector with the contractual responsibility to perform ILIT duties in a prudent manner as set out in the trust agreement, UPIA, TOLI Investment Policy Statement and other known fiduciary, life insurance and regulatory oversight guidance.
- ILIT and TOLI Admin:** A trustee's annual ILIT administration and TOLI risk management duties may be delegated to an independent third-party that has no affiliations with policy sales providers and no partner relationships with other fee-based providers to cross-sell TOLI services.
- TOLI Policy Evaluation:** Annual TOLI performance evaluations should be prepared by an independent fee-based provider that has the requisite expertise, no affiliations with policy sales providers, and no partner relationships with other fee-based providers to cross-sell TOLI services.
- TOLI Performance Report:** Annual TOLI performance reports should be prepared by an independent fee-based provider or consultant that offers 'dispute defensible' TOLI-specific performance evaluations or a trustee with the requisite life insurance expertise.
- Tax and Accounting:** All tax matters should be coordinated by an Accountant serving the Grantor or a Professional Trustee with accounting staff.
- Legal Documents:** An attorney representing the Grantor or a Professional Trustee with legal staff should prepare ILIT documents including annual Crummey Notices.
- Investment Policy Stmt:** The Investment Policy Statement is not a legal document and can be prepared by the trustee or a fee-based Consultant.
- Policy Sales:** Coordinated by a licensed agent selected by the Trustee.
- Policy Remediation:** Coordinated by a licensed agent selected by the Trustee.
- Life Settlement:** Coordinated by a licensed life settlement consultant selected by the Trustee.