Advanced **Markets**

# Trust-owned life insurance (TOLI)
# **Considerations for ongoing oversight**

Estate Planning Attorney
1234 Address
City, State Zip Code

Dear Estate Planning Attorney,

Trust-owned life insurance (TOLI) is a unique trust asset that requires ongoing oversight by the trustee. It can also be one of the most technically nuanced and benefits from ongoing attention as circumstances, assumptions, and policy performance evolve over time.

A thoughtful approach to TOLI often includes:

- **Viewing insurance within the context of the overall trust strategy**
- **Reviewing performance periodically (not just relying on original illustrations/assumptions)**
- **Documenting the review and any decisions made**
- **Evaluating funding levels, costs, and carrier financial strength**

Because many trustees are not life insurance specialists, they may value support from professionals to clarify performance, identify emerging risks, and help maintain a consistent review record.

Insurance professionals with experience in TOLI may assist trustees by:

- **Providing objective policy reviews and periodic monitoring**
- **Helping establish a consistent, documented review cadence**
- **Assessing policy sustainability over time**
- **Highlighting potential considerations if performance changes materially**

This type of support is often viewed as complementary to the roles already played by estate planning attorneys, investment advisors, and trustees.

I'd welcome a brief call to discuss governance considerations for TOLI and how periodic review can fit within an overall trust administration framework.

Sincerely,

Agent Name Signature

**For additional background, you may find the following resources helpful:**

- Checkups for life insurance
- Duties of trustees of ILITs

Agent Name
Agent (License) #
Agent Phone Number
Agent Address
Agent Email

Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws (including the generation-skipping tax). Failure to do so could result in adverse tax treatment of trust proceeds. There can be costs associated with drafting a trust.

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