

SOURCE: Holleman Companies

May 20, 2011

Vernon Holleman Examines the Important Role Trustees Must Play with Trust-Owned Life Insurance in *Trusts & Estates Magazine*

Chevy Chase, MD – The trustee’s role with trust-owned life insurance (TOLI) should not be taken lightly. In the May 2011 issue of *Trusts & Estates Magazine*, Vernon Holleman, III, CLU, president of The Holleman Companies, reviews best practices trustees must develop to avoid unfortunate outcomes.

Mr. Holleman notes that the life insurance industry is seeing an increase in lawsuits “against trustees for infractions such as poor investment management decisions, improper life insurance policy design and failure to maintain or properly manage the TOLI policies.” In his article, Mr. Holleman outlines the importance of proactively managing TOLI and provides recommendations for trustees of irrevocable life insurance trusts (ILITs). These recommendations include: performing life insurance policy and carrier audits at least every three years; assessing the merit of a proposed life insurance replacement; and listening to the needs of the trust grantor and beneficiaries.

Mr. Holleman’s article also covers the fundamentals of ILIT management, including the often overlooked tasks related to trust administration, the importance of the policy audit, and valid reasons to replace or exchange life insurance owned in a trust.

Vernon Holleman, III, CLU, is president of The Holleman Companies, Chevy Chase, MD, a specialized insurance advisory firm focused on business succession, executive benefits and wealth transfer. More information is online at <http://www.hollemanco.com> or by contacting the firm at ehbrown@hollemanco.com or 301-656-8689.