



FIRST LOCAL BANK OF ANYWHERE
123 MAIN STREET
SUITE 2100
ANYWHERE, USA 22211

January 1, 2004

D. Every
Grantor
D. Every Family Irrevocable Life Insurance Trust
1234 County Way
Alltown, USA 12345-6789

Dear Grantor,

Your state recently adopted the Uniform Prudent Investor Act (UPIA) imposing new responsibilities for trustees of Irrevocable Life Insurance Trusts (ILITs). While life insurance policies were previously exempt from the standard of care against which investment performance was measured, ILIT trustees must now investigate the appropriateness of ILIT assets *including life insurance policies*, monitor the continuing appropriateness of ILIT assets, and manage ILIT assets in a manner that minimizes costs and maximizes benefits to trust beneficiaries.

As such, we are instituting a new life insurance portfolio review process that will both ensure your gifts to the trust produce the intended benefit (see example benefit comparison letter) ***and*** comply with the new requirements of UPIA. As a result, you will now be provided with a (bi/tri-)annual report on the performance of the life insurance policies held by the D. Every Family Irrevocable Life Insurance Trust as described in the enclosed brochure, and the annual custodial fee will be increased to \$ _____ to cover the cost of both this (bi/tri-)annual performance report as well as these new responsibilities.

Please contact your trust officer with any questions.

Sincerely,

Trust E. Worthy
President - Private Client Trust Services