SAMPLE INSOLVENCY TRIGGER CLAUSE

Protective Conversion on Insolvency or Creditor Process. Notwithstanding any provision of this Trust directing or requiring a distribution to a Beneficiary, if at any time (a) the Beneficiary is insolvent or is unable to pay the Beneficiary's debts as they become due, (b) a petition in bankruptcy is filed by or against the Beneficiary, (c) any creditor, assignee, receiver, trustee, or other person attempts by legal process to reach, attach, garnish, levy upon, or subject to any lien any distribution then otherwise due to the Beneficiary or any interest of the Beneficiary in this Trust, or (d) the Beneficiary attempts to anticipate, assign, pledge, or encumber any such distribution or interest, then the Beneficiary's right to that distribution shall not vest, shall not become due or payable, and shall instead be held and administered as a wholly discretionary interest. During any period in which this Section applies, the Trustee may pay to or for the benefit of the Beneficiary so much of the income and principal, including any amount that would otherwise have been distributed, as the Trustee in the Trustee's sole and absolute discretion determines, and may pay nothing; the Beneficiary has no right to compel any payment and no enforceable interest in any amount not actually received. This Section operates automatically upon the occurrence of any event described above, without any act, election, disclaimer, or consent of the Beneficiary, and no Beneficiary has any power to cause, waive, or terminate its operation. When the Trustee determines that no event described above continues to apply, the Trustee may, in the Trustee's sole and absolute discretion, restore the Beneficiary's interest to the terms that would otherwise govern it and distribute any amount accumulated while this Section applied.