

Under Scrutiny

It's hard for life settlements to break away from the less-than-stellar reputation initiated by the viatical industry. But why shouldn't it be; they're very similar products.

But they are also different, and life settlement companies continue to struggle to validate their positions within the financial planning marketplace. Still, whether or not the industry has made strides toward "legitimacy" depends on who you talk to.

"Compared to viaticals, life settlements are much more popular. The majority of companies with institutional funding are purchasing life settlements rather than viaticals," says Carole Fiedler, president of Fiedler Financial, a viatical and life settlement brokerage

Life settlements are still trying to shake a negative viatical industry stigma

out of San Francisco. "The business of life insurance settlements in general continues to evolve and is gaining widespread acceptance."

Consumer advocate Gloria Wolk isn't as confident in the industry. "The life settlement business is similar to the viatical settlement business in the early 1990s: Little to no regulation," she says. Wolk refers to the NAIC model act as,

"lots of talk, lots of paper, and nothing meaningful to protect consumers." She says she doesn't expect the act to create a significant impact on the industry.

Ultimately, to protect yourself and your clients, Fiedler encourages agents to learn about the industry and understand that working a settlement deal isn't the same as selling insurance. "There are so many variables and levels to this that most agents are not aware of," says Fiedler. "Selling life insurance is commission-driven. Selling in-force life insurance is not, and should not be. It should be about getting the client a fair and equitable price for his insurance."

The following is an SMA-compiled resource of industry players in this embattled market:*

Funding Groups

The ALI Group	(800) 876-2991	www.aligrp.com
States where licensed to purchase life settlements and/or viaticals	34 states	
Types of policies purchased	UL, term, whole life, second-to-die, group and variable life	
Minimum age of insured / Life expectancy range	70 / under age 70: 5 years or less, over 70: 2-8	
Policy size minimum / Policy size maximum	\$100,000 / \$5,000,000	
Minimum carrier rating	B++	
How long policy must be in force	Lesser of 20 years or three times the life expectancy	
Individual investor dollars	No	
Policy information provided to individual investors	N/A	
Institutional dollars / Type of institutional dollars	Yes / Bank, family offices, investment houses	
Can policies be resold?	Yes	
Can policy be resold to individual investors?	No	
Who will be the owner and beneficiary of the policy?	Policies may be sold as group at end of program (10 years)	

*Inclusion in this source list does not indicate an endorsement by *Senior Market Advisor*. We recommend you investigate each company thoroughly before entering into any business agreement.

Funding Groups

<p>The Ardán Group, Ltd. (732) 855-0670</p>	<p>www.ardangroup.com</p>
<p>States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?</p>	<p>NY, MN, TX Consider all types 18 / 1-15 years \$25,000 / \$25,000,000 B More than 2 years No N/A Yes / Banks No N/A Trusts</p>
<p>Coventry First (877) 836-8300</p>	<p>www.coventryfirst.com</p>
<p>States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?</p>	<p>AL, AR, AK, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WI, WY UL, SUL, VUL, Term, WL, SWL, VWL, VS 60 / 15 years or less \$250,000 / No maximum None 2 years No N/A Yes / Insurance companies Yes No US Bank</p>
<p>Legacy Benefits Corporation (800) 875-1000</p>	<p>www.legacybenefits.com</p>
<p>States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?</p>	<p>43 states Universal life, whole life, term life, FEGLI, variable universal, 2nd-to-Die, variable UL 18 / 6 months to 12.5 years \$100,000 / \$5,000,000 A- 2 years minimum No N/A Yes / Investment bank Yes No A trust</p>
<p>Life Equity, LLC (330) 342-7772</p>	<p>www.lifeequity.net</p>
<p>States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?</p>	<p>AL, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, MD, MA, MI, MN, MS, MO, NE, NV, NH, NJ, NM, NY, NC, OH, OK, OR, PA, RI, SC, SD, TN, TX, VA, WA, WI, WY, PR Universal life, term life, whole life, variable life, survivorship life, adjustable life, joint first-to-die 65 / 4-10 years \$250,000 / \$5 million AM Best A 3 years No N/A Yes / N/A No N/A Life Equity owner trust</p>
<p>The Lifeline Program (954) 568-3658</p>	<p>thelifeline.com</p>
<p>States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?</p>	<p>FL, NY, CA, CT, WA, NC, IL All types of life policies 70 / 6 months - 72 months \$50,000 / \$7,000,000 A- 2 years Yes Carrier face amount Yes / carrier face amount No N/A Funding company is owner. Investors are beneficiary.</p>

Funding Groups

Living Benefits Financial Services, LLC (877) 210-8788 www.livingbenefitsllc.com		
States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?	CT, FL, IA, MN, NC, TX Universal, term, variable, whole, survivorship 65 / 3-12 years \$250,000 / \$5,000,000 Moody's A3 or better or S & P's A- or better 2 years No N/A Yes / Reinsurance money No N/A Living Benefits Financial Services, LLC & GenRe Securities	
Peachtree Life Settlements (561) 962-3900 www.lumpsum.com		
States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?	FL, TN, TX, pending in OH and PA UL, whole life, conv. Term, term, var. life 65 / Minimum of 3 years \$100,000 / A by S&P 2 years No N/A Yes / International banking institution No No SPE	
Portsmouth Financial Group (800) 250-3230 www.portsmouthgroup.com		
States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?	CA, IL, KS, LA, MS, NC, NY, OH, OK, TX, WA All None / >12 years \$100,000 / None None 2 years No N/A Yes / Bank Yes No Bank Trustee	
Stone Street Financial (301) 951-8900 www.StoneStreetFinancial.com		
States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?	Conducts business in all 50 states UL, second to die UL, variable UL, second to die variable UL, whole life, second to die whole life, term 65 / 2-12 years \$250,000 / None None Minimum 24 months No N/A Yes / Proprietary Yes No SPV	
Vespers, LLC (888) 999-9005 www.vespersfunding.com		
States where licensed to purchase life settlements and/or viaticals Types of policies purchased Minimum age of insured / Life expectancy range Policy size minimum / Policy size maximum Minimum carrier rating How long policy must be in force Individual investor dollars Policy information provided to individual investors Institutional dollars / Type of institutional dollars Can policies be resold? Can policy be resold to individual investors? Who will be the owner and beneficiary of the policy?	IL, NC, TN, MN, OH, TX, AR, KY, VT, CA, LA, VA, CT, MA, WA, DE, NJ, WI, IN, NM, KS, NY, AL, AZ, CO, DC, GA, HA, ID, MD, MI, MO, NH, RI, SC, SD, UT, WV, WY UL, Term, WL, some Group Varies / Varies \$50,000 / \$3,000,000 B 2 years No Policy number, carrier rating Yes / Foreign Financial Institutions No No Escrow Agent	

Life Settlement Brokers

Advanced Settlements, LLC		(800) 561-4148	www.advancedsettlements.net
States where licensed to broker life settlements and/or viaticals	Life settlements - AL, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, KS, LA, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, OH, OR, PA, PR, RI, SC, SD, TN, TX, VT, VA, WA, WV, WI, WY		
States company operates in	Life settlements - AL, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, KS, LA, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, OH, OR, PA, PR, RI, SC, SD, TN, TX, VT, VA, WA, WV, WI, WY		
How many companies do you broker to?	20		
Primary funder	Institutional capital		
Do you broker to companies that use institutional capital?	Yes		
Do you broker to companies that use individual capital?	No		
ALIR Company		(888) 599-1112	www.e-alir.com
States where licensed to broker life settlements and/or viaticals	Viaticals:AR, CT, DE, FL, KY, FL, ME, MN, NV, NY, NC, OH, OK, OR, TN, TX, VA, WA, WI, AR, CN, DE, FL, ME, MN, NV, NY, NC, OH, OK, OR, TN, VA, WA, WI, AL, AZ, CO, GA, HI, ID, IL, MD, MI, MO, NH, RI, SC, SD, UT-Viatical only, WV, WY		
States company operates in			
How many companies do you broker to?	Many		
Primary funder	N/A		
Do you broker to companies that use institutional capital?	Yes		
Do you broker to companies that use individual capital?	Yes		
Assignable Life Assets		(800) 422-1314	www.lifesettlementbroker.com
States where licensed to broker life settlements and/or viaticals	AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, ID, IL, KS, LA, MA, MD, MI, MN, MO, MS, NC, NH, NJ, NM, NV, NY, OR, PA, RI, SC, SD, TX, UT, VA, VI, WA, WI, WV, WY		
States company operates in	FL		
How many companies do you broker to?	20-25		
Primary funder	N/A		
Do you broker to companies that use institutional capital?	Yes		
Do you broker to companies that use individual capital?	Yes		
Brown & Brown Associates, P.C.		(361) 993-3820	www.brownbrown-assoc.com
States where licensed to broker life settlements and/or viaticals	TX		
States company operates in	All but AK, DC, DE, ME, HI, MT, NV, NY, SC, VT, WY		
How many companies do you broker to?	3		
Primary funder	N/A		
Do you broker to companies that use institutional capital?	Yes		
Do you broker to companies that use individual capital?	No		
Brown, Brown & Gomberg/ CPS		(847) 965-4700	www.bbgcps.com
States where licensed to broker life settlements and/or viaticals	All		
States company operates in	All		
How many companies do you broker to?	A few		
Primary funder	N/A		
Do you broker to companies that use institutional capital?	Yes		
Do you broker to companies that use individual capital?	No		
The East Coast Settlement Company		(954) 345-4500	www.tecsc.com
States where licensed to broker life settlements and/or viaticals	Licensed in all states that require a life settlement license		
States company operates in	We are a national company based in Florida.		
How many companies do you broker to?	33		
Primary funder	We have no primary funder; the highest bid wins.		
Do you broker to companies that use institutional capital?	Yes		
Do you broker to companies that use individual capital?	No		
ELA Settlement Services, LLC		(800) 388-0103	www.ELAsettlementservices.com
States where licensed to broker life settlements and/or viaticals	All except AK, KY, ME, MT, NE, UT		
States company operates in	All except AK, KY, ME, MT, NE, UT		
How many companies do you broker to?	12		
Primary funder	Shop to all institutional funded providers/companies		
Do you broker to companies that use institutional capital?	Yes		
Do you broker to companies that use individual capital?	No		
Fiedler Financial		(800) 905-0114	www.FiedlerFinancial.com
States where licensed to broker life settlements and/or viaticals	CA, FL, VA, NC, NJ, TX, OR, WA, WI, CT		
States company operates in	All		
How many companies do you broker to?	As many as are viable and appropriate to the client		
Primary funder	Independent, use any and all viable funders		
Do you broker to companies that use institutional capital?	Yes		
Do you broker to companies that use individual capital?	Yes		

Life Settlement Brokers

The Heritage Group (405) 753-9100 www.hglife.com	
States where licensed to broker life settlements and/or viaticals	AR, FL, KY, KS, MS, OK
States company operates in	OK and FL
How many companies do you broker to?	Please call for details.
Primary funder	N/A
Do you broker to companies that use institutional capital?	Yes
Do you broker to companies that use individual capital?	No
The Life Settlement Alliance, Inc. (800) 871-9440 www.lsalliance.com	
States where licensed to broker life settlements and/or viaticals	N/A
States company operates in	N/A
How many companies do you broker to?	Everyone who is licensed.
Primary funder	We use all that are available.
Do you broker to companies that use institutional capital?	Yes
Do you broker to companies that use individual capital?	Yes
The Marcus Agency (800) 443-4922 www.marcusagency.usfli.com	
States where licensed to broker life settlements and/or viaticals	All states
States company operates in	All states
How many companies do you broker to?	6
Primary funder	Various
Do you broker to companies that use institutional capital?	Yes
Do you broker to companies that use individual capital?	No
Safe Harbor Funds (800) 832-7512 www.safeharborfunds.com	
States where licensed to broker life settlements and/or viaticals	FL, TX
States company operates in	AL, AZ, CA, CO, CT, FL, GA, HI, ID, IL, IN, KS, KY, LA, MD, MI, MN, Mo, NE, NV, NJ, NM, NY, OH, RI, SC, SD, TX, VT, VA, WA, WV, WI, WY
How many companies do you broker to?	10+
Primary funder	Policy specific
Do you broker to companies that use institutional capital?	Yes
Do you broker to companies that use individual capital?	Yes
Stonewood Financial, LLC (502) 897-1613 www.stonewoodfinancial.com	
States where licensed to broker life settlements and/or viaticals	KY and IN
States company operates in	KY and IN
How many companies do you broker to?	4
Primary funder	Coventry First
Do you broker to companies that use institutional capital?	Yes
Do you broker to companies that use individual capital?	No
VSPi (888) 321-9057 www.vspi.com	
States where licensed to broker life settlements and/or viaticals	All states, pending in OH
States company operates in	All states
How many companies do you broker to?	About 25
Primary funder	Most applicable
Do you broker to companies that use institutional capital?	Yes
Do you broker to companies that use individual capital?	Yes
Washington Viatical (888) 777-5432 www.washingtonviatical.com	
States where licensed to broker life settlements and/or viaticals	N/A
States company operates in	N/A
How many companies do you broker to?	10-15
Primary funder	Use all that are available
Do you broker to companies that use institutional capital?	Yes
Do you broker to companies that use individual capital?	No
Welcome Funds, Inc. (877) 227-448 www.welcomefunds.com	
States where licensed to broker life settlements and/or viaticals	FL, KS, NC, OH, TX, AR, CT, , MS, NJ, OH, VA + all unregulated states
States company operates in	AL, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, KS, LA, MD, MA, MI, MN, MS, MO, MO, NV, NH, NJ, NM, NY, NC, OH, OK, OR, PR, RI, SC, SD, TX, UT, VT, VA, WA, WV, WI, WY
How many companies do you broker to?	Every funder, based upon state regulations/licensing requirements
Primary funder	No primary funder
Do you broker to companies that use institutional capital?	Yes
Do you broker to companies that use individual capital?	Yes