



ILMA Concurs with Sound Regulation and Oversight of the Life Settlement Market

FOR IMMEDIATE RELEASE

April 28th, 2009 — Washington, DC — The Institutional Life Markets Association (ILMA), a trade association comprised of a number of the world's leading institutional investors and intermediaries in the longevity marketplace, today commended the U.S. Senate Special Committee on Aging for its interest in the emerging secondary market for life insurance, known as life settlements. Secondary markets provide multiple options to consumers selling assets, such as their homes or cars, and life insurance policies should be treated no differently.

ILMA fully agrees with Senator Kohl's call for better regulation and oversight of the life settlement market. "This is a welcome opportunity for the public to learn about this little-known, but valuable option for selling unwanted, unneeded or unaffordable life insurance policies," said Jack Kelly, ILMA's Director of Government Affairs. ILMA urges adoption of fair, objective and consistent regulation that will bring about greater transparency and help the industry grow in a positive manner to ensure that consumers have the widest possible range of options should they choose to sell their life insurance policies.

Life insurance is one of the most significant financial assets many consumers own. In this time of diminished retirement account values, life settlements can give seniors the opportunity to enhance their retirement income, pay for healthcare costs or simply receive a cash payment for a policy that no longer fits their needs. Seniors face many challenges in the current economic environment and they deserve a choice as to whether to maintain an asset like their life insurance policy or to sell this asset if it's appropriate for their needs. Their decision should be made in an informed and transparent environment. As the life settlement industry continues to grow in response to consumer demand, the industry must provide greater transparency and better information. Regulators must ensure that consumers are protected, that they fully understand the ramifications of the decision to sell a life insurance policy and that they have as many options as possible with respect to the assets they own.

ILMA's first initiative was the creation of a Life Settlement Transaction Disclosure Statement that provides a complete and transparent reconciliation of all funds in connection with the consumer's sale of his insurance policy. The Disclosure Statement includes the face value of a policy, its estimated cash surrender value, the gross price being paid for the policy, the amount of the broker's

compensation and the net proceeds to the seller. The Disclosure Statement requires both the consumer and broker's notarized signature, ensuring a clear understanding by both parties of the allocation of all funds involved in the settlement transaction.

As the securities industry is one of the most highly regulated industries in the United States, the members of ILMA urge both federal and state securities regulators to continue enforcing laws requiring proper regulation and disclosure in the sale of securitized pools or fractionalized interests in life settlements. As investors and intermediaries in the tertiary market of life settlements, our participants are highly qualified investors such as investment, pension, hedge and other capital market funds that have analyzed and reviewed the suitability of the investment for their investment strategy.

ILMA representatives have met with the Committee staff over the past months to assist them in their understanding of the life settlement industry. ILMA has at all times continued to advance the need for a sound, common sense approach to the life settlement industry as it is currently fragmented and lacking in uniform documentation and standards. Transaction details are often opaque, confusing or not disclosed. This puts the consumer - or the insured who wishes to sell a policy - at a disadvantage. By providing seniors clear, complete and concise information, they will be able to make an informed decision about whether a life settlement is right for them. ILMA believes that unfettered choice and complete transparency of all bids and fees best serves both consumers and the industry.

###

About the Institutional Life Markets Association, Inc. (ILMA)

The Institutional Life Markets Association, Inc. (ILMA) is a not-for-profit trade association comprised of a number of the world's leading institutional investors and intermediaries in the longevity and mortality marketplace, formed to encourage the prudent and competitive development of a suite of evolving mortality and longevity related financial businesses, including the businesses of life settlements and premium finance. ILMA's members include: Credit Suisse; EFG Bank; Goldman, Sachs & Co.; JP Morgan Chase & Co.; Mizuho International plc; UBS AG; and WestLB AG.

Contacts:

Jack Kelly
(202)552-2788