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CONTACT:

Susan Nolan
Mike Humphreys
NCOIL National Office
518-687-0178

**INDUSTRY WEIGHS IN ON STOLI AT NCOIL INTERIM MEETING—OPEN
DEBATE TO CONTINUE IN JULY**

Troy, New York, April 26, 2007 — Interested parties from across the country went toe-to-toe on issues related to controversial stranger-originated life insurance (STOLI) at a six-hour meeting of the National Conference of Insurance Legislators (NCOIL) recently. During the special interim meeting held on April 20 by the NCOIL Subcommittee on Life Settlements, representatives of the life insurance, life settlement, and premium finance industries, as well as financial advisors and the investor community weighed in on how STOLI should be addressed in an updated version of an NCOIL *Life Settlements Model Act* to be considered in July.

Lead by Representative George Keiser (ND), Subcommittee chair, the meeting provided an open forum for legislators and industry alike to brainstorm on the appropriate approach to isolate the bad players in STOLI from those of legitimate industry transactions. Interested parties were provided an opportunity to explain their proposals and to discuss and debate amendments with Subcommittee members and additional industry representatives.

The Subcommittee will continue its review of the model during a special session to be held on Wednesday, July 18, from 2:00 to 6:00 p.m. before the July 19 through 22 NCOIL Summer Meeting in Seattle, Washington. Although the Subcommittee did not complete its examination of the model act on April 20, legislators and interested parties were pleased with the progress achieved and the open format of the discussion.

Rep. Keiser said, “The interim meeting allowed legislators to discuss issues related to the NCOIL model act with interested parties who, until April 20, had not had an opportunity to work section-by-section through a life settlements bill. The process will continue on July 18 when we hope to complete our evaluation of the proposed amendments and draft a model law that will address concerns regarding STOLI.”

Issues discussed during the interim meeting included the definition of a life settlement contract, premium finance lending, policy disclosures, and whether purchasers of life settlements, as

investors, should be included within the scope of the legislation. Legislators did not determine whether a two or five-year ban on policy settlements should be included in a final draft.

Interested parties participating in the interim meeting included the American Council of Life Insurers (ACLI); Association for Advanced Life Underwriting (AALU); Coventry; Habersham Funding; Institutional Life Markets Association (ILMA); Life Insurance Finance Association (LIFA); Life Insurance Settlement Association (LISA); Life Settlement Institute (LSI); National Association of Independent Life Brokerage Agencies (NAILBA); National Association of Insurance and Financial Advisors (NAIFA).

The NCOIL model, originally adopted in 2000, was amended in 2004 to address a growing life settlements market. It would regulate the business of life settlements by requiring, among other things, provider and brokers licensing, complex disclosures to a policy owner, and a two-year moratorium on selling a policy.

The NCOIL interim meeting was held in Arlington, Virginia. The Summer Meeting will take place at the Sheraton Seattle Hotel & Towers in Seattle, Washington.

NCOIL is an organization of state legislators whose primary focus is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

For further details, please contact the NCOIL National Office at 518-687-0178, or at mhumphreys@ncoil.org.

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