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**LIFE SETTLEMENT ISSUES SPUR SPECIAL SESSION
AT NCOIL SPRING MEETING**

Troy, New York, February 2, 2007— The National Conference of Insurance Legislators (NCOIL) has scheduled a special meeting to discuss updating its position on life settlements to accommodate current issues, including insurable interest and stranger-owned life insurance (STOLI), on March 2, from 4:00 p.m. to 5:30 p.m., during the March 1 through 4 NCOIL Spring Meeting in Savannah, Georgia.

The NCOIL Subcommittee on Life Settlements, after receiving interested party input at two highly-charged conference calls within the last month, has recommended that the Life Insurance and Financial Planning Committee hold a special meeting, where members can discuss such issues in light of its previously adopted *Life Settlements Model Act* and query interested parties on mark-ups submitted prior to the Spring Meeting.

The Subcommittee concluded its most recent conference call on January 25 by moving to consider updating the NCOIL model, originally adopted in 2000, and to have interested parties submit comments on recent developments including, among other things, STOLI, insurable interest, fraud, trusts, disclosure, and settlements regulation.

Amendment proposals are expected from representatives of the life insurance, life settlement, and premium finance industries.

Representative Michael Ripley (IN), Chair of the Committee, said, “We all agree that STOLI arrangements are unacceptable. With that said, how to strengthen settlement laws to eliminate STOLIs without impeding an individual’s right to settle an unwanted or unneeded policy, is a delicate question. We will try to act swiftly and justly to eliminate bogus practices and restore the integrity of the life insurance product.”

The NCOIL model was amended in 2004 to address a growing life settlements market. It would, among other things, prohibit a person, wherever located, to (1) act as a provider or broker with an owner or purchaser who is a resident of the state without first having obtained a license from the commissioner; (2) use any form of sales contract or purchase agreement unless it has been

filed and approved by the commissioner; and (3) enter into a sales contract if the policy was obtained by false, deceptive, or misleading means.

The special meeting on life settlements will immediately follow the 3:30 p.m. to 4:00 p.m. Life Insurance & Financial Planning Committee meeting.

The Spring Meeting will be held at the Hyatt Regency Savannah.

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.

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