28TH ANNUAL
LIFE SETTLEMENT CONFERENCE

October 2-3, 2022
Grand Hyatt
Atlanta
Thank You to Our Sponsors

2022 Strategic Partners

Fall Life Settlement Conference Sponsors
Welcome & Opening Remarks

Sherry Duarte, Chair
LISA Board of Directors

Bryan Nicholson, Executive Director
LISA

9:30 – 9:45 AM ET
Envisioning The Future for LISA and the LS Industry

John Welcom, Welcome Funds

9:45 – 10:15 AM ET
We’re Finally Back after 3 Very Long Years!
Envisioning The Future

A Quick Look Back

➢ Covid shutdowns – no face-to-face meetings, and a significant decrease in advisor-client interactions.
➢ Covid gave seniors a very good reason to maintain their life insurance coverage.
➢ Many states issued moratoriums on lapses.
➢ All Distribution Networks – which are the primary referral channel for the industry, cancelled in-person conferences.
➢ Virtual Conferences were NOT productive as it was impossible to educate & engage new advisors.
Where Are We Today?

- LISA’s first meeting since Fall 2019!
- Advisors are meeting with clients again.
- Covid is less of a concern for seniors.
- Financial & Life Insurance Conferences are back, and brokers & providers are exhibiting.
- Distribution Networks are initiating Life Settlement RFI’s to add the life settlement option as a service on their platform.
- Policy supply is on the rise.
Envisioning The Future

How Do We Improve Policy Supply?
Envisioning The Future

Consumer Awareness
&
Advisor Education
Life Settlement Benefit to Consumers:
- $750 Million Paid Out
- 7.8x higher than CSV alternative from carriers
- Resulting in $660 Million more in consumers’ pockets

Life Settlements vs. Lapsed/Surrendered

3000 vs. 9,000,000

$4 Billion vs $642 Billion
Envisioning The Future

Consumer Awareness

➢ TV Commercials – consumers and advisors are responding.

➢ Internet Marketing – consumers are researching market participants.

➢ New Advisors are being pressured to establish life settlement relationships due to consumer inquiries.
Envisioning The Future

Advisor Education

➢ LISA’s Market Data Project has given Members the information needed to highlight the benefits of the life settlement option to advisors.

➢ For the first time in over a decade, we have the opportunity to promote real market data to our Distribution Networks (Broker-Dealers, BGAs, MGAs, IMOs, Carriers) that have been hesitant to offer Life Settlement services to their clients.

➢ Highlighting Life Settlement Data and comparing it to the annual lapse and surrender data is alarming!

➢ This market should be significantly larger, and advisors play an essential role to accomplish that goal.
Envisioning The Future

Disclaimer

➢ All data provided herein is derived from the Life Insurers Fact Books from 2010-2021 issued by the American Council of Life Insurers (ACLI), which is available for download at https://www.acli.com/Industry-Facts/Life-Insurers-Fact-Book.

➢ The calculations and conclusions that have been derived from this data is not endorsed by the source or verified by any third party.
<table>
<thead>
<tr>
<th>Year</th>
<th>Face Value In Force (in millions)</th>
<th>Face Value Lapsed (in millions)</th>
<th>Face Value Surrendered (in millions)</th>
<th>Face Value Lapsed &amp; Surrendered (in millions)</th>
<th>Face Value Lapsed &amp; Surrendered L &amp; S Rate (in millions)</th>
<th># Policies In Force (in millions)</th>
<th># Policies Lapsed (in millions)</th>
<th># Policies Surrendered (in millions)</th>
<th># Policies Lapsed &amp; Surrendered L &amp; S Rate (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$9,172,397</td>
<td>$568,689</td>
<td>$192,620</td>
<td>$752,137</td>
<td>8.20%</td>
<td>162</td>
<td>9.05</td>
<td>2.26</td>
<td>11.47</td>
</tr>
<tr>
<td>2000</td>
<td>$9,376,370</td>
<td>$665,722</td>
<td>$206,280</td>
<td>$881,379</td>
<td>9.40%</td>
<td>163</td>
<td>9.26</td>
<td>2.44</td>
<td>11.54</td>
</tr>
<tr>
<td>2001</td>
<td>$9,345,723</td>
<td>$551,398</td>
<td>$168,223</td>
<td>$719,621</td>
<td>7.70%</td>
<td>166</td>
<td>9.97</td>
<td>2.66</td>
<td>12.62</td>
</tr>
<tr>
<td>2002</td>
<td>$9,311,729</td>
<td>$614,574</td>
<td>$176,923</td>
<td>$800,609</td>
<td>8.60%</td>
<td>169</td>
<td>14.06</td>
<td>2.03</td>
<td>16.26</td>
</tr>
<tr>
<td>2003</td>
<td>$9,654,731</td>
<td>$550,320</td>
<td>$183,440</td>
<td>$733,760</td>
<td>7.60%</td>
<td>176</td>
<td>10.03</td>
<td>2.29</td>
<td>12.14</td>
</tr>
<tr>
<td>2004</td>
<td>$9,717,377</td>
<td>$524,738</td>
<td>$155,478</td>
<td>$680,216</td>
<td>7.00%</td>
<td>168</td>
<td>9.89</td>
<td>1.84</td>
<td>11.74</td>
</tr>
<tr>
<td>2005</td>
<td>$9,696,899</td>
<td>$488,525</td>
<td>$169,488</td>
<td>$658,013</td>
<td>6.60%</td>
<td>166</td>
<td>9.30</td>
<td>2.16</td>
<td>11.46</td>
</tr>
<tr>
<td>2006</td>
<td>$10,056,501</td>
<td>$492,769</td>
<td>$140,791</td>
<td>$633,560</td>
<td>6.30%</td>
<td>161</td>
<td>9.31</td>
<td>1.77</td>
<td>11.07</td>
</tr>
<tr>
<td>2007</td>
<td>$10,231,765</td>
<td>$521,820</td>
<td>$133,013</td>
<td>$654,833</td>
<td>6.40%</td>
<td>158</td>
<td>8.71</td>
<td>1.74</td>
<td>10.45</td>
</tr>
<tr>
<td>2008</td>
<td>$10,254,379</td>
<td>$625,517</td>
<td>$153,816</td>
<td>$779,333</td>
<td>7.60%</td>
<td>156</td>
<td>10.61</td>
<td>1.72</td>
<td>12.32</td>
</tr>
<tr>
<td>2009</td>
<td>$10,324,455</td>
<td>$588,494</td>
<td>$165,191</td>
<td>$753,685</td>
<td>7.30%</td>
<td>153</td>
<td>8.72</td>
<td>1.84</td>
<td>10.56</td>
</tr>
<tr>
<td>2010</td>
<td>$10,483,516</td>
<td>$566,110</td>
<td>$146,769</td>
<td>$712,879</td>
<td>6.80%</td>
<td>152</td>
<td>7.60</td>
<td>1.82</td>
<td>9.27</td>
</tr>
<tr>
<td>2011</td>
<td>$10,993,501</td>
<td>$527,688</td>
<td>$131,922</td>
<td>$670,604</td>
<td>6.10%</td>
<td>151</td>
<td>7.40</td>
<td>1.66</td>
<td>9.21</td>
</tr>
<tr>
<td>2012</td>
<td>$11,215,136</td>
<td>$527,111</td>
<td>$134,582</td>
<td>$661,693</td>
<td>5.90%</td>
<td>146</td>
<td>6.86</td>
<td>1.61</td>
<td>8.47</td>
</tr>
<tr>
<td>2013</td>
<td>$11,365,441</td>
<td>$522,810</td>
<td>$113,654</td>
<td>$647,830</td>
<td>5.70%</td>
<td>144</td>
<td>5.76</td>
<td>1.44</td>
<td>7.21</td>
</tr>
<tr>
<td>2014</td>
<td>$11,825,927</td>
<td>$508,515</td>
<td>$118,259</td>
<td>$626,774</td>
<td>5.30%</td>
<td>143</td>
<td>7.28</td>
<td>1.57</td>
<td>8.85</td>
</tr>
<tr>
<td>2015</td>
<td>$12,342,152</td>
<td>$543,055</td>
<td>$123,422</td>
<td>$666,476</td>
<td>5.40%</td>
<td>142</td>
<td>6.55</td>
<td>1.42</td>
<td>7.97</td>
</tr>
<tr>
<td>2016</td>
<td>$11,991,547</td>
<td>$515,637</td>
<td>$119,915</td>
<td>$623,560</td>
<td>5.20%</td>
<td>142</td>
<td>7.12</td>
<td>1.42</td>
<td>8.54</td>
</tr>
<tr>
<td>2017</td>
<td>$11,927,533</td>
<td>$536,726</td>
<td>$131,200</td>
<td>$679,853</td>
<td>5.70%</td>
<td>142</td>
<td>7.51</td>
<td>1.56</td>
<td>9.07</td>
</tr>
<tr>
<td>2018</td>
<td>$12,120,445</td>
<td>$569,661</td>
<td>$133,325</td>
<td>$690,865</td>
<td>5.70%</td>
<td>138</td>
<td>7.75</td>
<td>1.52</td>
<td>9.28</td>
</tr>
<tr>
<td>2019</td>
<td>$12,388,298</td>
<td>$545,085</td>
<td>$136,271</td>
<td>$681,356</td>
<td>5.50%</td>
<td>137</td>
<td>7.95</td>
<td>1.51</td>
<td>9.45</td>
</tr>
<tr>
<td>2020</td>
<td>$12,849,985</td>
<td>$526,849</td>
<td>$115,650</td>
<td>$642,499</td>
<td>5.00%</td>
<td>137</td>
<td>7.81</td>
<td>1.37</td>
<td>9.18</td>
</tr>
<tr>
<td>2000-2009</td>
<td>$5,623,877</td>
<td>$1,652,643</td>
<td>$7,295,208</td>
<td>99.86</td>
<td>20.48</td>
<td>120.16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-2019</td>
<td>$5,362,398</td>
<td>$1,289,319</td>
<td>$6,661,892</td>
<td>71.78</td>
<td>15.54</td>
<td>87.32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Since 2000</td>
<td>$11,513,124</td>
<td>$3,057,612</td>
<td>$14,599,599</td>
<td>179.45</td>
<td>37.39</td>
<td>216.66</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Envisioning The Future

### Two Decades of Lapses & Surrenders

<table>
<thead>
<tr>
<th>TIMEFRAME</th>
<th># OF POLICIES</th>
<th>FACE VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2009</td>
<td>120 MILLION</td>
<td>$7.295 TRILLION</td>
</tr>
<tr>
<td>2010-2019</td>
<td>87 MILLION</td>
<td>$6.661 TRILLION</td>
</tr>
<tr>
<td>2020</td>
<td>9 MILLION</td>
<td>$642 BILLION</td>
</tr>
<tr>
<td>Since 2000</td>
<td>216 MILLION</td>
<td>$14.599 TRILLION</td>
</tr>
</tbody>
</table>
Envisioning The Future

Visualizing the Data Shows a Key Trend
FACE VALUE OF POLICIES LAPSSED & SURRENDERED
IN BILLIONS | INDIVIDUAL POLICIES ONLY | SOURCE: ACLI FACT BOOK 2010-2021

The Dot-Com Bubble Bursts
- $811.4
- $752.1
  - $719.6
  - $733.8

Stock Market Collapse
- $800.8

The Financial Crisis
- $779.3
- $753.7
  - $712.9

Carrier COI Increases
- $690.9
- $681.4
- $666.5
  - $667.8
  - $626.8
  - $623.6
  - $642.5
Envisioning The Future

What Does the Data Tell Us?

➢ There is clear evidence that economic downturns trigger a major increase in Lapses & Surrenders.
Our current economic environment indicates that an increase in lapse and surrender rates is highly likely to occur in 2022 or 2023.
LISA Members finally have concise market data to demonstrate that life settlements are a better option than lapsing or surrendering a life insurance policy.
The Future is Now!

➢ Let’s put our efforts to work and grow the industry together!
2021 Life Insurance Industry Overview: Updated Conning Reporting

Scott Hawkins, Conning & Co.

10:15 – 11:00 AM ET
Key Drivers for the Life Settlement Industry: the Next Ten Years
About Conning

Conning Overview
- Founded in 1912; investing institutional assets for over three decades
- 486 employees with 164 investment professionals
- Offices in Asia, Europe and North America
- PRI signatory as of 2012, with an integration of ESG factors into our investment process

Recent Developments
- Conning acquired a majority interest in Global Evolution, a specialty manager with expertise in emerging market debt strategies
- Conning's Global Diversity, Equity, and Inclusion (DEI) Council focuses on growing diversity throughout the organization and promoting an inclusive and equitable workplace

Assets by Client Type
- $190.8 Billion
- 37.7% Life & Health
- 25.9% Property Casualty
- 14.9% Retail
- 13.3% Other
- 8.2% Pension

Assets by Asset Class
- $190.8 Billion
- 37.0% Investment Grade Corporate Bonds
- 14.3% Bank Loans
- 12.6% Equities
- 8.8% Structured Securities
- 8.1% Emerging Markets Debt
- 5.1% Governments and Agencies
- 5.0% Balanced & Other Funds
- 3.8% Municipal Bonds
- 3.7% Cash
- 0.8% Private Placements
- 0.7% High Yield Corporate Bonds

(1) As of June 30, 2022, represents the combined global assets under management for the affiliated firms under Conning Holdings Limited (CHL) and Cathay Securities Investment Trust Co., Ltd. (SITE). SITE is a separate entity under Cathay Financial Holdings Co., Ltd which is the ultimate controlling parent of all CHL controlled entities. The CHL CEO sits on the Board of SITE and helps oversee the business.
(2) Retail Funds including Emerging Markets Public Funds, CLO Funds and SITE Mutual Funds
(3) Includes Asset Managers, Banks, Corporations, Foundations, Family Offices, Fund of Funds, Sovereign Wealth Funds, Sub-advised / Third-party Funds, Trusts, and other investors
(4) Includes Convertible Securities
(5) Includes Bank Loans held in managed CLO funds
(6) Includes Mortgage-backed Securities, Asset-backed Securities, CLO Debt and CLO Equity
(7) Includes Emerging and Frontier Markets
(8) Includes Treasuries, Supranational and Sovereigns
(9) SITE ILP Funds, Funds of Funds and other Mutual Funds
(10) Includes Taxable Municipal and Tax-Exempt Municipalities
(11) Includes Short Term
(12) Excludes SITE

Prepared by Conning, Inc.
About Insurance Research

For over 50 years, Conning’s in-depth insurance expertise has helped management teams understand and navigate a rapidly changing insurance landscape.

Total Industry Coverage
› Property-Casualty
› Life-Annuity
› Health

Experienced Team
Backgrounds in:
› Underwriting and actuarial
› Insurance operations
› Primary & secondary market research
› Capital markets
› Rating agency perspective
› Investment functions

Serving the insurance industry for 50+ years

18 Professionals Average experience of 25+ years

Unique Offerings
› Produces 100+ publications annually
› Access to a robust online library of Conning research
› Over 10,000 active users
› Direct access to expert analysis
› Custom consulting services

How We Add Value
› Efficiently support strategic planning
› Generate competitive insights
› Independent and objective, unbiased research
› Identify growth opportunities
› Benchmark financial performance

© 2022 Conning, Inc. This research publication is copyrighted with all rights reserved. No part of this research publication may be reproduced, transcribed, transmitted, stored in an electronic retrieval system, or translated into any language in any form by any means without the prior written permission of Conning.
LIFE SETTLEMENT MARKET FORECAST
### Conning Life Settlement Forecast Drivers

<table>
<thead>
<tr>
<th>Economic &amp; Capital</th>
<th>Consumer</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Interest Rates</td>
<td>• Consumer LS Awareness</td>
<td>• Regulation</td>
</tr>
<tr>
<td>• Capital Market</td>
<td>• Consumer Financial Need</td>
<td>• Life Expectancy Revisions</td>
</tr>
<tr>
<td>• Recession</td>
<td>• Covid-19 Impact</td>
<td></td>
</tr>
<tr>
<td>• Inflation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Rising Interest Rates Positive for Insurer Portfolio Yields

Life Insurance Book Yield vs. 10-Year Treasury Rates—Illustrative Scenarios

- Actual Book Yield
- Baseline Scenario Book Yield
- Low and Level Scenario Book Yield

Improving UL Crediting Rates Positive for Investors

Universal Life Credited Rates

Range of the Middle 50%

Median


Prepared by Conning, Inc. Source: ©2022 LL Global, Inc.
Capital Market Alternative Asset Interest Favorable For Life Settlements

Asset Under Management CAGR by Asset Class for the 500 Largest Asset Managers

2016-2020

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>2016-2020 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alts</td>
<td>14.0%</td>
</tr>
<tr>
<td>Equity</td>
<td>13.0%</td>
</tr>
<tr>
<td>Cash</td>
<td>12.0%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>11.0%</td>
</tr>
<tr>
<td>Other</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Recession Pressure on Income Positive for Life Settlements

Disposable Personal Income

Prepared by Conning, Inc. Source: Bureau of Economic Analysis, Department of Commerce
Recession Pressure on Retirement Savings Positive for Life Settlements

Consumer Price Index

Inflation Impact on Savings Positive Life Settlements

Consumer Price Index

Prepared by Conning, Inc. Sources: https://fred.stlouisfed.org/series/CPIAUCSL
Heightened Mortality May Persist

Total Deaths by Quarter, U.S.
As of September 3, 2022

Total External Cause Deaths by Quarter, U.S.
As of September 3, 2022

Prepared by Conning, Inc. Source: Centers for Disease Control and Prevention, U.S. Department of Health and Human Services (2022)
# Beyond A Pandemic, Long Covid Challenges Wages

## Long Covid: A Collection Of Symptoms

<table>
<thead>
<tr>
<th>Symptom</th>
<th>Percentage</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shortness Of breath</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Brain Fog”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headache</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chest or stomach pain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint or muscle pain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cough</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dizziness / Lightheaded</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24%</td>
<td>Estimated percentage of Covid-19 patients identified as long haulers</td>
</tr>
<tr>
<td></td>
<td>26%</td>
<td>Estimated percentage of Covid-19 long haulers reporting negative impact on employment</td>
</tr>
<tr>
<td></td>
<td>3 to 6</td>
<td>Range of months long hauler employment impacted</td>
</tr>
</tbody>
</table>


© 2022 Conning, Inc. This research publication is copyrighted with all rights reserved. No part of this research publication may be reproduced, transcribed, transmitted, stored in an electronic retrieval system, or translated into any language in any form by any means without the prior written permission of Conning.
Decreasing Number of New Life Insurance Contracts Issued A Challenge

Number of Policies Issued Per Year, Individual Life Insurance

In Millions

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Decreasing Cash Value Life Insurance Ownership: A Challenge

Cash Value Life Insurance: Average Cash Value

<table>
<thead>
<tr>
<th>Year</th>
<th>0%</th>
<th>5%</th>
<th>10%</th>
<th>15%</th>
<th>20%</th>
<th>25%</th>
<th>30%</th>
<th>35%</th>
<th>40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1992</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1995</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1998</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2001</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2004</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2007</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2010</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2013</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2016</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2019</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
LIFE SETTLEMENT INSURER PERFORMANCE
Individual Life Death Benefits and Operating Results Varied by Product

**Individual Life Death Benefits**  
$ in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Term</th>
<th>UL</th>
<th>VUL</th>
<th>Whole</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Individual Life Net Operating Gain**  
$ in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Term</th>
<th>UL</th>
<th>VUL</th>
<th>Whole</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Excess Mortality Negative for Insurer Results

Death Benefits Paid by Quarter

$ In billions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Life Settlement Targets RBC Above Remaining Industry

Risk-Based Capital Levels 2020: Life Settlement Targets

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Portfolio Rate Decrease Lower for Life Settlement Targets than Remaining Industry

Portfolio Rate: Net Investment Income / Average General Account Assets

- Life Settlement Targets
- Remaining Life Industry
- LS Targets Ex Equitable and MetLife

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Life Settlement Targets Experience Higher Mortality

Face Amount Lost from Death Claims/Average In-Force Face Amount

in basis points

Life Settlement Target

Remaining Life Industry

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Lower Cession Rates for Life Settlement Targets

First-Year Reinsurance Cession Rate
First-year ceded premium/first-year direct and assumed premium

- Life Settlement Target
- Remaining Life Industry
- Remaining ex Hannover and RGA

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Lower Lapse Rates for Life Settlement Targets

**Lapse Rate**

*Lapsed face amounts/average in force face amounts*

![Graph showing lapse rates for Life Settlement Target and Remaining Life Industry from 2017 to 2021. Lapse rates decrease over time for both categories.]

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Similar Surrender Rates for Life Settlement Targets

Face Amount Surrender Rates
Surrender face amount/average face amount, in basis points

- Life Settlement Target
- Remaining Industry
- Ex RGA & Hannover

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Life Settlement Targets Yet to Recover from 2020

Aggregate Operating Margin and Operating Gain/Loss

Net operating gain/ revenue, $ in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Life Settlement Targets Operating Gain</th>
<th>Life Settlement Targets</th>
<th>Remaining Life Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2018</td>
<td>6%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>2019</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>2020</td>
<td>0%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>2021</td>
<td>-2%</td>
<td>-4%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

Prepared by Conning, Inc. Sources: ©2022 S&P Global Market Intelligence LLC
Summing Up

- Economic conditions remain favorable for continued growth
- COVID-19 impacts could increase demand for life settlements
- Satisfying increased consumer demand may require a mass-market approach to life settlements
- Insurers targeted by life settlement investors remain strong
Carrier Encroachment on the Life Settlement Industry

Alan Buerger, Coventry

11:15 AM – 12:15 PM ET
Opportunities for Standardization in the Life Settlement Industry

Introductory Remarks by Blaine Cook, Montage Financial Group
Amy Besse, AIR Asset Management
Jon Mendelsohn, Ashar Group
Steven Shapiro, Q Capital Strategies, LLC
Chris Wells, Executive Director, ELSA – Moderator

1:30 – 2:30 PM ET
The Current State of Insurance Markets: Implications for the LS Industry

Samantha Butcher, Abacus Life Options
Brian Casey, Locke Lord
Dan Ohlman, Welcome Funds
Sherry Duarte, Fifth Season Financial – Moderator

2:30 – 3:15 PM ET