

## The big picture—ten years of life settlement transaction data

We set up our life settlement transaction data collection back in 2011 and it runs since then smooth and without interruption. There were thousands of single transactions reported over time that show a detailed picture of our markets. To give you an idea about the big picture we took ten years of transaction data from January 2014 to December 2023.

In total we were reported 9'098 single transactions over this time period with USD 17.75 bn face amount. The policies were transferred for USD 4.24 bn, so one dollar face amount was traded for about 23.9 cents on average. 69.4% of all transactions referred to a male insured, 25% referred to a female insured and the rest were joint policies.

Insured	Nr of trades	Nr of trades in % of all	Face amount in USD bn	Face amount in % of all	Transaction price in USD bn	Transaction price in % of all
Male	6'310	69.4%	10.95	61.7%	2.74	64.6%
Female	2'273	25.0%	4.97	28.0%	1.22	28.8%
Joint	515	5.6%	1.8	10.3%	0.28	6.6%
<b>Total</b>	<b>9'098</b>		<b>17.75</b>		<b>4.24</b>	

### Differences between the secondary and the tertiary market

The life settlement markets consist of two segments, the secondary and the tertiary market. In the secondary market original owners sell their life insurance policies to investors. The investors then trade previously purchased paper in the tertiary market to other professional investors.

We know whether a transaction belongs to the secondary market or if it is a tertiary trade, thus we can compare the two segments. Roughly 50.9% of the total traded face amount belongs to the secondary market, and accordingly 49.1% refer to tertiary transactions. The gender split is similar in both markets with about 70% male respective 30% female. As well similar in both markets is the average rating of the insurance carriers (A+ from AM Best) as well as the distribution of the ratings.

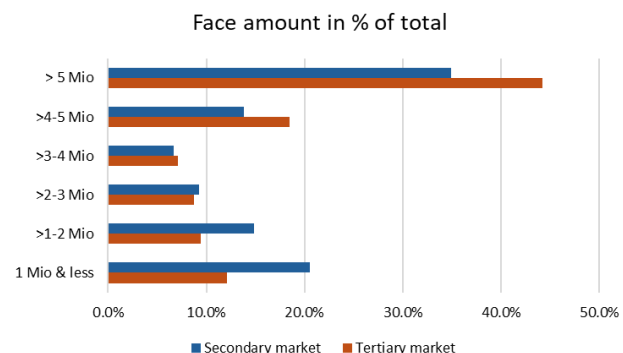
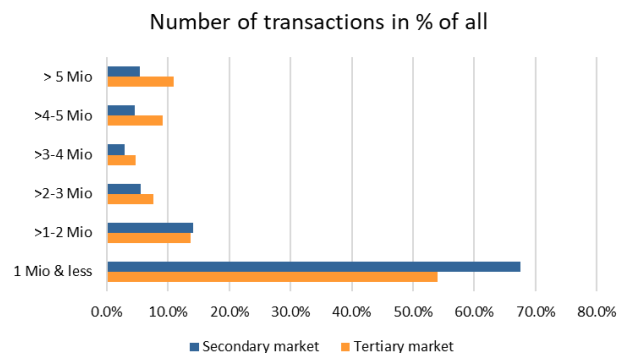
However, there are also significant differences between the two market segments. One example is the age of the insured per-

sons—the average age is roughly seven years higher in the tertiary market overall. Another example is the distribution of the traded face amount, compare the graphs below.

- In both markets the transactions with face amounts up to USD 1 Mio account for the majority of the transactions, in the secondary market it is even roughly two thirds of all transactions. Expressed in traded face amount, however, this part of the two markets represents just a relatively small fraction.

- The number of trades with large face amounts is relatively low in both markets, but they account for a large part of the overall transacted volume face amount.

- The average face amounts in the tertiary market are substantially higher than in the secondary market, compare the bars in the lower chart.



### Data Sampling and Data Provider

The information in this report is based on data which is collected by AAP on a multi provider basis. The transparent life settlement providers are (in alphabetical order):

- FairMarket Life Settlements
- Habersham Funding LLC
- Life Capital Group
- Life Equity
- Life Policy Traders
- Life Settlement Solutions
- LifeTrust, LLC
- Q Capital Strategies
- RiverRock Partners, LLC
- Settlement Group, Inc.

### Life Settlement Market Activity

Mth to Mth

Secondary Market	Proj. Ret.	Volume
Main Market (Age 75-86)	↑	↑
Tail Market (Age < 75)	↑	↑
Tail Market (Age > 86)	↓	↓
<b>Tertiary Market</b>		
Tertiary Market All	↑	↑
<b>Total Market</b>		
Sec. and Tert. Market	↑	↑

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