

COVENTRY FIRST APPLAUDS PENNSYLVANIA DEPARTMENT OF INSURANCE ACTION ON LIFE SETTLEMENTS

Pennsylvania Life Insurance Policyowners to Benefit

Fort Washington, PA – April 6, 2005 – In a victory for life insurance consumers of Pennsylvania, the Pennsylvania Insurance Department issued a notice (Notice 2005-04) that all licensed life insurance agents can advise and assist policyowners with these secondary market transactions without the requirement of a separate settlement broker examination. The Pennsylvania Insurance Department should be applauded as Pennsylvania joins all but one other state in the nation in recognizing the competence of life agents to assist policyowners with life settlements.

Life settlements enable policyowners to realize the fair market value of their underperforming or unneeded life insurance policies. A life settlement yields significantly more than the cash surrender value offered by a life insurance company – on average four to five times more.

Coventry First, the leader in the secondary market for life insurance and a Pennsylvania-based company, applauded the Department of Insurance action. “Life insurance consumers are best served by their professional insurance advisor, who has access to all of the options that meet the best interest of the policyowner. This action is pro-consumer,” said Michael Freedman, Senior Vice President at Coventry First.

The NAIC agrees. At the time the NAIC Model Regulation passed, the NAIC President explained that the nation’s insurance commissioners had overwhelmingly rejected the extra licensing concept as duplicative, unnecessary and protectionist. “We do not make life producers get a separate license for cash surrenders, and should not for settlements, either,” he continued. Since then, two of the three non-compliant states (Kentucky and Pennsylvania) have reversed their requirements; fittingly, the Pennsylvania bulletin explicitly recognized the NAIC Model as necessitating the change.

Nationally, state insurance commissioners and state legislatures have been clear that they do not want to create unnecessary licensing requirements for life insurance agents. State insurance regulators have been under increasing pressure



from Congress and the insurance industry to adopt uniform insurance producer licensing standards.

“This is an important step in the right direction,” said Mr. Freedman. “The Department's actions will ensure that certified, trained professionals are participating in secondary market transactions, while freeing up regulatory resources for the enforcement of the important consumer protections found in the Pennsylvania settlement laws.”

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About Coventry First

Coventry First (www.coventryfirst.com) bridges insurance and capital markets to create groundbreaking products for the financial services industry. The company is the leader in the secondary market for life insurance and pioneered the resulting life settlement industry. Fueled by bold ideas, a deep understanding of life insurance, and impeccable standards, Coventry First continues to lead the market by opening new opportunities for consumers and the financial professionals who serve them. Based in Fort Washington, PA, Coventry First has received Standard & Poor's highest Servicer ranking, the only firm in the secondary market for life insurance to be ranked, and was named the nation's 10th fastest-growing privately held company in the annual INC. 500 listing.

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