



LICA Applauds New Kentucky Life Settlement Law

New Law Gives Consumers Access to Secondary Market for Life Insurance Making Life Insurance More Valuable

Washington, DC, March 8th, 2005 – In June, a new law will take effect that will make life insurance more valuable. Legislation adopted by the Kentucky Legislature last week assures that consumers in the Commonwealth of Kentucky can realize the fair market value for their unneeded or underperforming life insurance policies.

Sponsored by Senator Richie Sanders (R- Franklin), the new law amends the Kentucky Insurance Law to make settlement transactions more secure and more accessible to Kentucky consumers. A key provision recognizes the authority of professional advisors who hold a life insurance license to advise and assist policyowners with life settlement transactions. These advisors must notify the Department of Insurance of their activities and must also affirm that they will follow the settlement laws. In addition, the new law strengthens consumer protections and establishes new investor protections.

“Senator Sanders and Representative Bob Damron should be congratulated for their commitment to enhancing the rights of consumers and the value of life insurance in the Commonwealth,” said James J. Butera, Executive Director of the Life Insurance Consumers Alliance (LICA). “With this new law, life insurance consumers can be assured that they will be informed about the opportunity to access the secondary market for life insurance and to be protected throughout the transaction.”

Life settlements enable policyowners to realize the fair market value for their unneeded and underperforming 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.

About LICA

The Life Insurance Consumers Alliance (LICA) is dedicated to ensuring that life insurance consumers possess the knowledge and information they need to maximize value in their policies. LICA advances its mission by educating and supporting consumers through professional support, direct consumer initiatives and publications. LICA encourages public policies that increase the value of life insurance for consumers. LICA membership, which is based in 17 states, Canada and Puerto Rico, consists of consumers, professional financial advisors, and other financial services organizations. Information on LICA can be found on the organization's website at www.lifeinsuranceconsumers.org.



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