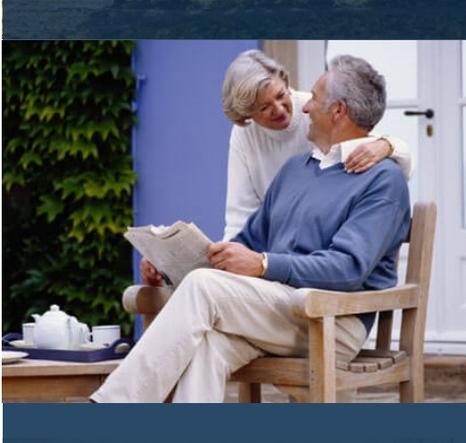


**ABACUS SETTLEMENTS, LLC**



# The Abacus Advantage



A Direct Life Settlement Buyer Since 2004



**(800) 561-4148 | [Abacuselsettlements.com](http://Abacuselsettlements.com)  
2101 Park Center Drive, Orlando, FL 32835 | Suite 220**

## **About Us**

Originally formed in the heart of New York's financial district, now headquartered in Orlando, FL, Abacus Settlements, LLC, has been a leading Provider/Buyer of Life Settlements since 2004. In 2015 Abacus was ranked #2 in the nation for the amount of face value purchased. Abacus shareholders and officers have been leaders in the Life Settlement industry since the industry's inception in the mid 90's. Abacus Life Settlements strongly supports regulation that protects both consumers selling their policies and institutional investors interested in providing funds to purchase policies. Abacus is an active member of the Life Insurance Settlement Association (LISA) and adheres to a strict digital security policy to protect clients' confidential and proprietary information.

Since the company's inception, Abacus has purchased over \$2 billion in face value and has helped thousands of clients maximize the value of their life insurance. Abacus continues to develop new technologies and product offerings to increase the accessibility for policy holders and their intermediaries to make the most of the Life Settlement market.

## **What Makes Abacus Settlements Different?**

- Complete back office support in areas of APS retrieval, life expectancy evaluation, pre-pricing and producer licensing.
- On-line tools to qualify a Life Settlement.
- Easy on-boarding process with a **single page application**, HIPAA and Insurance Release.
- Multiple settlement solutions including cash offers and/or retained death benefit.
- The authority to purchase policies in over 37 states. (See Licensing Map)
- Direct Buyer - **no additional intermediary fees withheld from the client's settlement.**
- Purchases life policies with face values ranging from \$100,000 to \$50 million.
- Access to over 8 highly capitalized funds under management.



## Abacus Express

According to the National Association of Insurance Commissioners (NAIC), \$112 billion worth of life insurance policies are forfeited annually in the U.S. That number is even more sobering when you consider that 90% of seniors would have considered a life settlement if they knew the service existed. There is a clear demand in the market, the question is whether or not you're capitalizing on it.

Traditionally, selling a life insurance policy can be a long and uncertain process involving months of collecting medical records and policy illustrations without certainty of a reasonable offer. This period of time is a policy quagmire; where clients can be facing ongoing obligations to pay premiums and possible policy lapse. Abacus has identified that service gap, and has come up with a solution to fill it, **Abacus Express**.

As one of the largest vertically integrated providers in the industry, Abacus has created one of the most streamlined approaches to determining the valuation of a policy. From APS retrievals and life expectancy evaluations, to pre-pricing and direct purchasing, we support every step of the settlement buying process under a single umbrella.

Our product offerings are designed from the ground up to turn the potentially long and confusing process of selling a life settlement into something quick and simple. Not only do clients save substantially on fees and premium payments, the emotional cost from stress and anxiety is significantly lessened as well.

## So, how does Abacus Express actually work?

### Free & Immediate Pricing

The only thing required for pricing is an illustration and a summary of the client's medical history. We don't believe in wasting anyone's time, if the settlement is a non-starter, you'll know quickly.

### Simplified Underwriting

We conduct a 20-minute medical interview over the phone. The results of the call are entered into our advanced analytics to determine an extremely accurate mortality evaluation. This allows the client to obtain an offer based on their individual medical impairments in a fraction of the time it takes others in the industry.

### Streamlined Contracting

Abacus has streamlined the closing process. From start to finish, our revised contracts contain almost 30% fewer signatures and notaries. In addition, we have consolidated many of the closing requirements that cause unforeseen delays in the time it takes a client to receive their funds.

### Institutional Capital

In addition to our proprietary funds, Abacus represents some of the most capitalized investors in the life settlement industry. This variety and depth of funding options allows your client to access a broader level of investors to maximize their policy value.

### Turn-key Solution

The greatest advantage in working with Abacus Settlements is that we handle everything under one roof. There are no intermediaries between us and the investment entities that are interested in purchasing Life Insurance policies. The end result is significantly less red tape and a much more stress-free Life Settlement process.

# When to Consider a Life Settlement

Typically, people purchase life insurance to help secure a future for themselves or their children financially. But what happens when you no longer need the coverage or can't afford the premiums? Historically, the only option available was to surrender it back to the insurance company for whatever cash value remained in the policy, or lapse it and receive nothing. Life Settlements created another option for these policy owners – the

ability to sell their policy for a value far greater than its surrender value and to monetize what is otherwise an illiquid asset.



There are a variety of reasons why someone would consider selling life insurance, but some of the most common scenarios include:

- ◆ Cash is needed for retirement.
- ◆ Premiums are no longer affordable.
- ◆ Funds are needed for long-term care.
- ◆ Financial assistance is needed to pay for medical bills.
- ◆ A family business is sold or the owner retires and key person insurance is no longer needed.

# Types of Life Settlements

## Traditional Life Settlement

In a Traditional life settlement, the licensed life settlement provider (aka buyer) will pay the policy owner a cash settlement amount above the surrender value. The premiums will be paid by the buyer for the remainder of the insured's life. In this type of life settlement, the seller receives a cash sum on the policy at the time of settlement.

## Retained Death Benefit

With this option, the seller keeps a portion of the policy and is named as an irrevocable beneficiary on the policy and will receive a guaranteed percentage of the death benefit when the policy pays out. The amount is usually much more than traditional Life Settlements. The original owner will no longer be required to pay the premiums, but will receive a portion of the death benefit.

## Hybrid Life Settlement

In this option, the sellers of the policy can receive a combination of a traditional life settlement and a retained death benefit. This can provide some much needed cash now without giving up the entirety of your policy. Clients often take advantage of this option to supplement their retirement now, while still protecting their family if the worst should happen.



# Abacus Success Stories

## Traditional Settlement

### Example

Male age 70 with a \$6,000,000 Term Conversion close to term expiration with plans on canceling the policy. Abacus, utilizing a new underwriter, was able to blend a lower LE and offer the client \$180,000 for the proposed UL conversion. In addition, Abacus agreed to pay the full target of around \$230,000 in year 1 at the request of the Producer.

## Hybrid Settlement

### Example

Female, age 86 with a \$750,000 Universal Life Policy. Insured was diagnosed with Alzheimer's and was living under 24-hour care. The insured's daughter came to us looking to secure cash to pay for medical expenses and relief from growing premiums. We were able to give the client \$150,000 in cash, while she retained \$400,000 in death benefit.

## Retained Death Benefit

### Example

Family policy, mother was age 96. \$10,000,000 policy with a \$900,000 annual premium and a \$2.6 million premium finance loan. The family was able to keep \$3 million in death benefit while paying off the entirety of their \$2.6 million loan. We took over the premium payments and the family was able to button up their estate tax burden indefinitely.

# Life Settlement Timeline

## Supreme Court Ruling

The U.S. Supreme court case of Grigsby v. Russell, 22 U.S 149 established life insurance policies as private property, which may be reassigned at the will of the owner. This case set the early groundwork for Life Settlements.

1911



## Viatical Settlements

Life Settlements first began taking place in the late 1980's in the form of Viatical Settlements. Viatical Settlements involve the sale of a policy by a person facing terminal illness. At this time most sellers were facing cancer or HIV.

1980s



## Healthcare Assistance

In the early 90s's Viatical Settlements became popular among people suffering from HIV/ Aids. By the mid 90's Life Settlements had become a popular assistance option for nearly every illness.

1990s



## Investor Interest

Increasing investor interest in the Life Settlement industry as an alternative investment continued to grow. By 2001, what was a tiny industry had started to attract the interest of major financial entities and banks.

2001



## Financial Crisis

The Life Settlement industry was not immune to the major financial crash of 2008. Major banks and financial institutions pulled back from any non-core investing, which caused demand for the asset to lessen for a time.

2009



## Recent Years

Since 2010, the industry has been on a steady upward growth curve. Institutional funding confidence has returned, and many Life Settlement companies are expanding operations. Improved regulations and innovations in underwriting have resulted in favorable projections for the future.

2010



# Abacus Management



## **Matthew Ganovsky, Partner**

Matthew Ganovsky has played a leading role in the Life Settlement industry for 20 years and is considered one of the top experts in areas of origination and pricing. He is a co-founder of Abacus Settlements LLC, one of the Nation's oldest and largest life settlement companies. Ganovsky oversees the firm's Broker relationships and works with some of the largest fund managers in the market.

## **Scott Kirby, Partner**

Scott Kirby has an extensive background in the Life Settlement industry dating back to 1997 when the market began to emerge. Considered one of the nation's authorities on the subject, Mr. Kirby has presented to a variety of financial services professionals, is a former Board Member of the Life Settlement Association of America, and regularly serves on industry panels to raise awareness of the benefits in the industry.



## **Sean McNealy, Partner**

Sean McNealy has been involved in Life Settlements for nearly two decades. Sean manages the firm's capital market relationships and has assisted in building some of the largest funding platforms in the industry. Mr. McNealy is nationally recognized as an authority in this field, and has spoken across the country to various prominent financial and insurance groups.

## **Shane McGonnell, Vice-President**

Shane McGonnell started in the Financial industry in 1997. With over 20 years experience, McGonnell has a heavy focus on Life Settlements and Estate Planning Insurance Advisory. This includes Life Settlements, Estate Tax Life Insurance coverage, Traditional Premium Financing, Indexed Annuities and Assisted Living and elderly care finances. Mr. McGonnell assists Financial Advisors and clients nationwide with strategies in these areas.



## **Samantha Butcher, Director of Operations**

Samantha Butcher graduated from the University of Florida with a Bachelors Degree in Mathematics and Business Administration. She has been in Life Settlements for the past 11 years, and is currently working as the Director of Operations for Abacus Settlements. She currently manages and grows Abacus Settlements' broker relations and policy acquisition from origination through contracting.

## **Jay Jackson, Vice-President Capital Markets**

Jay Jackson is a highly experienced alternative asset manager and capital raise expert with proficiency in directing the fund portfolio and investor process. He has co-developed several funds, and has created significant value over market returns. Jackson joined Abacus Settlements in November 2016. He brought well over a decade's worth of financial sector experience to his position with Abacus.



### Case Study

**Age/Gender: Male age 82**  
**Death Benefit: \$2,485,065**  
**Amount to Seller: \$1,200,000**

#### **Client Story:**

The client decided that the policy was no longer needed for their estate plan and was considering surrendering the policy. The policy was owned by his daughter and she explored the option of a Life Settlement. Because of his advanced age and medical history, Abacus was able to almost double the cash surrender value of the policy with a final Life Settlement value of \$1,200,000 to the seller and his family. The family is using the money prepare for the aging father's needs.

### Case Study

**Age/Gender: Male age 89**  
**Death Benefit: \$250,000**  
**Amount to Seller: \$110,000**

#### **Client Story:**

In this case, the policy owner was in need of additional funds to help with family issues and the monthly premiums were hurting her bottom. She considered letting the policy go in order to consolidate the budget, but were able to help maintain the policy. We used the Abacus Express lapse saver program and quickly paid the premiums to get the policy current. The policy owner was extremely happy with our ability to save the policy from lapsing while providing her with \$110,000 to help with care and family needs.

### Case Study

**Age/Gender: Female Age 51**  
**Death Benefit: \$100,000**  
**Amount to Seller: \$50,000**

#### **Client Story:**

Having been recently been diagnosed with Stage IV cancer and her husband losing her job of 30 years, this client needed financial assistance quickly. She found Abacus and cited our solid reputation as her motivation in reaching out to us. We quickly turned her policy around and awarded her \$50,000 in cash; 50% of the policies death benefit. She was able to pay off her house and transition to disability so she could focus on healing instead of how she would pay her medical bills. But more importantly, it gave her more time with her husband.

### Case Study

**Age/Gender: Male age 46**  
**Death Benefit: \$300,000**  
**Amount to Seller: \$201,000**

#### **Client Story:**

Insured was diagnosed with stage IV cancer that had metastasized to his lymph nodes. Realizing the immediate need for medical financial assistance, Abacus was able to close the case in exactly 30 days. The client received a lump sum of \$201,000 and was immediately able to secure important medical care without passing on any debt to his family. After receiving the proper medical care, he was able to continue his life without the weight of debt on his shoulders.

# The Abacus Advantage