

MARKETING

SMALL FACE POLICIES

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OVERVIEW

Overview

- Coventry Direct was established in February 2015.
- A lead generation company with its own:
 - Brand
 - Website (www.coventrydirect.com)
 - Outsourced call centre
 - Systems and procedures
- Advertises across all types of direct marketing.
- Screens, qualifies and sells leads.

Overview

- Since February 2015, Coventry Direct has received almost 1,000,000 calls and visits to its website and 100,000 policy submissions.
- 20,000 of these policies passed Coventry Direct's initial screening and have been subject to further qualification – including the completion of a detailed health questionnaire and a signed authorisation – before being sold as leads.
- This year, over 50% of policies purchased by Coventry First have been Coventry Direct leads.

Overview



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MARKET CHARACTERISTICS

Market Characteristics

- Advertising is expensive, especially TV.
- Simple messages are the most effective.
- Maintaining market presence is important.
- Response is broadly proportional to advertising.
- Advertising creates general awareness and benefits the whole industry.
- A survey conducted by Coventry Direct found almost 90% of callers didn't know about the life settlement option prior to seeing its advertisements.

POLICYOWNER CHARACTERISTICS

Policyowner Characteristics

- Are often unfamiliar with life settlements and their own policy specifically.
- As a result, Coventry Direct makes a significant investment of time with policyowners and insurers and gets increased transparency in the transaction.
- Are honest, if sometimes unsure, about their health status.

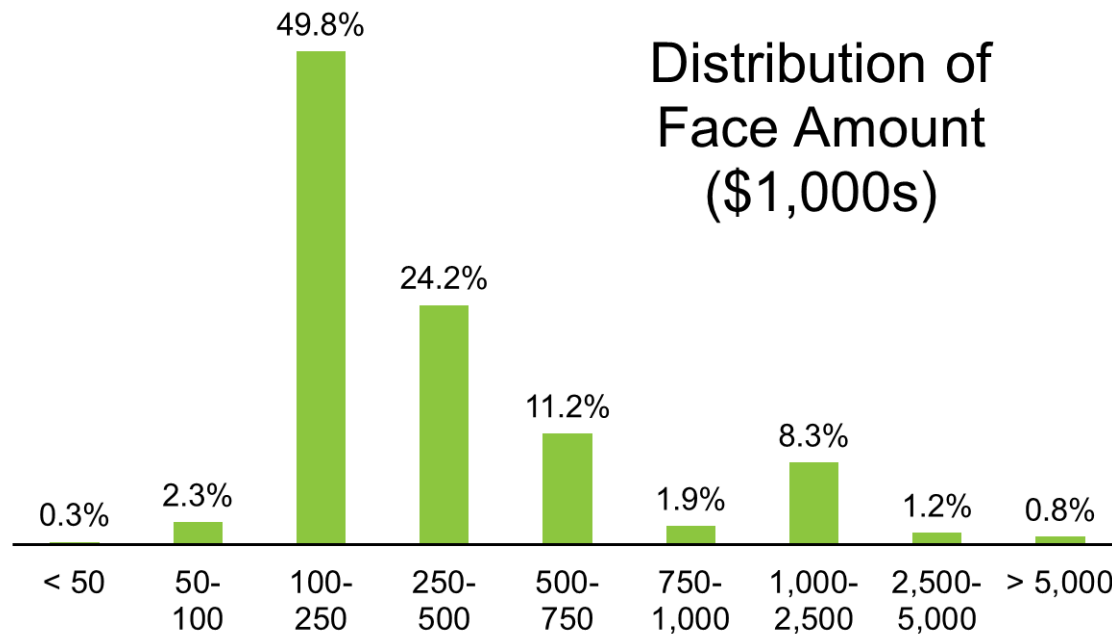
POLICY CHARACTERISTICS

Policy Characteristics

- A broader demographic with less “wealth effect”.
- Typically have a straightforward history and ownership structure.
- Were originally purchased, and are being sold, for a variety of valid reasons - no manufactured or premium financed policies.
- Are generally smaller, more seasoned and from a wider range of insurers than traditional agent/broker-intermediated policies.

Policy Characteristics

- Smaller: The average face amount of policies is \$400,000.

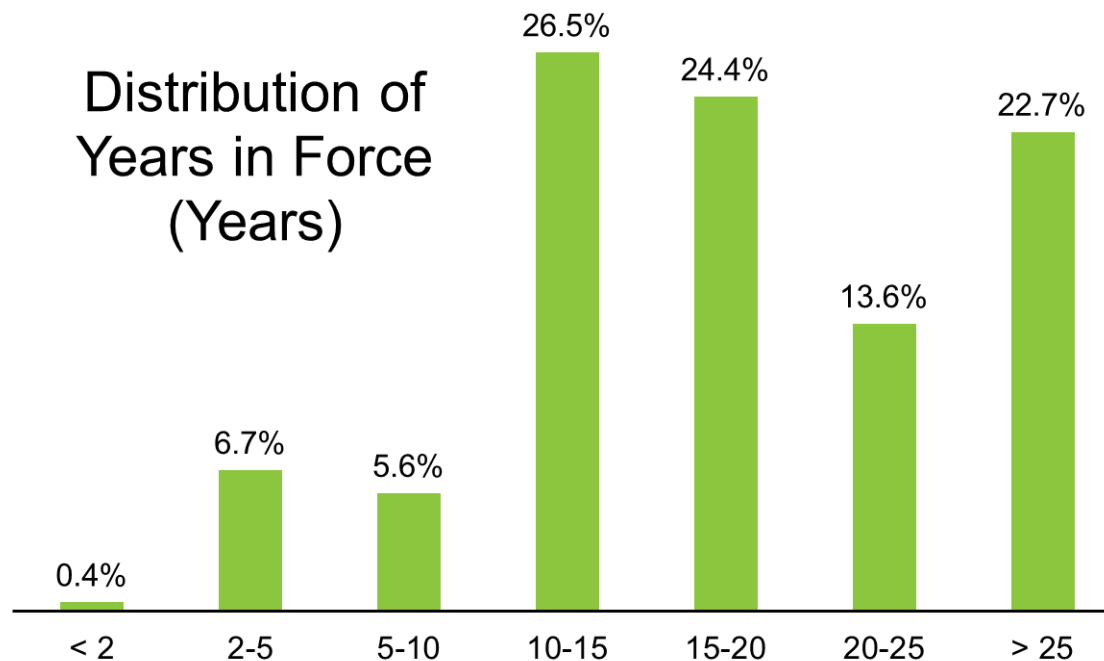


All figures are approximate and based on leads sold by Coventry Direct as of end August 2017. Percentages are by policy count.

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Policy Characteristics

- More seasoned: More than 87% of policies have been in force for 10 years or more



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Policy Characteristics

- From a wider range of insurers:

Total Number of Insurers	298
Concentration of Top Three Insurers	5.7%
	5.3%
	4.3%
Mean Concentration	0.3%
Median Concentration	0.1%

SAMPLE CASES

Sample Cases

- Unaware of Life Settlement Option

INSURED Male, age 84

FACE AMOUNT \$488,000

CASH VALUE \$6,800

SETTLEMENT \$80,000

The policyowner sold his policy for \$80,000 – more than 10 times what he would have received from the insurance company.

Sample Cases

- **Health Care Costs Rising**

INSURED Female, age 68

FACE AMOUNT \$100,000

CASH VALUE \$0

SETTLEMENT \$18,000

The policyowner received \$18,000 for her policy to pay off existing medical bills and provide the in-home medical care she needed.

Sample Cases

- Supplement Retirement Income

INSURED Male, age 72

FACE AMOUNT \$1,080,676

CASH VALUE \$0

SETTLEMENT \$150,000 plus \$50,000 RDB

The policyowner was very pleased to receive \$150,000 in cash and a \$50,000 death benefit with no further premium obligation, where he otherwise would have received nothing.

KEY MESSAGES

Key Messages

- Relatively expensive and time-consuming.
- Creates general awareness, which benefits the whole industry.
- Results in a high volume of proprietary case flow with high quality policies that are desired by investors.



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