OBJECTIVES
The objective of this report is to compare the Life Expectancy (LE) reports of the three major underwriters in the Life Settlement market over a significant period of time. To do so, historical life expectancy data has been extracted and analyzed for each insured identified as having at least one LE from each underwriter.

WHAT WE HAVE
This evaluation is based on 16,388 observations and nearly 10,000 lives with a life expectancy report from all three of AVS, Fasano and 21st Services. Individuals were included more than once, if they had more than one unique combination of 3 LE’s.

SUMMARY OF ANALYSIS
At a very high level of summary, Fasano and 21st Services have averaged a 30 month separation, while AVS has moved within that range. This can be seen at a glance by looking to the graph below. The trend-line shows a clear pattern for the upper bound (Fasano) and lower bound (21st Services), with AVS oscillating inside the range. The commentary adjacent to the graph describes the change in AVS and 21st LE estimates relative to Fasano.

November 2011
- AVS made changes to their process, most notably for statin use.
- Market players begin to question the growing difference in LE underwriters’ estimates.

AVS*: Holds fairly steady at 20 months shorter on average
21st*: Late year compression from 35 months to 25 months shorter
2010

AVS*: Compression from 15 months shorter to 10 months shorter
21st*: Most of the year holds at 25 months shorter, with a late year widening to 30
2011

AVS*: Compression continues and lately these two have similar averages
21st*: Holding steady with an average LE 30 months shorter than AVS or Fasano
2012

*The commentary adjacent to the graph describes the change in AVS and 21st LE estimates relative to Fasano.
CONCLUSIONS

When the same insureds are reviewed by all three underwriters within a 6 month time span, meaningful and consistent differences can be seen. They exist across long periods of time and age bands. There is no doubt that investors who base their purchase and retention decisions on LE reports without an awareness of the differences in the underlying patterns will not achieve the results that they expect.

ABOUT THE AUTHOR

This report is a summary of a study released by Maple Life Analytics, as part of a series of research papers based on Life Settlement underwriting. To view the full report, you can go to www.maplelifeanalytics.com/research.

Maple Life Analytics, LLC (MLA) is a professional services firm, specializing in the analysis and management of US Life Settlements and other Life Insurance linked assets.