A Diversified Underwriting Organization

Fasano Associates is a diversified underwriting organization serving the life insurance, annuity/structured settlement, life settlement and related industries. We have chosen to diversify within the underwriting domain, which has allowed us to leverage our analytic strengths.

Life Insurance Underwriting

Fasano has undertaken a wide range of underwriting assignments that have included overflow underwriting for life insurance companies during peak workload periods, providing Medical Director and consulting services to smaller companies without the resources to employ a full-time Medical Director, and "soup to nuts" underwriting, including ordering of all underwriting requirements, file review and rating, production of approval/denial/rating modification letters for applicants and production of underwriting management reports.

Life Expectancy Underwriting

Our approach to life expectancy underwriting is unique in the industry and has resulted in our providing the **most accurate and consistent life expectancy estimates** in the business. In order to deal with the complexity inherent in underwriting the more impaired often seen in the life settlement and structured settlement markets, we have developed a robust analytic process in which all cases are peer reviewed. The more complex cases often seen in the life settlement market are typically physician reviewed and physician peer reviewed.

Fasano Mortality Tables

Life insurance industry based mortality tables, such as VBT 2008 and VBT 2014/15, are derived from standard, unimpaired lives. Therefore the slope of the survival function remains essentially the same, regardless of the level of impairment. However, our research shows that the slope of the survival function typically moves from convex to concave as the level of impairment (i.e., the Mortality Rating) increases. The Fasano Older Age Mortality Tables capture this dynamic change in the slope of the survival function and therefore **allow for more precise cash flow projections.**

Personnel

The key to the success of any analytic organization lies in the quality and stability of its personnel. Fasano's key personnel are respected industry leaders. Its President (since 1998), Michael Fasano, previously served as President of Trans-General Life Insurance Company and serves on the Boards of both the Institutional Longevity Markets Association (ILMA) and the European Life Settlement Association (ELSA). Chief Medical Director (since 2001), Dr. David

Vaughan, previously served as Vice President and Chief Medical Director of First Colony Life (Genworth), and is Board Certified in both internal medicine and insurance medicine; while Senior Medical Director (since 2005), Dr. John Iacovino, served as Vice President and Chief Medical Director of the New York Life Insurance Company and received the John Elder Award in recognition of his extensive contributions to the Journal of Insurance Medicine.

Actual to Expected Accuracy

The combination of Fasano's personnel, industry standard mortality tables and robust analytic process has resulted in the most consistent and accurate life expectancy estimates in the life settlement market. Six independent actuarial studies have estimated Fasano's Actual to Expected accuracy to be between 96% and 102%, all based on actual, unadjusted life expectancy estimates. In addition, an analysis of the difference in curtate life expectancy for Fasano Associates' business since 2001 concluded that _the average difference between actual and estimated life expectancy was less than one month_.

Fasano Actual to Expected Accuracy

Actuarial Firm	Period Covered	A to E Ratio
Milliman	2001-2003	94 to 99%
IFA	2001-2005	96%
Lake	2004-2008	96%
Lake/KPMG	2005-2010	99%
Lake	2008-2013	102%
Lake	2008-2013	97%
Lake	2009-2019	101%

Difference in Curtate Life Expectancy (DCLE) for Fasano Associates Database

Sorted by Date of Underwriting:				
3/1/2001 to 12/30/04	1/1/05 to 3/21/07	3/22/07 to 4/30/08	After 4/30/08	All LEs
4.86 months	0.69 months	-0.04 months	-0.27 months	0.76 months