



**News
For Immediate Release**

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Groundbreaking Analysis Leads to Significant Advances in 21st Services' Underwriting Methodology

January 22, 2013, Minneapolis, MN—Today, 21st Services—a major provider of life expectancy analysis and related services for the life settlement industry—announced significant advancements in its underwriting methodology. The developments are the culmination of a six-month analysis conducted by 21st Services, in conjunction with a global actuarial consulting firm and a leading group of epidemiologists.

To provide context to this new study, 21st Services maintains one of the largest datasets associated with the life settlement industry—approximately 90,000 unique lives and 8,400 observed mortalities. This proprietary resource, optimal for advanced statistical analysis, has significantly more older-age mortality data than that available to the actuaries who created the 2008 Valuation Basic Tables (VBT), commonly used by the life insurance industry.

One of the most exciting advances resulted from cutting-edge statistical analysis conducted on individual health impairments. As a result, 21st Services is better able to assess the magnitude of impact that hundreds of different types of health impairments have on senior mortality on a case-by-case basis. This allows for significant improvements to the credits and debits applied during the underwriting process, including improvements that reflect different impacts of the same impairments for males and females.

Another major development occurred when 21st Services extracted 20,000 “settled lives” from its overall database. This allowed 21st Services to calibrate further the mortality tables to reflect the difference in mortality (anti-selection) between insureds who have sold policies *and* the group of 90,000 insureds underwritten by 21st Services, most of whom did not ultimately sell their policies in the life settlement market.

Given 21st Services’ desire to provide the most accurate life expectancy estimates on a continuous basis, the Company made significant investments in advanced analytical technologies, acquired additional life settlement datasets and consulted with outside experts. As a result of these investments, the Company now has the ability to provide more reliable and far more frequent updates and revisions to its underwriting as more data is acquired and mortality experience is observed. This will be a distinct departure from the insurance industry tradition of updating mortality tables every five years or so.

“We understand that confidence in life expectancy estimates is critical for the success of the life settlement industry,” stated Kurt Gearhart, CEO of 21st Services. “Like the life insurance industry, we have historically refined our tables and methodology after aggregating years of data. We will change that model going forward to reflect our enhanced datasets and data analytics and bring more confidence to the market. We now have the tools to analyze mortality data on a more frequent basis and we will be able to quickly and regularly respond to any changes we observe in the life settlement population.”

The life settlement market has become an increasingly important resource in retirement planning. Tens of thousands of seniors have accessed the market to receive cash for life insurance policies they no longer need or can afford.

To learn more, download our full presentation, “Groundbreaking Findings: 2013 Life Settlement Mortality Analysis,” at www.21stservices.com.

ABOUT 21ST SERVICES

Forward-looking and independent, 21st Services provides advisory services, data and portfolio analytics, medical records and prescription drug retrieval, life expectancy estimates, pre-acquisition diligence services and full portfolio servicing for participants in the life settlement market. 21st Services has offices

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