



I am writing to express the strong support of the Institutional Longevity Markets Association (ILMA) and its members for House Bill 87.

ILMA is a trade association comprised of a number of the world's leading institutional investors and intermediaries in the mortality and longevity marketplace. Among our members are Wilmington Trust, Wells Fargo, Credit Suisse, Fortress Investment Group, MIO Partners Inc., Vida Capital, Corry Capital, and Silver Point Capital.

ILMA encourages the prudent and competitive development of mortality and longevity related financial businesses, including life settlements. ILMA promotes common interests and objectives to develop industry "best practices" and works with legislators and regulators to help design appropriate and consumer-oriented regulation.

House Bill 87 will provide much needed certainty to the \$30 billion secondary life insurance market. Certainty is needed to sustain a market place for longevity transactions. Institutional investors should not have to cross their fingers to rely on whether an insurer will pay the benefits contractually owed under a policy they have issued. Nor should such institutions have to pay hundreds of thousands of dollars in legal fees to recover the premiums paid on a policy that was underwritten by the insurer and that the insurers suddenly now claim never existed in the first place.

House Bill 87 also removes the strong incentive for a life insurer to issue policies that lack an insurable interest, collect millions of dollars in premium, never pay a claim, and keep all the premiums paid on those policies for doing nothing more than issuing a piece of what turns out to be bad paper. In the latest example, a recently settled case brought by Wells Fargo, on behalf of investors against Prudential, evidence surfaced showing that the insurer knew a policy was fraudulent yet continued to collect premiums for several more years.

If an insurer believes a policy to be fraudulent it should be willing to confirm that when asked by an investor if insurable interest exists. This seemingly logical and simple requirement will help bring certainty to the capital markets in their reliance on Delaware law.

Sincerely,

A handwritten signature in blue ink that reads "Jack A. Kelly". The signature is written in a cursive style.

Jack Kelly
Managing Director
Institutional Longevity Markets Association