

Coventry First Announces It Will Not Purchase Certain Financed Life Insurance Policies

Fort Washington, PA – March 17, 2005 – Coventry First today announced it will not purchase life insurance policies financed by lenders that engage in any of several questionable schemes. Coventry is concerned that some of the non-recourse premium financing programs currently being marketed may violate insurable interest, usury, life settlement, premium finance, rebating, or other insurance and consumer protection laws.

As the creator and leader of the secondary market for life insurance, Coventry will not purchase policies that had been issued with any of the following elements:

- The lender, directly or indirectly, pays the insured or policyowner any amount at time of issuance of the policy, to purchase the insured's unused insurance capacity.
- The lender or any other party will take ownership at policy inception of any portion of the death benefit in excess of the indebtedness.
- The lender or any other party cloaks or otherwise hides its ownership interest at the time of inception of the life insurance policy.
- The policyowner pays the lender at the maturity of the loan more than the principal and interest, in order to keep the policy.
- A requirement that a policy must be sold in the secondary market to satisfy repayment of the loan.
- A requirement that the policyowner share any profit with the lender or related party, from the sale of a policy in the secondary market.

“Life insurance policies issued and financed with any of these characteristics harm insureds and policyowners, and further put investors and life insurance carriers at risk,” said Alex Seldin, Senior Vice President and General Counsel of Coventry First. “Such programs pervert the very purpose of life insurance and improperly exploit an essential financial product. Applicants for insurance must qualify both medically and financially and not be induced to sell their insurance capacity with an upfront payment.”



“There are legitimate non-recourse premium financing programs available in the marketplace, which allow consumers to realize and put to use the secondary market value of their policies for their own benefit. The financing, in these instances, is provided by reputable financial institutions in transactions that give borrowers complete control of their policies throughout the term of the loan and after the loan has been repaid,” said Alan H. Buerger, Co-founder and CEO of Coventry First. “We support such programs which enable people with a true need for life insurance to tap into the market value of life insurance to acquire coverage which provides needed protection for their beneficiaries.”

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About Coventry First

Coventry First (www.coventryfirst.com) bridges insurance and capital markets to create groundbreaking products for the financial services industry. The company is the leader in the secondary market for life insurance and pioneered the resulting life settlement industry. Fueled by bold ideas, a deep understanding of life insurance, and impeccable standards, Coventry First continues to lead the market by opening new opportunities for consumers and the financial professionals who serve them. Based in Fort Washington, PA, Coventry First has received Standard & Poor’s highest Servicer ranking, the only firm in the secondary market for life insurance to be ranked, and was named the nation’s 10th fastest-growing privately held company in the annual INC. 500 listing.

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