

“Leading the Way in Life Settlements”

Daniel C.S. Powell founded Christian Stanley in 2003 as a specialty-finance investment bank predicated upon the rapidly emerging life settlements industry. Powell, a former institutional broker with Morgan Stanley, says that he recognized the unique characteristics of the life settlement asset class and decided to develop a proprietary syndicate of institutional bidders seeking to acquire life settlement assets. “The prime objective of Christian Stanley is to serve as an efficient life settlement clearinghouse for the benefit of the greater economy and senior citizens across America.”

With headquarters in La Jolla and Los Angeles, Calif., the company maintains a national network of more than 8,000 independent representatives and franchisees, and is considered one of the premier life settlement clearinghouses in America specializing in the securitization of trust-owned life insurance assets.

Powell recognized the non-correlated nature of life settlement investments vis-à-vis traditional asset classes and was prompted to dedicate his professional resources to capitalizing on the opportunity to lead the future of the industry. “After the burst of the dot.com bubble, demand for alternative investments by institutional investors rapidly increased. I view the responsible, long-term development of the life settlements industry as being tantamount to stimulating the greater economy because it infuses liquidity into the monetary system and provides senior citizens with efficient financial solutions in the context of insurance and risk management.”

“By focusing on life settlements,” Powell notes, “Christian Stanley vertically integrates the industry’s value chain and provides access to institutional-caliber life settlement transactional services. The niche focus here enables the firm’s traders to

identify and respond to market changes before the competition. Concentrating exclusively on life settlements provides us with higher-quality data, and this equips the company to develop proprietary products and services.”

WHO BENEFITS THE MOST?

In servicing retirement-aged clients, Powell believes that is crucial for CPAs to become familiar with the benefits of life settlements as a matter of fiduciary responsibility. “On average, life settlement transactions afford seniors three to four times the cash surrender value of a disposed policy. For example, Mr. Jones, aged 75, owns a \$1 million universal life insurance policy, with a cash surrender value of \$500,000. Christian Stanley utilizes life settlements to remunerate Mr. Jones \$200,000. Life settlement transactions can serve as a vital source of capital liquidity and function as a consumer ‘bail out.’”

Typically, Powell says that the clients who will benefit the most from life settlements are senior citizens, aged 65+, who own life insurance policies (term, universal, whole, variable) with face values of \$250,000 or greater. All policies, he adds, must be at least two years old and issued by insurance carriers residing in the U.S.

Christian Stanley provides CPAs, among other fiduciaries, with diversified transactional services relating to the secondary market for life policies. The firm has developed a proprietary life settlement facility, Reverse-Life Insurance, which provided CPAs with the ability to integrate the life settlement liquidity option into their practice. The company can process transactions in four to six weeks and offers back-office support to CPA clients.

LOOKING AHEAD

Powell sees the future of the industry as robust. “Life settlement portfolios are ideal investments for sophisticated investors because the rate of return generated is non-correlated to traditional asset-classes. Typically, investors in securitized life settlement vehicles will earn secure annual returns of between 8 to 10 percent. Given the volatility of equity markets, life settlements will function as an automatic stabilizer in portfolio asset allocation.”

He concludes that Christian Stanley will leverage capital markets to catalyze future growth. The company is developing a public-exchange traded fund that employs life settlement assets as a value-driver and enhancement tool that generates consistent and reliable returns. “As an asset class not predicated upon real estate and foreclosures, our proprietary research and development illustrates that life settlements may play a crucial role in stabilizing the economy, because over time the positive cash flows derived from life settlement death benefits may be used to stabilize domestic capital markets,” he said.