

## **Former commissioner Orr named president of Maryland life settlement firm**

*By Bob Graham*

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**Life Settlement Providers LLC**, an Edgemere, Md.-based company, has a unique challenge within the growing life settlement industry. Finding enough life insurance policies to buy to satisfy its funding.

“The challenge is increasing the flow of quality policies coming in the door,” said David Hartman, chief operating officer of the four-year-old firm.

To generate more interest, the company is attending about 10 to 15 life insurance trade shows this year, including the recent national Association of Insurance & Financial Advisors’ national convention in Washington, D.C. The goal is to educate agents about the benefits of selling a life policy in the secondary market, rather than having their policyholders lapse on the policy and take the cash value.



**R. Steven Orr, a former Maryland insurance commissioner named president of Life Settlement Providers LLC, stands with Andy Walter, the company’s CEO.**

Life settlements on average pay about three to five times more than the policy’s cash surrender value.

LSP also hired R. Steven Orr, a former Maryland insurance commissioner, to serve as president. Starting Dec. 1, Orr will become the public face for the company, and he will be responsible for heading its marketing, legislative and regulatory operations. Orr, an appointee of former Gov. Robert L. Ehrlich, left office May 31, at the end of a term.

Andy Walter, founder of Life Settlement Providers, gives up the president title, but remains its CEO, where he will be responsible for long-range planning and the funding aspects of the company, including serving on the board of the Life Settlements Wholesale Fund, based in Australia.

That open-ended fund, in which LSP has a 25% management share, provides the money and approves buying life policies. The fund was designated to buy, and hold to maturity, a portfolio of life settlements, including those of LSP and CMG Surety LLC, a Florida-based life settlement firm.

“The fund is the vehicle to allow us consistent dollars to buy policies year-in and year-out,” Walter told Insurance & Financial Advisor.

A number of other life settlement firms must constantly find new funds with which to buy policies.

Armed with open-ended funding, LSP, is focusing on life policies for high net-worth individuals.

It favors policies with a death benefit of up to \$100 million. The company, which employs about 15 people, declines to make offers on about 80% of the policies brought to its attention by life agents, brokers, and increasingly, estate and tax lawyers. It hopes to buy about 200 life policies this year, Walter said.

Orr’s hiring helps the firm in two ways, Walter said. First, in an industry that has been subject to many negative news reports because of a few bad companies, Orr’s involvement “reinforces our commitment to the life settlement industry.” Secondly, Orr’s past success as an entrepreneur – he started a technology company – also will help LSP as it continues to grow, Walter added.

“The entrepreneurial atmosphere here and throughout the industry is exciting,” Orr said.