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Announced Patent to Benefit COLI, Life-Settlement Markets

WASHINGTON February 17 (BestWire) — The U.S. Patent and Trademark Office issued a patent recently on a business method that covers insurance protection for the risk of insureds living beyond life expectancy, according to the patent holder, Kiri Parankirinathan.

Entities such as third-party investors or corporations expect to generate funds from death benefits of life insurance policies they own, but they risk the chance that deaths of insureds may occur later than financial projections expect.

Parankirinathan, an actuary based in Stamford, Conn., said in a press release that his survival risk insurance will be useful in life settlements, premium-financing markets and in corporate-owned life insurance. The invention can be used to guarantee funding expectations through transfer of survival risk from the investors to survival risk insurance providers, he said.

In 2005, investors in life settlements bought an estimated \$10 billion to \$15 billion worth of life insurance policies as measured by face amounts. Parankirinathan said the patent, number 6,999,935, grants exclusive use of business methods enabling survival risk insurance to the inventor and licensees. The invention describes an actuarially sound process to design and price insurance that covers survival risk.

Parankirinathan has more than 25 years of experience in the life insurance industry. He specializes in the corporate-owned life insurance market and the high net worth individual market. He has assisted clients in pricing life settlement transactions and has created formulae to calculate the net asset value of life-settlement funds.

(By Ron Panko, senior associate editor, Best's Review: Ronald.Panko@ambest.com)
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