

State Securities Acts Compliance Issues for Tertiary Market Life Settlement Policy Traders

WRITTEN BY

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Brian Casey (Atlanta) and **Ryan Last** (New York) co-authored an article for *The Review of Securities & Commodities Regulation* on life settlement transactions, examining whether non-fractionalized life settlement investments are securities under the U.S. Supreme Court's four-part *Howey* test for investment contracts and the application of state blue sky laws to the resale of life settlement policy investments. Casey and Last note, "The tertiary market for non-fractionalized life insurance policies that are not variable life insurance policies is largely unregulated."

"The offer and sale of the entirety of an in-force non-variable life insurance policy (i.e., a non-fractionalized policy) in the life settlements tertiary trading market is now a security under federal securities laws save in the Fifth Circuit," Casey and Last add. "However, under some states' blue sky securities laws such a transaction is regulated as the issuance and purchase of a security."

[Read the full article in *The Review of Securities & Commodities Regulation* here.](#)

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