

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

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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.”

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