GWG Holdings, Inc.
Form 424B3
November 13, 2015

Filed Pursuant to Rule 424(b)(3)

File No. 333-206626

PROSPECTUS SUPPLEMENT NO.

1 to Prospectus dated October 30, 2015

GWG HOLDINGS, INC.

Maximum of 100,000 Shares of Redeemable Preferred Stock

The information contained in this prospectus supplement amends and updates the prospectus dated October 30, 2015 (comprising a part of our registration statement on Form S-1/A, filed with the SEC on October 23, 2015) (SEC File No. 333-206626) (the “prospectus”). GWG Holdings, Inc. is the registrant under the referenced registration statement for the Redeemable Preferred Stock offered hereby (the “Redeemable Preferred Stock”). Please keep this prospectus supplement with your prospectus for future reference.

Investing in our Redeemable Preferred Stock involves a high degree of risk, including the risk of losing your entire investment. See the “Risk Factors” section of our prospectus for the risks you should carefully consider before buying our Redeemable Preferred Stock. Investing in our securities involves a high degree of risk, including the risk of losing your entire investment.

Capitalized terms contained in this prospectus supplement have the same meanings as in the prospectus unless otherwise stated herein.

RECENT EVENTS

On November 12, 2015, we filed our Quarterly Report on Form 10-Q for the period ended September 30, 2015. This prospectus supplement has been prepared primarily to set forth certain information contained in that report.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is November 12, 2015

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RISK RELATING TO FORWARD-LOOKING STATEMENTS

Certain matters discussed in this prospectus contain forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions about our operations and the investments we make, including, among other things, factors discussed under the heading "Risk Factors" in this prospectus and the following:

changes in the secondary market for life insurance;

our limited operating history;

the valuation of assets reflected on our financial statements;

the reliability of assumptions underlying our actuarial models, including our life expectancy estimates;

our reliance on debt financing;

risks relating to the validity and enforceability of the life insurance policies we purchase;

our reliance on information provided and obtained by third parties;

federal, state and FINRA regulatory matters;

competition in the secondary life insurance market;

the relative illiquidity of life insurance policies;

our ability to satisfy our debt obligations if we were to sell our entire portfolio of life insurance policies;

life insurance company credit exposure;

general economic outlook, including prevailing interest rates;

performance of our investments in life insurance policies;

financing requirements;

- litigation risks;
- restrictive covenants contained in borrowing agreements;
- increases in the cost of premiums charged by insurers for the policies we own; and
- our ability to make cash distributions in satisfaction of dividend obligations and redemption requests.

Forward-looking statements can be identified by the use of words like “believes,” “could,” “possibly,” “probably,” “anticipates “estimates,” “projects,” “expects,” “may,” “will,” “should,” “seek,” “intend,” “plan,” “expect,” or “consider” or the negative of expressions or other variations, or by discussions of strategy that involve risks and uncertainties. All forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual transactions, results, performance or achievements to be materially different from any future transactions, results, performance or achievements expressed or implied by such forward-looking statements.

We base these forward-looking statements on current expectations and projections about future events and the information currently available to us. Although we believe that the assumptions for these forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Consequently, no representation or warranty can be given that the estimates, opinions, or assumptions made in or referenced by this prospectus will prove to be accurate. Some of the risks, uncertainties and assumptions are identified in the discussion entitled “Risk Factors” in this prospectus. We caution you that the forward-looking statements in this prospectus are only estimates and predictions, or statements or current intent. Actual results or outcomes, or actions that we ultimately undertake, could differ materially from those anticipated in the forward-looking statements due to risks, uncertainties or actual events differing from the assumptions underlying these statements. These risks, uncertainties and assumptions include, but are not limited to, those discussed in this prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Note: The following discussion and analysis of the financial condition and results of operations of the Company are derived from our Quarterly Report on Form 10-Q for the period ended September 30, 2015, filed with the SEC on November 12, 2015. We have not materially updated this discussion in any way, although it may be presented in a different order than in our Quarterly Report. As indicated in that report, this discussion and analysis is based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. The statements in this discussion and analysis concerning expectations regarding our future performance, liquidity and capital resources, as well as other non-historical statements in this discussion and analysis, are forward-looking statements. See "Risks Relating to Forward-Looking Statements" above. These forward-looking statements are subject to numerous risks and uncertainties. Our actual results could differ materially from those suggested or implied by any forward-looking statements.

You should read the following discussion in conjunction with our condensed consolidated financial statements and related notes beginning at page F-1 of this prospectus supplement, as well as our consolidated financial statements and related notes contained within the prospectus.

Overview

We are engaged in the emerging secondary market for life insurance. We acquire life insurance policy benefits in the secondary market from policy owners desiring to sell their policies at a discount to the face value of the insurance benefit. Once we purchase a policy, we continue paying the policy premiums to ultimately collect the face value of the insurance benefit. We generally seek to hold the individual policies to maturity, in order to ultimately collect the policy's face value upon the insured's mortality. Our strategy is to build a large, profitable portfolio of policies that is diversified in terms of insureds, insurance carriers and the medical conditions of insureds. We believe that diversification among insureds (by age and medical conditions), and insurance carriers will lower our overall risk exposure, and that a larger portfolio of individual policies (diversification in overall number) creates a portfolio of greater value by virtue of improved actuarial stability.

Business Update

GWG's business model provides value-added services to consumers owning life insurance and investors seeking alternative investment opportunities related to the life insurance secondary market. To participate and compete in what we expect to be a growth market, we have spent and intend to continue to spend significant resources: (i) developing resources, strategies, and capabilities for investors to participate in a large portfolio of life insurance policies; and (ii) developing a robust operational platform, strategy, and systems for originating and purchasing life insurance benefits from consumers owning life insurance policies.

We continue to see increasing interest among investors and financial professionals participating in our $1.0 billion L Bond offering. The L Bond offers investors the opportunity to obtain a high yielding investment whose performance is not tied to the stock market, commodities, or real estate. We believe these features are growing in popularity due to i) the prospect of general market interest rates being “lower for longer”, ii) increased volatility in traditional financial market (stocks, bonds, real estate, commodities and currencies) and iii) the realization among investors and financial professionals that the life insurance secondary market and related longevity investments are becoming a more main-stream asset class.

We also expect that our recently effective $100,000,000 Redeemable Preferred Stock offering will appeal to investors and financial professionals for the same reasons enumerated above. We expect to continue growing our financial product distribution as awareness, understanding and interest in our asset class increases.

Our Redeemable Preferred Stock Offering is a key tool in strengthening our balance sheet and improving our capital structure. We believe that a successful offering of our Redeemable Preferred Stock will create a virtuous cycle within our capital structure and business. Our strengthened capital position will increase the equity value that is subordinated to our outstanding debt, which will in turn increase the attractiveness of the L Bond offering to financial advisors and investors seeking a high yielding, non-correlated return. These increased L Bond sale proceeds will allow us to grow our portfolio of life insurance and, ultimately, a large and actuarially diverse portfolio of life insurance policies should allow us to reduce our overall cost of capital and thereby enhance the value of the Company for its preferred and common stockholders.

A key strategic initiative of ours is to improve our origination protocols and practices for purchasing life insurance policy benefits. Historically, we have purchased policies in the secondary market through a network of life insurance agents, life insurance settlement brokers, and life settlement providers who assist policy owners in accessing the secondary market. Since the fourth quarter of 2014, we have been expanding our origination practices by marketing directly to consumers and by developing our unique Appointed Agent Program. We have engaged a strategic partner to assist us in the development of a specialized service center whose focus is sourcing qualified leads and processing life insurance policies directly for our purchase. We also recently began implementing (subject to state approval) the use of streamlined contracts and documents used in the purchase of policies, and have implemented the use of electronic signatures where permitted. In conjunction with these activities, we continue to refine the systems, processes and protocols, including a streamlined underwriting process for small face policies ($1,000,000 in face value policy benefits or less) in order to efficiently acquire life insurance policies from our direct origination channels. In that regard we have reached several milestones, most notably, the time in which it takes to complete a preliminary underwriting of a prospective insurance policy for pricing and communicating an offer. In the past, the process of obtaining medical records and additional underwriting data sufficient to review and value a life insurance policy typically took six or more weeks. This has been a historically challenging element of the business, both for purchasers such as the Company, financial advisors, and consumers seeking options for their life insurance. Through continued efforts, we have been able to reduce this elapsed time from approximately six weeks to two days for certain life insurance policy purchases. These processes and methodologies continue to utilize life expectancies received from third-party medical actuarial firms. In addition to obtaining third party life expectancies, we are rapidly working to deploy innovative and sophisticated underwriting techniques for our small face originations by applying advanced medical technologies and socio-economic factors into our underwriting methodology. We expect that these innovations will provide us with a competitive advantage in processing cases and purchasing life insurance policies.

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We continue to develop and expand our activities related to recruiting and supporting our Appointed Agent Program with new advanced marketing tools and resources. Our Appointed Agent Program empowers financial professionals to bring the life insurance secondary market's value proposition directly to consumers owning life insurance. Central to the Appointed Agent Program is education, training, and marketing that support and empower financial professionals to offer clients significant value with a program that emphasizes regulatory compliance. Over the last three months, we have deployed new marketing efforts focused specifically on recruiting and expanding the number of financial professionals sourcing life insurance policies directly for us through our Appointed Agent Program. These efforts are being developed with the same strategic partner operating our specialized service center that is assisting us in processing qualified policy holder leads for our direct purchase.

Additionally, we continue to experience growing success in recruiting financial professionals into our Appoint Agent Program who also distribute our investment products. This dual offering enables financial professionals the opportunity to develop expertise in our business model and a specialization for their financial practice. In conjunction with these activities, we have continued to sharpen our service offerings and marketing tools for broker-dealers and financial advisors seeking to market our products and services. We believe these offerings have led to an increasing acceptance by the financial profession of our business model and industry since they address a growing need for post-retirement financial services to seniors owning life insurance.

While these efforts are all still relatively new and ongoing, the initial results and early outcomes from both our Appointed Agent Program and direct-to-consumer initiatives continue to be encouraging and are leading to a further focus on allocating resources to more fully realize the opportunity presented. In the past three months, we continue to experience increasing numbers of life insurance policies that are in our origination pipeline, with a portion of that increase being directly related to our direct origination efforts. All told, these direct origination efforts have accounted for approximately 30% of all new policy purchases during the quarter, up from nil previously, and now making up over 20% of all the life insurance policy benefits in our current origination pipeline as of November 11, 2015. Our origination pipeline includes all the life insurance policies we are currently gathering information, evaluating, bidding on, or in the process of closing a purchase. We expect to continue to work on these systems, including supporting marketing, technology, reporting, processing, and underwriting protocols through the balance of 2015.

We have also expanded our own footprint in the various states and jurisdictions where secondary market life settlement transactions are regulated. Of the 42 jurisdictions that require licensure, our wholly-owned subsidiaries GWG Life and GWG Life USA presently hold 35 licenses and have pending applications in another three jurisdictions.

As for the life insurance secondary market itself, we continue to see positive growth trends, evidenced by continued competition for policy purchases through traditional channels, continued consumer-direct marketing efforts by market participants, and a stable regulatory environment. One recent life insurance market development has been the notification from several life insurance carriers to policy owners of an increase in the cost of insurance (i.e., premiums) on select universal life insurance products. While the impacts of these increases are not yet known, nor is it known whether this trend will continue, the changes in cost of insurance have caused the industry to review its practices and pricing assumptions in relation to the specific products and insurance carriers involved. At this time, the Company has identified that it has potential exposure to a cost of insurance increase announced by AXA Equitable Life Insurance Company. Nevertheless, the impact, if any, on our consolidated financial results has yet to be quantified.

In the first nine months of 2015, we recognized $25.9 million of revenue from the receipt of $29.7 million in policy benefits. In addition, we recognized revenue from the change in fair value of our life insurance policies, net of premiums and carrying costs, of $7.5 million. In the first nine months of 2015, interest expense, including amortization of the deferred financing costs and preferred stock dividends, was $23.1 million, and selling, general and administrative expenses were $13.8 million. Income tax benefit for the first nine months of 2015 was $0.7 million. Our net income before interest, taxes and amortization was $19.9 million and our net loss after tax was $2.6 million for the first nine months of 2015.

In the first nine months of 2014, we recognized $2.3 million of revenue from the receipt of $3.3 million in policy benefits. In addition, we recognized revenue from the change in fair value of our life insurance policies, net of premiums and carrying costs, of $13.8 million. Interest expense, including amortization of the deferred financing costs and preferred stock dividends, was $19.7 million for the nine months ended September 30, 2014, and selling, general and administrative expenses were $8.4 million. Income tax benefit for the nine months ended September 30, 2014 was $4.1 million. Our net income before interest, taxes and amortization was $7.7 million and our net loss after tax was $7.9 million for the first nine months of 2014.

To date, we have financed our business principally through the issuance of debt, including our registered public offerings of L Bonds and debt incurred by our subsidiary DLP Funding II under a senior revolving credit facility provided by Autobahn/DZ Bank. See the "Liquidity and Capital Resources" caption below.

Critical Accounting Policies

Critical Accounting Estimates

The preparation of our consolidated financial statements in accordance with the Generally Accepted Accounting Principles (GAAP) requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our judgments, estimates and assumptions on historical experience and on various other factors believed to be reasonable under the circumstances. Actual results could differ materially from these estimates. We evaluate our judgments, estimates and assumptions on a regular basis and make changes accordingly. We believe that the judgments, estimates and assumptions involved in the accounting for the valuation of investments in life insurance policies have the greatest potential impact on our consolidated financial statements and accordingly believe these to be our critical accounting estimates. Below we discuss the critical accounting policies associated with these estimates as well as certain other critical accounting policies.

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Ownership of Life Insurance Policies—Fair Value Option

Our primary business involves the purchasing and financing of life insurance policies. As such, we account for the purchase of life insurance policies in accordance with Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) 325-30, *Investments in Insurance Contracts*, which requires us to use either the investment method or the fair value method. We have elected to account for these life insurance policies as investments using the fair value method.

We initially record our purchase of life insurance policies at the transaction price, which is the amount paid for the policy, inclusive of all fees and costs associated with the acquisition. The fair value of our investment in the portfolio of insurance policies is evaluated at the end of each reporting period. Changes in the fair value of the portfolio of life insurance policies are based on periodic evaluations and are recorded as changes in fair value of life insurance policies in our consolidated and combined statement of operations. The fair value is determined as the net present value of the life insurance portfolio's future expected cash flows that incorporates current life expectancy estimates and discount rate assumptions.

In addition to reporting our results of operations and financial condition based on the fair value of our life insurance policies as required by GAAP, management also makes calculations based on the weighted average expected internal rate of return of the policies. See "Non-GAAP Financial Measures" below.

Valuation of Insurance Policies

Unobservable inputs, as discussed below, are a critical component of our estimate for the fair value of our investments in life insurance policies. We currently use a probabilistic method of estimating and valuing the projected cash flows of our portfolio of life insurance policies, which we believe to be the preferred and most prevalent valuation method in the industry. In this regard, the most significant assumptions we make are the life expectancy estimates of the insureds and the discount rate applied to the projected cash flows to be derived from our portfolio.

In determining life expectancy estimates, we generally use actuarial medical reviews from independent medical underwriters. These medical underwriters evaluate the health of the insured by reviewing historical and current medical records. This evaluation is performed to produce an estimate of the insured's mortality—a life expectancy report. In the case of a small face policy ($1.0 million face value of policy benefits or less), we may use modified life expectancy methodologies that do not use actuarial medical reviews from independent medical underwriters. The life expectancy estimate represents a range of probabilities for the insured's mortality against a group of cohorts with the same age, sex and smoking status. These mortality probabilities represent a mathematical curve known as an actuarial mortality curve, which is then used to generate a series of expected cash flows from the life insurance policy over the expected lifespan of the insured. A discount rate is used to calculate the net present value of the expected cash flows. The discount rate represents the internal rate of return we expect to earn on investments in a policy or in the portfolio as a whole at the stated fair value. The discount rate used to calculate fair value of our portfolio incorporates the guidance provided by ASC 820, *Fair Value Measurements and Disclosures*. Many of our current underwriting review processes, including our policy of obtaining actuarial medical reviews from independent medical underwriters as described above, are undertaken in satisfaction of obligations under our L Bond debt offerings and revolving credit facility. As a result, we may in the future modify our underwriting review processes if permitted under our borrowing arrangements.

The table below provides the discount rate used to estimate the fair value of the life insurance policies for the period ending:

September 30, 2015	December 31, 2014
11.07%	11.43%

The discount rate incorporates current information about discount rates applied by other reporting companies owning portfolios of life insurance policies, discount rates observed in the secondary market, market interest rates, the credit exposure to the insurance company that issued the life insurance policy and management estimate of the risk premium a purchaser would require to receive the future cash flows derived from our portfolio of life insurance policies. The discount rate to arrive at the fair value of our portfolio assumes an orderly and arms-length transaction (i.e., a non-distressed transaction in which neither seller nor buyer is compelled to engage in the transaction).

We engaged a third party, Model Actuarial Pricing Systems (MAPS), to prepare a third-party valuation of our life settlement portfolio. MAPS owns and maintains the portfolio pricing software we use. MAPS processed policy data, future premium data, life expectancy estimate data, and other actuarial information we supply to calculate a net present value for our portfolio using the specified discount rate of 11.07%. MAPS independently calculated the net present value of our portfolio of 343 policies to be $329.6 million, which is the same fair value estimate we used on the balance sheet as of September 30, 2015, and furnished us with a letter documenting its calculation. A copy of such letter is filed as Exhibit 99.1 to our Quarterly Report on Form 10-Q for the period ended September 30, 2015, filed with the SEC on November 12, 2015.

JOBS Act

On April 5, 2012, the Jumpstart Our Business Startups Act of 2012, or JOBS Act, was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933 for complying with new or revised accounting standards. This means that an “emerging growth company” can make an election to delay the adoption of certain accounting standards until those standards would apply to private companies. We have elected to delay such adoption of new or revised accounting standards and, as a result, we may not comply with new or revised accounting standards at the same time as other public reporting companies that are not “emerging growth companies.” This exemption will apply for a period of five years following our first sale of common equity securities under an effective registration statement or until we no longer qualify as an “emerging growth company” as defined under the JOBS Act, whichever is earlier.

Deferred Income Taxes

FASB ASC 740, Income Taxes, requires us to recognize deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established for any portion of deferred tax assets that is not considered more likely than not to be realized.

We have provided a valuation allowance against the deferred tax asset related to a note receivable because we believe that, when realized for tax purposes, it will result in a capital loss that will not be utilized because we have no expectation of generating a capital gain within the applicable carryforward period. Therefore, we do not believe that it is more likely than not that the deferred tax asset will be realized.

We have also provided a valuation allowance against the deferred tax asset related to a tax basis capital loss generated with respect to its settlement and subsequent disposal of our investment in Athena Structured Funds PLC (see “Notes to Consolidated Financial Statements” Note 10). As we have no expectation of generating capital gains within the applicable carry-forward period, we do not believe that it is more likely than not that the deferred asset will be realized.

A valuation allowance is required to be recognized to reduce deferred tax assets to an amount that is more likely than not to be realized. Realization of deferred tax assets depends upon having sufficient past or future taxable income in periods to which the deductible temporary differences are expected to be recovered or within any applicable carryback or carryforward periods. We believe that it is more likely than not that we will be able to realize all of our deferred tax assets other than that which is expected to result in a capital loss.

Deferred Financing and Issuance Costs

Financing costs incurred to obtain financing under the revolving credit facility have been capitalized and are amortized using the straight-line method over the term of the revolving credit facility. The Series I Secured Note obligations are reported net of issuance costs, sales commissions, and other direct expenses, which are amortized using the interest method over the term of each respective borrowing. The L Bonds are reported net of issuance costs, sales commissions, and other direct expenses, which are amortized using the interest method over the term of each respective borrowing. The Series A Preferred Stock is reported net of issuance costs, sales commissions, including the fair value of warrants issued, and other direct expenses, which are amortized using the interest method as interest expense over a three-year redemption period. As of December 31, 2014 these costs have been fully amortized.

Principal Revenue and Expense Items

We earn revenues from three primary sources as described below.

Policy Benefits Realized. We recognize the difference between the death benefits and carrying values of the policy when an insured event has occurred and we determine that settlement and ultimate collection of the death benefits is realizable and reasonably assured. Revenue from a transaction must meet both criteria in order to be recognized. We generally collect the face value of the life insurance policy from the insurance company within 45 days of the insured's mortality.

Change in Fair Value of Life Insurance Policies. We have elected to carry our investments in life insurance policies at fair value in accordance with ASC 325-30, *Investments in Life Insurance Contracts*. Accordingly, we value our investments in our portfolio of life insurance policies each reporting period in accordance with the fair value principles discussed herein, which includes the expected payment of premiums for future periods.

Sale of a Life Insurance Policy or a Portfolio of Life Insurance Policies. In an event of a sale of a policy, we recognize gain or loss as the difference between the sale price and the carrying value of the policy on the date of the receipt of payment on such sale.

Our main components of expense are summarized below.

Selling, General and Administrative Expenses. We recognize and record expenses incurred in the operations of the purchasing and servicing of life insurance policies. These expenses include professional fees, salaries, and sales and marketing expenditures.

Interest Expense. We recognize and record interest expenses associated with the costs of financing our life insurance portfolio for the current period. These expenses include interest paid to our senior lender under our revolving credit facility, as well as all interest paid on our L Bonds and other outstanding indebtedness such as our subsidiary secured notes and dividends on convertible, redeemable preferred stock. When we issue long-term indebtedness, we amortize the issuance costs associated with such indebtedness over the outstanding term of the financing, and classify it as interest expense.

Results of Operations — Three and Nine Months Ended September 30, 2015 Compared to the Same Periods in 2014

The following is our analysis of the results of operations for the periods indicated below. This analysis should be read in conjunction with our consolidated financial statements and related notes.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue recognized from the receipt of policy benefits (1)	$277,000	$2,070,000	$25,909,000	$2,301,000
Revenue recognized from the change in fair value of life insurance policies, net of premiums and carrying costs (2)	7,912,000	3,049,000	7,538,000	13,819,000
Gain on life settlements, net	$8,189,000	$5,118,000	$33,447,000	$16,120,000
Number of policies matured	1	4	8	7
The change in fair value related to new policies acquired	$7,423,000	$964,000	$12,546,000	$7,523,000

(1) In the first nine months of 2015, we recognized $25.9 million of revenue from the receipt of $29.7 million in policy benefits. In the first nine months of 2014, we recognized $2.3 million of revenue from the receipt of $3.3 million in policy benefits.

(2) The change in the discount rate incorporates current information about discount rates applied by other reporting companies owning portfolios of life insurance policies, discount rates observed by us in the life insurance secondary market, market interest rates, the credit exposure to the issuing insurance companies and our estimate of the risk premium a purchaser would require to receive the future cash flows derived from our portfolio of life insurance policies. Because we use the discount rate to arrive at the fair value of our portfolio, the rate we choose necessarily assumes an orderly and arms-length transaction (i.e., a non-distressed transaction in which neither seller nor buyer is compelled to engage in the transaction). The discount rate applied to estimate the fair value of the portfolio of life insurance policies we own was 11.07% as of September 30, 2015, compared to 11.56% as of September 30, 2014. The decrease in discount rate was primarily due to an increase in prices our competitors were purchasing life insurance policies in the secondary market, an increase in the size and diversity of our portfolio that we believe results in a lower risk premium due to an increase in actuarial stability for any potential buyer. The carrying value of policies acquired during each quarterly reporting period are adjusted to their current fair value using the fair value discount rate applied to the entire portfolio as of that reporting date.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	Increase	2015	2014	Increase
Employee compensation and benefits (1)	$2,308,000	$1,377,000	$931,000	$6,181,000	$3,524,000	$2,657,000
	8,650,000	6,797,000	1,853,000	23,149,000	19,731,000	3,418,000

Interest expense (including amortization of deferred financing costs and preferred stock dividends) (2)						
Legal and professional expenses (3)	822,000	760,000	62,000	1,988,000	1,628,000	360,000
Other expenses (4)	2,232,000	1,453,000	779,000	5,646,000	3,278,000	2,368,000
Total expenses	$14,012,000	$10,387,000	$3,625,000	$36,964,000	$28,161,000	$8,803,000

(1) We employed more staff and hired additional members to our sales, marketing and information technology teams.
(2) The increase was due to the increase in the average debt outstanding.
(3) Increase is due to increased compliance work and SEC filings related to securities offerings.
(4) Marketing, recruiting and other expenses increased due to the continued development of a direct marketing campaign and related service center costs, increased activity related to our public offering of L Bonds and continued technology and infrastructure costs.

Income Tax Expense. For the three and nine months ended September 30, 2015, we had a loss of $5,729,000 and $3,285,000, respectively before income taxes and we recorded income tax benefits of $2,098,000 and $665,000, respectively, or 36.6% and 20.2%, respectively. In the same periods of 2014, we had a loss of $5,258,000 and $12,018,000 before income taxes and recorded income tax benefit of $1,858,000 and $4,130,000, respectively, or 35.3% and 34.4%, respectively. The primary differences between our effective tax rate and the statutory federal rate are the accrual of preferred stock dividend expense, state taxes, and other non-deductible expenses.

The following table provides a reconciliation of our income tax expense at the statutory federal tax rate to our actual income tax expense:

	Three Months Ended September 30, 2015		Nine Months Ended September 30, 2015		Three Months Ended September 30, 2014		Nine Months Ended September 30, 2014	
Statutory federal income tax	$(1,948,000)	34.0%	$(1,117,000)	34.0 %	$(1,788,000)	34.0%	$(4,086,000)	34.0%
State income taxes, net of federal benefit	(334,000)	5.8 %	(105,000)	3.2 %	(297,000)	5.6 %	(649,000)	5.4 %
Series A preferred stock dividends	175,000	(3.1)%	526,000	(16.0)%	216,000	(4.1)%	650,000	(5.4)%
Other permanent differences	9,000	(0.1)%	31,000	(1.0)%	11,000	(0.2)%	(45,000)	0.4 %
Total income tax expense	$(2,098,000)	36.6%	$665,000	20.2 %	$(1,858,000)	35.3%	$(4,130,000)	34.4%

The most significant temporary differences between GAAP net income and taxable net income are the treatment of interest costs with respect to the acquisition of the life insurance policies and revenue recognition with respect to the mark-to-market of life insurance portfolio.

Liquidity and Capital Resources

We finance our business through a combination of policy benefit revenues, origination fees, equity offerings, debt offerings, and a credit facility. We have used our debt offerings and credit facility primarily for policy acquisition, policy servicing and portfolio related financing expenditures. We charge an intercompany origination fee in the amount of one to four percent of the face value of a life insurance policy's benefit when we acquire the related life insurance policy. The origination fee we charge is included in the total purchase price we pay for a life insurance policy for purposes of our valuation and expected internal rate of return calculations, but is not netted against the purchase price we pay to a seller of an insurance policy. We generated cash flows $1.0 million and $2.0 million from origination fees during the three and nine months ended September 30, 2015, and $0.2 million and $1.5 million during the same periods in 2014. Profit from intra-company origination fees for life insurance policies retained by us are eliminated from our consolidated statements of operations. As such, the origination fees collected under our life insurance policy financing arrangements are reflected in our consolidated statements of cash flows as cash flows from financing activities as they are received form of borrowings used to finance the acquisition of life insurance policies. Our borrowing agreements allow us to use net proceeds of the L Bonds for policy acquisition, which includes origination fees. If the policy acquisition is not financed, no fees are included in the consolidated cash flows. See "Cash Flows" below for further information. We determine the purchase price of life insurance policies in accordance with ASC 325-30, *Investments in Insurance Contracts* , using the fair value method. Under the fair value method, the initial investment is recorded at the transaction price. Because the origination fees are paid from a wholly owned subsidiary to the parent company, these fees are not included in the transaction price as reflected in our consolidated financial statements. For further discussion on our accounting policies for life settlements, please refer to note 1 to our consolidated financial statements.

As of September 30, 2015 and December 31, 2014, we had approximately $84.1 million and $51.2 million, respectively, in combined available cash and available borrowing base surplus capacity under our revolving credit facility for the purpose of purchasing additional life insurance policies, paying premiums on existing policies, paying portfolio servicing expenses, and paying principal and interest on our outstanding financing obligations.

On October 30, 2015, we began to publicly offer for sale 100,000 shares of Redeemable Preferred Stock under a Form S-1 registration statement declared effective by the SEC.

In January 2015, we began to publicly offer for sale $1.0 billion in principal amount of our L Bonds under a Form S-1 registration statement declared effective by the SEC. The $1.0 billion public offering of L Bonds is as a follow-on offering to our $250.0 million public offering of Renewable Secured Debentures (subsequently renamed L Bonds) that was registered with the SEC and completed January 2015. Through September 30, 2015, the total amount of these L Bonds sold, including renewals, was $376.8 million. As of September 30, 2015, we had approximately $247.6 million in principal amount of L Bonds outstanding.

On September 24, 2014, we consummated an initial public offering of our common stock resulting in the sale of 800,000 shares of common stock at $12.50 per share and net proceeds of approximately $8.6 million after the deduction of underwriting commissions, discounts and expense reimbursements. We used the net proceeds from the offering to promote and advertise the opportunities for consumers owning life insurance and investors to profit from participating in the secondary market for life insurance policies, to purchase additional life insurance policies in the secondary market, to pay premiums on our life insurance policy assets, to fund our portfolio operations, and for working capital purposes.

In September 2012, we concluded a Series A Preferred Stock offering, having received an aggregate $24.6 million in subscriptions for our Series A Preferred Stock. These subscriptions consisted of $14.0 million in conversions of outstanding Series I Secured Notes and $10.6 million of new investments. We have used the proceeds from the sale of our Series A Preferred Stock to fund our operational expenditures.

In November 2009, we issued our first debt securities through our wholly owned subsidiary GWG Life commenced private placement of Series I Secured Notes to accredited investors only. This offering was closed in November 2011 and was followed-on by our first publicly registered $250.0 million debt offering of Renewable Secured Debentures (subsequently renamed L Bonds). As of September 30, 2015, we had approximately $23.9 million in principal amount of Series I Secured Notes outstanding.

The weighted-average interest rate of our outstanding Series I Secured Notes as of September 30, 2015 and December 31, 2014 was 8.47% and 8.37%, respectively, and the weighted-average maturity at those dates was 1.20 and 1.11 years, respectively. The Series I Secured Notes have renewal features. Since we first issued our Series I Secured Notes, we have experienced $148.3 million in maturities, of which as of September 30, 2015, $114.5 million has renewed for an additional term. This has provided us with an aggregate renewal rate of approximately 77% for investments in these securities.

The weighted-average interest rate of our outstanding L Bonds as of September 30, 2015 and December 31, 2014 was 7.21% and 7.45%, respectively, and the weighted-average maturity at those dates was 1.96 and 2.01 years, respectively. Our L Bonds have renewal features that provide that investors will remain in their investment with GWG unless they provide us with notice within 30 days of the maturity of their bond. Since we first issued our L Bonds, we have experienced $129.1 million in maturities, of which as of September 30, 2015, $80.1 million has renewed for an additional term. This has provided us with an aggregate renewal rate of approximately 62% for investments in these securities. Future contractual maturities of Series I Secured Notes and L Bonds at September 30, 2015 are:

Years Ending December 31,	**Series I Secured Notes**	**L Bonds**	**Total**
2015	$1,776,000	$22,691,000	$24,467,000
2016	12,827,000	81,569,000	94,396,000
2017	6,154,000	52,228,000	58,382,000
2018	998,000	46,946,000	47,944,000
2019	347,000	13,642,000	13,989,000
Thereafter	1,816,000	30,477,000	32,293,000
	$23,918,000	$247,553,000	$271,471,000

The L Bonds and Series I Secured Notes are secured by all our assets, and are subordinate to our revolving credit facility with Autobahn/DZ Bank. The L Bonds and Series I Secured Notes are pari passu with respect to a security interest in our assets pursuant to an intercreditor agreement (see notes 6 and 7 to our consolidated financial statements).

We maintain a $105 million revolving credit facility with Autobahn/DZ Bank through GWG Life's wholly owned subsidiaries DLP II and DLP III. The revolving credit facility is used to pay the premium expenses related to GWG's portfolio of life insurance policies. As of both September 30, 2015 and December 31, 2014, we had approximately $65.0 million and $72.2 million, respectively, outstanding under the revolving credit facility and maintained an available borrowing base surplus of $55.6 million and $20.6 million, respectively. Effective May 11, 2015, we amended and restated our credit facility to reduce the interest cost and extend the term of the facility to June 2018 (see note 5 to our condensed consolidated financial statements).

We expect to meet our ongoing operational capital needs through a combination of the receipt of policy benefit revenues and proceeds from financing transactions. We expect to meet our policy acquisition, servicing, and financing capital needs from the receipt of policy benefit revenues from our portfolio of life insurance policies, net proceeds from our offerings of L Bonds and Redeemable Preferred Stock, and from borrowings under our revolving credit facility to the extent available. Furthermore, we expect that policy benefit payments will increase as the average age of the insureds increase and mortality events occur at a greater rate over time, a trend which we experienced during periods in 2014-2015 and that we expect will reoccur with greater frequency in the future. As a result of the foregoing, we estimate that our liquidity and capital resources are sufficient for our current and projected financial needs. Nevertheless, if we are unable to continue for any reason to access the credit and capital markets through our offerings of L Bonds or Redeemable Preferred Stock, and we are unable to obtain capital from other sources, we expect that our business would be materially and adversely affected. In addition, our business would be materially and adversely affected if we did not receive the policy benefits we forecast and if holders of our L Bonds or Series I Secured Notes failed to renew with the frequency we have historically experienced. In such a case, we could be forced to sell our investments in life insurance policies to service or satisfy our debt-related obligations and continue to pay policy premiums.

Capital expenditures have historically not been material and we do not anticipate making material capital expenditures in 2015 or beyond.

Debt Financings Summary

We had the following outstanding debt balances as of September 30, 2015:

Issuer/Borrower	**Principal Amount Outstanding**	**Weighted Average Interest Rate**	
GWG Holdings, Inc. - L Bonds	$247,553,000	7.21	%
GWG Life Settlements, LLC - Series I Secured Notes	23,918,000	8.47	%
GWG DLP Funding II, LLC - Revolving credit facility	65,011,000	5.43	%
Total	$336,482,000	6.96	%

Our total credit facility and other indebtedness balance as of September 30, 2015 and December 31, 2014 was $336.5 million and $286.6 million, respectively. At September 30, 2015, the total outstanding face amount under our Series I Secured Notes outstanding was $23.9 million, less unamortized selling costs of $0.3 million, resulting in a carrying amount of $23.6 million. At December 31, 2014, the total outstanding face amount under our Series I Secured Notes outstanding was $28.0 million, less unamortized selling costs of $0.4 million, resulting in a carrying amount of $27.6 million. At September 30, 2015, the total outstanding face amount of L Bonds was $247.6 million plus $2.3 million of subscriptions in process, less unamortized selling costs of $6.8 million resulting in a carrying amount of $243.1 million. At December 31, 2014, the total outstanding face amount of L Bonds was $186.4 million plus $2.3 million of subscriptions in process, less unamortized selling costs of $5.9 million resulting in a carrying amount of $182.8 million. At September 30, 2015, the fair value of our investments in life insurance policies of $329.6 million plus our cash balance of $28.4 million and our restricted cash balance of $7.3 million, totaled $365.3 million, representing an excess of portfolio assets over secured indebtedness of $28.8 million. At December 31, 2014, the fair value of our investments in life insurance policies of $282.8 million plus our cash balance of $30.7 million and our restricted cash balance of $4.3 million, totaled $317.8 million, representing an excess of portfolio assets over secured indebtedness of $31.2 million. At September 30, 2015 our weighted average cost of capital was approximately 6.96%. The L Bonds and Series I Secured Notes are secured by all our assets and are subordinate to our revolving credit facility with Autobahn/DZ Bank. The L Bonds and Series I Secured Notes are pari passu with respect to a security interest in our asset pursuant to an intercreditor agreement.

The following forward-looking table seeks to illustrate the impact of the sale of our portfolio of life insurance assets at various discount rates in order to satisfy our debt obligations as of September 30, 2015. In all cases, the sale of the life insurance assets owned by DLP II and DLP III will be used first to satisfy all amounts owing under the revolving credit facility with Autobahn/ DZ Bank. The net sale proceeds remaining after satisfying all obligations under the revolving credit facility would be applied to L Bonds and Series I Secured Notes on a pari passu basis.

Portfolio Discount Rate	**10%**	**11%**	**12%**	**13%**	**14%**
Value of portfolio	$346,250,000	$330,610,000	$316,182,000	$302,844,000	$290,486,000
Cash and cash equivalents	35,724,000	35,724,000	35,724,000	35,724,000	35,724,000
Total assets	381,974,000	366,334,000	351,906,000	338,568,000	326,210,000
Revolving credit facility Autobahn/DZ Bank	65,011,000	65,011,000	65,011,000	65,011,000	65,011,000
Net after revolving credit facility	316,963,000	301,323,000	286,895,000	273,557,000	261,199,000
Series I Secured Notes and L Bonds	271,471,000	271,471,000	271,471,000	271,471,000	271,471,000
Net after Series I Secured Notes and L Bonds	45,492,000	29,852,000	15,424,000	2,086,000	(10,272,000)
Impairment to Series I Secured Notes and L Bonds	No impairment	No impairment	No impairment	No impairment	Impairment

The table illustrates that our ability to fully satisfy amounts owing under the L Bonds and Series I Secured Notes would likely be impaired upon the sale of all our life insurance assets at a price equivalent to a discount rate of approximately 13.16% or higher. At December 31, 2014 the impairment occurred at discount rate of approximately 14.09% or higher. The discount rates used to calculate the fair value of our portfolio for mark-to-market accounting were 11.07% and 11.43% as of September 30, 2015 and December 31, 2014, respectively.

The table does not include any allowance for transactional fees and expenses associated with a portfolio sale (which expenses and fees could be substantial), and is provided to demonstrate how various discount rates used to value our portfolio could affect our ability to satisfy amounts owing under our debt obligations, in light of our senior secured lender's right to priority payments. You should read the above table in conjunction with the information contained in other sections of this prospectus supplement, including our discussion of discount rates included under the "— Critical Accounting Policies — Valuation of Insurance Policies" caption above. This discussion and analysis is based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. The forward-looking presentation above is subject to numerous risks and uncertainties. Our actual results could differ materially from those suggested or implied by the above table. Please see the caption "Risk Relating to Forward-Looking Statements" above.

Amended and Restated Credit Facility

Effective May 11, 2015, GWG Holdings, together with certain of its subsidiaries, entered into a Second Amended and Restated Credit and Security Agreement with Autobahn Funding Company LLC, as the conduit lender, and DZ Bank AG Deutsche Zentral-Genossenschaftsbank, as the committed lender and as the agent on behalf of secured parties under such agreement. The Second Amended and Restated Credit and Security Agreement extends the maturity date of borrowings made by the Company's subsidiaries, DLP II and DLP III, to June 30, 2018. Advances under the credit facility made after May 11, 2015 will bear interest at the commercial paper rate of the lender at the time of the advance plus an applicable margin, which is less than under the previous Credit and Security Agreement executed on January 25, 2013. In addition to the extended term and decreased interest rate and borrowing cost, the Second Amended and Restated Credit and Security Agreement also removes the requirement that the Company maintain a reserve for certain projected expenditures (including anticipated premium payments required to service its life insurance portfolio), thereby allowing for the Company's full use of the credit facility up to its limit of $105,000,000.

Cash Flows

The payment of premiums and servicing costs to maintain life insurance policies represents our most significant requirement for cash disbursement. When a policy is purchased, we are able to calculate the minimum premium payments required to maintain the policy in-force. Over time as the insured age, premium payments will increase; however, the probability of actually needing to pay the premiums decreases since mortality becomes more likely. These scheduled premiums and associated probabilities are factored into our expected internal rate of return and cash-flow modeling described herein. Beyond premiums, we incur policy servicing costs, including annual trustee and tracking costs, and debt servicing costs, including principal and interest payments. Until we receive a stable amount of proceeds from the policy benefits, we intend to pay these costs from our credit facility, when permitted, and through the issuance of debt securities, including the L Bonds.

The amount of payments for anticipated premiums and servicing costs that we will be required to make over the next five years to maintain our current portfolio, assuming no mortalities, is set forth in the table below.

Years Ending December 31,	**Premiums**	**Servicing**	**Premiums and Servicing Fees**
Nine months ending December 31, 2015	$7,315,000	$412,000	$7,727,000
2016	30,433,000	412,000	30,845,000
2017	33,390,000	412,000	33,802,000
2018	36,241,000	412,000	36,653,000
2019	40,520,000	412,000	40,932,000
2020	45,023,000	412,000	45,435,000

$192,922,000	$2,472,000	$195,394,000

For the quarter end dates set forth below, the following table illustrates the total amount of face value of policy benefits owned, and the trailing 12 months of life insurance policy benefits collected and premiums paid on our portfolio. The trailing 12-month benefits/premium coverage ratio indicates the ratio of policy benefits received to premiums paid over the trailing 12-month period from our portfolio of life insurance policies.

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Quarter End Date	Portfolio Face Amount	12-Month Trailing Benefits Collected	12-Month Trailing Premiums Paid	12-Month Trailing Benefits/Premium Coverage Ratio	
March 31, 2012	$482,455,000	$4,203,000	$14,977,000	28.06	%
June 30, 2012	489,255,000	8,703,000	15,412,000	56.47	%
September 30, 2012	515,661,000	7,833,000	15,837,000	49.46	%
December 31, 2012	572,245,000	7,350,000	16,597,000	44.28	%
March 31, 2013	639,755,000	11,350,000	18,044,000	62.90	%
June 30, 2013	650,655,000	13,450,000	19,182,000	70.11	%
September 30, 2013	705,069,000	18,450,000	20,279,000	90.98	%
December 31, 2013	740,648,000	16,600,000	21,733,000	76.38	%
March 31, 2014	771,940,000	12,600,000	21,930,000	57.46	%
June 30, 2014	784,652,000	6,300,000	22,598,000	27.88	%
September 30, 2014	787,964,000	4,300,000	23,121,000	18.60	%
December 31, 2014	779,099,000	18,050,000	23,265,000	77.58	%
March 31, 2015	754,942,000	46,675,000	23,786,000	196.23	%
June 30, 2015	806,274,000	47,125,000	24,348,000	193.55	%
September 30, 2015	878,882,000	44,482,000	25,313,000	175.72	%

We believe that the portfolio cash flow results set forth above are consistent with our general investment thesis: that the life insurance policy benefits we receive will continue to increase over time in relation to the premiums we are required to pay on the remaining polices in the portfolio. Nevertheless, we expect that our portfolio cash flow results on a period-to-period basis will remain inconsistent until such time as we achieve our goal of acquiring a larger, more diversified portfolio of life insurance policies in order to obtain more normalized actuarial results. As our receipt of life insurance policy benefits increases, we expect to begin servicing and paying down our outstanding indebtedness, or alternatively purchasing additional life insurance policies, from these cash flows.

The life insurance policies owned by DLP II and DLP III are subject to a collateral arrangement with the agent to our revolving credit lender, as described in note 5 to the consolidated financial statements. Under this arrangement, collection and escrow accounts are used to fund purchases and premiums of the insurance policies and to pay interest and other charges under our revolving credit facility. The lender and its agent must authorize all disbursements from these accounts, including any distributions to GWG Life or GWG Holdings. If the facility advance rate exceeds 50%, the distributions are limited to an amount that would result in the borrowers (DLP II, DLP III, GWG Life, and GWG Holdings) realizing an annualized rate of return on the equity funded amount for such assets of not more than 18%, as determined by the agent. After such amount is reached, the credit agreement requires that excess funds be used for repayments of borrowings before any additional distributions may be made. In the future, these arrangements may restrict the cash flows available for payment of principal and interest on our debt obligations.

Inflation

Changes in inflation do not necessarily correlate with changes in interest rates. We presently do not foresee any material impact of inflation on our results of operations in the periods presented in our consolidated financial statements.

Off-Balance Sheet Arrangements

GWG Holdings entered into an office lease with U.S. Bank National Association as the landlord. The original lease was for 11,695 square feet of office space located at 220 South Sixth Street, Minneapolis, Minnesota. The original lease agreement was effective April 22, 2012, amended on December 14, 2014 and expired on August 31, 2015. Effective September 14, 2015, GWG Holdings entered into a second amendment to the lease with U.S. Bank National Association (Second Amendment to Lease). The Second Amendment to Lease increases the office space area to 12,813 square feet and extends the lease expiration date by approximately ten years (see note 14 to our condensed consolidated financial statements).

Credit Risk

We review the credit risk associated with our portfolio of life insurance policies when estimating its fair value. In evaluating the policies' credit risk we consider insurance company solvency, credit risk indicators, economic conditions, ongoing credit evaluations, and company positions. We attempt to manage our credit risk related to life insurance policies typically by purchasing policies issued only from companies with an investment grade credit rating by either Standard & Poor's, Moody's, or A.M. Best Company. As of September 30, 2015, 97.4% of our life insurance policies, by face value benefits, were issued by companies that maintained an investment grade rating (BBB or better) by Standard & Poor's.

Interest Rate Risk

Our credit facility is floating-rate financing. In addition, our ability to offer interest rates that attract capital (including in the offer and sale of L Bonds) is generally impacted by prevailing interest rates. Furthermore, while our other indebtedness provides us with fixed-rate financing, our debt coverage ratio is calculated in relation to our total cost of financing. Therefore, fluctuations in interest rates impact our business by increasing our borrowing costs, and reducing availability under our debt financing arrangements. Furthermore, we calculate our portfolio earnings based upon the spread generated between the return on our life insurance portfolio and the cost of our financing. As a result, increases in interest rates will reduce the earnings we expect to achieve from our investments in life insurance policies.

Non-GAAP Financial Measures

We use non-GAAP financial measures when evaluating our financial results, for planning and forecasting purposes, and for maintaining compliance with covenants contained in our borrowing agreements. Non-GAAP financial measures disclosed by management are provided as additional information to investors in order to provide them with an alternative method for assessing our financial condition and operating results. These non-GAAP financial measures are not in accordance with GAAP and may be different from non-GAAP measures used by other companies, including other companies within our industry. This presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for comparable amounts prepared in accordance with GAAP. See the notes to our consolidated financial statements and our audited financial statements contained herein.

We have elected to carry our investments in life insurance policies at fair value in accordance with ASC 325-30, *Investments in Life Insurance Contracts* . Accordingly, we value our investments in life insurance policies at the conclusion of each reporting period in accordance with GAAP fair value accounting principles. In addition to GAAP, we are required to report non-GAAP financial measures to Autobahn/DZ Bank under certain financial covenants made to that lender under our revolving credit facility. As indicated above, we also use non-GAAP financial reporting to manage and evaluate the financial performance of our business.

GAAP-based fair value requires us to mark-to-market our investments in life insurance policies, which by its nature, is based upon Level 3 measurements that are unobservable. As a result, this accounting treatment imports financial market volatility and subjective inputs into our financial reporting. We believe this type of accounting reporting is at odds with one of the key attractions for purchasing and owning a portfolio life insurance policies: the non-correlated nature of the returns to be derived from such policies. Therefore, in contrast to a GAAP-based fair valuation, we seek to measure the accrual of the actuarial gain occurring within the portfolio of life insurance policies at their expected internal rate of return based on statistical actuarial mortality probabilities for the insureds (using primarily the insured’s age, sex and smoking status). The expected internal rate of return tracks actuarial gain occurring within the policies according to a mortality table as the insureds' age increases. By comparing the actuarial gain accruing within our portfolio of life insurance policies against our costs during the same period, we can estimate, manage and evaluate the overall financial profitability of our business without regard to mark-to-market volatility. We use this information to balance our life insurance policy purchasing and manage our capital structure, including the issuance of debt and utilization of our other sources of capital, and to monitor our compliance with borrowing covenants. We believe that these non-GAAP financial measures provide information that is useful for investors to understand period-over-period operating results separate and apart from fair value items that may, or could, have a disproportionately positive or negative impact on results in any particular period.

Our credit facility requires us to maintain a "positive net income" and "tangible net worth" each of which are calculated on an adjusted non-GAAP basis on the method described above, without regard to GAAP-based fair value measures. In addition, our revolving credit facility requires us to maintain an "excess spread," which is the difference between (i) the weighted average of our expected internal rate of return of our portfolio of life insurance policies and (ii) the weighted average of our credit facility's interest rate. These calculations are made using non-GAAP measures in the method described below, without regard to GAAP-based fair value measures.

In addition, our L Bonds and Series I Secured Notes require us to maintain a "debt coverage ratio" designed to ensure that the expected cash flows from our portfolio of life insurance policies is able to adequately service our total outstanding indebtedness. In addition, our L Bonds requires us to maintain a "subordination ratio" which limits the total amount of indebtedness that can be issued senior in rank to the L Bonds and Series I Secured Notes. These ratios are calculated using non-GAAP measures in the method described below, without regard to GAAP-based fair value measures.

Adjusted Non-GAAP Net Income. Our credit facility requires us to maintain a positive net income calculated on an adjusted non-GAAP basis. We calculate the adjusted net income by recognizing the actuarial gain accruing within our life insurance policies at the expected internal rate of return of the policies we own without regard to fair value. We net this actuarial gain against our costs during the same period to calculate our net income on a non-GAAP basis.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
GAAP net loss	$(3,631,000)	$(3,400,000)	$(2,620,000)	$(7,888,000)
Unrealized fair value gain (1)	(14,517,000)	(8,762,000)	(26,651,000)	(30,973,000)
Adjusted cost basis increase (2)	13,345,000	10,982,000	37,988,000	33,156,000
Accrual of unrealized actuarial gain (3)	9,201,000	8,082,000	21,417,000	23,209,000
Total adjusted non-GAAP net income (4)	$4,398,000	$6,902,000	$30,134,000	$17,504,000

(1) Reversal of unrealized GAAP fair value gain of life insurance policies for current period.
(2) Adjusted cost basis is increased to include those acquisition and servicing expenses that are not capitalized by GAAP.
(3) Accrual of actuarial gain at the expected internal rate of return based on the investment cost basis for the period.
(4) We must maintain an annual positive consolidated net income, calculated on a non-GAAP basis, to maintain compliance with our revolving credit facility with DZ Bank/Autobahn.

Adjusted Non-GAAP Tangible Net Worth. Our revolving credit facility requires us to maintain a tangible net worth in excess of $45 million calculated on an adjusted non-GAAP basis. We calculate the adjusted tangible net worth by recognizing the actuarial gain accruing within our life insurance policies at the expected internal rate of return of the policies we own without regard to fair value. We net this actuarial gain against our costs during the same period to calculate our tangible net worth on a non-GAAP basis.

	As of September 30, 2015	**As of December 31, 2014**
GAAP net worth (1)	$20,772,000	$22,390,000
Less intangible assets (2)	(11,239,000)	(8,132,000)
GAAP tangible net worth	9,533,000	14,258,000
Unrealized fair value gain (3)	(181,323,000)	(154,672,000)
Adjusted cost basis increase (4)	176,190,000	147,673,000
Accrual of unrealized actuarial gain (5)	101,205,000	80,122,000
Total adjusted non-GAAP tangible net worth (6)	$105,605,000	$87,381,000

(1) Also referred to as GAAP book value.
(2) Unamortized portion of deferred financing costs and pre-paid insurance.
(3) Reversal of cumulative unrealized GAAP fair value gain or loss of life insurance policies.
(4) Adjusted cost basis is increased by cumulative acquisition and servicing expenses which are not capitalized under GAAP.
(5) Accrual of cumulative actuarial gain at expected internal rate of return based on investment cost basis.
(6) We must maintain a total adjusted non-GAAP tangible net worth of $45 million to maintain compliance with our revolving credit facility with DZ Bank/Autobahn.

Excess Spread. Our revolving credit facility requires us to maintain a 2.00% "excess spread" between our expected internal rate of return of our portfolio of life insurance policies and the credit facility's interest rate. A presentation of our excess spread and our total excess spread is set forth below. Management uses the "total excess spread" to gauge expected profitability of our investments, and uses the "excess spread" to monitor compliance with our borrowing.

	As of September 30, 2015		As of December 31, 2014	
Expected IRR (1)	11.22	%	11.78	%
Weighted-average revolving credit facility interest rate (2)	5.43	%	6.24	%
Excess spread (3)	5.79	%	5.54	%
Total weighted-average interest rate on indebtedness for borrowed money (4)	6.96	%	7.24	%
Total excess spread (5)	4.26	%	4.54	%

(1) This represents the weighted-average expected internal rate of return of the life insurance policies as of the measurement date based upon our investment cost basis of the insurance policies and the expected cash flows from the life insurance portfolio. Our investment cost basis is calculated as our cash investment in the life insurance policies, without regard to GAAP-based fair value measurements, and is set forth below:

Investment Cost Basis	As of September 30, 2015	As of December 31, 2014
GAAP fair value	$329,562,000	$282,883,000
Unrealized fair value gain (A)	(181,323,000)	(154,672,000)
Adjusted cost basis increase (B)	176,190,000	147,673,000
Investment cost basis (C)	$324,429,000	$275,884,000

(A) This represents the reversal of cumulative unrealized GAAP fair value gain of life insurance policies.

(B) Adjusted cost basis is increased to include those acquisition and servicing expenses that are not capitalized by GAAP.

(C) This is the full investment cost basis in life insurance policies from which our expected internal rate of return is calculated.

(2) This is the weighted-average revolving credit relating to our revolving credit facility interest rate as of the measurement date.

(3) We must maintain an excess spread of 2.00% relating to our revolving credit facility to maintain compliance under such facility.

(4) Represents the weighted-average interest rate paid on all outstanding indebtedness as of the measurement date, determined as follows:

Outstanding Indebtedness	As of September 30, 2015	As of December 31, 2014

Revolving credit facility	$65,011,000	$72,161,000
Series I Secured Notes	23,918,000	28,047,000
L Bonds	247,553,000	186,377,000
Total	$336,482,000	$286,585,000

Interest Rates on Indebtedness		
Revolving credit facility	5.43%	6.24%
Series I Secured Notes	8.47%	8.37%
L Bonds	7.21%	7.45%
Weighted-average interest rates on indebtedness	6.96%	7.24%

(5) Calculated as expected IRR (1) minus the weighted-average interest rate on indebtedness for borrowed money (4).

Debt Coverage Ratio and Subordination Ratio. Our L Bonds and Series I Secured Notes require us to maintain a "debt coverage ratio" of less than 90%. The "debt coverage ratio" is calculated by dividing the sum of our total indebtedness by the sum of our cash and cash equivalents and the net present value of the life insurance portfolio. The "subordination ratio" for our L Bonds is calculated by dividing the total indebtedness that is senior to L Bonds and Series I Secured Notes by the sum of the Company's cash and cash equivalents and the net present value of the life insurance portfolio. The "subordination ratio" must be less than 50%. For purposes of both ratio calculations, the net present value of the life insurance portfolio is calculated using a discount rate equal to the weighted average interest rate of all indebtedness.

	As of September 30, 2015	As of December 31, 2014
Life insurance portfolio policy benefits	$878,882,000	$779,099,000
Discount rate of future cash flows	6.96 %	7.24 %
Net present value of Life insurance portfolio policy benefits	$402,811,000	$347,786,000
Cash and cash equivalents	35,724,000	34,959,000
Total Coverage	438,535,000	382,745,000
Revolving credit facility	65,011,000	72,161,000
Series I Secured Notes	23,918,000	28,047,000
L Bonds	247,553,000	186,377,000
Total Indebtedness	$336,482,000	$286,585,000
Debt Coverage Ratio	76.73 %	74.88 %
Subordination Ratio	14.82 %	18.85 %

As of September 30, 2015, we were in compliance with both the debt coverage ratio and the subordination ratio as required under our related financing agreements for L Bonds and Series I Secured Notes.

Non-GAAP Net Asset Value. The non-GAAP net asset value attempts to measure the economic value of the Company's common equity by netting interest-bearing debt and the redemption/liquidation value of the Company's outstanding Series A Preferred Stock against the value of the Company's portfolio of life insurance (discounted at our weighted-average cost of capital (1)) and cash and cash equivalents at the end of the measurement period. Management believes this is a useful way to view the common equity value attributable to the current yield spread in the Company's portfolio of life insurance.

	As of September 30, 2015	As of December 31, 2014
Discount rate of future cash flows	6.96 %	7.24 %
Net present value of life insurance policy benefits	$402,811,000	$347,786,000
Cash and cash equivalents	$35,724,000	$34,959,000
Interest bearing debt	$(336,482,000)	$(286,585,000)
Preferred stock redemption value	$(22,742,000)	$(22,596,000)
Net asset value	$79,311,000	$73,564,000
Per share	$13.35	$12.53
Shares outstanding (basic)	5,941,790	5,870,193

(1) The weighted average cost of capital discount rate used in this calculation is separate and distinct from the discount rate used to determine the GAAP fair value of the portfolio of life insurance policies as described in our most recent form 10-K.

Our Portfolio

Our portfolio of life insurance policies, owned by our subsidiaries as of September 30, 2015, is summarized below:

Life Insurance Portfolio Summary

Total portfolio face value of policy benefits	$878,882,000	
Average face value per policy	$2,562,000	
Average face value per insured life	$2,808,000	
Average age of insured (yrs.) *	82.6	
Average life expectancy estimate (yrs.) *	6.60	
Total number of policies	343	
Number of unique lives	313	
Demographics	70% Males; 30% Females	
Number of smokers	7	
Largest policy as % of total portfolio	1.14	%
Average policy as % of total portfolio	0.29	%
Average Annual Premium as % of face value	3.41	%

* Averages presented in the table are weighted averages.

Our portfolio of life insurance policies, owned by our subsidiaries as of September 30, 2015, organized by the insured's current age and the associated policy benefits, is summarized below:

Distribution of Policy Benefits by Current Age of Insured

Min Age	Max Age	Policy Benefits	**Weighted Average Life Expectancy (yrs.)**	Distribution	
90	94	$66,395,000	3.00	7.56	%
85	89	229,163,000	4.91	26.07	%
80	84	314,401,000	6.71	35.77	%
75	79	189,843,000	8.37	21.60	%
70	74	58,057,000	9.85	6.61	%
66	69	21,023,000	9.86	2.39	%
Total		$878,882,000	6.60	100.00	%

Our portfolio of life insurance policies, owned by our subsidiaries as of September 30, 2015, organized by the insured's current age and number of policies owned, is summarized below:

Distribution of Policies by Current Age of Insured

Min Age	Max Age	Policies	**Weighted Average Life Expectancy (yrs.)**	Distribution	
90	94	27	3.00	7.56	%
85	89	99	4.91	26.07	%
80	84	113	6.71	35.77	%
75	79	63	8.37	21.60	%
70	74	29	9.85	6.61	%
66	69	12	9.86	2.39	%
Total		343	6.60	100.00	%

Our portfolio of life insurance policies, owned by our subsidiaries as of September 30, 2015, organized by the insured’s estimated life expectancy estimates and associated policy benefits, is summarized below:

Distribution of Policy Benefits by Current Life Expectancies of Insured

Min LE (Months)	Max LE (Months)	Policy Benefits	Distribution
8	47	$155,430,000	17.69 %
48	71	232,897,000	26.50 %
72	95	225,287,000	25.63 %
96	119	161,284,000	18.35 %
120	143	57,865,000	6.58 %
144	188	46,119,000	5.25 %
Total		$878,882,000	100.00 %

We track concentrations of pre-existing medical conditions among insured individuals within our portfolio based on information contained in life expectancy reports. We track these medical conditions with ten primary disease categories: (1) cardiovascular, (2) cerebrovascular, (3) dementia, (4) cancer, (5) diabetes, (6) respiratory disease, (7) neurological disorders, (8) other, no disease, or multiple. Our primary disease categories are summary generalizations based on the ICD-9 codes we track on each insured individuals within our portfolio. ICD-9 codes, published by the World Health Organization, are used worldwide for medical diagnoses and treatment systems, as well as morbidity and mortality statistics. Currently, cardiovascular is the only primary disease category within our portfolio that represents a concentration over 10%.

Our portfolio of life insurance policies, owned by our subsidiaries as of September 30, 2015, organized by the primary disease categories of the insured and associated policy benefits, is summarized below:

Distribution of Policy Benefits by Primary Disease Category

Primary Disease Category	Policy Benefits	Distribution	
Cancer	$61,000,000	6.94	%
Cardiovascular	182,091,000	20.72	%
Cerebrovascular	35,212,000	4.01	%
Dementia	65,544,000	7.46	%
Diabetes	64,117,000	7.29	%
Multiple	205,020,000	23.33	%
Neurological Disorders	25,774,000	2.93	%
No Disease	97,641,000	11.11	%
Other	101,033,000	11.49	%
Respiratory Diseases	41,450,000	4.72	%
Total Policy Benefits	$878,882,000	100.00	%

The primary disease category represents a general category of impairment. Within the primary disease category, there are a multitude of sub-categorizations defined more specifically by ICD-9 codes. For example, a primary disease category of cardiovascular includes subcategorizations such as atrial fibrillation, heart valve replacement, coronary atherosclerosis, etc. In addition, individuals may have more than one ICD-9 code describing multiple medical conditions within one or more primary disease categories. Where an individual’s ICD-9 codes indicate medical conditions in more than one primary disease categories, we categorize the individual as having multiple primary disease categories. We expect to continue to develop and refine our identification and tracking on the insured individuals medical conditions as we manage our portfolio of life insurance policies.

Portfolio Credit Risk Management

The life insurance assets in which we invest represent obligations of third-party life insurance companies to pay the benefits under the relevant policy. We rely on the payment of policy benefits by life insurance companies as our sole source of revenue collection. Accordingly, the possible insolvency of a life insurance company is a significant risk to our business. To manage this risk, we seek to invest in life insurance assets that are issued by insurance companies with investment-grade ratings from either A.M. Best, Moody’s or Standard & Poor’s. To further mitigate risk, we seek to have no more than 20% of our aggregate face value of policy benefits in our portfolio issued by any one life insurance company. In addition, to assure diversity and stability in our portfolio, we regularly review the various metrics of our portfolio relating to credit risk. We track industry rating agency reports and industry journals and articles in order to gain insight into possible financial problems of life insurance companies. Finally, we only invest in those life insurance policies that meet the underwriting standards established in the indenture governing our debt securities, as applicable.

As of September 30, 2015, 91.8% of insurance companies in our portfolio hold an investment-grade rating by Standard & Poor’s (BBB- or better), and the face value of policy benefits issued by one life insurance company with in the portfolio was 14.27%. Of the 49 insurance companies that insure the policies we own, ten companies insure approximately 72.57% of total face value of insurance benefits and the remaining 39 insurance companies insure the remaining approximately 27.47% of total face value of insurance benefits. The concentration risk of our ten largest insurance company holdings as of September 30, 2015 is set forth in the table below.

Rank	Policy Benefits	**Percentage of Policy Benefit Amt.**		Insurance Company	Ins. Co. S&P Rating
1	$125,380,000	14.27	%	AXA Equitable Life Insurance Company	A+
2	$114,055,000	12.98	%	John Hancock Life Insurance Company (U.S.A)	AA-
3	$80,822,000	9.20	%	Transamerica Life Insurance Company	AA-
4	$62,475,000	7.11	%	Voya Retirement Insurance and Annuity Company	A
5	$58,769,000	6.69	%	Jefferson-Pilot Life Insurance Company	AA-
6	$44,750,000	5.09	%	American General Life Insurance Company	A+
7	$43.750,000	4.98	%	Massachusetts Mutual Life Insurance Company	AA+
8	$36,046,000	4.10	%	Metropolitan Life Insurance Company	AA-
9	$35,932,000	4.09	%	Lincoln National Life Insurance Company	AA-
10	$35,500,000	4.04	%	West Coast Life Insurance Company	AA-

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Life Insurance Portfolio Detail

(as of September 30, 2015)

	Face Amount	Gender	Age (ALB)	LE (mo.)	Insurance Company	S&P Rating
1	$ 1,100,000	Male	95	29.4	Voya Retirement Insurance and Annuity Company	A
2	$ 4,000,000	Male	94	35.0	MetLife Investors USA Insurance Company	AA-
3	$ 1,500,000	Female	94	32.8	Aviva Life Insurance Company	A-
4	$ 3,200,000	Male	94	27.5	West Coast Life Insurance Company	AA-
5	$ 1,000,000	Female	93	38.7	Transamerica Life Insurance Company	AA-
6	$ 264,000	Female	93	25.1	Lincoln Benefit Life Company	BBB+
7	$ 3,500,000	Male	92	40.5	Voya Retirement Insurance and Annuity Company	A
8	$ 500,000	Male	92	13.5	John Hancock Life Insurance Company (U.S.A)	AA-
9	$ 2,000,000	Female	92	11.9	Pruco Life Insurance Company	AA-
10	$ 250,000	Male	92	22.5	Transamerica Life Insurance Company	AA-
11	$ 1,682,773	Female	91	49.4	Hartford Life and Annuity Insurance Company	BBB+
12	$ 3,000,000	Male	91	42.5	West Coast Life Insurance Company	AA-
13	$ 5,000,000	Female	91	51.4	American General Life Insurance Company	A+
14	$ 5,000,000	Female	91	30.6	John Hancock Life Insurance Company (U.S.A)	AA-
15	$ 300,000	Female	91	30.3	West Coast Life Insurance Company	AA-
16	$ 3,845,000	Female	91	46.2	Pacific Life Insurance Company	A+
17	$ 5,000,000	Male	90	31.8	John Hancock Life Insurance Company (U.S.A)	AA-
18	$ 3,500,000	Female	90	55.4	John Hancock Life Insurance Company (U.S.A)	AA-
19	$ 3,100,000	Female	90	32.6	Lincoln Benefit Life Company	BBB+
20	$ 1,500,000	Female	90	67.7	Jefferson-Pilot Life Insurance Company	AA-
21	$ 3,000,000	Female	90	32.1	Jefferson-Pilot Life Insurance Company	AA-
22	$ 5,000,000	Female	90	38.8	Voya Retirement Insurance and Annuity Company	A
23	$ 5,000,000	Female	90	16.8	Lincoln National Life Insurance Company	AA-
24	$ 1,000,000	Male	90	8.1	Voya Retirement Insurance and Annuity Company	A
25	$ 1,203,520	Male	90	42.7	Columbus Life Insurance Company	AA
26	$ 1,350,000	Female	90	34.5	Jefferson-Pilot Life Insurance Company	AA-
27	$ 600,000	Female	90	20.2	Columbus Life Insurance Company	AA
28	$ 5,000,000	Female	89	49.5	Massachusetts Mutual Life Insurance Company	AA+
29	$ 2,500,000	Female	89	46.8	American General Life Insurance Company	A+
30	$ 2,500,000	Male	89	55.0	Pacific Life Insurance Company	A+
31	$ 1,000,000	Female	89	49.4	United of Omaha Life Insurance Company	AA-
32	$ 1,103,922	Female	89	59.4	Sun Life Assurance Company of Canada (U.S.)	AA-
33	$ 1,000,000	Female	89	63.5	Transamerica Life Insurance Company	AA-
34	$ 250,000	Female	89	63.5	Transamerica Life Insurance Company	AA-
35	$ 2,500,000	Female	89	5.8	AXA Equitable Life Insurance Company	A+
36	$ 2,500,000	Female	89	5.8	AXA Equitable Life Insurance Company	A+
37	$ 715,000	Female	89	59.2	Jefferson-Pilot Life Insurance Company	AA-
38	$ 2,225,000	Female	89	83.6	Transamerica Life Insurance Company	AA-
39	$ 3,500,000	Female	89	39.3	Lincoln National Life Insurance Company	AA-

40	$ 500,000	Female	88	65.9	Sun Life Assurance Company of Canada (U.S.)	AA-
41	$ 250,000	Male	88	70.4	Metropolitan Life Insurance Company	AA-

42	$4,000,000	Female	88	70.0	Transamerica Life Insurance Company	AA-
43	$5,000,000	Male	88	51.6	AXA Equitable Life Insurance Company	A+
44	$1,500,000	Male	88	42.3	John Hancock Life Insurance Company (U.S.A)	AA-
45	$1,500,000	Male	88	42.3	John Hancock Life Insurance Company (U.S.A)	AA-
46	$1,050,000	Male	88	43.5	John Hancock Life Insurance Company (U.S.A)	AA-
47	$1,000,000	Male	88	53.6	AXA Equitable Life Insurance Company	A+
48	$500,000	Male	88	60.1	Lincoln National Life Insurance Company	AA-
49	$4,785,380	Female	88	44.3	John Hancock Life Insurance Company (U.S.A)	AA-
50	$1,803,455	Female	88	47.6	Metropolitan Life Insurance Company	AA-
51	$1,529,270	Female	88	47.6	Metropolitan Life Insurance Company	AA-
52	$800,000	Male	88	68.8	Lincoln National Life Insurance Company	AA-
53	$5,000,000	Male	88	50.4	John Hancock Life Insurance Company (U.S.A)	AA-
54	$3,000,000	Female	88	80.0	Massachusetts Mutual Life Insurance Company	AA+
55	$200,000	Male	88	46.9	Lincoln Benefit Life Company	BBB+
56	$4,445,467	Male	88	57.0	Penn Mutual Life Insurance Company	A+
57	$1,500,000	Male	88	44.8	Union Central Life Insurance Company	A+
58	$7,500,000	Male	88	48.5	Jefferson-Pilot Life Insurance Company	AA-
59	$3,600,000	Female	88	56.0	AXA Equitable Life Insurance Company	A+
60	$3,000,000	Male	88	42.1	Jefferson-Pilot Life Insurance Company	AA-
61	$2,000,000	Male	88	45.2	John Hancock Life Insurance Company (U.S.A)	AA-
62	$100,000	Female	88	54.2	American General Life Insurance Company	A+
63	$100,000	Female	88	54.2	American General Life Insurance Company	A+
64	$396,791	Male	88	35.2	Lincoln National Life Insurance Company	AA-
65	$1,500,000	Male	88	105.9	Transamerica Life Insurance Company	AA-
66	$3,000,000	Male	88	31.4	American General Life Insurance Company	A+
67	$1,000,000	Male	87	59.5	John Hancock Life Insurance Company (U.S.A)	AA-
68	$2,000,000	Male	87	59.5	John Hancock Life Insurance Company (U.S.A)	AA-
69	$5,000,000	Male	87	47.7	Jefferson-Pilot Life Insurance Company	AA-
70	$5,000,000	Female	87	33.0	Transamerica Life Insurance Company	AA-
71	$3,000,000	Male	87	47.7	Transamerica Life Insurance Company	AA-
72	$1,200,000	Male	87	72.8	Transamerica Life Insurance Company	AA-
73	$6,000,000	Female	87	54.7	Sun Life Assurance Company of Canada (U.S.)	AA-
74	$3,000,000	Male	87	78.9	AXA Equitable Life Insurance Company	A+
75	$1,000,000	Female	87	34.4	New York Life Insurance Company	AA+
76	$10,000,000	Female	87	70.1	West Coast Life Insurance Company	AA-
77	$2,500,000	Male	87	46.5	Transamerica Life Insurance Company	AA-
78	$1,000,000	Female	87	48.9	West Coast Life Insurance Company	AA-
79	$2,000,000	Female	87	48.9	West Coast Life Insurance Company	AA-
80	$500,000	Female	87	52.9	Beneficial Life Insurance Company	N/A
81	$800,000	Male	87	53.6	National Western Life Insurance Company	A
82	$5,000,000	Male	87	79.0	Lincoln National Life Insurance Company	AA-
83	$1,000,000	Female	87	26.7	John Hancock Life Insurance Company (U.S.A)	AA-
84	$4,513,823	Female	87	22.5	Aviva Life Insurance Company	A-
85	$2,000,000	Male	87	93.9	Voya Retirement Insurance and Annuity Company	A
86	$2,000,000	Male	87	93.9	Voya Retirement Insurance and Annuity Company	A

87	$2,000,000	Male	87	93.9	Voya Retirement Insurance and Annuity Company	A
88	$2,000,000	Female	87	74.2	U.S. Financial Life Insurance Company	A+
89	$1,365,000	Female	86	92.8	Transamerica Life Insurance Company	AA-
90	$1,000,000	Female	86	82.6	Voya Retirement Insurance and Annuity Company	A
91	$200,000	Female	86	84.3	Lincoln National Life Insurance Company	AA-
92	$1,000,000	Male	86	38.0	Massachusetts Mutual Life Insurance Company	AA+
93	$1,000,000	Female	86	22.8	State Farm Life Insurance Company	AA-
94	$2,000,000	Male	86	82.7	Transamerica Life Insurance Company	AA-
95	$8,500,000	Male	86	79.3	Massachusetts Mutual Life Insurance Company	AA+
96	$2,328,547	Male	86	42.6	Metropolitan Life Insurance Company	AA-
97	$2,000,000	Male	86	42.6	Metropolitan Life Insurance Company	AA-
98	$1,000,000	Male	86	24.6	Transamerica Life Insurance Company	AA-
99	$500,000	Male	86	79.8	Metropolitan Life Insurance Company	AA-
100	$2,000,000	Male	86	59.9	Jefferson-Pilot Life Insurance Company	AA-
101	$3,000,000	Female	86	68.9	Transamerica Life Insurance Company	AA-
102	$347,211	Male	86	40.9	Prudential Life Insurance Company	AA-
103	$1,800,000	Male	86	51.7	John Hancock Variable Life Insurance Company	AA-
104	$2,000,000	Male	86	61.7	AXA Equitable Life Insurance Company	A+
105	$1,750,000	Male	86	61.7	AXA Equitable Life Insurance Company	A+
106	$4,000,000	Male	86	50.4	Metropolitan Life Insurance Company	AA-
107	$2,000,000	Male	86	33.0	Transamerica Life Insurance Company	AA-
108	$1,425,000	Male	86	77.4	John Hancock Life Insurance Company (U.S.A)	AA-
109	$1,500,000	Male	85	47.5	Transamerica Life Insurance Company	AA-
110	$1,500,000	Female	85	106.0	Lincoln Benefit Life Company	BBB+
111	$3,750,000	Male	85	74.4	AXA Equitable Life Insurance Company	A+
112	$1,000,000	Male	85	58.4	John Hancock Life Insurance Company (U.S.A)	AA-
113	$2,000,000	Female	85	82.4	AXA Equitable Life Insurance Company	A+
114	$1,000,000	Male	85	52.3	Voya Retirement Insurance and Annuity Company	A
115	$3,000,000	Female	85	80.8	Sun Life Assurance Company of Canada (U.S.)	AA-
116	$829,022	Female	85	23.0	Hartford Life and Annuity Insurance Company	BBB+
117	$1,500,000	Male	85	76.8	AXA Equitable Life Insurance Company	A+
118	$5,000,000	Male	85	86.4	Voya Retirement Insurance and Annuity Company	A
119	$1,500,000	Male	85	47.3	Voya Retirement Insurance and Annuity Company	A
120	$1,500,000	Male	85	47.3	Voya Retirement Insurance and Annuity Company	A
121	$5,000,000	Male	85	71.0	Voya Retirement Insurance and Annuity Company	A
122	$500,000	Male	85	39.9	Genworth Life Insurance Company	BBB-
123	$1,000,000	Male	85	45.2	John Hancock Life Insurance Company (U.S.A)	AA-
124	$4,000,000	Female	85	48.7	Voya Retirement Insurance and Annuity Company	A
125	$5,000,000	Female	85	89.9	American General Life Insurance Company	A+
126	$3,500,000	Female	85	104.5	Lincoln Benefit Life Company	BBB+
127	$5,000,000	Female	84	97.8	AXA Equitable Life Insurance Company	A+
128	$1,000,000	Female	84	80.5	John Hancock Life Insurance Company (U.S.A)	AA-
129	$6,000,000	Female	84	107.8	American General Life Insurance Company	A+
130	$5,000,000	Male	84	63.6	AXA Equitable Life Insurance Company	A+
131	$1,433,572	Male	84	53.5	Security Mutual Life Insurance Company of NY	N/A

132	$2,000,000	Male	84	38.4	National Life Insurance Company	A
133	$1,000,000	Female	84	42.7	Metropolitan Life Insurance Company	AA-
134	$2,147,816	Female	84	117.4	John Hancock Life Insurance Company (U.S.A)	AA-
135	$4,200,000	Female	84	115.7	Transamerica Life Insurance Company	AA-
136	$750,000	Male	84	86.6	West Coast Life Insurance Company	AA-
137	$4,000,000	Male	84	35.1	John Hancock Life Insurance Company (U.S.A)	AA-
138	$1,000,000	Male	84	75.8	John Hancock Life Insurance Company (U.S.A)	AA-
139	$2,000,000	Female	84	95.7	Lincoln Benefit Life Company	BBB+
140	$5,000,000	Male	84	72.5	Jefferson-Pilot Life Insurance Company	AA-
141	$2,700,000	Male	84	59.4	John Hancock Life Insurance Company (U.S.A)	AA-
142	$2,400,000	Male	84	35.8	Genworth Life Insurance Company	BBB-
143	$7,600,000	Female	84	96.7	Transamerica Life Insurance Company	AA-
144	$250,000	Male	84	50.6	Transamerica Life Insurance Company	AA-
145	$2,500,000	Female	84	62.7	American General Life Insurance Company	A+
146	$2,500,000	Male	84	57.2	AXA Equitable Life Insurance Company	A+
147	$3,000,000	Male	84	57.2	Lincoln National Life Insurance Company	AA-
148	$2,000,000	Male	84	83.7	Pacific Life Insurance Company	A+
149	$3,000,000	Female	84	41.7	AXA Equitable Life Insurance Company	A+
150	$1,703,959	Male	84	65.4	Jefferson-Pilot Life Insurance Company	AA-
151	$3,000,000	Male	84	59.4	Metropolitan Life Insurance Company	AA-
152	$500,000	Male	84	17.2	Great Southern Life Insurance Company	N/A
153	$1,000,000	Male	84	55.8	Hartford Life and Annuity Insurance Company	BBB+
154	$400,000	Male	84	48.3	Transamerica Life Insurance Company	AA-
155	$10,000,000	Female	84	57.3	American National Insurance Company	A
156	$500,000	Male	84	24.2	West Coast Life Insurance Company	AA-
157	$3,500,000	Female	83	90.2	Jefferson-Pilot Life Insurance Company	AA-
158	$500,000	Male	83	98.3	Metropolitan Life Insurance Company	AA-
159	$1,000,000	Male	83	67.2	Lincoln National Life Insurance Company	AA-
160	$3,000,000	Male	83	39.5	U.S. Financial Life Insurance Company	A+
161	$1,900,000	Male	83	64.3	American National Insurance Company	A
162	$500,000	Male	83	44.8	New York Life Insurance Company	AA+
163	$500,000	Male	83	44.8	New York Life Insurance Company	AA+
164	$5,000,000	Male	83	71.6	AXA Equitable Life Insurance Company	A+
165	$385,000	Male	83	72.2	Metropolitan Life Insurance Company	AA-
166	$500,000	Male	83	72.2	Metropolitan Life Insurance Company	AA-
167	$10,000,000	Male	83	72.9	Lincoln National Life Insurance Company	AA-
168	$250,000	Male	83	31.2	Jackson National Life Insurance Company	AA
169	$1,500,000	Male	83	74.4	Jefferson-Pilot Life Insurance Company	AA-
170	$3,500,000	Female	83	86.1	AXA Equitable Life Insurance Company	A+
171	$5,000,000	Female	83	74.5	Sun Life Assurance Company of Canada (U.S.)	AA-
172	$3,000,000	Female	83	91.4	MetLife Investors USA Insurance Company	AA-
173	$750,000	Male	83	80.2	John Hancock Life Insurance Company (U.S.A)	AA-
174	$4,500,000	Male	83	72.0	AXA Equitable Life Insurance Company	A+
175	$1,250,000	Female	83	59.3	Columbus Life Insurance Company	AA
176	$2,275,000	Male	83	91.2	Voya Retirement Insurance and Annuity Company	A

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177	$10,000,000	Male	83	82.4	AXA Equitable Life Insurance Company	A+
178	$2,300,000	Male	83	21.0	American General Life Insurance Company	A+
179	$3,500,000	Male	83	70.7	AXA Equitable Life Insurance Company	A+
180	$6,217,200	Female	83	103.8	Phoenix Life Insurance Company	B+
181	$2,500,000	Female	83	70.3	Voya Retirement Insurance and Annuity Company	A
182	$5,000,000	Female	83	55.4	Massachusetts Mutual Life Insurance Company	AA+
183	$1,500,000	Male	83	24.4	Pacific Life Insurance Company	A+
184	$2,000,000	Female	83	95.4	Jefferson-Pilot Life Insurance Company	AA-
185	$5,000,000	Male	83	82.2	Jefferson-Pilot Life Insurance Company	AA-
186	$3,000,000	Male	82	67.2	Protective Life Insurance Company	AA-
187	$1,500,000	Male	82	67.2	American General Life Insurance Company	A+
188	$2,000,000	Female	82	114.6	Transamerica Life Insurance Company	AA-
189	$1,500,000	Male	82	56.8	Pacific Life Insurance Company	A+
190	$5,000,000	Male	82	108.6	American General Life Insurance Company	A+
191	$250,000	Male	82	147.5	Voya Retirement Insurance and Annuity Company	A
192	$1,995,000	Female	82	78.5	Transamerica Life Insurance Company	AA-
193	$4,000,000	Male	82	55.5	Jefferson-Pilot Life Insurance Company	AA-
194	$10,000,000	Male	82	79.7	New York Life Insurance Company	AA+
195	$5,000,000	Male	82	74.3	Transamerica Life Insurance Company	AA-
196	$2,000,000	Male	82	70.1	Ohio National Life Assurance Corporation	AA-
197	$1,000,000	Male	82	70.1	Ohio National Life Assurance Corporation	AA-
198	$350,000	Male	82	35.3	Reassure America Life Insurance Company	AA
199	$5,000,000	Male	81	91.8	AXA Equitable Life Insurance Company	A+
200	$8,000,000	Male	81	84.9	AXA Equitable Life Insurance Company	A+
201	$550,000	Male	81	103.5	Genworth Life Insurance Company	BBB-
202	$500,000	Male	81	64.2	West Coast Life Insurance Company	AA-
203	$1,680,000	Female	81	68.9	AXA Equitable Life Insurance Company	A+
204	$1,000,000	Female	81	96.5	Jefferson-Pilot Life Insurance Company	AA-
205	$1,250,000	Male	81	100.9	Metropolitan Life Insurance Company	AA-
206	$1,000,000	Male	81	66.1	AXA Equitable Life Insurance Company	A+
207	$1,250,000	Female	81	74.7	Principal Life Insurance Company	A+
208	$1,000,000	Male	81	57.2	AXA Equitable Life Insurance Company	A+
209	$700,000	Male	81	102.3	Banner Life Insurance Company	AA-
210	$3,000,000	Male	81	99.1	John Hancock Life Insurance Company (U.S.A)	AA-
211	$2,000,000	Male	81	41.0	Jefferson-Pilot Life Insurance Company	AA-
212	$10,000,000	Male	81	70.2	Hartford Life and Annuity Insurance Company	BBB+
213	$1,750,000	Male	81	83.4	AXA Equitable Life Insurance Company	A+
214	$5,000,000	Male	81	73.1	AXA Equitable Life Insurance Company	A+
215	$300,000	Female	81	73.7	Hartford Life and Annuity Insurance Company	BBB+
216	$250,000	Male	81	80.6	American General Life Insurance Company	A+
217	$2,502,000	Male	81	151.5	Transamerica Life Insurance Company	AA-
218	$10,000,000	Male	81	114.0	John Hancock Life Insurance Company (U.S.A)	AA-
219	$1,210,000	Male	81	66.7	Lincoln National Life Insurance Company	AA-
220	$3,000,000	Female	81	106.5	West Coast Life Insurance Company	AA-
221	$7,000,000	Male	81	87.2	Genworth Life Insurance Company	BBB-

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