



NAIC Endorses Concepts Pioneered by GWG Life's LifeCare Xchange Creating Private Market Options for Financing Long-Term Care

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MINNEAPOLIS, July 25, 2017 (GLOBE NEWSWIRE) -- GWG Holdings, Inc. (Nasdaq:GWGH), the parent company of GWG Life, a financial services company committed to transforming the life insurance industry through disruptive and innovative products and services, announced that The National Association of Insurance Commissioners' (NAIC) Long-Term Care Innovation Subgroup has endorsed the exchange of life insurance policies for private pay options for long-term care services, a concept pioneered by GWG Life and now being offered exclusively through the company's LifeCare Xchange (LCX).

GWG Life is focused on delivering innovative private market solutions to help finance America's long-term care needs through the exchange value of life insurance. In June, GWG Life announced a partnership with longstanding insurance market participants to promote LifeCare Xchange (lcx.gwglife.com) to address the long-term care needs of aging Americans.

The NAIC now openly supports this approach as a means for creating innovative insurance-based solutions providing seniors with private pay options to finance long-term care services. While 70 percent of Americans will use some form of long-term care during their lives, Associated Press-NORC Center for Public Affairs Research shows that only 35 percent have set aside money to pay for long-term care needs.

"This is a watershed moment for the life insurance secondary market and seniors who benefit," stated Chairman and Chief Executive Officer Jon Sabes, "GWG Life has been committed to this market for over eleven years, waiting for broader support for the creation, maintenance and repurposing of value seniors have inside their life insurance. The NAIC's recognition and endorsement for continued innovation is a significant movement forward for the entire industry and the consumers who stand to benefit from it."

The **NAIC policy statement** issued July 19 cited a GWG Life presentation in its discussion on how the life insurance secondary market can provide consumers substantially more value than if they lapsed or surrendered their life insurance policies and save taxpayers millions in Medicaid funds to pay for long-term care services. The policy statement also specifically cites that the proceeds from exchanging a life insurance policy can, "fund a bank and trust account to make monthly payments directly to a designated long-term care provider." The LifeCare Xchange is the only such recognized account in the market for this purpose today.

"We have pioneered this concept and implemented it through our LifeCare Xchange program which we've taken around the country with a specific educational program for insurance agents and the seniors they serve," said GWG Life Executive Vice President Chris Orestis. "LifeCare Xchange can help close the funding gap for the millions of seniors who will need long-term care, but who don't have other resources to pay for it."

About GWG Holdings, Inc.

GWG Holdings, Inc. (Nasdaq:GWGH) the parent company of GWG Life, is a financial services company committed to transforming the life insurance industry through disruptive and innovative products and services. The company has developed a new suite of options for the life insurance secondary market called LifeCare Xchange (LCX). This new capability provides seniors with the exchange value of their life insurance policies they can apply to long-term care and other post-retirement needs. GWG Life seeks to further transform the industry by applying proprietary M-Panel epigenetic technology to disrupt traditional life insurance underwriting practices. Since 2006 GWG Life has provided seniors over \$418 million in exchange value for their life insurance and, as of March 31, 2017, owned a portfolio of over \$1.4 billion in face value of policy benefits.

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