

NEWSLETTER

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- **Warren Buffett's Berkshire Hathaway Confirms \$300M Purchase**

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Berkshire Hathaway Strikes Again

According to The Deal's Life Settlement Report, Warren Buffett's Berkshire Hathaway Life Insurance Company confirmed the purchase of a \$300 million life settlement portfolio in July.

Berkshire paid \$60 million to acquire the 100+ policy portfolio. Berkshire was represented by law firm Stroock & Stroock & Lavan LLP in the transaction.

The recent investment confirms Berkshire's commitment to the market, having been active in the space since 2001, when Berkshire subsidiary Gen Re arranged a \$400 million financing facility for a Minnesota provider.

Mike Lawler, Vice President of Berkshire's insurance company, told The Deal that the company anticipates earning an internal rate of return of "less than 20%," noting that the age distributions of the insureds in the portfolio were typical of what he's seen in the market.

Berkshire's continued activity will inspire even more confidence in the asset class. "We're open to other investments in this space," Mr. Lawler continued. "We're going to look at other opportunities as they come to us."

With respect to his company's life settlement investments, Mr. Buffett keeps good company. Fellow billionaire and bridge partner Bill Gates has invested more than \$500 million of his personal net worth in the asset class.