

Transforming Executive Benefits Through Blockchain Innovation

A Case Study in Life Insurance Tokenization

Executive Summary

The financial services industry has long struggled with a fundamental challenge: how to attract and retain top executive talent while maintaining fiscal responsibility. This challenge is particularly acute in the credit union sector, where traditional compensation packages often fall short of competitive market standards, yet institutions must balance member interests with the need to secure experienced leadership.

[infineo](#), an innovative fintech company, has partnered with [NU.xyz](#) to address this critical market need through a groundbreaking solution that transforms static life insurance policies into dynamic, blockchain-native assets. Their subsidiary, [Stearns Financial Group](#) created [LifeNotes](#), the first executive benefit platform that addresses the \$9 billion in illiquid split-dollar loans currently burdening credit union balance sheets.

In just one year since launch, this partnership has achieved remarkable results, tokenizing over \$621 million in life insurance policy value. This success positions the infineo-NU collaboration as one of the fastest-growing Real World Asset (RWA) use cases in the blockchain industry, demonstrating that distributed ledger technology can solve complex, real-world business problems while delivering measurable value to all stakeholders.



The Market Problem:

A \$9 Billion Inefficiency

The U.S. credit union industry is experiencing unprecedented consolidation pressure. From a peak of over 15,000 institutions in the 1990s, the sector has contracted to just 4,411 federally insured credit unions as of Q1 2025, with 162 mergers approved in 2024 alone. This consolidation creates an increasingly competitive environment for executive talent, particularly given that nearly 50% of credit union CEOs plan to retire within the next five years according to the 2023 NAFCU-Gallagher Executive Compensation and Benefits Survey.

Traditional executive retention tools have proven inadequate for this new reality. Credit unions collectively hold more than \$9 billion in split-dollar loans and 457(f) arrangements—instruments that were designed decades ago for a different competitive environment. These sub-optimal legacy structures affect both institutions and the executives they aim to retain.

From an institutional perspective, split-dollar arrangements typically involve loans set with respect to the IRS Applicable Federal Rate, often having been made at 0-2% interest with maturity upon the earlier of insured's death or age 100 or 120, effectively tying up valuable capital for 30-40 years in exchange for full benefit cost recovery. These loans consume capacity under the NCUA's 25% "otherwise impermissible investment" guideline with the potential for concentration risks when linked to single insurance carriers. The accounting of these arrangements can be nuanced and examiners pay special attention to their illiquid nature as there exists potential to limit institutional flexibility for future talent acquisition or strategic initiatives.

For executives, these traditional tools are tied to the performance of individual insurance policies, creating uncertainty about future value. In some instances tax implications generate substantial imputed income, while the servicing experience leaves executives dependent on future board decisions and merger outcomes to realize promised benefits. When executives leave early or illustrated policy performance falters—as has occurred in many cases—both parties find themselves locked into suboptimal arrangements that serve neither party's interests effectively.

The regulatory environment compounds these challenges. Rising compliance costs and complexity have been cited as primary drivers of industry consolidation, particularly affecting smaller institutions that lack the internal resources to manage sophisticated benefit structures. As consolidations increase, so do the prevalence of long lived split-dollar plans on retired executives inherited from merged balance sheets.



The infineo Innovation:

Reimagining Executive Benefits

infinéo recognized that the fundamental problem with traditional executive benefit structures was not their underlying purpose—they remain essential for attracting and retaining talent—but rather their outdated implementation. The company's solution centers on LifeNotes, a revolutionary platform that transforms long duration and very illiquid, individual policy arrangements into shorter duration flexible, diversified investment instruments that better meet the needs of their owners.

The LifeNotes model works by pooling traditional Collateral Assignment Split-Dollar (CASD) promissory notes and Credit Union Owned Life Insurance (CUOLI) assets into a professionally managed trust structure. Rather than waiting decades for individual policy maturation or death benefits, participating credit unions receive fixed-duration LifeNotes trust participation certificates with terms of 10-15 years. These certificates generate predictable yields tied to current SOFR rates, and are backed by a diversified portfolio of over hundreds of policies from more than 12 top-rated insurance carriers with an average COMDEX score of 95.02.

This transformation delivers profound benefits across multiple dimensions. From a financial perspective, credit unions can convert 30-40 year illiquid commitments into predictable, shorter-term instruments that generate superior risk-adjusted returns. The pooled structure mitigates concentration risk while the shortened duration frees up regulatory capital for growth initiatives and strategic investments.

Operationally, LifeNotes dramatically simplifies benefit administration. Policy management, with its associated accounting complexity and compliance reporting requirements, is replaced by straightforward certificate ownership. The platform eliminates many audit flags associated with traditional split-dollar arrangements while complementing IRS 990 disclosure requirements.

For executives, LifeNotes provides the certainty and predictability that traditional arrangements lack. Benefits become contractual obligations independent of individual policy performance, while the pooled structure ensures that personal circumstances or organizational changes don't jeopardize promised retirement income or employer cost recovery. Approvals and distributions are streamlined through automated ACH transfers, eliminating the complexity of dealing with multiple insurance carriers, or future unknown boards decades after retirement.



The Technology Partnership:

A Strategic Enabler

The success of infineo's innovative approach required more than financial engineering—it demanded a technology platform capable of handling the complexity, security, and regulatory requirements of institutional-grade financial products. infineo selected Provenance Blockchain Labs (NU) as its technology partner based on three critical capabilities that distinguished it from other blockchain infrastructure providers.

First, NU brings enterprise-grade infrastructure specifically designed for financial services use cases. Provenance Blockchain was built from the ground up to handle high-value financial instruments with the security, compliance controls, and privacy protections that institutional clients require. Unlike general-purpose public blockchains that prioritize decentralization over enterprise features, Provenance provides the institutional-level capabilities necessary for reducing risk and managing sensitive financial data and complex regulatory requirements at scale.

Second, NU offers a comprehensive API suite, [ProvConnect](#), which abstracts the technical complexity typically associated with blockchain implementation. This abstraction layer allows fintech innovators like infineo to focus on product development and market execution rather than wrestling with distributed ledger technicalities. The APIs handle everything from asset tokenization and deployment to transaction management and compliance reporting, enabling a seamless and complete environment for blockchain-native financial products.

Third, NU brings proven experience in Real World Asset tokenization through its work with companies like [Figure](#), which has demonstrated how blockchain technology can deliver measurable efficiency gains in financial services. Figure's use of Provenance to digitize and securitize Home Equity Lines of Credit (HELOCs) has consistently delivered 100-125 basis points in lifecycle savings per loan by eliminating intermediaries, compressing transaction timelines, and automating asset administration. These proven results provided confidence that similar efficiencies could be achieved in the life insurance sector.

The technical architecture that emerged from this partnership centers on infineo's Snowdryft platform, a blockchain-native management system that leverages NU' APIs to deliver comprehensive policy and trust administration capabilities. Snowdryft transforms the fragmented, manual processes that characterize traditional benefit administration into an intelligent, automated, and auditable infrastructure.



The platform's core capabilities include automated asset tokenization, which converts physical policy documents into secure, on-chain representations linked to encrypted off-chain data vaults. Blockchain-level automation handles complex compliance requirements, benefit calculations, and distribution schedules without human intervention, while AI-powered data extraction automatically structures policy information from legacy formats. Real-time ledgering provides transparent, immutable transaction tracking, and a unified dashboard gives authorized users comprehensive visibility into portfolio performance and composition.

NU' APIs enable each of these capabilities through [specialized service endpoints](#).

The tokenization APIs facilitate seamless asset digitization and on-chain representation, while transaction management services automate complex multi-party settlements and distributions. Compliance logic APIs embed regulatory requirements directly into automated workflows, ensuring that all platform activities automatically conform to NCUA, IRS, and GAAP standards. Dashboard services power real-time reporting and portfolio analytics, providing stakeholders with unprecedented visibility into trust performance and composition.

Market Results:

Validating the Blockchain Value Proposition

The market response to the infineo-NU collaboration has exceeded even optimistic projections, validating both the business model and the underlying technology approach. In just one year since platform launch, infineo has tokenized over \$621 million in life insurance policy value, establishing itself as one of the fastest-growing Real World Asset use cases in the blockchain industry.

The diversified portfolio that has emerged from this growth tells an equally compelling story. With over 400 individual policies distributed across more than 12 top-rated insurance carriers, infineo has achieved the scale and diversification necessary to deliver stable, predictable returns while minimizing concentration risk. The average COMDEX score of 95.02 across participating carriers demonstrates the platform's commitment to quality and financial strength, while the geographic distribution across 25 states provides additional diversification benefits.

Perhaps most significantly, the platform is now positioned to deliver on its core value proposition of transforming illiquid assets into liquid, tradeable instruments. Perhaps most importantly, the platform eliminates many of the audit flags and accounting complexities that previously made executive benefit programs burdensome for credit union management teams.



Lessons Learned:

Best Practices for Blockchain Implementation

The infineo-NU partnership offers valuable insights for other organizations considering blockchain solutions for complex business problems. Several critical success factors emerge from their experience that can guide future implementations.

Domain expertise proved essential for market credibility and regulatory navigation. infineo's 30+ years of experience in executive benefits through its Stearns Financial Group heritage provided the deep industry knowledge necessary to understand client needs and regulatory requirements. This expertise was crucial for designing solutions that addressed real problems rather than creating technology in search of applications. Organizations considering blockchain implementations should ensure they have genuine domain expertise rather than relying solely on technological innovation.

Compliance-first design emerged as another critical factor. Rather than building technology and then attempting to achieve compliance, the infineo team embedded regulatory requirements into smart contract logic from the platform's inception. This approach prevented the scaling challenges that often emerge when compliance becomes an afterthought. The lesson for other implementations is clear: regulatory and security requirements should drive technical architecture decisions, not constrain them after the fact.

User experience design proved equally important for adoption success. Despite the sophisticated blockchain infrastructure underlying LifeNotes, end users interact with familiar interfaces and workflows that abstract away technical complexity. Credit union executives and board members don't need to understand tokenization or smart contracts to benefit from the platform's capabilities.

The partnership structure itself provided important advantages that pure-play technology companies often lack. By combining infineo's domain expertise with NU' blockchain infrastructure capabilities, the collaboration allowed each organization to focus on their core competencies while delivering integrated solutions. infineo could concentrate on product innovation and market development while utilizing NU' proven blockchain expertise to assist with technical implementation.



Future Roadmap:

Scaling Success Across Markets

The success of LifeNotes in the credit union market creates a foundation for broader expansion across multiple institutional sectors. infineo's roadmap envisions a comprehensive evolution of the platform that extends its benefits to healthcare systems, universities, and eventually for-profit financial institutions.

In the short term, platform enhancements will focus on deepening capabilities within existing markets. Enhanced AI-powered policy analytics will provide more sophisticated risk assessment and portfolio optimization capabilities, while expanded carrier network integration will increase diversification options. Advanced reporting and dashboard capabilities will provide stakeholders with even greater transparency and control, while mobile applications will extend platform access to executives and board members who need real-time information access.

Medium-term developments will introduce secondary market trading capabilities that could transform fractional policy interests into truly liquid financial instruments. Cross-institutional portfolio optimization will allow larger credit unions and healthcare systems to achieve even greater efficiency gains through scale, while international market expansion will extend the platform's benefits to institutions operating in different regulatory environments. Additional asset class integration could expand the platform beyond life insurance to include other illiquid institutional assets.

Long-term vision includes the potential for fully decentralized autonomous organization (DAO) governance structures that could give certificate holders direct participation in platform governance and fee structures. Programmable insurance product creation could enable institutions to design custom benefit structures that automatically adapt to changing regulatory or market conditions. Cross-chain interoperability could connect LifeNotes to broader decentralized finance (DeFi) ecosystems, while a global institutional marketplace could create unprecedented liquidity for previously illiquid benefit assets.

The expansion strategy recognizes that different institutional sectors face similar but distinct challenges. Healthcare systems struggle with excise tax exposure and complex benefit structures that can create public relations challenges. Universities face endowment management pressures and need to balance competitive faculty and athletic department retention with donor expectations. For-profit institutions seek efficiency gains and cost reduction opportunities that could enhance shareholder returns.



Each of these markets represents significant opportunities for blockchain-native solutions, but success will require the same careful attention to domain expertise, regulatory compliance, and user experience that characterized the credit union implementation. The NU partnership provides the technical foundation for this expansion, while infineo's growing market presence creates the credibility necessary for institutional adoption.

Conclusion:

The Future of Institutional Finance

The infineo-NU partnership represents more than a successful technology implementation—it demonstrates how blockchain innovation can solve real-world business problems while creating value for all stakeholders. By transforming illiquid, complex benefit structures into efficient, transparent financial instruments, this collaboration has fundamentally changed how institutions approach executive retention and benefit management.

The \$621 million in tokenized value achieved in just one year validates the market demand for blockchain-native solutions to institutional finance challenges. More importantly, it proves that Real World Asset tokenization is poised to scale to institutional markets while maintaining the regulatory compliance and operational security that conservative financial institutions require.

The success of LifeNotes will also illustrate the broader potential for blockchain technology to modernize financial services infrastructure. The efficiency gains, transparency improvements, and liquidity creation achieved in executive benefits can be replicated across numerous other asset classes and institutional use cases and further enhanced through tokenization. As the platform expands to healthcare, education, and corporate markets, it will create a foundation for broader transformation of institutional finance.

For financial institutions and technology partners, the infineo-NU collaboration provides a blueprint for successful blockchain implementation that prioritizes business value over technological complexity. The partnership demonstrates that success requires deep domain expertise, regulatory-first design, user experience focus, and genuine problem-solving rather than technology promotion.

As the financial services industry continues to evolve, the infineo-NU partnership establishes a new standard for institutional blockchain implementation. Their collaboration validates the potential for distributed ledger technology to solve complex problems while creating sustainable business value, pointing toward a future where blockchain infrastructure becomes as fundamental to institutional finance as databases and networks are today.



About Provenance Blockchain Labs

Provenance Blockchain Labs (NU) serves as the go-to-market partner for the Provenance Blockchain, providing comprehensive APIs and SaaS solutions that enable enterprise and SMB use cases on distributed ledger technology without technical complexity. NU abstracts the challenges of blockchain implementation while delivering enterprise-grade infrastructure designed specifically for the end-to-end management of real world assets on-chain.

About infineo

infineo is a transformative fintech company that leverages blockchain and artificial intelligence technologies to modernize life insurance and executive benefit management. Serving institutional markets including credit unions, nonprofit healthcare organizations, and universities, infineo's mission centers on bringing financial certainty to global communities through technological innovation and superior product design.