

**TITLE 365. INSURANCE DEPARTMENT**  
**CHAPTER 25. LICENSURE OF PRODUCERS, ADJUSTERS, BAIL BONDSMEN,**  
**COMPANIES, PREPAID FUNERAL BENEFITS, AND VIATICAL AND LIFE**  
**SETTLEMENTS PROVIDERS AND BROKERS**

**RULEMAKING ACTION:**

PERMANENT final adoption

**RULES:**

Subchapter 7. Companies

Part 7. Companies In Hazardous Financial Condition

365:25-7-40. Authority

365:25-7-41. Purpose

365:25-7-42. Standards for determining hazardous financial condition

365:25-7-43. Commissioner's authority

Subchapter 9. Prepaid Funeral Benefits

365:25-9-3. Forms

365:25-9-8. Conversion from trust to insurance funded contracts

Subchapter 11. Viatical Settlements Regulation

365:25-11-1. Approval of viatical settlement contracts by Commissioner pursuant to  
36 O.S. § ~~4045~~4055.5 [AMENDED]

365:25-11-2. License requirements for viatical settlement providers [REVOKED]

365:25-11-2.1 Definitions [NEW]

365:25-11-3. License requirements for viatical settlement brokers [AMENDED]

365:25-11-4. Other requirements for brokers [REVOKED]

365:25-11-4.1 Standards for evaluation of reasonable payments for terminally ill  
insureds [NEW]

365:25-11-5. Reporting requirement [AMENDED]

365:25-11-6. General rules [AMENDED]

365:25-11-7. Requirement to file advertising [NEW]

365:25-11-8. Prohibited practices [NEW]

365:25-11-9. Insurance company practices [NEW]

365:25-11-10. Transition period for existing licenses [NEW]

Subchapter 13. Life Settlements Regulation [REVOKED]

365:25-13-1. Approval of life settlement contracts by commissioner pursuant to 36  
O.S. § 4089 [REVOKED]

365:25-13-2. License requirements for life settlement providers [REVOKED]

365:25-13-3. License requirements for life settlement brokers [REVOKED]

365:25-13-4. Other requirements for brokers [REVOKED]

365:25-13-5. Reporting requirement [REVOKED]

365:25-13-6. General rules [REVOKED]

365:25-13-7. Advertising [REVOKED]

Subchapter 21. Regulation on the Use of Senior-Specific Certifications and Professional  
Designations in the Sale of Life Insurance and Annuities [NEW]

365:25-21-1. Purpose [NEW]

365:25-21-2. Scope [NEW]

- 365:25-21-3. Authority [NEW]
- 365:25-21-4. Definition [NEW]
- 365:25-21-5. Prohibited Uses of Senior-Specific Certifications and Professional Designations [NEW]
- 365:25-21-6. Effective Date [NEW]
- Appendix U. Informational Brochure To Be Provided To A Prospective Viator at First Contact Pursuant To O.A.C. 365:25-11-6(a) [NEW]
- Appendix V. Verification of Coverage For Life Insurance Policies [NEW]
- Appendix W. Payouts For Insureds Who Are Terminally Ill [NEW]

**AUTHORITY:**

Insurance Commissioner, 36 O.S. §§ 307.1, 1201, et seq., 1435.19, 1435.29(H), 1435.5(B)(8), 1801, et seq., 1901, et seq., 4055.16 and 6123

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July 14, 2009

**SUPERSEDED EMERGENCY ACTIONS:**

- Subchapter 11. Viatical Settlements Regulation
- 365:25-11-1. Approval of viatical settlement contracts by Commissioner pursuant to 36 O.S. § ~~4045~~ 4055.5 [AMENDED]
- 365:25-11-2. ~~License requirements for viatical settlement providers~~ [REVOKED]
- 365:25-11-2.1 Definitions [NEW]
- 365:25-11-3. ~~License requirements for viatical settlement brokers~~ [AMENDED]
- 365:25-11-4. ~~Other requirements for brokers~~ [REVOKED]
- 365:25-11-4.1 Standards for evaluation of reasonable payments for terminally ill insureds [NEW]
- 365:25-11-5. Reporting requirement [AMENDED]
- 365:25-11-6. General rules [AMENDED]
- 365:25-11-7. Requirement to file advertising [NEW]

- 365:25-11-8. Prohibited practices [NEW]
- 365-25-11-9. Insurance company practices [NEW]
- 365-25-11-10. Transition period for existing licenses [NEW]
- 365-25-11-11. Effective date [NEW]
- Subchapter 13. Life Settlements Regulation [REVOKED]
- 365:25-13-1. Approval of life settlement contracts by commissioner pursuant to 36 O.S. § 4089 [REVOKED]
- 365:25-13-2. License requirements for life settlement providers [REVOKED]
- 365:25-13-3. License requirements for life settlement brokers [REVOKED]
- 365:25-13-4. Other requirements for brokers [REVOKED]
- 365:25-13-5. Reporting requirement [REVOKED]
- 365:25-13-6. General rules [REVOKED]
- 365:25-13-7. Advertising [REVOKED]
- Appendix U. Informational Brochure To Be Provided To A Prospective Viator at First Contact Pursuant To O.A.C. 365:25-11-6(a) [NEW]
- Appendix V. Verification of Coverage For Life Insurance Policies [NEW]
- Appendix W. Payouts For Insureds Who Are Terminally Ill [NEW]

**INCORPORATION BY REFERENCE:**

n/a

**ANALYSIS:**

The proposed amendments to Part 7 of Subchapter 7, the Companies In Hazardous Condition Regulation, 365:25-7-40 through 43, update the regulation to the latest National Association of Insurance Commissioners' model regulation and is an NAIC accreditation requirement. The regulation sets forth the standards the Insurance Commissioner may use for identifying insurers found to be in such condition as to render the continuance of their business hazardous to the policyholders, creditors or the general public.

The proposed amendments to 365:25-9-3 remove text to remedy duplication in the rules and provide for the date of filing of itemization of charges that must be submitted by prepaid funeral benefit licensees. The proposed amendments to 365:25-9-8 clarify issues relating to conversions from trust funded prepaid funeral benefits contracts to insurance funding.

The proposed amendments to the Viatical Settlement Regulation, 365:25-11-1, et seq., including new Appendices U, V, and W, and the proposed revocation of the Life Settlement Regulation, 365:25-13-1, et seq., implement the Viatical Settlement Act of 2008 passed during the 2008 session of the Oklahoma Legislature.

The proposed new Regulation on the Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities, 365:25-21-1 through 6, sets forth standards to protect consumers from misleading and fraudulent marketing practices with respect to the use of senior-specific certifications and professional designations in the solicitation, sale or purchase of, or advice made in connection with, a life insurance or annuity product.

**CONTACT PERSON:**

Karl F. Kramer, Deputy Insurance Commissioner, (405) 521-2668

**PURSUANT TO THE ACTIONS DESCRIBED HEREIN, THE FOLLOWING RULES ARE CONSIDERED FINALLY ADOPTED AS SET FORTH IN 75 O.S., SECTION 308.1(A), WITH AN EFFECTIVE DATE OF JULY 14, 2009**

**SUBCHAPTER 7. COMPANIES**  
**PART 7. COMPANIES IN HAZARDOUS FINANCIAL CONDITION**

**365:25-7-40. Authority**

This part is adopted and promulgated by the Oklahoma Insurance Commissioner pursuant to Section 307.1, 1801, et seq. and Section 1901, et seq., of Title 36 of the Oklahoma Statutes.

**365:25-7-41. Purpose**

(a) The purpose of this part is to set forth the ~~criteria standards~~ which the Commissioner may use for identifying insurers found to be in such condition as to render the continuance of their business hazardous to the policyholders, creditors or the general public ~~or to holders of their policies or certificates of insurance.~~

(b) This part shall not be interpreted to limit the powers granted the Commissioner by any laws or parts of laws of this state, nor shall this part be interpreted to supersede any laws or parts of laws of this state.

**365:25-7-42. Standards for determining hazardous financial condition**

The following, standards, either singly or a combination of two or more, may be considered by the Commissioner to determine whether the continued operation of any insurer transacting an insurance business in this state might be deemed to be hazardous to the policyholders, creditors or the general public. The Commissioner may consider:

(1) Adverse findings reported in financial condition and market conduct examination reports, audit reports, and actuarial opinions, reports or summaries;

(2) The National Association of Insurance Commissioners Insurance Regulatory Information System and its other financial analysis solvency tools and related reports;

(3) ~~The ratios of commission expense, general insurance expense, policy benefits and reserve increases as to annual premium and net investment income that could lead to an impairment of capital and surplus~~ Whether the insurer has made adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the insurer, when considered in light of the assets held by the insurer with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts;

(4) ~~The insurer's asset portfolio when viewed in light of current economic conditions is not of sufficient value, liquidity or diversity to assure the insurer's ability to meet its outstanding obligations as they mature;~~

(5) The ability of an assuming reinsurer to perform and whether the insurer's reinsurance program provides sufficient protection for the insurer's remaining surplus after taking into account the insurer's cash flow and the classes of business written as well as the financial condition of the assuming reinsurer;

(6)~~(5)~~ Whether the insurer's operating loss for the last twelve month period or any shorter period of time, including but not limited to net capital gain or loss, change in non-admitted assets, and cash dividends paid to shareholders, is greater than fifty percent

(50%) of the insurer's remaining surplus as regards policyholders in excess of the minimum required;

~~(7) (6) Whether any affiliate, subsidiary or reinsurer is insolvent, threatened with insolvency or delinquent in payment of its monetary or other obligations. Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, excluding net capital gains, is greater than twenty percent (20%) of the insurer's remaining surplus as regards policyholders in excess of the minimum required;~~

(7) Whether a reinsurer, obligor or any entity within the insurer's insurance holding company system, is insolvent, threatened with insolvency or delinquent in payment of its monetary or other obligations, and which in the opinion of the commissioner may affect the solvency of the insurer;

(8) Contingent liabilities, pledges or guaranties which either individually or collectively involve a total amount which in the opinion of the Commissioner may affect the solvency of the insurer;

(9) Whether any "controlling person" of an insurer is delinquent in the transmitting to, or payment of, net premiums to such insurer;

(10) The age and collectibility of receivables;

(11) Whether the management of the insurer, including officers, directors, or any other person who directly or indirectly controls the operation of such insurer, fails to possess and demonstrate the competence, fitness and reputation deemed necessary to serve the insurer in such position;

(12) Whether management of an insurer has failed to respond to ~~the Commissioner's~~ inquiries relative to the condition of the insurer or has furnished false and misleading information ~~in response concerning an inquiry to such inquiries or concerning such inquiries;~~

(13) Whether the insurer has failed to meet financial and holding company filing requirements in the absence of a reason satisfactory to the Commissioner;

(14) Whether management of an insurer either has filed any false or misleading sworn financial statement ~~or statements~~, or has released a false or misleading financial statement ~~or statements~~ to lending institutions or to the general public, or has made a false or misleading entry, or has omitted an entry of material amount in the books of the insurer;

(15) Whether the insurer has grown so rapidly and to such an extent that it lacks adequate financial and administrative capacity to meet its obligations in a timely manner;

~~(15)-(16)~~ Whether the insurer has experienced or will experience in the foreseeable future cash flow and/or liquidity problems.

(17) Whether management has established reserves that do not comply with minimum standards established by state insurance laws, regulations, statutory accounting standards, sound actuarial principles and standards of practice;

(18) Whether management persistently engages in material under reserving that results in adverse development;

(19) Whether transactions among affiliates, subsidiaries or controlling persons for which the insurer receives assets or capital gains, or both, do not provide sufficient value, liquidity or diversity to assure the insurer's ability to meet its outstanding obligations as they mature;

(20) Any other finding determined by the commissioner to be hazardous to the insurer's policyholders, creditors or general public.

### **365:25-7-43. Commissioner's authority**

(a) For the purposes of making a determination of an insurer's financial condition under this part, the Commissioner may:

- (1) Disregard any credit or amount receivable resulting from transactions with a reinsurer that is insolvent, impaired or otherwise subject to a delinquency proceedings;
- (2) Make appropriate adjustments including disallowance to asset values attributable to investments in or transactions with parents, subsidiaries, or affiliates consistent with the NAIC Accounting Policies and Procedures Manual, state laws and regulations;
- (3) Refuse to recognize the stated value of accounts receivable if the ability to collect receivables is highly speculative in view of the age of the account or the financial condition of the debtor;
- (4) Increase the insurer's liability in an amount equal to any contingent liability, pledge, or guarantee not otherwise included if there is a substantial risk that the insurer will be called upon to meet the obligation undertaken within the next 12-month period.

(b) If the Commissioner determines that the continued operation of the insurer licensed to transact business in this state may be hazardous to ~~the~~ its policyholders, creditors or the general public, then the Commissioner may, upon ~~his~~ a determination, issue an order requiring an insurer to making such finding and including a list of requirements necessary to abate such finding. ~~Such list may include among, other things:~~

- (1) Reduce the total amount of present and potential liability for policy benefits by reinsurance;
- (2) Reduce, suspend or limit the volume of business being accepted or renewed;
- (3) Reduce general insurance and commission expenses by specified methods;
- (4) Increase the insurer's capital and surplus;
- (5) Suspend or limit the declaration and payment of dividend by an insurer to its stockholders or to its policyholders;
- (6) File reports in a form acceptable to the Commissioner concerning the market value of an insurer's assets;
- (7) Limit or withdraw from certain investments or discontinue certain investment practices to the extent the Commissioner deems necessary;
- (8) Document the adequacy of premium rates in relation to the risks insured;
- (9) File, in addition to regular annual statements, interim financial reports on the form adopted by the National Association of Insurance Commissioners or on such format as promulgated by the Commissioner;
- (10) Correct corporate governance practice deficiencies, and adopt and utilize governance practices acceptable to the commissioner;
- (11) Provide a business plan to the commissioner in order to continue to transact business in the state;
- (12) Notwithstanding any other provision of law limiting the frequency or amount of premium rate adjustments, adjust rates for any non-life insurance product written by the insurer that the commissioner considers necessary to improve the financial condition of the insurer.

(c) If the insurer is a foreign insurer, the Commissioner's order may be limited to the extent provided by statute.

(d) An insurer subject to an order under Subsection (b) may request a hearing to review that order. The notice of hearing shall be served upon the insurer pursuant to Oklahoma Administrative Procedures Act. The notice of hearing shall state the time and place of hearing, and the conduct, condition or ground upon which the Commissioner based the order. Unless mutually agreed between the commissioner and the insurer, the hearing shall occur not less than ten (10) days nor more than thirty (30) days after notice is served and shall be held at the Office of the Insurance Commissioner in Oklahoma City, Oklahoma.

## SUBCHAPTER 9. PREPAID FUNERAL BENEFITS

### 365:25-9-3. Forms

(a) **General requirements.** ~~Bond forms, Applications for Original Permit, Contracts and Applications for Conversion from trust funded prepaid funeral benefits to insurance funded prepaid funeral benefits shall be submitted to the Insurance Commissioner for approval by submitting an original and two copies.~~

(1) **Application for original-prepaid funeral benefits permit form.** An Application for Original Prepaid Funeral Benefits Permit, Form PFB-1, must be filed with and approved by the Insurance Commissioner before any contracts covered by this act may be marketed. The statutory fee must accompany this application.

(2) **Bond form requirements.** Appendix D of this chapter, is a sample bond to be used in connection with "The Act". Any variance from this form must have the prior written approval of the Insurance Commissioner. If any bond required by "The Act" is canceled for any reason, a thirty (30) day written notice must be given by the insurer to the Insurance Commissioner.

(3) **Conversion Forms.** Applications for Conversion from a trust funded prepaid funeral benefit to an insurance-funded prepaid funeral benefit shall be filed with and approved by the Insurance Commissioner before any contracts covered by "The Act" may be converted. Applications for Conversion shall be filed using the Application for Conversion form as set forth in Appendix R of this chapter. Any variance from this form must have prior written approval by the Insurance Commissioner.

(b) **Additional general requirements.** ~~Withdrawal forms, individual refunds, annual reports, renewal applications, and the annual statement of financial condition shall be submitted to the Insurance Commissioner for review by submitting one copy of the withdrawal form and individual refund. Submit the original annual report, renewal application and annual statement of financial condition.~~

(1) **Withdrawal forms.** Appendix E of this chapter is the application which must be submitted to the Insurance Commissioner in order to withdraw funds after a contract has been fulfilled.

(2) **Individual refunds.** Appendix F of this chapter, must be submitted to the Insurance Commissioner when a person desires to withdraw any funds deposited for prepaid funeral expenses prior to fulfillment of the contract.

(3) **Annual reports.**

(A) Annual reports must be filed in accordance with Section 6128 of "The Act". Such reports should be submitted in columnar form in alphabetical order according to the last name of the contract holder. Appendix G of this chapter is included for the sole purpose of establishing guidelines for this report. A

complete annual report shall be composed of the following items arranged in the order shown below:

- (i) PF-1-a
- (ii) PF-1-b
- (iii) PF-1-c
- (iv) PF-1-d
- (v) PF-2-a
- (vi) PF-2-b
- (vii) PF-2-c

(B) Computer print-outs may be submitted in lieu of the reports listed above so long as each legibly provides no less information than shown in the Insurance Commissioner's sample forms. Not less than one page of each annual report form shown above, other than the PF-2-b, shall be submitted. However, where a particular form is not relevant to the operations of a given permit holder, it may be submitted clearly marked, "Not Applicable".

(C) All itemized statements of charges must be submitted with the annual report in accordance with Section 6123 of Title 36 of the Oklahoma statutes.

(4) **Annual statement of financial condition.** An Annual Statement of Financial Condition (Reconciliation of Trust Accounts) must be filed in accordance with Section 6129 of "The Act". Appendix H of this chapter (Form PF-3) is included for the sole purpose of establishing guidelines for this statement.

(5) **Renewal application.** A renewal application (PFB-2) must be filed with the Commissioner no later than December 31 of each year in order to renew the permit for the succeeding calendar year. The statutory fee must accompany this renewal application.

### **365:25-9-8. Conversion from trust to insurance funded contracts**

(a) **Conversion permitted only on forms approved by Oklahoma Insurance Department.** Pursuant to Title 36 Okla. Stat. § 6136.18 existing prepaid funeral contracts that utilize trust funded benefits may be converted to insurance funded prepaid funeral benefits provided the application for such conversion is made on forms approved by the Oklahoma Insurance Department which meet the requirements of the Oklahoma Insurance Code and this subchapter.

(b) **Definitions.** The words and terms used in this section shall be defined according to this title, unless otherwise defined herein or unless the context clearly indicates otherwise.

(1) **"Applicant"** means a permit holder who files an application with the Oklahoma Insurance Department to convert its trust-funded prepaid funeral benefit contract(s) under existing contracts to insurance funded prepaid funeral benefit contract(s).

(2) **"Cash Surrender Value"** means the net amount due the policy owner from the insurer upon surrender of an insurance policy, which will never be less than the amount of the trust funds transferred from the trust to the insurance policy as of transfer date.

(3) **"Death Benefit"** means the total of all contract principal payments collected and accumulated earnings that are transferred at conversion, together with all future gross premiums paid and all accumulated interest earned annually on accumulated interest thereon. Interest must be compounded annually and calculated on gross premiums paid.

The post-conversion death benefit can never be less than the pre-conversion death benefit.

(4) **"Insurance policy"** means either: ~~an individual or group fixed annuity contract relating to an insurance conversion application.~~

(A) A standard life or accident insurance policy; or

(B) An individual or group fixed annuity contract relating to an insurance conversion application.

(5) **"Load"** means any commission, allowance, surrender charge or other compensation, expense load, premium expense, administrative charge or expense, policy fees, or other fee or expense paid to an Oklahoma Insurance Department licensed agent associated with or occurring by reason of sale, issuance, lapse, surrender, or redemption of an insurance policy in connection with the conversion of any trust-funded prepaid funeral contract to insurance funded prepaid funeral contract.

(6) **"Post-conversion Administrator"** means the administrator, who shall be the funeral home requesting conversion or an administrator selected by the funeral home requesting conversion, of the prepaid funeral benefits contracts who holds and administers the prepaid funeral contracts after conversion and assumes responsibility for receiving the proceeds of the insurance policy upon maturity of a contract and processing payment to the funeral provider after verifying that the funeral service and merchandise under the prepaid funeral contract have been delivered.

(7) **"Required reserves"** means the reserve liabilities for all outstanding insurance contracts valued or calculated pursuant to actuarial standards and statutory accounting standards not inconsistent with the Oklahoma Insurance Code.

(c) **Applications.** When applying for permission to convert trust funded benefits under existing prepaid funeral contracts to insurance funded benefits, an applicant ~~must~~shall:

(1) ~~hold~~Hold a valid permit issued by the Oklahoma Insurance Department;

(2) ~~be~~Be in good standing with the Oklahoma Insurance Department;

(3) ~~submit~~Submit a completed conversion application to the Oklahoma Insurance Department; and

(4) ~~not~~Not have been found to be in violation of any applicable laws or regulations relating to the Oklahoma Insurance Code or not have any other deficiencies of any significance that have not been remedied or corrected to the satisfaction of the Oklahoma Insurance Department.

(d) **Included in application.** Each application for conversion must include:

(1) ~~a~~A copy of a letter to the applicant from an insurer authorized to do business in Oklahoma evidencing the policy form number and setting out the insurer's agreement to issue insurance policies to convert the prepaid funeral contracts from trust-funded benefits to insurance funded benefits; and

(2) ~~a~~A copy of the written commitment to the Commissioner containing the agreement between or among the insurer, the applicant, and the post-conversion administrator regarding the transfer, receipt, and the application of the trust funds upon conversion, which commitment must require that a copy of each insurance policy issued be furnished to the owner of the insurance policy and that a copy be made available to the respective prepaid funeral contract purchasers upon request, in the event they are not the owners of the policies;

(3) ~~a~~A pre-conversion summary of the individual prepaid funeral contracts, which must include, at a minimum, the following information (as of a date within thirty (30) days of the date of the application), as well as aggregated totals for each category of information, if appropriate:

(A) ~~individual~~Individual prepaid funeral benefits contract purchaser's name; and/or ~~the owner~~

(B) Individual prepaid funeral benefits contract owner's name if other than the purchaser;

(C) ~~date~~Date of execution of pre-converted prepaid funeral contract;

~~(C)~~(D) ~~face~~Face amount of the contract;

~~(D)~~(E) ~~amount~~Amount paid in and the unpaid balance;

~~(E)~~(F) ~~accumulated~~Accumulated earnings;

~~(F)~~(G) ~~amount~~Amount due the prepaid funeral contract purchaser upon cancellation and the amount due the applicant upon death of the prepaid funeral contract owner, assuming death or cancellation were to occur on or about the date of the application;

~~(G)~~(H) ~~amount~~Amount retained by the applicant under the Okla. Stat. tit. 36, § 6125; and

~~(H)~~(I) ~~whether~~Whether the pre-converted contract is or was a contract pursuant to Okla. Stat. tit. 36, § 6125(B)(1) or § 6125 (B)(2).

(4) ~~a~~A post-conversion summary of the individual prepaid funeral contracts, which must include, at a minimum, the following information (as of the same date as the pre-conversion summary), as well as aggregated totals for each category of information, if appropriate:

(A) ~~annuitant's name~~Name of insured or annuitant;

(B) Owner of insurance policy or annuity if other than the insured or annuitant;

(C) ~~original~~Original prepaid funeral contract amount;

~~(C)~~(D) ~~amount~~Amount paid in and the unpaid balance;

~~(D)~~(E) ~~amount~~Amount applied to the purchase of the insurance policy;

~~(E)~~(F) ~~initial~~Initial cash surrender value and initial death benefit under the insurance policy; and

~~(F)~~(G) ~~amount~~Amount retained by the applicant under the Okla. Stat. tit. 36, § 6125

(5) ~~a~~A copy of the proposed negative response notification letter, as required in Okla. Stat. tit. 36, § 6136.18(C)(2), to the prepaid funeral contract purchasers from the applicant containing a statement explaining the purchaser has sixty (60) days to file a written request with the Department to have the contract converted back to trust fund benefits;

(6) ~~an~~An actuarial certification certifying that the reserves to be held by the insurance company with respect to the conversion will be adequate to pay claims as they become due (dated no more than six (6) months prior to the date of the application);

(7) ~~a~~A copy of the form of assignment, if any, to be used in assigning insurance policy rights or proceeds to the post-conversion administrator.

(e) **Standards for approval of application.** An application for conversion will be approved by the Commissioner if, in the Commissioner's opinion, the rights and interests of the

prepaid funeral contract purchasers under the insurance funded contract arrangement will be safeguarded to at least the same degree as provided under the trust-funded benefits contract. An application may be approved without the necessity of a hearing.

(1) In order for insurance funded contracts under an application for conversion to be considered to safeguard the rights and interests of the prepaid funeral contract purchasers to at least the same degree as the trust-funded benefits, insurance benefits must comply with this subsection.

(A) The transfer of the trust funds to the insurance company must be at least equal to the full sum required to be deposited as trust principal by the applicant pursuant to the Insurance Code under the trust-funded prepaid funeral contract proposed for conversion, plus all net earnings accumulated with respect thereto, as of the transfer date. No load may be deducted from the trust funds transferred pursuant to the conversion application.

(B) No provision in the insurance policy may allow for contesting coverage, limit death benefits in the case of suicide, refer to physical examination, or otherwise operate as an exclusion, limitation or condition other than requiring submission of proof of death or surrender of the policy at the time the prepaid funeral contract is funded, matures, or cancels, as the case may be.

(C) The insurance company must demonstrate that, in the previous seven years, the average death benefit growth under the same or substantially similar insurance policies issued by the insurance company to fund prepaid funeral contract has been at least 3.0% of accumulated premiums based on gross premiums paid. If the insurance company cannot so demonstrate, then the insurance policy must provide for guaranteed growth of the death benefit of no less than 2.0% annum compounded annually on gross premiums paid beginning in the first year of the policy.

(D) The post-conversion administrator is responsible for payment of all death and cancellation claims pursuant to the terms of the prepaid funeral benefits contract and in accordance with Okla. Stat. tit. 36, § 6125.

(E) Any insurance policy issued on any individual must be for an amount not less than the amount of principal and interest transferred for that individual to the insurance company, and any supplemental insurance policy issued to cover the unfunded portion of the contract must have a face amount that is at least as great as the unfunded principal balance. No credit or reduction may be made for interest earned or accrued on the paid-in principal balance.

(F) The insurance policy must provide each prepaid funeral contract purchaser with a cash surrender value or cancellation benefit that is at least the same the amount of the trust funds transferred from the trust to the insurance policy as of transfer date and for the duration of the prepaid funeral contract less any amount due to the purchaser from the funeral home, if any, as set forth in Okla. Stat. tit. 36, § 6125. If a prepaid funeral contract is canceled at the initiative of the purchaser after the 60-day initial conversion cancellation period or the purchaser requests withdrawal of monies prior to death and in accordance with Okla. Stat. tit. 36, § 6125, the Funeral Home/Applicant or post conversion administrator must remit at least the applicable cancellation benefit directly to the purchaser in

accordance with the provision of the prepaid funeral contract and in accordance with Okla. Stat. tit. 36, § 6125(B)(1).

(G) The post-conversion administrator must submit to the department, within 90 days of the date of transfer of the trust funds as authorized by the Commissioner's order, a post-conversion summary of the individual prepaid funeral contracts as of the conversion date, which must include, at a minimum, the following information, as well as aggregated totals for each category of information, if appropriate:

- (i) ~~insured's~~ Insured's name;
- (ii) ~~insured's~~ Insured's policy number;
- (iii) ~~the~~ The original prepaid funeral contract amount;
- (iv) ~~amount~~ Amount paid in;
- (v) ~~unpaid~~ Unpaid balance of the prepaid funeral contract;
- (vi) ~~amount~~ Amount retained by the applicant under Okla. Stat. tit. 36, § 6125;
- (vii) ~~amount~~ Amount applied to the purchase of the insurance policy; and
- (viii) ~~initial~~ Initial cash surrender value and initial death benefit under the insurance policy.

(H) The applicant shall relinquish to the post-conversion administrator the individual prepaid funeral contract ledgers reflecting the amount paid and the amount left owing on the prepaid funeral contract, if any. The post-conversion administrator shall be responsible for maintaining such ledgers to reflect the principal balance of the converted contract as well as any outstanding balances.

(I) Within 90 days of the execution of the conversion order, the post-conversion administrator must submit a notarized statement to the department attesting that the insurance policies have been issued and funded on behalf of the contract purchasers listed in the original post-conversion summary included in the conversion application and that all notices required under subsection (c)(3)(I) of this section have been given. Within 120 days of the execution of the conversion order, all requirements under this section for completion of a conversion must be met, if they are not, the conversion order is void without further action of the department.

(J) If for any reason the Commissioner deems it necessary before final approval of the conversion order, the Commissioner may order a financial examination of the trust. The cost of said financial examination shall be paid by the applicant and conducted in accordance with Section 6129.1 of Title 36 of the Oklahoma Statutes, as the Commissioner deems warranted. The applicant shall demonstrate compliance with the Oklahoma Insurance Code, and if the applicant fails to do so, the Commissioner may request an examination of the trust as set forth in Section 6129.1 of Title 36 of the Oklahoma Statutes.

(K) The Commissioner may hold a hearing on an application. Hearings shall be conducted pursuant to the Oklahoma Insurance Code, Insurance Department rules and regulations, and the laws of the State of Oklahoma. The applicant shall have the burden to demonstrate by a preponderance of the evidence the existence

of all factors necessary to entitle the applicant to convert to insurance funded benefits from trust-funded benefits.

## **SUBCHAPTER 11. VIATICAL SETTLEMENTS REGULATION**

### **365:25-11-1. Approval of viatical settlement contracts by Commissioner pursuant to 36 O.S. § 4045 4055.5**

Viatical settlement contracts filings pursuant to 36 O.S. § 4045 4055.5 shall be filed with the Rate and Form Compliance ~~Life and Health~~-Division of the Insurance Department.

### **365:25-11-2. License requirements for viatical settlement providers [REVOKED]**

~~A viatical settlement provider, as defined in 36 O.S. § 4042 of the Oklahoma Viatical Settlement Act, shall not enter into or solicit a viatical settlement contract without first obtaining a license from the Commissioner.~~

~~(1) — The Commissioner may ask for such additional information as is necessary to determine whether the applicant complies with the requirements of Section 4043 of Title 36 of the Oklahoma Viatical Settlement Act.~~

~~(2) — Viatical settlement providers shall acquire and maintain a surety in the amount of \$50,000.00. A copy of the executed bond shall be filed with the Commissioner at the time of application for a license.~~

#### **365:25-11-2.1. Definitions**

The following words and terms, when used in this subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Act" means the Viatical Settlements Act of 2008.

"Insured" means the person covered under the policy being considered for viatication.

"Life expectancy" means the mean of the number of months the individual insured under the life insurance policy to be viaticated can be expected to live as determined by the viatical settlement provider considering medical records and appropriate experiential data.

"Net death benefit" means the amount of the life insurance policy or certificate to be viaticated less any outstanding debts or liens.

"Patient identifying information" means an insured's address, telephone number, facsimile number, electronic mail address, photograph or likeness, employer, employment status, social security number, or any other information that is likely to lead to the identification of the insured.

### **365:25-11-3. License requirements for viatical settlement brokers**

~~A viatical settlement broker shall not solicit a viatical settlement contract without first obtaining a license from the Commissioner.~~

~~(1) — A viatical settlement broker shall make application on a form required by the Commissioner.~~

~~(2) — The application shall be accompanied by a fee of \$500.00. The license may be renewed yearly by payment of a fee of \$500.00. Failure to pay the renewal fee within the time prescribed shall result in automatic revocation of the license.~~

~~(3) — The Commissioner shall have the right to suspend, revoke or refuse to renew the license of any viatical settlement broker if the Commissioner finds that:~~

- ~~(A) — There was any misrepresentation in the application for a license;~~
- ~~(B) — The broker has been found guilty of fraudulent or dishonest practices, has been found guilty of a felony or any misdemeanor of which criminal fraud is an element, or is otherwise shown to be untrustworthy or incompetent;~~
- ~~(C) — The licensee has placed or attempted to place a viatical settlement with a viatical settlement provider not licensed in this state; or~~
- ~~(D) — The licensee has violated any of the provisions of the Viatical Settlement Act, 36 O.S. § 4041, et seq., or this regulation.~~

~~(4) — A person shall be deemed to meet the licensing requirements of this section and of the Viatical Settlement Act, 36 O.S. § 4041, et seq., and shall be permitted to operate as a viatical settlement broker, as defined in Section 4042(2) of the Viatical Settlement Act, if that person is licensed as a resident or nonresident insurance producer with a life insurance line of authority pursuant to the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1, et seq., for at least one year. Not later than thirty (30) days from the first day of operating as a viatical settlement broker, the producer shall notify the Insurance Department that he or she is acting as a viatical settlement broker on a form or in a manner that may be prescribed by the Insurance Department, and shall pay the fee as set out in this section. The notification shall include an acknowledgment by the producer that he or she will operate as a viatical settlement broker in accordance with the Viatical Settlement Act and this regulation.~~

(a) In addition to the information required in Section 4055.3 of Title 36 of this state's statutes, the Commissioner may ask for other information necessary to determine whether the applicant for a license as a viatical settlement provider or viatical settlement broker complies with the requirements of that section.

(b) Applicants must complete an application form specified by the Commissioner for the license they seek.

(c) The application shall be accompanied by the applicable fee. The license may be renewed yearly by payment of the applicable fee and a current copy of a letter of good standing obtained from the filing officer of the applicant's state of domicile. If a viatical settlement provider or viatical settlement broker fails to pay the renewal fee within the time prescribed, or a viatical settlement provider fails to submit the reports required in O.A.C. 365:25-11-5, the nonpayment or failure to submit the required reports shall, after notice and opportunity for hearing, result in lapse of the license. If a viatical settlement provider has, at the time of renewal, viatical settlements where the insured has not died, it shall do one of the following:

(1) Renew or maintain its current license status until the earlier of the following events:

(A) The date the viatical settlement provider properly assigns, sells or otherwise transfers the viatical settlements where the insured has not died; or

(B) The date that the last insured covered by viatical settlement transaction has died.

(2) Appoint, in writing, either the viatical settlement provider that entered into the viatical settlement, the broker who received commissions from the viatical settlement, if applicable, or any other viatical settlement provider or broker licensed in this state to make all inquiries to the viator, or the viator's designee, regarding health status of the insured or any other matters.

(d) An individual licensed as a viatical settlement broker or authorized to act under a license issued to a licensed entity as a viatical settlement broker shall complete 4 hours of department-approved continuing education during each renewal period.

(1) The required continuing education hours shall include a minimum of:

(A) Three (3) hours in life insurance and viaticals; and

(B) One (1) hours in ethics.

(2) A life insurance producer who is operating as a viatical settlement broker pursuant to Section 4055.3(A)(2) of the Act shall not be subject to the continuing education requirements of this subsection (d).

(3) The license of an individual who fails to comply with this continuing education requirement shall terminate at the end of its current term and may not be renewed until the continuing education requirement for the prior license term has been satisfied.

(e) A viatical settlement broker or viatical settlement provider shall file with the Commissioner, and thereafter for as long as the license remains in effect shall keep in force, evidence of financial responsibility in the sum of not less than Fifty Thousand Dollars (\$ 50,000.00).

(1) This evidence shall be in the form of an errors and omissions insurance policy issued in accordance with Oklahoma law by an insurer authorized to do business in Oklahoma, a surety executed and issued by an insurer authorized to issue surety bonds in Oklahoma, or a deposit of cash, certificates of deposits, or securities, or any combination of these evidences of financial responsibility. The policy, bond, deposit or combination thereof shall not be terminated without thirty (30) days prior written notice to the licensee and the commissioner.

(2) The Commissioner may also accept as evidence of financial responsibility proof that a financial instrument in accordance with the requirements in Paragraph (1) has been filed with the Commissioner of any other state where the viatical settlement broker or viatical settlement provider is licensed as a viatical settlement broker or viatical settlement provider.

(f) A person shall be deemed to meet the licensing requirements of this section and Section 4055.3 of the Act and shall be permitted to operate as a viatical settlement broker, as defined in Section 4055.2 of Title 36 of the Act, if that person is licensed as a resident or nonresident insurance producer with a life insurance line of authority pursuant to the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1, et seq., for at least one year. Not later than thirty (30) days from the first day of operating as a viatical settlement broker, the producer shall notify the department that he or she is acting as a viatical settlement broker on a form or in a manner that may be prescribed by the department, and shall pay any applicable fees to be determined by the department. The notification shall include an acknowledgment by the producer that he or she will operate as a viatical settlement broker in accordance with the Act and this regulation.

#### **365:25-11-4. Other requirements for brokers [REVOKED]**

~~(a) Viatical settlement brokers shall not, without the written agreement of the viator obtained prior to performing any services in connection with a viatical settlement, seek or obtain any compensation from the viator.~~

~~(b) Broker shall disclose to the viator any contractual arrangement or agreement for compensation that may exist between the viatical settlement provider and the broker.~~

**365:25-11-4.1. Standards for evaluation of reasonable payments for terminally ill insureds**

In order to assure that viators receive a reasonable return for viaticating an insurance policy, the return for viaticating a policy shall be no less than the payouts set out in Appendix W of this chapter for insureds who are terminally ill.

**365:25-11-5. Reporting requirement**

On or before March 1 of each calendar year, each viatical settlement provider licensed in this state shall ~~make a report containing the following information~~ submit the following information related to the licensee's activities for the previous calendar year:

- (1) ~~For each policy viaticated:~~
  - (A) ~~Date viatical settlement entered into;~~
  - (B) ~~Life expectancy of viator at time of contract;~~
  - (C) ~~Face amount of policy; and~~
  - (D) ~~Amount paid by the viatical settlement provider to viaticate the policy;~~
- (2) ~~For each deceased viator:~~
  - (A) ~~Date viatical settlement entered into;~~
  - (B) ~~Life expectancy of viator at time of contract;~~
  - (C) ~~Face amount of policy;~~
  - (D) ~~Amount paid by the viatical settlement provider to viaticate the policy;~~
  - (E) ~~Date of death of viator; and~~
  - (F) ~~Total insurance premiums paid by viatical settlement provider to maintain the policy in force.~~A report of the viatical settlement transactions related to Oklahoma viators, which shall be submitted on a form provided by the Insurance Commissioner;
- (3)(2) Breakdown of applications received, accepted and rejected, by disease category; A report of the individual mortality of Oklahoma insureds, which shall be submitted on a form provided by the Insurance Commissioner; and
- (4)(3) Breakdown of policies viaticated by issuer and policy type; A certification of the information contained in the reports, which shall be submitted on a form provided by the Insurance Commissioner and shall be filed with the reports.
- (5) ~~Number of secondary market as compared to primary market transactions;~~
- (6) ~~Portfolio size; and~~
- (7) ~~Amount of outside borrowings.~~

**365:25-11-6. General rules**

(a) Viatical settlement brokers, at the time of their first contact with a prospective viator, shall provide an informational brochure. Such brochure shall use the language and format set out in Appendix U.

(b) With respect to policies containing a provision for double or additional indemnity for accidental death, the additional payment shall remain payable to the beneficiary last named by the viator prior to entering into the viatical settlement agreement, or to such other beneficiary, other than the viatical settlement provider, as the viator may thereafter designate, or in the absence of a designation, to the estate of the viator.

(b)(c) Payment of the proceeds of a viatical settlement pursuant to ~~36 O.S. § 4049(D)~~ 4055.9(D) of the ~~Oklahoma Viatical Settlement~~ Act shall be by means of wire transfer to ~~the~~ an account ~~of~~ designated by the viator or by certified check or cashier's check.

~~(e)~~(d) Payment of the proceeds pursuant to a viatical settlement shall be made in a lump sum except where the viatical settlement provider has purchased an annuity or similar financial instrument issued by a licensed insurance company or bank, or an affiliate of either. Retention of a portion of the proceeds not disclosed or described in the viatical settlement contract by the viatical settlement provider or escrow agent is not permissible without written consent of the viator.

~~(d) — Installment payments shall not be made unless the viatical settlement company has purchased an annuity or similar financial instrument issued by a licensed insurance company or bank. The amount used to purchase an annuity shall not be less than the viatical settlement proceeds paid in a lump sum.~~

(e) A viatical settlement provider or broker shall not discriminate in the making or soliciting of viatical settlements on the basis of race, age, sex, national origin, creed, religion, occupation, marital or family status or sexual orientation, or discriminate between viators with dependents and without.

(f) A viatical settlement provider or broker shall not pay or offer to pay any finder's fee, commission or other compensation to any ~~viator's~~ insured's physician, attorney, accountant or other person providing medical, legal or financial planning services to the viator, or to any other person acting as an agent of the viator, other than a viatical settlement broker, with respect to the viatical settlement.

~~(g) Contacts for the purpose of determining the health status of the viator by the viatical settlement provider or broker after the viatical settlement has occurred shall be limited to once every three (3) months for viators with a life expectancy of more than one year, and to no more than one per month for viators with a life expectancy of one year or less. The provider or broker shall provide a written explanation of the procedure for these contacts at the time the viatical settlement contract is entered into. A viatical settlement provider shall not knowingly solicit purchasers who have treated or have been asked to treat the illness of the insured whose coverage would be the subject of the investment.~~

~~(h) Viatical settlement providers and brokers shall not solicit investors who could influence the treatment of the illness of the viators whose coverage would be the subject of the investment. If a viatical settlement provider enters into a viatical settlement that allows the viator to retain an interest in the policy, the viatical settlement contract shall contain the following provisions:~~

~~(1) A provision that the viatical settlement provider will effect the transfer of the amount of the death benefit only to the extent or portion of the amount viaticated. Benefits in excess of the amount viaticated shall be paid directly to the viator's beneficiary by the insurance company;~~

~~(2) A provision that the viatical settlement provider will, upon acknowledgment of the perfection of the transfer, either;~~

~~(A) Advise the insured, in writing, that the insurance company has confirmed the viator's interest in the policy; or~~

~~(B) Send a copy of the instrument sent from the insurance company to the viatical settlement provider that acknowledges the viator's interest in the policy;~~  
~~and~~

~~(3) A provision that apportions the premiums to be paid by the viatical settlement provider and the viator, provided that the contract provides premium payment terms and nonforfeiture options no less favorable, on a proportional basis, than those included in the policy.~~

- (i) Advertising standards:
- (1) Advertising should be truthful and not misleading by fact or implication.
  - (2) If the advertiser mentions the speed with which the viatication will occur, the advertising must disclose the average time frame from completed application to the date of offer and from acceptance of the offer to receipt of the funds by the viator.
  - (3) If the advertising mentions the dollar amounts available to viators, the advertising shall disclose the average purchase price as a percent of face value obtained by viators contracting with the advertiser during the past six (6) months. In all cases where the insured is a minor child, disclosures to and permission of a parent or legal guardian satisfy the requirements of the Act and this regulation.

**365:25-11-7. Requirement to file advertising**

A viatical settlement licensee shall provide a copy of any advertisement intended for use in this state whether through written, radio, or television medium to the Commissioner for review and approval before the advertisement is disseminated within this state.

**365:25-11-8. Prohibited practices**

- (a) A viatical settlement provider or viatical settlement broker shall obtain from a person that is provided with patient identifying information a signed affirmation that the person or entity will not further divulge the information without procuring the express, written consent of the insured for the disclosure. Notwithstanding the foregoing, if a viatical settlement provider or viatical settlement broker is served with a subpoena and, therefore, compelled to produce records containing patient identifying information, it shall notify the viator and the insured in writing at their last known addresses within five (5) business days after receiving notice of the subpoena.
- (b) A viatical settlement provider shall not act also as a viatical settlement broker, whether entitled to collect a fee directly or indirectly, in the same viatical settlement.
- (c) A viatical settlement broker shall not, without the written agreement of the viator obtained prior to performing any services in connection with a viatical settlement, seek or obtain any compensation from the viator.

**365-25-11-9. Insurance company practices**

- (a) Life insurance companies authorized to do business in this state shall respond to a request for verification of coverage from a viatical settlement provider or a viatical settlement broker within thirty (30) calendar days of the date a request is received, subject to the following conditions:
  - (1) A current authorization consistent with applicable law, signed by the policy owner or certificate holder, accompanies the request;
  - (2) In the case of an individual policy or group insurance coverage where details with respect to the certificate holder's coverage are maintained by the insurer, submission of a form substantially similar to Appendix V, which has been completed by the viatical settlement provider or the viatical settlement broker in accordance with the instructions on the form.
- (b) Nothing in this section shall prohibit a life insurance company and a viatical settlement provider or a viatical settlement broker from using another verification of coverage form that has been mutually agreed upon in writing in advance of submission of the request.

(c) A life insurance company may not charge a fee for responding to a request for information from a viatical settlement provider or viatical settlement broker in compliance with this section in excess of any usual and customary charges to contract holders, certificate holders or insureds for similar services.

(d) The life insurance company may send an acknowledgment of receipt of the request for verification of coverage to the policy owner or certificate holder and, where the policy owner or certificate owner is other than the insured, to the insured. The acknowledgment may contain a general description of any accelerated death benefit that is available under a provision of or rider to the life insurance contract.

(e) A life insurance company shall not require the viator or insured to sign any request for change in a policy or a group certificate from a viatical settlement provider that is the owner or assignee of the insured's insurance coverage, unless the viator or insured has ownership, assignment or irrevocable beneficiary rights under the policy. In such a situation, the viatical settlement provider shall provide timely notice to the insured that a settlement transaction on the policy has occurred. Timely notice shall be provided within fifteen (15) calendar days of the change in a policy or group certificate.

### **365-25-11-10. Transition period for existing licenses**

(a) A viatical settlement provider, a viatical settlement broker, a life settlement provider, or a life settlement broker lawfully transacting business in this state pursuant to Sections 4045 and/or 4085 of Title 36 of the laws of this state on the effective date of this regulation may continue to transact such business if said provider's or broker's license was active prior to November 1, 2008, and the licensee submits a complete application as specified in O.A.C. 365-25-11-3 for a license pursuant to the Viatical Settlements Act of 2008, 36 O.S. § 1455.1, et seq., on or before December 31, 2008.

(b) If an existing licensee's application pursuant to this subsection is approved, the new license will replace the prior license issued by the Commissioner pursuant to Sections 4045 and/or 4085 and will remain in force for the balance of the term of the prior license.

(c) If an existing licensee's application for licensure pursuant to the Act and this section is denied, the prior license of the licensee issued pursuant to Sections 4045 and/or 4085 of Title 36 is no longer valid and shall be immediately surrendered to the Commissioner.

## **SUBCHAPTER 13. LIFE SETTLEMENTS REGULATION [REVOKED]**

### **365:25-13-1. Approval of life settlement contracts by commissioner pursuant to 36 O.S. § 4089 [REVOKED]**

~~Life settlement contracts filings pursuant to 36 O.S. § 4089 shall be filed with the Life and Health Division of the Insurance Department.~~

### **365:25-13-2. License requirements for life settlement providers [REVOKED]**

~~A life settlement provider, as defined in 36 O.S. § 4086 of the Oklahoma Life Settlement Act, shall not enter into or solicit a life settlement contract without first obtaining a license from the Commissioner.~~

~~(1) The Commissioner may ask for such additional information as is necessary to determine whether the applicant complies with the requirements of Section 4087 of Title 36 of the Oklahoma Life Settlement Act.~~

~~(2) — Life settlement providers shall acquire and maintain a surety in the amount of \$100,000.00. A copy of the executed bond shall be filed with the Commissioner at the time of application for a license.~~

### **365:25-13-3. License requirements for life settlement brokers [REVOKED]**

~~A life settlement broker shall not solicit a life settlement contract without first obtaining a license from the Commissioner.~~

~~(1) — A life settlement broker shall make application on a form required by the Commissioner.~~

~~(2) — The application shall be accompanied by a fee of \$500.00. The license may be renewed yearly by payment of a fee of \$500.00. Failure to pay the renewal fee within the time prescribed shall result in automatic revocation of the license.~~

~~(3) — The Commissioner shall have the right to suspend, revoke or refuse to renew the license of any life settlement broker if the Commissioner finds that:~~

~~(A) — There was any misrepresentation in the application for a license;~~

~~(B) — The broker has been found guilty of fraudulent or dishonest practices, has been found guilty of a felony or any misdemeanor of which criminal fraud is an element, or is otherwise shown to be untrustworthy or incompetent;~~

~~(C) — The licensee has placed or attempted to place a life settlement with a life settlement provider not licensed in this state; or~~

~~(D) — The licensee has violated any of the provisions of the Life Settlement Act, 36 O.S. § 4085, et seq., or this regulation.~~

~~(4) — A person shall be deemed to meet the licensing requirements of this section and of the Life Settlement Act, 36 O.S. § 4085, et seq., and shall be permitted to operate as a life settlement broker, as defined in Section 4086(3) of the Life Settlement Act, if that person is licensed as a resident or nonresident insurance producer with a life insurance line of authority pursuant to the Oklahoma Producer Licensing Act, 36 O.S. § 1435.1, et seq., for at least one year. Not later than thirty (30) days from the first day of operating as a life settlement broker, the producer shall notify the Insurance Department that he or she is acting as a life settlement broker on a form or in a manner that may be prescribed by the Insurance Department, and shall pay the fee as set out in this section. The notification shall include an acknowledgment by the producer that he or she will operate as a life settlement broker in accordance with the Life Settlement Act and this regulation.~~

### **365:25-13-4. Other requirements for brokers [REVOKED]**

~~(a) — Life settlement brokers shall not, without the written agreement of the owner of a life insurance policy obtained prior to performing any services in connection with a life settlement, seek or obtain any compensation from the owner of a life insurance policy.~~

~~(b) — Broker shall disclose to the owner any contractual arrangement or agreement for compensation that may exist between the life settlement provider and the broker.~~

### **365:25-13-5. Reporting requirement [REVOKED]**

~~On March 1 of each calendar year, each life settlement provider licensed in this state shall file with the Life and Health Division of the Oklahoma Insurance Department a report containing the following information for the previous calendar year:~~

~~(1) — For each policy purchased:~~

- (A) — ~~Date life settlement entered into;~~
- (B) — ~~Life expectancy of insured at time of contract;~~
- (C) — ~~Face amount of policy; and~~
- (D) — ~~Amount paid by the life settlement provider to purchase the policy;~~
- (2) — ~~For each deceased insured:~~
  - (A) — ~~Date life settlement entered into;~~
  - (B) — ~~Life expectancy of insured at time of contract;~~
  - (C) — ~~Face amount of policy;~~
  - (D) — ~~Amount paid by the life settlement provider to purchase the policy;~~
  - (E) — ~~Date of death of insured; and~~
  - (F) — ~~Total insurance premiums paid by life settlement provider to maintain the policy in force.~~
- (3) — ~~Breakdown of applications received, accepted and rejected, by age category;~~
- (4) — ~~Breakdown of policies involved in life settlement transactions by issuer and policy type;~~
- (5) — ~~Number of secondary market as compared to primary market transactions;~~
- (6) — ~~Portfolio size; and~~
- (7) — ~~Amount of outside borrowings.~~

**365:25-13-6. General rules [REVOKED]**

- (a) — ~~With respect to policies containing a provision for double or additional indemnity for accidental death, the additional payment shall remain payable to the beneficiary last named by the owner prior to entering into the life settlement agreement, or to such other beneficiary, other than the life settlement provider, as the owner may thereafter designate, or in the absence of a designation, to the estate of the owner.~~
- (b) — ~~Payment of the proceeds of a life settlement pursuant to 36 O.S. § 4093(D) of the Oklahoma Life Settlement Act shall be by means of wire transfer to the account of the owner or by certified check.~~
- (c) — ~~Payment of the proceeds pursuant to a life settlement shall be made in a lump sum. Retention of a portion of the proceeds by the life settlement provider or escrow agent is not permissible.~~
- (d) — ~~Installment payments shall not be made unless the life settlement provider has purchased an annuity or similar financial instrument issued by a licensed insurance company or bank. The amount used to purchase an annuity shall not be less than the life settlement proceeds paid in a lump sum.~~
- (e) — ~~A life settlement provider or broker shall not discriminate in the making of life settlements on the basis of race, age, sex, national origin, creed, religion, occupation, marital or family status or sexual orientation, or discriminate between viators with dependents and without.~~
- (f) — ~~A life settlement provider or broker shall not pay or offer to pay any finder's fee, commission or other compensation to any owner or insured's physician, attorney, accountant or other person providing medical, legal or financial planning services to the owner, or to any other person acting as an agent of the owner with respect to the life settlement.~~
- (g) — ~~Contacts for the purpose of determining the health status of the insured by the life settlement provider or broker after the life settlement has occurred shall be limited to once every three (3) months for insureds with a life expectancy of more than one year, and to no more than one per month for insureds with a life expectancy of one year or less. The provider or broker~~

shall provide a written explanation of the procedure for these contacts at the time the life settlement contract is entered into.

(h) — Life settlement providers and brokers shall not solicit investors who could influence the treatment of the illness of the insured whose coverage would be the subject of the investment.

### **365:25-13-7. Advertising [REVOKED]**

(a) — This section shall apply to any advertising of life settlement contracts, or related products or services intended for dissemination in this state, including Internet advertising viewed by persons located in this state. Where disclosure requirements are established pursuant to federal regulation, this section shall be interpreted so as to minimize or eliminate conflict with federal regulation wherever possible.

(b) — Every life settlement licensee shall establish and at all times maintain a system of control over the content, form and method of dissemination of all advertisements of its contracts, products and services. All advertisements, regardless of by whom written, created, designed or presented, shall be the responsibility of the life settlement licensee, as well as the individual who created or presented the advertisement. A system of control shall include regular routine notification, at least once a year, to agents and others authorized by the viatical settlement licensee who disseminate advertisements of the requirements and procedures for approval prior to the use of any advertisements not furnished by the life settlement licensee.

(c) — Advertisements shall be truthful and not misleading in fact or by implication. The form and content of an advertisement of a life settlement contract (or life settlement purchase agreement, product or service) shall be sufficiently complete and clear so as to avoid deception. It shall not have the capacity or tendency to mislead or deceive. Whether an advertisement has the capacity or tendency to mislead or deceive shall be determined by the commissioner from the overall impression that the advertisement may be reasonably expected to create upon a person of average education or intelligence within the segment of the public to which it is directed.

(d) — Certain life settlement advertisements are deemed false and misleading on their face and are prohibited. False and misleading life settlement advertisements include, but are not limited to, the following representations:

(1) — "Guaranteed," "fully secured," "100 percent secured," "fully insured," "secure," "safe," "backed by rated insurance companies," "backed by federal law," "backed by state law," or "state guaranty funds," or similar representations;

(2) — "No risk," "minimal risk," "low risk," "no speculation," "no fluctuation," or similar representations;

(3) — "Qualified or approved for individual retirement accounts (IRAs), Roth IRAs, 401(k) plans, simplified employee pensions (SEP), 403(b), Keogh plans, TSA, other retirement account rollovers," "tax deferred," or similar representations;

(4) — Utilization of the word "guaranteed" to describe the fixed return, annual return, principal, earnings, profits, investment, or similar representations;

(5) — "No sales charges or fees" or similar representations;

(6) — "High yield," "superior return," "excellent return," "high return," "quick profit," or similar representations;

(7) — Purported favorable representations or testimonials about the benefits of life settlement contracts or life settlement purchase agreements as an investment, taken out of context from newspapers, trade papers, journals, radio and television programs, and all other forms of printed and electronic media.

~~(e) — The information required to be disclosed under this section shall not be minimized, rendered obscure, or presented in an ambiguous fashion or intermingled with the text of the advertisement so as to be confusing or misleading.~~

~~(1) — An advertisement shall not omit material information or use words, phrases, statements, references or illustrations if the omission or use has the capacity, tendency or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of any benefit, loss covered, premium payable, or state or federal tax consequence. The fact that the life settlement contract or purchase agreement offered is made available for inspection prior to consummation of the sale, or an offer is made to refund the payment if the parties to the sale or purchase agreement are not satisfied includes a "free look" period that satisfies or exceeds legal requirements, does not remedy misleading statements.~~

~~(2) — An advertisement shall not use the name or title of a life insurance company or a life insurance policy unless the advertisement has been approved by the insurer.~~

~~(3) — An advertisement shall not represent that premium payments will not be required to be paid on the life insurance policy that is the subject of a life settlement contract or life settlement purchase agreement in order to maintain that policy, unless that is the fact.~~

~~(4) — An advertisement shall not state or imply that interest charged on an accelerated death benefit or a policy loan is unfair, inequitable or in any manner an incorrect or improper practice.~~

~~(5) — The words "free," "no Cost," "without cost," "no additional cost," "at no extra cost," or words of similar import shall not be used with respect to any benefit or service unless true. An advertisement may specify the charge for a benefit or a service or may state that a charge is included in the payment or use other appropriate language.~~

~~(6) — Testimonials, appraisals or analysis used in advertisements must be genuine; represent the current opinion of the author; be applicable to the life settlement contract or life settlement purchase agreement, product or service advertised, if any; and be accurately reproduced with sufficient completeness to avoid misleading or deceiving any person or prospective purchasers as to the nature or scope of the testimonials, appraisal, analysis or endorsement. In using testimonials, appraisals or analysis, the life settlement licensee makes as its own all the statements contained therein, and the statements are subject to all the provisions of this section.~~

~~(A) — If the individual making a testimonial, appraisal, analysis or an endorsement has a financial interest in the life settlement provider or related entity as a stockholder, director, officer, employee or otherwise, or receives any benefit directly or indirectly other than required union scale wages, that fact shall be prominently disclosed in the advertisement.~~

~~(B) — An advertisement shall not state or imply that a life settlement contract or life settlement purchase agreement, benefit or service has been approved or endorsed by a group of individuals, society, association or other organization unless that is the fact and unless any relationship between an organization and the life settlement licensee is disclosed. If the entity making the endorsement or testimonial is owned, controlled or managed by the life settlement licensee, or receives any payment or other consideration from the life settlement licensee for making an endorsement or testimonial, that fact shall be disclosed in the advertisement.~~

~~(C) — When an endorsement refers to benefits received under a life settlement contract or life settlement purchase agreement, all pertinent information shall be retained for a period of five (5) years after its use.~~

~~(f) — An advertisement shall not contain statistical information unless it accurately reflects recent and relevant facts. The source of all statistics used in an advertisement shall be identified.~~

~~(g) — An advertisement shall not disparage insurers, life settlement providers, life settlement brokers, life settlement investment agents, insurance producers, policies, services or methods of marketing.~~

~~(h) — The name of the life settlement licensee shall be clearly identified in all advertisements about the licensee or its life settlement contract or life settlement purchase agreements, products or services, and if any specific life settlement contract or life settlement purchase agreement is advertised, the life settlement contract or life settlement purchase agreement shall be identified by form number. If an application is part of the advertisement, the name of the life settlement provider shall be shown on the application.~~

~~(i) — An advertisement shall not use a trade name, group designation, name of the parent company of a life settlement licensee, name of a particular division of the life settlement licensee, service mark, slogan, symbol or other device or reference without disclosing the name of the life settlement licensee, if the advertisement would have the capacity or tendency to mislead or deceive as to the true identity of the life settlement licensee, or to create the impression that a company other than the life settlement licensee would have any responsibility for the financial obligation under a life settlement contract or life settlement purchase agreement.~~

~~(j) — An advertisement shall not use any combination of words, symbols or physical material that by their content, phraseology, shape, color or other characteristics are so similar to a combination of words, symbols or physical materials used by a government program or agency or otherwise appear to be of such a nature that they tend to mislead prospective persons or purchasers into believing that the solicitation is in some manner connected with a government program or agency.~~

~~(k) — An advertisement may state that a life settlement licensee is licensed in the state where the advertisement appears, provided it does not exaggerate that fact or suggest or imply that competing life settlement licensee may not be so licensed. The advertisement may ask the audience to consult the licensee's web site or contact the department of insurance to find out if the state requires licensing and, if so, whether the life settlement provider, life settlement broker or life settlement investment agent is licensed.~~

~~(l) — An advertisement shall not create the impression that the life settlement provider, its financial condition or status, the payment of its claims or the merits, desirability, or advisability of its life settlement contracts or life settlement purchase agreement forms are recommended or endorsed by any government entity.~~

~~(m) — The name of the actual licensee shall be stated in all of its advertisements. An advertisement shall not use a trade name, any group designation, name of any affiliate or controlling entity of the licensee, service mark, slogan, symbol or other device in a manner that would have the capacity or tendency to mislead or deceive as to the true identity of the actual licensee or create the false impression that an affiliate or controlling entity would have any responsibility for the financial obligation of the licensee.~~

~~(n) — An advertisement shall not directly or indirectly create the impression that any division or agency of the state or of the U.S. government endorses, approves or favors:~~

~~(1) — Any life settlement licensee or its business practices or methods of operations;~~

- ~~(2) — The merits, desirability or advisability of any life settlement contract or life settlement purchase agreement;~~
- ~~(3) — Any life settlement contract or life settlement purchase agreement; or~~
- ~~(4) — Any life insurance policy or life insurance company.~~
- ~~(o) — If the advertising emphasizes the dollar amounts available to persons involved in life settlement contracts, the advertising shall disclose the average purchase price as a percent of face value obtained by persons involved in life settlement contracts during the past six (6) months.~~
- ~~(p) — If the advertiser emphasizes the speed with which the life settlement transaction will occur, the advertising must disclose the average time frame from completed application to the date of offer and from acceptance of the offer to receipt of the funds by the person involved in the life settlement transaction.~~

**SUBCHAPTER 21. REGULATION ON THE USE OF SENIOR-SPECIFIC  
CERTIFICATIONS AND PROFESSIONAL DESIGNATIONS IN THE SALE OF LIFE  
INSURANCE AND ANNUITIES**

**365:25-21-1. Purpose**

The purpose of this regulation is to set forth standards to protect consumers from misleading and fraudulent marketing practices with respect to the use of senior-specific certifications and professional designations in the solicitation, sale or purchase of, or advice made in connection with, a life insurance or annuity product.

**365:25-21-2. Scope**

This regulation shall apply to any solicitation, sale or purchase of, or advice made in connection with, a life insurance or annuity product by an insurance producer.

**365:25-21-3. Authority**

(a) This regulation is issued under the authority of Article 12 of Title 36 of the laws of this State.

(b) Nothing in this regulation shall limit the commissioner's authority to enforce existing provisions of law.

**365:25-21-4. Definition**

For purposes of this regulation, "insurance producer" means a person required to be licensed under the laws of this State to sell, solicit or negotiate insurance, including annuities.

**365:25-21-5. Prohibited uses of senior-specific certifications and professional designations**

**(a) Unfair and deceptive acts or practices.**

(1) It is an unfair and deceptive act or practice in the business of insurance within the meaning of Article 12 of Title 36 of the laws of this State for an insurance producer to use a senior-specific certification or professional designation that indicates or implies in such a way as to mislead a purchaser or prospective purchaser that the insurance producer has special certification or training in advising or servicing seniors in connection with the solicitation, sale or purchase of a life insurance or annuity product or in the provision of advice as to the value of or the advisability of purchasing or selling a life insurance or

annuity product, either directly or indirectly through publications or writings, or by issuing or promulgating analyses or reports related to a life insurance or annuity product.

(2) The prohibited use of senior-specific certifications or professional designations includes, but is not limited to, the following:

(A) Use of a certification or professional designation by an insurance producer who has not actually earned or is otherwise ineligible to use such certification or designation;

(B) Use of a nonexistent or self-conferred certification or professional designation;

(C) Use of a certification or professional designation that indicates or implies a level of occupational qualifications obtained through education, training or experience that the insurance producer using the certification or designation does not have; and

(D) Use of a certification or professional designation that was obtained from a certifying or designating organization that:

(i) Is primarily engaged in the business of instruction in sales or marketing;

(ii) Does not have reasonable standards or procedures for assuring the competency of its certificants or designees;

(iii) Does not have reasonable standards or procedures for monitoring and disciplining its certificants or designees for improper or unethical conduct; or

(iv) Does not have reasonable continuing education requirements for its certificants or designees in order to maintain the certificate or designation.

(b) **Rebuttable presumption.** There is a rebuttable presumption that a certifying or designating organization is not disqualified solely for purposes of subsection (a)(2)(D) when the certification or designation issued from the organization does not primarily apply to sales or marketing and when the organization or the certification or designation in question has been accredited by:

(1) The American National Standards Institute (ANSI);

(2) The National Commission for Certifying Agencies; or

(3) Any organization that is on the U.S. Department of Education's list entitled "Accrediting Agencies Recognized for Title IV Purposes."

(c) **Words or acronyms.** In determining whether a combination of words or an acronym standing for a combination of words constitutes a certification or professional designation indicating or implying that a person has special certification or training in advising or servicing seniors, factors to be considered shall include:

(1) Use of one or more words such as "senior," "retirement," "elder," or like words combined with one or more words such as "certified," "registered," "chartered," "advisor," "specialist," "consultant," "planner," or like words, in the name of the certification or professional designation; and

(2) The manner in which those words are combined.

(d) **Organizations licensed by or registered by a State of federal services regulatory agency**

(1) For purposes of this regulation, a job title within an organization that is licensed or registered by a State or federal financial services regulatory agency is not a certification or professional designation, unless it is used in a manner that would confuse or mislead a reasonable consumer, when the job title:

(A) Indicates seniority or standing within the organization; or

(B) Specifies an individual's area of specialization within the organization.

(2) For purposes of this subsection, financial services regulatory agency includes, but is not limited to, an agency that regulates insurers, insurance producers, broker-dealers, investment advisers, or investment companies as defined under the Investment Company Act of 1940.

**365:25-21-6. Effective Date**

This regulation shall become effective July 14, 2009.

## Questions to Ask

- Do I still need life insurance protection?
- If I sell my policy, how do they decide how much cash I get?
- Is this an employer or other group policy? If so, do I need permission to sell it?
- If I sell my policy, who will be the legal owner?
- Do I need the advice of a tax or estate planning advisor before I decide to sell my policy?
- Who will have specific information about me, my family or my health status?
- After I sell my policy, can it be resold by the buyer?

*Your state insurance department may have a list of viatical settlement providers and brokers that are licensed to do business in the state. Contact them to make sure yours are on the list.*

## Always Check with Your State

Contact your state insurance or securities departments to learn about the issues and risks of viatical settlements *if*:

- you're considering selling your life insurance policy;
- you're asked to sell your life insurance policy *and* your health hasn't changed since you bought the policy;
- you're asked to buy a new life insurance policy *and* immediately sell it for cash.

## Buying a Life Insurance Policy?

If you're interested in buying a life insurance policy as an investment, contact your state insurance department *before* you make a decision.

**OKLAHOMA INSURANCE  
DEPARTMENT**

2401 NW 23rd Street, Suite 28  
Toll Free Phone: 800-522-0071  
Phone: 405-521-2828 Fax: 405-522-3642  
Email: [feedback@oid.ok.gov](mailto:feedback@oid.ok.gov)  
Website: [www.ok.gov/oid](http://www.ok.gov/oid)



# Selling Your Life Insurance Policy

## *Understanding Viatical Settlements*

## What is a Viatical Settlement?

A viatical settlement is the sale of a life insurance policy to a third party. The owner (*viator*) of the life insurance policy sells the policy for an immediate cash benefit.

The buyer (the viatical settlement provider) becomes the new owner of the life insurance policy, pays future premiums, and collects the death benefit when the insured dies.

At one time, most viatical settlements were from people with a life-threatening illness. Now, individuals who are not facing a health crisis may sell their life insurance policies to get cash.

*Your state insurance department and the National Association of Insurance Commissioners want you to have the facts before you sell your life insurance policy. This brochure provides some of that information, but it is only a starting point. Consult your own professional financial advisor, attorney, or accountant to help you decide if this is the most suitable arrangement for you.*

## Consider Your Options

If you're selling your policy to get cash to pay expenses, check all of your options. You may find a way to get more cash from your life insurance policy.

1. Ask your insurance agent or company if you have any cash value in your life insurance policy. You may be able to use some of the cash value to meet your immediate needs and keep your policy in force for your beneficiaries. You may also be able to use the cash value as security for a loan from a financial institution.
2. Find out if your life insurance policy has an *accelerated death benefit*. An accelerated death benefit typically pays some of the policy's death benefit before the insured dies. It may be a way for you to get cash from a policy without selling it to a third party.

## Consumer tips

- Comparison shop. Get quotes from several companies to make sure you have a competitive offer.
- Find out the tax implications. Not all proceeds received from the sale of your life insurance policy are tax free.
- It's important to know that any of your creditors could claim your cash settlement.
- Find out if you will lose any public assistance benefits such as food stamps or Medicaid if you get a cash settlement.
- The buyer of your policy can periodically ask you about your health status. The buyer is required to give you a privacy notice outlining who will get this personal information. Be sure to read it.
- Check all application forms for accuracy, especially your medical history. All questions must be answered truthfully and completely.
- Make sure the viatical settlement provider agrees to put your settlement proceeds into an independent escrow account to protect your funds during the transfer.
- Find out if you have the right to change your mind about the settlement AFTER you get the money. If so, how many days do you have to reconsider and return the money?

**APPENDIX V. VERIFICATION OF COVERAGE FOR LIFE INSURANCE POLICIES [NEW]**

**VERIFICATION OF COVERAGE FOR LIFE INSURANCE POLICIES**

**SUBMITTED TO:** \_\_\_\_\_ **NAIC #** \_\_\_\_\_  
Name of Insurance Company

**POLICY NUMBER:** \_\_\_\_\_

**SUBMITTED FROM:** \_\_\_\_\_  
Name of Viatical Settlement Broker/Provider

**ADDRESS:** \_\_\_\_\_

**TELEPHONE NUMBER:** \_\_\_\_\_

**CONTACT:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_

IF INFORMATION IS CORRECT, INSURER REPRESENTATIVE MAY PLACE A CHECKMARK IN THE BOX. OTHERWISE PROVIDE CORRECTED INFORMATION THROUGHOUT THIS FORM. AN ASTERISK INDICATES INFORMATION THE VIATICAL SETTLEMENT PROVIDER/BROKER MUST PROVIDE.

**POLICY OWNER'S AND INSURED'S INFORMATION**

	This column to be completed by Viatical Settlement Broker/Provider	This column to be used by Insurance Company
<b>Owner's name</b>	*	
<b>Address</b>	*	
<b>City, state, ZIP code</b>	*	
<b>Tax ID or social security number</b>	*	
<b>Insured's name</b>	*	
<b>Insured's date of birth</b>	*	
<b>Second insured's name (if applicable)</b>	*	
<b>Second insured's date of birth (if applicable)</b>	*	

**I hereby consent by my signature below to release of information requested by this form by the insurance company to the viatical settlement broker/provider.**

\_\_\_\_\_  
**Signature of policy owner**

\_\_\_\_\_  
**Date signed**

**IS THE POLICY IN FORCE?** \_\_\_\_\_**YES** \_\_\_\_\_**NO**  
*IF NO, SIGN, AND DATE ON PAGE 4 AND RETURN TO THE VIATICAL SETTLEMENT  
 BROKER OR PROVIDER THAT SUBMITTED THE VERIFICATION OF COVERAGE.*

**POLICY TYPE, RIDERS & OPTIONS:**

\* \_\_\_\_\_**TERM** \_\_\_\_\_**WHOLE LIFE** \_\_\_\_\_**UNIVERSAL LIFE** \_\_\_\_\_**VARIABLE LIFE**

If a question is not applicable to the type of policy, write N/A in the column.

	This column to be completed by Viatical Settlement Broker/Provider	This column to be used by Insurance Company
<b>Original issue date</b>	*	
<b>Maturity date of policy</b>		
<b>State of issue</b>	*	
<b>Does the policy have an irrevocable beneficiary?</b>	*	
<b>Is the policy currently assigned?</b>	*	
<b>Was the policy ever converted or reinstated?</b>		
<b>Is the policy in the contestability period?</b>	*	
<b>Is the policy in the suicide period?</b>	*	
<b>Please list all riders and indicate if any are in the contestable or suicide period.</b>	*	

**POLICY VALUES**

	This column to be completed by Viatical Settlement Broker/Provider	This column to be used by Insurance Company
<b>Policy values as of (insert date)</b>		
<b>Current face amount of policy</b>	*	
<b>Amount of accumulated dividends</b>		
<b>Current face amount of riders</b>		
<b>Amount of any outstanding loans</b>	*	
<b>Amount of outstanding interest on policy loans</b>		
<b>Current net death benefit</b>	*	
<b>Current account value</b>	*	
<b>Current cash surrender value</b>	*	
<b>Is policy participating?</b>	*	
<b>If yes, what is the current dividend option?</b>		

**PREMIUM INFORMATION**

	This column to be completed by Viatical Settlement Broker/Provider	This column to be used by Insurance Company
<b>Current payment mode</b>	*	
<b>Current modal premium</b>	*	
<b>Date last premium paid</b>	*	
<b>Date next premium due</b>	*	
<b>Current monthly cost of insurance as of (insert date)</b>		
<b>Date of last cost of insurance deduction</b>		

**TO BE COMPLETED BY VIATICAL SETTLEMENT BROKER/PROVIDER**

The information submitted for verification by the viatical settlement broker/provider is correct and accurate to the best of my knowledge and has been obtained through the policy owner and/or insured.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

**TO BE COMPLETED BY INSURANCE COMPANY**

The information provided by verification by the insurance company is correct and accurate to the best of my knowledge as of \_\_\_\_\_ (date).

Insurance company: \_\_\_\_\_ NAIC # \_\_\_\_\_

Printed name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone number: \_\_\_\_\_ Fax number: \_\_\_\_\_

Signature: \_\_\_\_\_

*Please provide information about where the forms listed below should be submitted for processing.*

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Overnight Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Telephone number: \_\_\_\_\_ Fax number: \_\_\_\_\_

**FORMS REQUEST**

Please provide the forms checked below:

- Absolute Assignment/Change of Ownership/Viatical Assignment
- Change of Beneficiary
- Release of Irrevocable Beneficiary (if applicable)
- Waiver of Premium Claim Form
- Disability Waiver of Premium Approval Letter
- Release of Assignment
- Change of Death Benefit Option Form (if UL)
- Allocation Change Form (if Variable)
- Annual Report
- Current In Force Illustration

**APPENDIX W. PAYOUTS FOR INSUREDS WHO ARE TERMINALLY ILL [NEW]**

<b>Insured's Life Expectancy</b>	<b>Minimum Percentage of Face Value Less Outstanding Loans Received by Viator</b>
Less than 6 months	80%
At least 6 but less than 12 months	70%
At least 12 but less than 18 months	65%
At least 18 but less than 24 months	60%