

Government of Puerto Rico
OFFICE OF THE COMMISSIONER OF INSURANCE OF PUERTO RICO
Guaynabo, Puerto Rico

RULE NO. 85

REGULATORY STANDARDS FOR VIATICAL AGREEMENTS, LIFE AGREEMENTS AND OTHER TRANSACTIONS RELATED TO THE BENEFITS OF LIFE INSURANCE POLICIES

SECTION 1 -LEGAL BASIS

The Office of the Commissioner of Insurance hereby repeals Rule No. 85, Regulation 7480 of the Regulations of the Puerto Rico Insurance Code currently in effect adopts a new Rule No. 85 pursuant to Sections 2.030 and 43.140 of Public Law No. 77, enacted on June 19, 1957, as amended, 26 P.R. L.P.R.A., et seq., commonly known as the Puerto Rico Insurance Code, Public Law No. 170 enacted on August 12, 1988, commonly known as the "Uniform Administrative Procedures Act"; Public Law No. 166, enacted on November 7, 2010; and model regulation #698 titled "Viatical Settlements Model Regulation", as recommended by the National Association of Insurance Commissioners (NAIC).

SECTION 2 - PURPOSE AND SCOPE

This Rule is adopted for the purpose of establishing the standards for implementing the "Act to Regulate Viatical Settlements, Life Settlements and Other Transactions Related to Life Insurance Benefits" incorporated into the Insurance Code of Puerto Rico as Chapter 43. Also, this Rule has the objective of regulating the transactions, relationships, and responsibilities of viatical settlement agreement providers, viatical settlement agreement brokers, viatical settlement agreement investment agents and insurance companies related to the offering, purchasing and selling of a viatical agreement related to a life insurance policy or a certificate of a group policy, or a viatical settlement purchase agreement.

This Rule applies to every natural or legal person that pursuant to Chapter 43 of the Puerto Rico Insurance Code seeks to be engaged in or is engaged in any activity related to offering, soliciting, negotiating, procuring, effectuating, purchasing, financing, monitoring, tracking, underwriting, assigning, pledging, hypothecating or in any other manner transacting a viatical settlement, life settlement or other transactions regarding life insurance benefits, or a viatical settlement purchase agreement.

SECTION 3 - DEFINITIONS

The following terms and phrases shall have the meanings stated below:

- A. "Insured" means the person covered under the policy subject to a viatical settlement agreement or being considered for viatication.
- B. "Net death benefit" means the amount of the life insurance policy or certificate to be viaticated less any outstanding debts or liens
- C. "Code" means the Puerto Rico Insurance Code.
- D. "Commissioner" means the Insurance Commissioner of Puerto Rico
- E. "Life expectancy" means the average 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 relevant experiential data.
- F. "Patient identifying information" means an insured's address, telephone number, fax number, email address, photograph or likeness, employer, employment status, social security number, account number or any other information that could lead to the identification of the insured.

All the terms defined in Chapter 43 of the Code are incorporated by reference into this Rule.

SECTION 4 - LICENSE REQUIREMENTS

- A. Any natural or legal person or that applies to the Commissioner for a license to be authorized as a viatical settlement broker must comply with the following requirements:
 - 1. Complete and submit to the Commissioner the application form approved for this purpose.
 - 2. Pay the fees indicated in paragraph G of this section.
 - 3. Be trustworthy and competent. This requirement applies to the viatical settlement broker applicant as well as to the stockholders or partners, its officers and employees with authority to make decisions for the entity.
 - 4. If the viatical settlement broker applicant is a legal person, the legal person shall also demonstrate that it is duly registered and authorized to do business in the Commonwealth of Puerto Rico and provide a certificate of good standing issued by the Department of State.

B. Any legal or natural person that applies to the Commissioner for a license to be authorized as a viatical settlement agreement broker must comply with the following requirements:

1. Hold and maintain an authorized life insurance producer license issued by the Commissioner in accordance with Chapter 9 of the Code. In this case, the producer may not hold an appointment as an authorized representative of an insurer.
2. Submit an Anti-Fraud Action Plan under Section 43.110(G) of the Code.
3. Submit evidence of financial responsibility as required of insurance providers in Section 9.200 of the Code. The Commissioner may accept as evidence of financial responsibility an errors and omissions policy having limits of \$50,000 per event and \$150,000 in the aggregate, if in the judgment of the Commissioner the policy complies with the purpose of the evidence of financial responsibility.

C. Any legal or natural person or that applies to the Commissioner for a license to be authorized as a viatical settlement agreement investment agent must comply with the following requirements:

1. Hold and maintain an authorized life insurance representative or life insurance producer license issued by the Commissioner in accordance with Chapter 9 of the Code.
2. Submit to the Commissioner bona fide evidence that the applicant approved the Series 7 administered by the Financial Industry Regulatory Authority. To this effect, the viatical settlement investment agent applicant shall submit a certification issued by the Financial Institutions Commissioner of Puerto Rico. The Series 7 must also be filed by any natural person authorized in the viatical settlement investment agent's license to act on its behalf.
3. Submit evidence of financial responsibility as required of insurance producers in Section 9.200 of the Code. The Commissioner may accept as evidence of financial responsibility an errors and omissions policy having limits of \$50,000 per event and \$150,000 in the aggregate, if in the judgment of the Commissioner the policy complies with the purpose of the evidence of financial responsibility.

4. Submit, with the application, the appointment as viatical settlement investment agent of those viatical settlement agreement providers that will be represented in Puerto Rico by the agent.
- D. Any legal or natural person that applies to the Commissioner for a license to be authorized as a viatical settlement agreement provider must comply with the following requirements:
1. Submit a detailed operational plan.
 2. Submit an Anti-Fraud Action Plan under Section 43.110(G) of the Code.
 3. Furnish evidence of professional liability (malpractice) insurance with limits of \$100,000 per event and \$300,000 in the aggregate.
 4. In order to offer, sell or solicit viatical settlement purchase agreements directly with purchasers of viatical settlement agreements, under Section 43.020(c) of the Code, although not with regard to policies which in turn were acquired as viatical settlement agreements, the applicant must submit the following evidence to the Commissioner:
 - a. That the applicant fulfills the requirements for holding a life insurance producer license.
 - b. That the applicant holds a Series 7 administered by the Financial Industry Regulatory Authority.

E. General Provisions

1. The license issued to a viatical settlement agreement producer, a viatical settlement agreement broker or a viatical settlement agreement investment agent is a limited license that only allows for operation within the scope of the license.
2. As the licenses are incompatible, the Commissioner will not issue a viatical settlement agreement broker license to an authorized representative, nor will the Commissioner issue a viatical settlement agreement provider license or a viatical settlement agreement investment agent license to a viatical settlement agreement broker.
3. Any natural person authorized to act on behalf of a legal person holding a viatical settlement agreement broker or investment agent license must fulfill the licensing requirements as though the person were an individual licensee.

4. A viatical settlement agreement provider may not transact business directly with a viator.
5. In addition to the information required in Section 43.020 of the Code and the provisions of this Rule, the Commissioner may request any other information deemed necessary to determine whether the applicant for a viatical settlement agreement provider, broker or investment agent license complies with the requirements set forth in Chapter 43 of the Code and this Rule.

F. Renewal of Licenses

1. Viatical settlement agreement broker licenses shall be renewed every two (2) years along with the renewal of the life insurance producer license. The renewal of both licenses shall be done following the guidelines set forth by the Commissioner for the renewal of the producer license.
2. The license of a viatical settlement agreements investment agent shall be renewed every two (2) years along with the renewal of authorized representative or life insurance producer license, as the case may be. The renewal of both licenses shall be done following the guidelines set forth by the Commissioner for the renewal of the producer and authorized representative licenses.
3. Applicants for viatical settlement agreements broker or investment agent licenses must show they comply with licensing requirements and pay the appropriate annual contribution. Applicants must likewise show evidence of a total of twenty-four (24) hours of contact courses in continuing education,, of which at least seven (7) hours are on subjects related to viatical settlement agreements and three (3) are related to professional ethics.

The applicant may distribute the remaining of the contact hours, according to his or her best judgment, in order to complete the total of twenty-four (24) hours required under Rule 52. If the producer must submit evidence of continuing education as part of the renewal of an insurance producer license within one year of having obtained the viatical settlement agreements broker or viatical settlement agreements investment agent license, the producer will not be obligated to comply with the seven (7) hour requirement.

4. The Commissioner will not renew the license of any applicant for a viatical settlement agreements broker or investment agent license who does not comply with this continuing education requirement.

5. The viatical settlement agreement provider license will expire on the 30th day of June and shall be renewed on an annual basis. To renew this license, the applicant shall demonstrate that they comply with the requirements to hold such license and pay the corresponding annual fee.
6. If at the time of the renewal of the viatical settlement agreements provider license, there are viatical settlement agreements in which the insured has not died, the Commissioner will decide among the following options:
 - a. Renew or maintain the license until the first of these events occurs:
 - i. The viatical settlement agreements provider has assigned, sold or transferred appropriately the viatical settlement agreements for which the insurer has not died; or
 - ii. The last insured covered by a viatical settlement transaction has died.
 - b. Request that a court of competent jurisdiction appoint the Commissioner as a receiver-trustee. In this case, the Court shall order the Commissioner to take immediate possession and custody of all the assets of the viatical settlement provider and to administer such assets under the exclusive supervision of the Court. The Court order, and any powers and duties of the Commissioner in such cases will have the same authority conferred by Chapter 40 of the Code in liquidation and rehabilitation orders.

G. Annual Contribution

The annual contribution for authorization or renewal of a viatical settlement agreements broker, viatical settlement agreements investment agent and viatical settlement agreements provider licenses shall be as set forth below:

Type of License	Annual Contribution
Viatical Settlement Agreements Broker	\$1,051.00
Viatical Settlement Agreements Provider	\$2,103.00
Viatical Settlement Agreements Investment Agent	\$1,051.00

These contributions will remain in effect until another amount is set forth in Section 7.010(1) of the Code.

H. Non-Resident Viatical Settlement Agreements Brokers, Viatical Settlement Agreements Investment Agents, and Viatical Settlement Agreements Providers

1. Applicants for a viatical settlement broker, viatical settlement provider or viatical settlement investment agent non resident license shall comply with the same requirements established in Chapter 43 and this Rule for resident applicants for such licenses. They also must comply with the following requirements:
 - a. Complete and submit to the Commissioner the corresponding application for a non resident license.
 - b. Pay the corresponding fee in accordance to paragraph G of this Section.
 - c. Irrevocably appoint the Commissioner as an agent for service of process on behalf of the licensee, for any cause of action arising from transactions performed in Puerto Rico under the holder's license. The service of process shall be performed in accordance with the rules established in Section 9.280 of the Code.
 - d. Demonstrate that the applicant is duly organized under the laws of the state of domicile.
 - e. Demonstrate that the applicant is duly registered and authorized to do business in the Commonwealth of Puerto Rico and provide a certificate of good standing from the Department of State of Puerto Rico.
 - f. The applicant for a non resident viatical settlement broker or a non resident viatical settlement investment agent license must also hold a non resident producer license issued by the Commissioner.
2. The holder of a non resident license shall be subject to the same obligations and limitations, and to examination by the Commissioner, as if the holder were a resident or domiciled in Puerto Rico. The holder of the license must also maintain current and customary books corresponding to the transactions performed in Puerto Rico.
3. Viatical settlements and viatical settlement purchase agreements executed by a non resident viatical settlement agreement broker, viatical settlement agreement provider or viatical settlement agreement investment agent will be considered for all purposes as executed in Puerto Rico, subject to the standard established in Section 43.020(A), (B) and (C) of the Code.

SECTION 5 - APPOINTMENTS

- A. A viatical investment agreement agent or other viatical settlement agreement provider shall not act as an agent of a viatical settlement agreement provider unless the investment agent becomes an appointed agent of that provider.
- B. As part of the process of appointing an investment agent as its agent, the provider shall file a notice of appointment with the Commissioner, within fifteen (15) days from the date the agency contract is executed or from the first contact with an investor on behalf of the provider.
- C. On receipt of the notice of appointment, the Commissioner will verify, no later than within a period of thirty (30) days, if the investment agent is eligible for the appointment. If the Commissioner determines that the investment agent is not eligible, the Commissioner will notify the provider within five (5) days of such determination.

SECTION 6 - STANDARDS FOR EVALUATION OF REASONABLENESS OF PAYMENTS TO INSUREDS

To insure that viators receive a reasonable amount as a liquidation payment, the proceeds of the liquidation of the viatical agreement shall not be less than the following amounts for an insured who has a terminal or chronic illness:

Life expectancy insured	Minimum percentage of the face value less outstanding loans received by the viator.
Less than 6 months	[80%]
6 months, but less than 12 months	[70%]
12 months, but less than 18 months	[65%]
18 months, but less than 25 months	[60%]
25 months or more	Viator must receive at least the larger amount between the cash surrender value or the death benefit which under the policy may be accelerated or advanced.

For the purposes of this Section the cash surrender value and the accelerated or advanced death benefit is the minimum amount that in effect would be available to the viator through the transaction.

SECTION 7. REPORTING REQUIREMENTS

- A. On or before March 1 of each calendar year, the licensed viatical settlement agreement provider shall submit to the Commissioner the following reports related to the licensee's activities for the previous calendar year:
 - 1. A report of the viatical settlement transactions performed by the viatical settlement provider in all states of the United States using Form VSP 001;
 - 2. A report of the viatical settlement transactions related to Puerto Rico viators using Form VSP 002;
 - 3. A report of the individual mortality of Puerto Rico insureds on policies that where part of a viatical settlement Form VSP 003; and
 - 4. A certification of the information in the reports describe in paragraphs (1) through (3), to be submitted on Form VSPB 001 along with the reports.

- B. On or before March 1 of each calendar year, the licensed viatical settlement broker shall submit to the Commissioner the following reports related to the licensee's activities for the previous calendar year:
 - 1. A report of the total viatical settlement transactions performed by the viatical settlement broker using Form VSB 001;
 - 2. A report of the viatical settlement transactions performed by the viatical settlement broker related to viators that are residents of Puerto Rico using Form VSB 002;
 - 3. A certification of the information in the reports described in paragraphs (1) and (2), to be submitted on Form VSPB 001 along with the reports.

- C. The following material is incorporated into this Rule:
 - 1. Form VSP 0001, "Viatical Settlement Provider Report-All States and Territories";
 - 2. Form VSP 002, "Viatical Settlement Provider Report-Puerto Rico Insureds Only";
 - 3. Form VSP 003, "Individual Mortality Report-Puerto Rico Insureds Only";
 - 4. Form VSB 001, "Viatical Settlement Broker Report-All States and Territories";

5. Form VSB 002, "Viatical Settlement Broker Report-Puerto Rico Insureds Only";
and
6. Form VSPB 001, "Viatical Settlement Provider/Broker Certification Form

SECTION 8. GENERAL STANDARDS

- 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 viator prior to entering into the viatical settlement, or to such other beneficiary, (other than the viatical settlement provider), as the viator may thereafter designate. In the absence of a beneficiary, to payment shall be for the estate of the viator.
- B. Payment of the proceeds of the liquidation of a viatical settlement pursuant to Section 43.080(D) of the Code shall be made by means of wire transfer to an account designated by the viator or by certified check or cashier's check.
- C. Payment of the proceeds to the viator pursuant to a liquidation of a viatical settlement shall be made in a lump sum except where the viatical settlement agreement provider has purchased an annuity or similar financial instrument issued by a licensed insurance company, a bank or an affiliate thereof. Retention of a portion of the proceeds not disclosed or described in the viatical settlement agreement by the viatical settlement agreement provider or escrow agent is not permissible without written consent of the viator.
- D. No viatical settlement agreement producer, broker or investment agent may establish any unfair difference among persons of the same class and the same life expectancy, nor discriminate in any other manner in soliciting viatical settlement agreements.
- E. No viatical settlement agreement producer, broker or investment agent may pay or offer to pay any commission for generating business, or fee or any other compensation to any 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 or producer of the viator, other than a viatical settlement agreement broker, with respect to the viatical settlement.
- F. No viatical settlement agreement provider or viatical settlement agreement investment agent shall knowingly solicit purchasers or investors among persons who have treated or have been asked to treat the condition or illness of the insured whose coverage would be the subject of a viatical settlement.

- G. If a viatical settlement provider enters into a viatical settlement that allows the viator to retain an interest in the policy, the viatical settlement agreement 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 execution of the title of the policy that is the subject of the viatical settlement agreement will do one of the following:
 - a. Advise the insured and the viator, in writing, that the insurance company has confirmed the viator's interest in the policy; or
 - b. Deliver a copy to the insured and the viator of the instrument sent from the insurance company to the viatical settlement agreement provider acknowledging the viator's interest in the policy.
 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 are no less favorable, on a proportional basis, than those included originally in the policy to be viaticated
- G. In all cases where the insured is a minor child involved, the viatical settlement agreement provider and the viatical settlement agreement broker shall inform the child's parents of this fact and of all the details of the procedure for executing a viatical settlement agreement and shall obtain permission from the parents and their consent in every instance where the consent of the insured is required in order to comply with the requirements of Chapter 43 of the Puerto Rico Insurance Code and this Rule.

SECTION 9 PROHIBITED PRACTICES

- A. A viatical settlement agreement provider, broker or investment agent 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 agreement provider, broker or investment agent is served with a subpoena and, therefore, compelled by a court or administrative order to produce records containing patient identifying

information, said provider, broker or investment agent shall notify the viator and insured in writing at their last known addresses within five (5) business days of the receipt of the subpoena.

- B. A viatical settlement agreement provider will not also act as a broker of the viatical settlement agreement in the same agreement, if the producer has a right to receive direct or indirect compensation.
- C. No viatical settlement agreement broker may seek or obtain any compensation from the viator, without the written agreement of the viator obtained prior to performing any services in connection with a viatical settlement agreement.

SECTION 10 -PRACTICES OF INSURERS

- A. Life insurance companies authorized to do business in Puerto Rico shall respond to a request for verification of coverage from a viatical settlement agreement provider or broker within thirty (30) calendar days to be counted from the date a request is received, subject to the following condition:
 - 1. The request must be joined by a current authorization signed before a notary public by the policy owner or certificate holder;
 - 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 title "Verification of Coverage for Life Insurance Policies," attached to this Rule, completed by the viatical settlement agreement provider or broker in accordance with the instructions on the form.
- B. No provision of this Section shall prevent a life insurer, a provider of viatical settlement agreements or a broker of viatical settlement agreements from using any other verification of coverage form as agreed in writing prior to filing the application.
- C. A life insurance company may not charge a fee for responding to a request for information from a viatical settlement agreement provider or broker in excess of any usual and customary charges to policyholders, certificate holders or insureds for similar services.
- D. Life insurance companies may send an acknowledgment of receipt of the request for verification of coverage to the policyholder or certificate holder and the insured whenever the policyholder or certificate owner is other than 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 policy.

- E. Life insurance companies may not require the viator or insured to sign any request for change in a policy or a group certificate from a viatical settlement agreement 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 event, the viatical settlement agreement 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."

SECTION 11 - EFFECTIVE DATE

The provisions of this Rule shall enter into effect thirty (30) days after filing with the Department of State, under the provisions of Public Law No. 170, supra.

SIGNED

RAMÓN L. CRUZ COLÓN
COMMISSIONER OF INSURANCE

Date of approval:

Date of Filing
at the Department of State:

Date of Filing
at the Legislative Library:

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 VIACIAL 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
Owner's name	*	
Address	*	
City, state, ZIP code	*	
Tax ID or social security number	*	
Insured's name	*	
Insured's date of birth	*	
Second insured's name (if applicable)	*	
Second insured's date of birth (if applicable)	*	

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
Original issue date	*	
Maturity date of policy		
State of issue	*	
Does the policy have an irrevocable beneficiary?	*	
Is the policy currently assigned?	*	
Was the policy ever converted or reinstated?		
Is the policy in the contestability period?	*	
Is the policy in the suicide period?	*	
Please list all riders and indicate if any are in the contestable or suicide period.	*	

POLICY VALUES

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

PREMIUM INFORMATION

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

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

Viatical Settlement Provider Report

All States and Territories

Calendar year _____

20__

Viatical Settlement Provider's Name _____

State	1 Are you doing business in the state? (Y/N)		2 Total number of policies reviewed for consideration		3 Total number of policies where an offer was made		4 Total number of policies where an offer was not made		5 Total number of policies purchased		6 Aggregate total net death benefit		7 Aggregate amount paid to visitors		8 Secondary market transactions	
	Y	N													per	total
Alabama																
Alaska																
Arizona																
Arkansas																
California																
Colorado																
Connecticut																
Delaware																
District of Columbia																
Florida																
Georgia																
Hawaii																
Idaho																
Illinois																
Indiana																
Iowa																
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Oregon																
Pennsylvania																
Rhode Island																
South Carolina																
South Dakota																
Texas																
Tennessee																
Texas																
Utah																
Vermont																
Virginia																
Washington																
West Virginia																
Wisconsin																
Wyoming																
American Samoa																
Guam																
North Rico																
U.S. Virgin Islands																
Canada																
TOTALS																

Initials of preparer: _____

VSP 001

Viatical Settlement Provider Report—All States and Territories Instructions

NOTE: This form must be accompanied by Viatical Settlement Provider/Broker Certification Form.

1. Indicate (Y or N); have you done business in this state during the calendar year being reported.
2. For that state or territory, indicate the total number of policies reviewed for consideration for that state or territory.
3. For that state or territory, indicate the total number of policies where an offer was made.
4. For that state or territory, indicate the total number of policies where an offer was refused.
5. For that state or territory, indicate the total number of policies purchased.
6. List the total aggregate net death benefit of the policies viaticated in that state or territory.
7. List the total aggregate amount paid to viators in that state or territory.
8. List the total number of policies purchased and/or sold in the secondary market for that state or territory.

VSP 001 Instructions

Initials of preparer: _____

Viatical Settlement Broker Report
All States and Territories

Calendar year
20

Viatical Settlement Broker's Name _____

States	1 Are you doing business in this state? (Y/N)	2 Total number of policies reviewed for consideration	3 Total number of policies represented for violation	4 Total number of policies where representation was refused	5 Total number of policies sold to a provider	6 Aggregate net death benefit violated	7 Aggregate net amount paid to violators
Alabama							
Alaska							
Arizona							
Arkansas							
California							
Colorado							
Connecticut							
Delaware							
Dist. of Columbia							
Florida							
Georgia							
Hawaii							
Idaho							
Illinois							
Indiana							
Iowa							
Kansas							
Kentucky							
Louisiana							
Maine							
Maryland							
Massachusetts							
Michigan							
Minnesota							
Mississippi							
Missouri							
Montana							
Nebraska							
Nevada							
New Hampshire							
New Jersey							
New Mexico							
New York							
North Carolina							
North Dakota							
Ohio							
Oklahoma							
Oregon							
Pennsylvania							
Puerto Rico							
South Carolina							
South Dakota							
Tennessee							
Texas							
Utah							
Vermont							
Virginia							
Washington							
West Virginia							
Wisconsin							
Wyoming							
American Samoa							
Guam							
Puerto Rico							
U.S. Virgin Islands							
Canada							
Totals							

VSB 001

Initials of preparer: _____

Viatical Settlement Broker Reporting—All States and Territories Instructions

NOTE: This form must be accompanied by "Viatical Settlement Provider/Broker Certification Form."

1. Indicate (Y or N) to all the states and territories where you are currently doing business.
2. Indicate the total number of policies you reviewed for consideration for that state or territory.
3. Indicate the total number of policies you represented for viatication in that state or territory.
4. Indicate the total number of policies you refused to represent for that state or territory.
5. Total number of policies sold to a provider.
6. List the total aggregate net amount of the policies you transacted for viatication in that state or territory.
7. Regarding transaction where you functioned as a broker, list the total aggregate net amount paid to viators in that state or territory.

VSB 001 Instructions

Initials of preparer: _____

Viatical Settlement Provider Report [State] Insureds Only Instructions

NOTE: This form must be accompanied by Viatical Settlement Provider/Broker Certification Form.

1. List the settlement number, case number or unique identifying number used to identify the specific viatical settlement transaction.
2. List the date the viatical settlement contract was purchased by the provider during the current calendar year, whether or not the insured is still alive at the end of the calendar year.
3. List the net amount (in dollars) being viaticated.
4. List the age (in years) of the person insured by the policy being viaticated, at the time of the viatical settlement contract.
5. List the life expectancy (in months) of the insured individual at the time of the viatical settlement contract.
6. List the net amount (in dollars) paid to the viator.
7. Identify whether the policy was an individual policy (I) or a group policy (G).
8. List the type of funding for the transaction: "F" for a licensed financial institution (policies collateralized), "P" for private (purchaser) funding, "I" for internal funding, "T" for trust, and "RPT" for related provider trust.
9. Indicate the purchase source of the policy. Use "B" for viatical settlement broker, "D" for direct from the viator, "I" for insurance agent/producer, "SM" for a secondary market or viatical settlement provider, "P" for private (purchaser) funding or "O" for other.
10. List the amount of commissions (in dollars) paid to viator source involved in the transaction whether that be a viatical settlement broker, an insurance producer or other licensed entity authorized to be viator source.
11. List the name of the source of the viatical settlement transaction. If it is a broker, producer or other licensee, name that person; if it is direct, from a relative, from the corporation of the insured or any other entity that could possibly reveal the insured, designate by writing "Direct," "Relative," "Corporation," or other nondesignating word.

VSP 002 Instructions

Initials of preparer: _____

Viatical Settlement Broker Report—[State] Insureds Only Instructions

NOTE: This form must be accompanied by "Viatical Settlement Provider/Broker Certification Form."

1. List the settlement number, case number, or unique identifying number used by the Viatical Settlement Provider to identify the specific viatical settlement transaction.
2. List the date sold of the viatical settlement contract to the Viatical Settlement Provider.
3. List the total net death benefit.
4. List the net amount (in dollars) paid to the viator.
5. List the amount of commissions (in dollars) paid to all viatical settlement brokers involved in the transaction.
6. List the name of the Viatical Settlement Provider involved in the viatical settlement transaction.

VSB 002 Instructions

Initials of preparer: _____

Individual Mortality Report
(State/Insureds Only)

Calendar year
20

Viatical Settlement Provider's Name _____

1	2	3	4	5	6	7	8	9	10
Viatical settlement provider's settlement number	Contract date	Age of insured at time of contract	Life expectancy at time of contract	Net amount paid to viator	Date of death	Total premiums paid to maintain policy	Death benefit collected	Number of months between date of contract and date of death	Number of months between life expectancy at contract date and date of death (+/-)

Completed by Viatical Settlement Provider: _____

Initials of preparer: _____

VSP 003

Individual Mortality Report—[State] Insureds Only Instructions

NOTE: This form must be accompanied by the Viatical Settlement Provider/Broker Certification Form.

1. List the settlement number, case number, or unique identifying number used to identify the specific viatical settlement transaction.
2. List the date of the viatical settlement contract.
3. List the age of the insured at the time of the contract.
4. List the life expectancy (in months) of the insured individual at the time of the viatical settlement contract. For first to die policies, use the shortest life expectancy of the two lives. For second to die policies, use the longest life expectancy of the two lives.
5. List the "Net" amount paid to the viator.
6. Indicate the insured's date of death. For first to die policies, use the date of the first insured's death. For second to die policies, use the date of the last insured's death.
7. List the total amount of premiums (in dollars) required to be paid to the insurer to maintain the policy from the date of viatication to the date of death.
8. List the total death benefit collected from the insurer.
9. List the number of months between the date of contract and the insured's date of death.
10. List the number of months between the life expectancy of the insured at the time of contract and the insured's date of death. This should be noted as a plus (+) figure if the insured died after the estimated life expectancy or a minus (-) if the insured died prior to the estimated life expectancy.

VSP 003 Instructions

Initials of preparer: _____

Viatical Settlement Provider/Broker Certification Form

This section should be completed by viatical settlement providers.

Please check all forms submitted:

- Viatical Settlement Provider Reporting Form - All States and Territories (VSP 001)
- Viatical Settlement Provider Reporting Form - [State] Viators Only (VSP 002)
- Individual Mortality Report - [State] Insureds Only (VSP 003)

I hereby certify that the information contained in the reports indicated above is true and accurate. I acknowledge that providing false and misleading information in the reports, or failing to divulge a fact material thereto, is sufficient grounds for administrative action by the commissioner and potentially, applicable criminal penalties

Signature of individual that prepared reports

Date: ___/___/___

Print or type name

Signature of Authorized Representative

Date: ___/___/___

Print or type name

This section should be completed by viatical settlement brokers.

Please check all forms submitted:

- Viatical Settlement Broker Reporting Form - [All States and Territories] (VSB 001)
- Viatical Settlement Provider Reporting Form - [State] Viators Only (VSB 002)

I hereby certify that the information contained in the reports indicated above is true and accurate. I acknowledge that providing false and misleading information in the reports, or failing to divulge a fact material thereto, is sufficient grounds for administrative action by the commissioner and potentially, applicable criminal penalties

Signature of individual that prepared reports

Date: ___/___/___

Print or type name

Signature of Authorized Representative

Date: ___/___/___

Print or type name

VSPB 001