

THE STATE SENATE  
Monday, February 25, 2008

Committee Substitute for  
Senate Bill No. 1980

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1980 - By: ALDRIDGE and LAMB of the Senate and PETERSON (Ron) of the House.

[ insurance - Viatical Settlements Act of 2008 - codification - effective date ]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4055.1 of Title 36, unless there is created a duplication in numbering, reads as follows:

Sections 1 through 18 of this act shall be known and may be cited as the "Viatical Settlements Act of 2008".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4055.2 of Title 36, unless there is created a duplication in numbering, reads as follows:

As used in the Viatical Settlements Act of 2008:

1. "Advertising" means any written, electronic or printed communication or any communication by means of recorded telephone messages or transmitted on radio, television, the Internet or similar communications media, including film strips, motion pictures and videos, published, disseminated, circulated or placed directly before the public, in this state, for the purpose of creating an

1 interest in or inducing a person to sell, assign, devise, bequest or  
2 transfer the death benefit or ownership of a life insurance policy  
3 pursuant to a viatical settlement contract;

4 2. "Business of viatical settlements" means an activity  
5 involved in, but not limited to, the offering, soliciting,  
6 negotiating, procuring, effectuating, purchasing, investing,  
7 financing, monitoring, tracking, underwriting, selling,  
8 transferring, assigning, pledging, hypothecating or in any other  
9 manner, acquiring an interest in a life insurance policy by means of  
10 a viatical settlement contract;

11 3. "Chronically ill" means:

12 a. being unable to perform at least two (2) activities of  
13 daily living (i.e., eating, toileting, transferring,  
14 bathing, dressing or continence),

15 b. requiring substantial supervision to protect the  
16 individual from threats to health and safety due to  
17 severe cognitive impairment, or

18 c. having a level of disability similar to that described  
19 in subparagraph a of this paragraph as determined by  
20 the Secretary of Human Services;

21 4. "Commissioner" means the Insurance Commissioner of the State  
22 of Oklahoma;

1       5. "Financing entity" means an underwriter, placement agent,  
2 lender, purchaser of securities, purchaser of a policy or  
3 certificate from a viatical settlement provider, credit enhancer, or  
4 any entity that has a direct ownership in a policy or certificate  
5 that is the subject of a viatical settlement contract, but:

6           a. whose principal activity related to the transaction is  
7           providing funds to effect the viatical settlement or  
8           purchase of one or more viaticated policies, and

9           b. who has an agreement in writing with one or more  
10          licensed viatical settlement providers to finance the  
11          acquisition of viatical settlement contracts.

12 Financing entity does not include a nonaccredited investor or a  
13 viatical settlement purchaser;

14       6. "Fraudulent viatical settlement act" includes:

15           a. acts or omissions committed by any person who,  
16           knowingly or with intent to defraud, for the purpose  
17           of depriving another of property or for pecuniary  
18           gain, commits, or permits its employees or its agents  
19           to engage in acts including:

20           (1) presenting, causing to be presented or preparing  
21           with knowledge or belief that it will be  
22           presented to or by a viatical settlement  
23           provider, viatical settlement broker, viatical

1 settlement purchaser, financing entity, insurer,  
2 insurance producer or any other person, false  
3 material information, or concealing material  
4 information, as part of, in support of or  
5 concerning a fact material to one or more of the  
6 following:

- 7 (a) an application for the issuance of a  
8 viatical settlement contract or insurance  
9 policy,  
10 (b) the underwriting of a viatical settlement  
11 contract or insurance policy,  
12 (c) a claim for payment or benefit pursuant to a  
13 viatical settlement contract or insurance  
14 policy,  
15 (d) premiums paid on an insurance policy,  
16 (e) payments and changes in ownership or  
17 beneficiary made in accordance with the  
18 terms of a viatical settlement contract or  
19 insurance policy,  
20 (f) the reinstatement or conversion of an  
21 insurance policy,

- 1 (g) in the solicitation, offer, effectuation or  
2 sale of a viatical settlement contract,  
3 insurance policy,
- 4 (h) the issuance of written evidence of viatical  
5 settlement contract or insurance, or
- 6 (i) a financing transaction, and
- 7 (2) employing any plan, financial structure, device,  
8 scheme, or artifice to defraud related to  
9 viaticated policies,
- 10 b. in the furtherance of a fraud or to prevent the  
11 detection of a fraud any person commits or permits its  
12 employees or its agents to:
- 13 (1) remove, conceal, alter, destroy or sequester from  
14 the Commissioner the assets or records of a  
15 licensee or other person engaged in the business  
16 of viatical settlements,
- 17 (2) misrepresent or conceal the financial condition  
18 of a licensee, financing entity, insurer or other  
19 person,
- 20 (3) transact the business of viatical settlements in  
21 violation of laws requiring a license,  
22 certificate of authority or other legal authority

1                   for the transaction of the business of viatical  
2                   settlements, or  
3                   (4) file with the Commissioner or the equivalent  
4                   chief insurance regulatory official of another  
5                   jurisdiction a document containing false  
6                   information or otherwise conceals information  
7                   about a material fact from the Commissioner,  
8           c.    embezzlement, theft, misappropriation or conversion of  
9               monies, funds, premiums, credits or other property of  
10              a viatical settlement provider, insurer, insured,  
11              viator, insurance policyowner or any other person  
12              engaged in the business of viatical settlements or  
13              insurance,  
14           d.   recklessly entering into, negotiating, brokering,  
15               otherwise dealing in a viatical settlement contract,  
16               the subject of which is a life insurance policy that  
17               was obtained by presenting false information  
18               concerning any fact material to the policy or by  
19               concealing, for the purpose of misleading another,  
20               information concerning any fact material to the  
21               policy, where the person or the persons intended to  
22               defraud the policy's issuer, the viatical settlement  
23               provider or the viator. Recklessly means engaging in

1 the conduct in conscious and clearly unjustifiable  
2 disregard of a substantial likelihood of the existence  
3 of the relevant facts or risks, such disregard  
4 involving a gross deviation from acceptable standards  
5 of conduct,

6 e. facilitating the change of state of ownership of a  
7 policy or certificate or the state of residency of a  
8 viator to a state or jurisdiction that does not have a  
9 law similar to this act for the express purposes of  
10 evading or avoiding the provisions of the Viatical  
11 Settlements Act of 2008, or

12 f. attempting to commit, assisting, aiding or abetting in  
13 the commission of, or conspiracy to commit the acts or  
14 omissions specified in this paragraph;

15 7. "Life insurance producer" means any person licensed in this  
16 state as a resident or nonresident insurance producer who has  
17 received qualification or authority for life insurance coverage or a  
18 life line of coverage pursuant to the Oklahoma Producer Licensing  
19 Act;

20 8. "Person" means a natural person or a legal entity,  
21 including, without limitation, an individual, partnership, limited  
22 liability company, association, trust, or corporation;

1           9. "Policy" means an individual or group policy, group  
2 certificate, contract or arrangement of life insurance owned by a  
3 resident of this state, regardless of whether delivered or issued  
4 for delivery in this state;

5           10. "Related provider trust" means a titling trust or other  
6 trust established by a licensed viatical settlement provider or a  
7 financing entity for the sole purpose of holding the ownership or  
8 beneficial interest in purchased policies in connection with a  
9 financing transaction. The trust shall have a written agreement  
10 with the licensed viatical settlement provider under which the  
11 licensed viatical settlement provider is responsible for ensuring  
12 compliance with all statutory and regulatory requirements and under  
13 which the trust agrees to make all records and files related to  
14 viatical settlement transactions available to the Commissioner as if  
15 those records and files were maintained directly by the licensed  
16 viatical settlement provider;

17           11. "Special purpose entity" means a corporation, partnership,  
18 trust, limited liability company or other similar entity formed  
19 solely to provide either directly or indirectly access to  
20 institutional capital markets:

21           a. for a financing entity or licensed viatical settlement  
22                 provider, or



1 best interest of the viator. The term does not include an attorney,  
2 certified public accountant or a financial planner accredited by a  
3 nationally recognized accreditation agency, who is retained to  
4 represent the viator and whose compensation is not paid directly or  
5 indirectly by the viatical settlement provider or purchaser;

6 14. "Viatical settlement contract" means a written agreement  
7 between a viator and a viatical settlement provider or any affiliate  
8 of the viatical settlement provider establishing the terms under  
9 which compensation or anything of value is or will be paid, which  
10 compensation or value is less than the expected death benefits of  
11 the policy, in return for the viator's present or future assignment,  
12 transfer, sale, devise or bequest of the death benefit or ownership  
13 of any portion of the insurance policy or certificate of insurance.

14 a. Viatical settlement contract includes a premium  
15 finance loan made for a life insurance policy by a  
16 lender to viator on, before or after the date of  
17 issuance of the policy where:

- 18 (1) the viator or the insured receives on the date of  
19 the premium finance loan a guarantee of a future  
20 viatical settlement value of the policy, or  
21 (2) the viator or the insured agrees on the date of  
22 the premium finance loan to sell the policy or

1 any portion of its death benefit on any date  
2 following the issuance of the policy.

3 b. Viatical settlement contract does not include:

4 (1) a policy loan or accelerated death benefit made  
5 by the insurer pursuant to the policy's terms,

6 (2) loan proceeds that are used solely to pay:

7 (a) premiums for the policy,

8 (b) the costs of the loan, including, without

9 limitation, interest, arrangement fees,

10 utilization fees and similar fees, closing

11 costs, legal fees and expenses, trustee fees

12 and expenses, and third party collateral

13 provider fees and expenses, including fees

14 payable to letter of credit issuers,

15 (3) a loan made by a bank or other licensed financial

16 institution in which the lender takes an interest

17 in a life insurance policy solely to secure

18 repayment of a loan or, if there is a default on

19 the loan and the policy is transferred, the

20 transfer of such a policy by the lender, provided

21 that the default itself is not pursuant to an

22 agreement or understanding with any other person

- 1 for the purpose of evading regulation under this  
2 act,
- 3 (4) a loan made by a lender that does not violate  
4 Section 4-101 et seq. of Title 14A of the  
5 Oklahoma Statutes, provided that the premium  
6 finance loan is not described in subparagraph b  
7 of this paragraph,
- 8 (5) an agreement where all the parties:
- 9 (a) are closely related to the insured by blood  
10 or law, or
- 11 (b) have a lawful substantial economic interest  
12 in the continued life, health and bodily  
13 safety of the person insured, or are trusts  
14 established primarily for the benefit of  
15 such parties,
- 16 (6) any designation, consent or agreement by an  
17 insured who is an employee of an employer in  
18 connection with the purchase by the employer, or  
19 trust established by the employer, of life  
20 insurance on the life of the employee,
- 21 (7) a bona fide business succession planning  
22 arrangement:

- 1 (a) between one or more shareholders in a  
2 corporation or between a corporation and one  
3 or more of its shareholders or one or more  
4 trusts established by its shareholders,
- 5 (b) between one or more partners in a  
6 partnership or between a partnership and one  
7 or more of its partners or one or more trust  
8 established by its partners, or
- 9 (c) between one or more members in a limited  
10 liability company or between a limited  
11 liability company and one or more of its  
12 members or one or more trusts established by  
13 its members,
- 14 (8) an agreement entered into by a service recipient,  
15 or a trust established by the service recipient,  
16 and a service provider, or a trust established by  
17 the service provider, who performs significant  
18 services for the service recipient's trade or  
19 business, or
- 20 (9) any other contract, transaction or arrangement  
21 exempted from the definition of viatical  
22 settlement contract by the Commissioner based on  
23 a determination that the contract, transaction or

1                    arrangement is not of the type intended to be  
2                    regulated by the Viatical Settlements Act of  
3                    2008;

4            15. "Viatical settlement provider" means a person, other than a  
5 viator, that enters into or effectuates a viatical settlement  
6 contract with a viator resident in this state. Viatical settlement  
7 provider does not include:

- 8            a. a bank, savings bank, savings and loan association,  
9                    credit union or other licensed lending institution  
10                    that takes an assignment of a life insurance policy  
11                    solely as collateral for a loan,
- 12            b. a premium finance company making premium finance loans  
13                    and exempted by the Commissioner from the licensing  
14                    requirement under the premium finance laws that takes  
15                    an assignment of a life insurance policy solely as  
16                    collateral for a loan,
- 17            c. the issuer of the life insurance policy,
- 18            d. an authorized or eligible insurer that provides stop  
19                    loss coverage or financial guaranty insurance to a  
20                    viatical settlement provider, purchaser, financing  
21                    entity, special purpose entity or related provider  
22                    trust,

- 1 e. a natural person who enters into or effectuates no
- 2 more than one agreement in a calendar year for the
- 3 transfer of life insurance policies for any value less
- 4 than the expected death benefit,
- 5 f. a financing entity,
- 6 g. a special purpose entity,
- 7 h. a related provider trust,
- 8 i. a viatical settlement purchaser, or
- 9 j. any other person that the Commissioner determines is
- 10 not the type of person intended to be covered by the
- 11 definition of viatical settlement provider;

12 16. "Viatical settlement purchaser" means a person who provides  
13 a sum of money as consideration for a life insurance policy or an  
14 interest in the death benefits of a life insurance policy, or a  
15 person who owns or acquires or is entitled to a beneficial interest  
16 in a trust that owns a viatical settlement contract or is the  
17 beneficiary of a life insurance policy that has been or will be the  
18 subject of a viatical settlement contract, for the purpose of  
19 deriving an economic benefit. Viatical settlement purchaser does  
20 not include:

- 21 a. a licensee under the Viatical Settlements Act of 2008,
- 22 b. an accredited investor or qualified institutional
- 23 buyer as defined, respectively, in Rule 501(a) or Rule

1                   144A promulgated under the Federal Securities Act of  
2                   1933, as amended,

3                   c.    a financing entity,

4                   d.    a special purpose entity, or

5                   e.    a related provider trust;

6           17.   "Viaticated policy" means a life insurance policy or  
7   certificate that has been acquired by a viatical settlement provider  
8   pursuant to a viatical settlement contract;

9           18.   "Viator" means the owner of a life insurance policy or a  
10   certificate holder under a group policy who resides in this state  
11   and enters or seeks to enter into a viatical settlement contract.  
12   For the purposes of the Viatical Settlements Act of 2008, a viator  
13   shall not be limited to an owner of a life insurance policy or a  
14   certificate holder under a group policy insuring the life of an  
15   individual with a terminal or chronic illness or condition except  
16   where specifically addressed.  If there is more than one viator on a  
17   single policy and the viators are residents of different states, the  
18   transaction shall be governed by the law of the state in which the  
19   viator having the largest percentage ownership resides or, if the  
20   viators hold equal ownership, the state of residence of one viator  
21   agreed upon in writing by all the viators.  Viator does not include:

22           a.    a licensee under the Viatical Settlements Act of 2008,  
23                   including a life insurance producer acting as a

- 1 viatical settlement broker pursuant to the Viatical  
2 Settlements Act of 2008,  
3 b. qualified institutional buyer as defined,  
4 respectively, in Rule 144A promulgated under the  
5 Federal Securities Act of 1933, as amended,  
6 c. a financing entity,  
7 d. a special purpose entity, or  
8 e. a related provider trust.

9 SECTION 3. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 4055.3 of Title 36, unless there  
11 is created a duplication in numbering, reads as follows:

12 A. 1. A person shall not operate as a viatical settlement  
13 provider or viatical settlement broker without first obtaining a  
14 license from the Insurance Commissioner of the state of residence of  
15 the viator.

16 2. a. A life insurance producer who has been duly licensed  
17 as a resident insurance producer with a life line of  
18 authority in this state or his or her home state for  
19 at least one year and is licensed as a nonresident  
20 producer in this state shall be deemed to meet the  
21 licensing requirements of this section and shall be  
22 permitted to operate as a viatical settlement broker.

1           b.    Not later than thirty (30) days from the first day of  
2                    operating as a viatical settlement broker, the life  
3                    insurance producer shall notify the Commissioner that  
4                    he or she is acting as a viatical settlement broker on  
5                    a form prescribed by the Commissioner, and shall pay  
6                    any applicable fee to be determined by the  
7                    Commissioner. Notification shall include an  
8                    acknowledgement by the life insurance producer that he  
9                    or she will operate as a viatical settlement broker in  
10                  accordance with the Viatical Settlements Act of 2008.

11           c.    The insurer that issued the policy being viaticated  
12                  shall not be responsible for any act or omission of a  
13                  viatical settlement broker or viatical settlement  
14                  provider arising out of or in connection with the  
15                  viatical settlement transaction, unless the insurer  
16                  receives compensation for the placement of a viatical  
17                  settlement contract from the viatical settlement  
18                  provider or viatical settlement broker in connection  
19                  with the viatical settlement contract.

20           3.    A person licensed as an attorney, certified public  
21                  accountant or financial planner accredited by a nationally  
22                  recognized accreditation agency, who is retained to represent the  
23                  viator, whose compensation is not paid directly or indirectly by the

1 viatical settlement provider, may negotiate viatical settlement  
2 contracts on behalf of the viator without having to obtain a license  
3 as a viatical settlement broker.

4 B. Application for a viatical settlement provider or a viatical  
5 settlement broker license shall be made to the Commissioner by the  
6 applicant on a form prescribed by the Commissioner. The application  
7 shall be accompanied by a fee of Five Hundred Dollars (\$500.00).

8 C. Licenses may be renewed from year to year on the anniversary  
9 date upon payment of the annual renewal fees of Five Hundred Dollars  
10 (\$500.00). Failure to pay the fees by the renewal date results in  
11 expiration of the license.

12 D. The applicant shall provide information on forms required by  
13 the Commissioner. The Commissioner shall have authority, at any  
14 time, to require the applicant to fully disclose the identity of all  
15 stockholders, partners, officers, members and employees, and the  
16 Commissioner may, in the exercise of the Commissioner's discretion,  
17 refuse to issue a license in the name of a legal entity if not  
18 satisfied that any officer, employee, stockholder, partner or member  
19 thereof who may materially influence the applicant's conduct meets  
20 the standards of the Viatical Settlements Act of 2008.

21 E. A license issued to a legal entity authorizes all partners,  
22 officers, members and designated employees to act as viatical  
23 settlement providers, viatical settlement brokers as applicable,

1 under the license, and all those persons shall be named in the  
2 application and any supplements to the application.

3 F. Upon the filing of an application and the payment of the  
4 license fee, the Commissioner shall make an investigation of each  
5 applicant and issue a license if the Commissioner finds that the  
6 applicant:

7 1. If a viatical settlement provider, has provided a detailed  
8 plan of operation;

9 2. Is competent and trustworthy and intends to act in good  
10 faith in the capacity involved by the license applied for;

11 3. Has a good business reputation and has had experience,  
12 training or education so as to be qualified in the business for  
13 which the license is applied for;

14 4. a. If a viatical settlement provider, has demonstrated  
15 evidence of financial responsibility in a format  
16 prescribed by the Commissioner through either a surety  
17 bond executed and issued by an insurer authorized to  
18 issue surety bonds in this state or a deposit of cash,  
19 certificates of deposit or securities or any  
20 combination thereof in the amount of Two Hundred Fifty  
21 Thousand Dollars (\$250,000.00).

22 b. If a viatical settlement broker, has demonstrated  
23 evidence of financial responsibility in a format

1 prescribed by the Commissioner through either a surety  
2 bond executed and issued by an insurer authorized to  
3 issue surety bonds in this state or a deposit of cash,  
4 certificates of deposit or securities or any  
5 combination thereof in the amount of Two Hundred Fifty  
6 Thousand Dollars (\$250,000.00).

7 c. The Commissioner may ask for evidence of financial  
8 responsibility at any time the Commissioner deems  
9 necessary.

10 d. Any surety bond issued pursuant to paragraph 4 of this  
11 subsection shall be in the favor of this state and  
12 shall specifically authorize recovery by the  
13 Commissioner on behalf of any person in this state who  
14 sustained damages as the result of erroneous acts,  
15 failure to act, conviction of fraud or conviction of  
16 unfair practices by the viatical settlement provider  
17 or viatical settlement broker.

18 e. Notwithstanding any provision of this section to  
19 contrary, the Commissioner shall accept, as evidence  
20 of financial responsibility, proof that financial  
21 instruments in accordance with the requirements in  
22 this paragraph have been filed with one state where

1           the applicant is licensed as a viatical settlement  
2           provider or viatical settlement broker;

3       5. If a legal entity, provides a certificate of good standing  
4 from the state of its domicile; and

5       6. If a viatical settlement provider or viatical settlement  
6 broker, has provided an anti-fraud plan that meets the requirements  
7 of subsection G of Section 14 of this act.

8       G. The Commissioner shall not issue a license to a nonresident  
9 applicant, unless a written designation of an agent for service of  
10 process is filed and maintained with the Commissioner or the  
11 applicant has filed with the Commissioner, the applicant's written  
12 irrevocable consent that any action against the applicant may be  
13 commenced against the applicant by service of process on the  
14 Commissioner.

15       H. A viatical settlement provider, viatical settlement broker  
16 or viatical settlement investment agent shall provide to the  
17 Commissioner new or revised information about officers, ten percent  
18 (10%) or more stockholders, partners, directors, members or  
19 designated employees within thirty (30) days of the change.

20       I. An individual licensed as a viatical settlement broker shall  
21 complete on a biennial basis fifteen (15) hours of training related  
22 to viatical settlements and viatical settlement transactions, as  
23 required by the Commissioner; provided, however, that a life

1 insurance producer who is operating as a viatical settlement broker  
2 pursuant to paragraph 3 of subsection A of this section shall not be  
3 subject to the requirements of this subsection. Any person failing  
4 to meet the requirements of this subsection shall be subject to the  
5 penalties imposed by the Commissioner.

6 SECTION 4. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 4055.4 of Title 36, unless there  
8 is created a duplication in numbering, reads as follows:

9 A. The Insurance Commissioner may refuse to issue, suspend,  
10 revoke or refuse to renew the license of a viatical settlement  
11 provider or viatical settlement broker if the Commissioner finds  
12 that:

13 1. There was any material misrepresentation in the application  
14 for the license;

15 2. The licensee or any officer, partner, member or key  
16 management personnel has been convicted of fraudulent or dishonest  
17 practices, is subject to a final administrative action or is  
18 otherwise shown to be untrustworthy or incompetent;

19 3. The viatical settlement provider demonstrates a pattern of  
20 unreasonable payments to viators;

21 4. The licensee or any officer, partner, member or key  
22 management personnel has been found guilty of, or has pleaded guilty  
23 or nolo contendere to, any felony, or to a misdemeanor involving

1 fraud or moral turpitude, regardless of whether a judgment of  
2 conviction has been entered by the court;

3 5. The viatical settlement provider has entered into any  
4 viatical settlement contract that has not been approved pursuant to  
5 the Viatical Settlements Act of 2008;

6 6. The viatical settlement provider has failed to honor  
7 contractual obligations set out in a viatical settlement contract;

8 7. The licensee no longer meets the requirements for initial  
9 licensure;

10 8. The viatical settlement provider has assigned, transferred  
11 or pledged a viaticated policy to a person other than a viatical  
12 settlement provider licensed in this state, viatical settlement  
13 purchaser, an accredited investor or qualified institutional buyer  
14 as defined respectively in Rule 501(a) or Rule 144A promulgated  
15 under the Federal Securities Act of 1933, as amended, financing  
16 entity, special purpose entity, or related provider trust; or

17 9. The licensee or any officer, partner, member or key  
18 management personnel has violated any provision of the Viatical  
19 Settlements Act of 2008.

20 B. The Commissioner may suspend, revoke or refuse to renew the  
21 license of a viatical settlement broker or a life insurance producer  
22 operating as a viatical settlement broker pursuant to the Viatical  
23 Settlements Act of 2008 if the Commissioner finds that the viatical

1 settlement broker or life insurance producer has violated the  
2 provisions of the Viatical Settlements Act of 2008 or has otherwise  
3 engaged in of bad faith conduct with one or more viators.

4 C. If the Commissioner denies a license application or  
5 suspends, revokes or refuses to renew the license of a viatical  
6 settlement provider, viatical settlement broker or suspends,  
7 revokes, or refuses to renew a license of a life insurance producer  
8 operating as a viatical settlement broker pursuant to the Viatical  
9 Settlements Act of 2008 the Commissioner shall conduct a hearing in  
10 accordance with the Administrative Procedures Act.

11 SECTION 5. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 4055.5 of Title 36, unless there  
13 is created a duplication in numbering, reads as follows:

14 A person shall not use a viatical settlement contract form or  
15 provide to a viator a disclosure statement form in this state unless  
16 first filed with and approved by the Insurance Commissioner. The  
17 Commissioner shall disapprove a viatical settlement contract form or  
18 disclosure statement form if, in the Commissioner's opinion, the  
19 contract or provisions contained therein fail to meet the  
20 requirements of Sections 8, 10 and 13 and subsection B of Section 14  
21 of this act or are unreasonable, contrary to the interests of the  
22 public, or otherwise misleading or unfair to the viator. At the

1 Commissioner's discretion, the Commissioner may require the  
2 submission of advertising material.

3 SECTION 6. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 4055.6 of Title 36, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. Each viatical settlement provider shall file with the  
7 Insurance Commissioner on or before March 1 of each year an annual  
8 statement containing such information as the Commissioner may  
9 prescribe by regulation. Such information shall be limited to only  
10 those transactions where the viator is a resident of this state.  
11 Individual transaction data regarding the business of viatical  
12 settlements or data that could compromise the privacy of personal,  
13 financial and health information of the viator or insured shall be  
14 filed with the Commissioner on a confidential basis.

15 B. Except as otherwise allowed or required by law, a viatical  
16 settlement provider, viatical settlement broker, insurance company,  
17 insurance producer, information bureau, rating agency or company, or  
18 any other person with actual knowledge of an insured's identity,  
19 shall not disclose that identity as an insured, or the insured's  
20 financial or medical information to any other person unless the  
21 disclosure:

1           1. Is necessary to effect a viatical settlement between the  
2 viator and a viatical settlement provider and the viator and insured  
3 have provided prior written consent to the disclosure;

4           2. Is provided in response to an investigation or examination  
5 by the Commissioner or any other governmental officer or agency or  
6 pursuant to the requirements of subsection C of Section 14 of this  
7 act;

8           3. Is a term of or condition to the transfer of a policy by one  
9 viatical settlement provider to another viatical settlement  
10 provider;

11          4. Is necessary to permit a financing entity, related provider  
12 trust or special purpose entity to finance the purchase of policies  
13 by a viatical settlement provider and the viator and insured have  
14 provided prior written consent to the disclosure;

15          5. Is necessary to allow the viatical settlement provider or  
16 viatical settlement broker or their authorized representatives to  
17 make contacts for the purpose of determining health status; or

18          6. Is required to purchase stop loss coverage or financial  
19 guaranty insurance.

20          SECTION 7.           NEW LAW           A new section of law to be codified  
21 in the Oklahoma Statutes as Section 4055.7 of Title 36, unless there  
22 is created a duplication in numbering, reads as follows:

1           A. 1. The Insurance Commissioner may conduct an examination  
2 under the Viatical Settlements Act of 2008 of a licensee as often as  
3 the Commissioner in his or her discretion deems appropriate after  
4 considering the factors set forth in this paragraph. In scheduling  
5 and determining the nature, scope, and frequency of the  
6 examinations, the Commissioner shall consider such matters as the  
7 consumer complaints, results of financial statement analyses and  
8 ratios, changes in management or ownership, actuarial opinions,  
9 report of independent certified public accountants, and other  
10 relevant criteria as determined by the Commissioner.

11           2. For purposes of completing an examination of a licensee  
12 under the Viatical Settlements Act of 2008, the Commissioner may  
13 examine or investigate any person, or the business of any person, in  
14 so far as the examination or investigation is, in the sole  
15 discretion of the Commissioner, necessary or material to the  
16 examination of the licensee.

17           3. In lieu of an examination under the Viatical Settlements Act  
18 of 2008 of any foreign or alien licensee licensed in this state, the  
19 Commissioner may, at the Commissioner's discretion, accept an  
20 examination report on the licensee as prepared by the Commissioner  
21 for the licensee's state of domicile or port-of-entry state.

1           4. As far as practical, the examination of a foreign or alien  
2 licensee shall be made in cooperation with the insurance supervisory  
3 officials of other states in which the licensee transacts business.

4           B. 1. A person required to be licensed by the Viatical  
5 Settlements Act of 2008 shall for five (5) years retain copies of  
6 all:

- 7           a. proposed, offered or executed contracts, purchase  
8 agreements, underwriting documents, policy forms, and  
9 applications from the date of the proposal, offer or  
10 execution of the contract or purchase agreement,  
11 whichever is later,
- 12           b. all checks, drafts or other evidence and documentation  
13 related to the payment, transfer, deposit or release  
14 of funds from the date the transaction, and
- 15           c. all other records and documents related to the  
16 requirements of the Viatical Settlements Act of 2008.

17           2. This subsection does not relieve a person of the obligation  
18 to produce these documents to the Commissioner after the retention  
19 period has expired if the person has retained the documents.

20           3. Records required to be retained by this subsection must be  
21 legible and complete and may be retained in paper, photograph,  
22 microprocess, magnetic, mechanical, or electronic media, or by any

1 process that accurately reproduces or forms a durable medium for the  
2 reproduction of a record.

3 C. 1. Upon determining that an examination should be  
4 conducted, the Commissioner shall issue an examination warrant  
5 appointing one or more examiners to perform the examination and  
6 instructing them as to the scope of the examination. In conducting  
7 the examination, the examiner shall observe those guidelines and  
8 procedures set forth in the Examiners Handbook adopted by the  
9 National Association of Insurance Commissioners (NAIC). The  
10 Commissioner may also employ such other guidelines or procedures as  
11 the Commissioner may deem appropriate.

12 2. Every licensee or person from whom information is sought,  
13 its officers, directors and agents shall provide to the examiners  
14 timely, convenient and free access at all reasonable hours at its  
15 offices to all books, records, accounts, papers, documents, assets  
16 and computer or other recordings relating to the property, assets,  
17 business and affairs of the licensee being examined. The officers,  
18 directors, employees and agents of the licensee or person shall  
19 facilitate the examination and aid in the examination so far as it  
20 is in their power to do so. The refusal of a licensee, by its  
21 officers, directors, employees or agents, to submit to examination  
22 or to comply with any reasonable written request of the Commissioner  
23 shall be grounds for suspension or refusal of, or nonrenewal of any

1 license or authority held by the licensee to engage in the viatical  
2 settlement business or other business subject to the Commissioner's  
3 jurisdiction. Any proceedings for suspension, revocation or refusal  
4 of any license or authority shall be conducted in accordance with  
5 the Administrative Procedures Act.

6 3. The Commissioner shall have the power to issue subpoenas, to  
7 administer oaths and to examine under oath any person as to any  
8 matter pertinent to the examination. Upon the failure or refusal of  
9 a person to obey a subpoena, the Commissioner may petition a court  
10 of competent jurisdiction, and upon proper showing, the Court may  
11 enter an order compelling the witness to appear and testify or  
12 produce documentary evidence. Failure to obey the court order shall  
13 be punishable as contempt of court.

14 4. When making an examination under the Viatical Settlements  
15 Act of 2008, the Commissioner may retain attorneys, appraisers,  
16 independent actuaries, independent certified public accountants or  
17 other professionals and specialists as examiners, the reasonable  
18 cost of which shall be borne by the licensee that is the subject of  
19 the examination.

20 5. Nothing contained in the Viatical Settlements Act of 2008  
21 shall be construed to limit the Commissioner's authority to  
22 terminate or suspend an examination in order to pursue other legal  
23 or regulatory action pursuant to the insurance laws of this state.

1 Findings of fact and conclusions made pursuant to any examination  
2 shall be prima facie evidence in any legal or regulatory action.

3 6. Nothing contained in the Viatical Settlements Act of 2008  
4 shall be construed to limit the Commissioner's authority to use and,  
5 if appropriate, to make public any final or preliminary examination  
6 report, any examiner or licensee workpapers or other documents, or  
7 any other information discovered or developed during the course of  
8 any examination in the furtherance of any legal or regulatory action  
9 which the Commissioner may, in his or her sole discretion, deem  
10 appropriate.

11 D. 1. Examination reports shall be comprised of only facts  
12 appearing upon the books, records or other documents of the  
13 licensee, its agents or other persons examined, or as ascertained  
14 from the testimony of its officers or agents or other persons  
15 examined concerning its affairs, and such conclusions and  
16 recommendations as the examiners find reasonably warranted from the  
17 facts.

18 2. No later than sixty (60) days following completion of the  
19 examination, the examiner in charge shall file with the Commissioner  
20 a verified written report of examination under oath. Upon receipt  
21 of the verified report, the Commissioner shall transmit the report  
22 to the licensee examined, together with a notice that shall afford  
23 the licensee examined a reasonable opportunity of not more than

1 thirty (30) days to make a written submission or rebuttal with  
2 respect to any matters contained in the examination report.

3 3. In the event the Commissioner determines that regulatory  
4 action is appropriate as a result of an examination, the  
5 Commissioner may initiate any proceedings or actions provided by  
6 law.

7 E. 1. Names and individual identification data for all viators  
8 shall be considered private and confidential information and shall  
9 not be disclosed by the Commissioner, unless required by law.

10 2. Except as otherwise provided in the Viatical Settlements Act  
11 of 2008, all examination reports, working papers, recorded  
12 information, documents and copies thereof produced by, obtained by  
13 or disclosed to the Commissioner or any other person in the course  
14 of an examination made under the Viatical Settlements Act of 2008,  
15 or in the course of analysis or investigation by the Commissioner of  
16 the financial condition or market conduct of a licensee shall be  
17 confidential by law and privileged, shall not be subject to the  
18 Oklahoma Open Records Act, shall not be subject to subpoena, and  
19 shall not be subject to discovery or admissible in evidence in any  
20 private civil action. The Commissioner is authorized to use the  
21 documents, materials or other information in the furtherance of any  
22 regulatory or legal action brought as part of the Commissioner's  
23 official duties.

1           3. Documents, materials or other information, including, but  
2 not limited to, all working papers, and copies thereof, in the  
3 possession or control of the NAIC and its affiliates and  
4 subsidiaries shall be confidential by law and privileged, shall not  
5 be subject to subpoena, and shall not be subject to discovery or  
6 admissible in evidence in any private civil action if they are:

7           a. created, produced or obtained by or disclosed to the  
8 NAIC and its affiliates and subsidiaries in the course  
9 of assisting an examination made under this act, or  
10 assisting a Commissioner in the analysis or  
11 investigation of the financial condition or market  
12 conduct of a licensee, or

13           b. disclosed to the NAIC and its affiliates and  
14 subsidiaries under paragraph 4 of this subsection by a  
15 Commissioner.

16           For the purposes of paragraph 2 of this subsection, "act" means  
17 the law of another state or jurisdiction that is substantially  
18 similar to the Viatical Settlements Act of 2008.

19           4. Neither the Commissioner nor any person that received the  
20 documents, material or other information while acting under the  
21 authority of the Commissioner, including the NAIC and its affiliates  
22 and subsidiaries, shall be permitted to testify in any private civil

1 action concerning any confidential documents, materials or  
2 information subject to paragraph 1 of this subsection.

3 5. In order to assist in the performance of the Commissioner's  
4 duties, the Commissioner:

- 5 a. may share documents, materials or other information,  
6 including the confidential and privileged documents,  
7 materials or information subject to paragraph 1 of  
8 this subsection, with other state, federal and  
9 international regulatory agencies, with the NAIC and  
10 its affiliates and subsidiaries, and with state,  
11 federal and international law enforcement authorities,  
12 provided that the recipient agrees to maintain the  
13 confidentiality and privileged status of the document,  
14 material, communication or other information, and
- 15 b. may receive documents, materials, communications or  
16 information, including otherwise confidential and  
17 privileged documents, materials or information, from  
18 the NAIC and its affiliates and subsidiaries, and from  
19 regulatory and law enforcement officials of other  
20 foreign or domestic jurisdictions, and shall maintain  
21 as confidential or privileged any document, material  
22 or information received with notice or the  
23 understanding that it is confidential or privileged

1                   under the laws of the jurisdiction that is the source  
2                   of the document, material or information.

3           6. No waiver of any applicable privilege or claim of  
4 confidentiality in the documents, materials or information shall  
5 occur as a result of disclosure to the Commissioner under this  
6 section or as a result of sharing as authorized in paragraph 5 of  
7 this subsection.

8           7. A privilege established under the law of any state or  
9 jurisdiction that is substantially similar to the privilege  
10 established under this subsection shall be available and enforced in  
11 any proceeding in, and in any court of, this state.

12          8. Nothing contained in the Viatical Settlements Act of 2008  
13 shall prevent or be construed as prohibiting the Commissioner from  
14 disclosing the content of an examination report, preliminary  
15 examination report or results, or any matter relating thereto, to  
16 the Commissioner of any other state or country, or to law  
17 enforcement officials of this or any other state or agency of the  
18 federal government at any time or to the NAIC, so long as such  
19 agency or office receiving the report or matters relating thereto  
20 agrees in writing to hold it confidential and in a manner consistent  
21 with the Viatical Settlements Act of 2008.

22          F. 1. An examiner may not be appointed by the Commissioner if  
23 the examiner, either directly or indirectly, has a conflict of

1 interest or is affiliated with the management of or owns a pecuniary  
2 interest in any person subject to examination under the Viatical  
3 Settlements Act of 2008. This section shall not be construed to  
4 automatically preclude an examiner from being:

- 5 a. a viator,
- 6 b. an insured in a viaticated insurance policy, or
- 7 c. a beneficiary in an insurance policy that is proposed  
8 to be viaticated.

9 2. Notwithstanding the requirements of this paragraph, the  
10 Commissioner may retain from time to time, on an individual basis,  
11 qualified actuaries, certified public accountants, or other similar  
12 individuals who are independently practicing their professions, even  
13 though these persons may from time to time be similarly employed or  
14 retained by persons subject to examination under the Viatical  
15 Settlements Act of 2008.

16 G. 1. No cause of action shall arise nor shall any liability  
17 be imposed against the Commissioner, the Commissioner's authorized  
18 representatives or any examiner appointed by the Commissioner for  
19 any statements made or conduct performed in good faith while  
20 carrying out the provisions of the Viatical Settlements Act of 2008.

21 2. No cause of action shall arise, nor shall any liability be  
22 imposed against any person for the act of communicating or  
23 delivering information or data to the Commissioner or the

1 Commissioner's authorized representative or examiner pursuant to an  
2 examination made under the Viatical Settlements Act, if the act of  
3 communication or delivery was performed in good faith and without  
4 fraudulent intent or the intent to deceive. This paragraph does not  
5 abrogate or modify in any way any common law or statutory privilege  
6 or immunity heretofore enjoyed by any person identified in paragraph  
7 1 of this subsection.

8 3. A person identified in paragraph 1 or 2 of this subsection  
9 shall be entitled to an award of attorney's fees and costs if he or  
10 she is the prevailing party in a civil cause of action for libel,  
11 slander or any other relevant tort arising out of activities in  
12 carrying out the provisions of this act and the party bringing the  
13 action was not substantially justified in doing so. For purposes of  
14 this section a proceeding is "substantially justified" if it had a  
15 reasonable basis in law or fact at the time that it was initiated.

16 H. The Commissioner may investigate suspected fraudulent  
17 viatical settlement acts and persons engaged in the business of  
18 viatical settlements.

19 SECTION 8. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 4055.8 of Title 36, unless there  
21 is created a duplication in numbering, reads as follows:

22 A. With each application for a viatical settlement, a viatical  
23 settlement provider or viatical settlement broker shall provide the

1 viator with at least the following disclosures no later than the  
2 time the application for the viatical settlement contract is signed  
3 by all parties. The disclosures shall be provided in a separate  
4 document that is signed by the viator and the viatical settlement  
5 provider or viatical settlement broker, and shall provide the  
6 following information:

7 1. There are possible alternatives to viatical settlement  
8 contracts including any accelerated death benefits or policy loans  
9 offered under the viator's life insurance policy;

10 2. That a viatical settlement broker represents exclusively the  
11 viator, and not the insurer or the viatical settlement provider, and  
12 owes a fiduciary duty to the viator, including a duty to act  
13 according to the viator's instructions and in the best interest of  
14 the viator;

15 3. Some or all of the proceeds of the viatical settlement may  
16 be taxable under federal income tax and state franchise and income  
17 taxes, and assistance should be sought from a professional tax  
18 advisor;

19 4. Proceeds of the viatical settlement could be subject to the  
20 claims of creditors;

21 5. Receipt of the proceeds of a viatical settlement may  
22 adversely affect the viator's eligibility for Medicaid or other

1 government benefits or entitlements, and advice should be obtained  
2 from the appropriate government agencies;

3 6. The viator has the right to rescind a viatical settlement  
4 contract before the earlier of sixty (60) calendar days after the  
5 date upon which the viatical settlement contract is executed by all  
6 parties or thirty (30) calendar days after the viatical settlement  
7 proceeds have been paid to the viator. Rescission, if exercised by  
8 the viator, is effective only if both notice of the rescission is  
9 given, and the viator repays all proceeds and any premiums, loans  
10 and loan interest paid on account of the viatical settlement within  
11 the rescission period. If the insured dies during the rescission  
12 period, the viatical settlement contract shall be deemed to have  
13 been rescinded, subject to repayment by the viator or the viator's  
14 estate of all viatical settlement proceeds and any premiums, loans  
15 and loan interest the viatical settlement within sixty (60) days of  
16 the insured's death;

17 7. Funds will be sent to the viator within three (3) business  
18 days after the viatical settlement provider has received the insurer  
19 or group administrator's written acknowledgment that ownership of  
20 the policy or interest in the certificate has been transferred and  
21 the beneficiary has been designated;

22 8. Entering into a viatical settlement contract may cause other  
23 rights or benefits, including conversion rights and waiver of

1 premium benefits that may exist under the policy or certificate, to  
2 be forfeited by the viator. Assistance should be sought from a  
3 financial adviser;

4 9. Disclosure to a viator shall include distribution of a  
5 brochure describing the process of viatical settlements. The  
6 National Association of Insurance Commissioner's (NAIC's) form for  
7 the brochure shall be used unless another form is developed or  
8 approved by the Insurance Commissioner;

9 10. The disclosure document shall contain the following  
10 language: "All medical, financial or personal information solicited  
11 or obtained by a viatical settlement provider or viatical settlement  
12 broker about an insured, including the insured's identity or the  
13 identity of family members, a spouse or a significant other may be  
14 disclosed as necessary to effect the viatical settlement between the  
15 viator and the viatical settlement provider. If you are asked to  
16 provide this information, you will be asked to consent to the  
17 disclosure. The information may be provided to someone who buys the  
18 policy or provides funds for the purchase. You may be asked to  
19 renew your permission to share information every two (2) years.";  
20 and

21 11. Following execution of a viatical contract, the insured may  
22 be contacted for the purpose of determining the insured's health  
23 status and to confirm the insured's residential or business street

1 address and telephone number, or as otherwise provided in the  
2 Viatical Settlements Act of 2008. This contact shall be limited to  
3 once every three (3) months if the insured has a life expectancy of  
4 more than one year, and no more than once per month if the insured  
5 has a life expectancy of one year or less. All such contracts shall  
6 be made only by a viatical settlement provider licensed in the state  
7 in which the viator resided at the time of the viatical settlement,  
8 or by the authorized representative of a duly licensed viatical  
9 settlement provider.

10 B. A viatical settlement provider shall provide the viator with  
11 at least the following disclosures no later than the date the  
12 viatical settlement contract is signed by all parties. The  
13 disclosures shall be conspicuously displayed in the viatical  
14 settlement contract or in a separate document signed by the viator  
15 and provide the following information:

16 1. The affiliation, if any, between the viatical settlement  
17 provider and the issuer of the insurance policy to be viaticated;

18 2. The document shall include the name, business address and  
19 telephone number of the viatical settlement provider;

20 3. Any affiliations or contractual arrangements between the  
21 viatical settlement provider and the viatical settlement purchaser;

22 4. If an insurance policy to be viaticated has been issued as a  
23 joint policy or involves family riders or any coverage of a life

1 other than the insured under the policy to be viaticated, the viator  
2 shall be informed of the possible loss of coverage on the other  
3 lives under the policy and shall be advised to consult with his or  
4 her insurance producer or the insurer issuing the policy for advice  
5 on the proposed viatical settlement;

6 5. State the dollar amount of the current death benefit payable  
7 to the viatical settlement provider under the policy or certificate.  
8 If known, the viatical settlement provider shall also disclose the  
9 availability of any additional guaranteed insurance benefits, the  
10 dollar amount of any accidental death and dismemberment benefits  
11 under the policy or certificate and the extent to which the viator's  
12 interest in those benefits will be transferred as a result of the  
13 viatical settlement contract; and

14 6. State whether the funds will be escrowed with an independent  
15 third party during the transfer process, and if so, provide the  
16 name, business address, and telephone number of the independent  
17 third party escrow agent, and the fact that the viator or owner may  
18 inspect or receive copies of the relevant escrow or trust agreements  
19 or documents.

20 C. A viatical settlement broker shall provide the viator with  
21 at least the following disclosures no later than the date the  
22 viatical settlement contract is signed by all parties. The  
23 disclosures shall be conspicuously displayed in the viatical

1 settlement contract or in a separate document signed by the viator  
2 and provide the following information:

3 1. The name, business address and telephone number of the  
4 viatical settlement broker;

5 2. A full, complete and accurate description of all offers,  
6 counter-offers, acceptances and rejections relating to the proposed  
7 viatical settlement contract;

8 3. A written disclosure of any affiliations or contractual  
9 arrangements between the viatical settlement broker and any person  
10 making an offer in connection with the proposed viatical settlement  
11 contracts;

12 4. The amount and method of calculating the broker's  
13 compensation. For purposes of this paragraph, "compensation" means  
14 anything of value paid or given to a viatical settlement broker for  
15 the placement of a policy; and

16 5. Where any portion of the viatical settlement broker's  
17 compensation, as defined in paragraph 4 of this subsection, is taken  
18 from a proposed viatical settlement offer, the broker shall disclose  
19 the total amount of the viatical settlement offer and the percentage  
20 of the viatical settlement offer comprised by the viatical  
21 settlement broker's compensation.

22 D. If the viatical settlement provider transfers ownership or  
23 changes the beneficiary of the insurance policy, the provider shall

1 communicate in writing the change in ownership or beneficiary to the  
2 insured within twenty (20) days after the change.

3 E. A viatical settlement provider or its viatical settlement  
4 investment agent shall provide the viatical settlement purchaser  
5 with at least the following disclosures prior to the date the  
6 viatical settlement purchase agreement is signed by all parties.  
7 The disclosures shall be conspicuously displayed in any viatical  
8 purchase contract or in a separate document signed by the viatical  
9 settlement purchaser and viatical settlement provider or viatical  
10 settlement investment agent, and shall make the following disclosure  
11 to the viatical settlement purchaser:

12 1. The purchaser will receive no returns i.e., dividends and  
13 interest until the insured dies and a death claim payment is made;

14 2. The actual annual rate of return on a viatical settlement  
15 contract is dependent upon an accurate projection of the insured's  
16 life expectancy, and the actual date of the insured's death. An  
17 annual "guaranteed" rate of return is not determinable;

18 3. The viaticated life insurance contract should not be  
19 considered a liquid purchase since it is impossible to predict the  
20 exact timing of its maturity and the funds probably are not  
21 available until the death of the insured. There is no established  
22 secondary market for resale of these products by the purchaser;

1           4. The purchaser may lose all benefits or may receive  
2 substantially reduced benefits if the insurer goes out of business  
3 during the term of the viatical investment;

4           5. The purchaser is responsible for payment of the insurance  
5 premium or other costs related to the policy, if required by the  
6 terms of the viatical purchase agreement. These payments may reduce  
7 the purchaser's return. If a party other than the purchaser is  
8 responsible for the payment, the name and address of that party also  
9 shall be disclosed;

10          6. The purchaser is responsible for payment of the insurance  
11 premiums or other costs related to the policy if the insured returns  
12 to health. Disclose the amount of such premiums, if applicable;

13          7. State the name, business address and telephone number of the  
14 independent third party providing escrow services and the  
15 relationship to the broker;

16          8. The amount of any trust fees or other expenses to be charged  
17 to the viatical settlement purchaser shall be disclosed;

18          9. State whether the purchaser is entitled to a refund of all  
19 or part of his or her investment under the settlement contract if  
20 the policy is later determined to be null and void;

21          10. Disclose that group policies may contain limitations or  
22 caps in the conversion rights, additional premiums may have to be  
23 paid if the policy is converted, name the party responsible for the

1 payment of the additional premiums and, if a group policy is  
2 terminated and replaced by another group policy, state that there  
3 may be no right to convert the original coverage;

4 11. Disclose the risks associated with policy contestability  
5 including, but not limited to, the risk that the purchaser will have  
6 no claim or only a partial claim to death benefits should the  
7 insurer rescind the policy within the contestability period;

8 12. Disclose whether the purchaser will be the owner of the  
9 policy in addition to being the beneficiary, and if the purchaser is  
10 the beneficiary only and not also the owner, the special risks  
11 associated with that status, including, but not limited to, the risk  
12 that the beneficiary may be changed or the premium may not be paid;

13 13. Describe the experience and qualifications of the person  
14 who determines the life expectancy of the insured, i.e., in-house  
15 staff, independent physicians and specialty firms that weigh medical  
16 and actuarial data, the information this projection is based on, and  
17 the relationship of the projection maker to the viatical settlement  
18 provider, if any; and

19 14. Disclosure to an investor shall include distribution of a  
20 brochure describing the process of investment in viatical  
21 settlements. The NAIC's form for the brochure shall be used unless  
22 one is developed by the Commissioner.

1 F. A viatical settlement provider or its viatical settlement  
2 investment agent shall provide the viatical settlement purchaser  
3 with at least the following disclosures no later than at the time of  
4 the assignment, transfer or sale of all or a portion of an insurance  
5 policy. The disclosures shall be contained in a document signed by  
6 the viatical settlement purchaser and viatical settlement provider  
7 or viatical settlement investment agent, and shall make the  
8 following disclosures to the viatical settlement purchaser:

9 1. Disclose all the life expectancy certifications obtained by  
10 the provider in the process of determining the price paid to the  
11 viator;

12 2. State whether premium payments or other costs related to the  
13 policy have been escrowed. If escrowed, state the date upon which  
14 the escrowed funds will be depleted and whether the purchaser will  
15 be responsible for payment of premiums thereafter and, if so, the  
16 amount of the premiums;

17 3. State whether premium payments or other costs related to the  
18 policy have been waived. If waived, disclose whether the investor  
19 will be responsible for payment of the premiums if the insurer that  
20 wrote the policy terminates the waiver after purchase and the amount  
21 of those premiums;

22 4. Disclose the type of policy offered or sold, i.e., whole  
23 life, term life, universal life or a group policy certificate, any

1 additional benefits contained in the policy, and the current status  
2 of the policy;

3 5. If the policy is term insurance, disclose the special risks  
4 associated with term insurance including, but not limited to, the  
5 purchaser's responsibility for additional premiums if the viator  
6 continues the term policy at the end of the current term;

7 6. State whether the policy is contestable;

8 7. State whether the insurer that wrote the policy has any  
9 additional rights that could negatively affect or extinguish the  
10 purchaser's rights under the viatical settlement contract, what  
11 these rights are, and under what conditions these rights are  
12 activated; and

13 8. State the name and address of the person responsible for  
14 monitoring the insured's condition. Describe how often the  
15 monitoring of the insured's condition is done, how the date of death  
16 is determined, and how and when this information will be transmitted  
17 to the purchaser.

18 SECTION 9. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 4055.9 of Title 36, unless there  
20 is created a duplication in numbering, reads as follows:

21 Prior to the initiation of a plan, transaction or series of  
22 transactions, a viatical settlement broker or viatical settlement  
23 provider shall fully disclose to an insurer a plan, transaction or

1 series of transactions, to which the viatical settlement broker or  
2 viatical settlement provider is a party, to originate, renew,  
3 continue or finance a life insurance policy with the insurer for the  
4 purpose of engaging in the business of viatical settlements at  
5 anytime prior to, or during the first five (5) years after, issuance  
6 of the policy.

7 SECTION 10. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 4055.10 of Title 36, unless  
9 there is created a duplication in numbering, reads as follows:

10 A. 1. A viatical settlement provider entering into a viatical  
11 settlement contract shall first obtain:

- 12 a. if the viator is the insured, a written statement from  
13 a licensed attending physician that the viator is of  
14 sound mind and under no constraint or undue influence  
15 to enter into a viatical settlement contract, and  
16 b. a document in which the insured consents to the  
17 release of his or her medical records to a licensed  
18 viatical settlement provider, viatical settlement  
19 broker and the insurance company that issued the life  
20 insurance policy covering the life of the insured.

21 2. Within twenty (20) days after a viator executes documents  
22 necessary to transfer any rights under an insurance policy or within  
23 twenty (20) days of entering any agreement, option, promise or any

1 other form of understanding, expressed or implied, to viaticate the  
2 policy, the viatical settlement provider shall give written notice  
3 to the insurer that issued that insurance policy that the policy has  
4 or will become a viaticated policy. The notice shall be accompanied  
5 by the documents required by paragraph 3 of this subsection.

6 3. The viatical provider shall deliver a copy of the medical  
7 release required under subparagraph b of paragraph 1 of this  
8 subsection, a copy of the viator's application for the viatical  
9 settlement contract, the notice required under paragraph 2 of this  
10 subsection and a request for verification of coverage to the insurer  
11 that issued the life policy that is the subject of the viatical  
12 transaction. The National Association of Insurance Commissioner's  
13 (NAIC's) form for verification of coverage shall be used unless  
14 another form is developed and approved by the Insurance  
15 Commissioner.

16 4. The insurer shall respond to a request for verification of  
17 coverage submitted on an approved form by a viatical settlement  
18 provider or viatical settlement broker within thirty (30) calendar  
19 days of the date the request is received and shall indicate whether,  
20 based on the medical evidence and documents provided, the insurer  
21 intends to pursue an investigation at this time regarding the  
22 validity of the insurance contract or possible fraud. The insurer  
23 shall accept a request for verification of coverage made on an NAIC

1 form or any other form approved by the Commissioner. The insurer  
2 shall accept an original or facsimile or electronic copy of such  
3 request and any accompanying authorization signed by the viator.  
4 Failure by the insurer to meet its obligations under this subsection  
5 shall be a violation of subsection C of Section 11 and Section 16 of  
6 this act.

7 5. Prior to or at the time of execution of the viatical  
8 settlement contract, the viatical settlement provider shall obtain a  
9 witnessed document in which the viator consents to the viatical  
10 settlement contract, represents that the viator has a full and  
11 complete understanding of the viatical settlement contract, that he  
12 or she has a full and complete understanding of the benefits of the  
13 life insurance policy, acknowledges that he or she is entering into  
14 the viatical settlement contract freely and voluntarily and, for  
15 persons with a terminal or chronic illness or condition,  
16 acknowledges that the insured has a terminal or chronic illness and  
17 that the terminal or chronic illness or condition was diagnosed  
18 after the life insurance policy was issued.

19 6. If a viatical settlement broker performs any of these  
20 activities required of the viatical settlement provider, the  
21 provider is deemed to have fulfilled the requirements of this  
22 section.

1           B. All medical information solicited or obtained by any  
2 licensee shall be subject to the applicable provisions of state law  
3 relating to confidentiality of medical information.

4           C. All viatical settlement contracts entered into in this state  
5 shall provide the viator with an absolute right to rescind the  
6 contract before the earlier of sixty (60) calendar days after the  
7 date upon which the viatical settlement contract is executed by all  
8 parties or thirty (30) calendar days after the viatical settlement  
9 proceeds have been sent to the viator. Rescission by the viator may  
10 be conditioned upon the viator both giving notice and repaying to  
11 the viatical settlement provider within the rescission period all  
12 proceeds of the settlement and any premiums, loans and loan interest  
13 paid by or on behalf of the viatical settlement provider in  
14 connection with or as a consequence of the viatical settlement. If  
15 the insured dies during the rescission period, the viatical  
16 settlement contract shall be deemed to have been rescinded, subject  
17 to repayment to the viatical settlement provider or purchaser of all  
18 viatical settlement proceeds, and any premiums, loans and loan  
19 interest that have been paid by the viatical settlement provider or  
20 purchaser, which shall be paid within sixty (60) calendar days of  
21 the death of the insured. In the event of any rescission, if the  
22 viatical settlement provider has paid commissions or other  
23 compensation to a viatical settlement broker in connection with the

1 rescinded transaction, the viatical settlement broker shall refund  
2 all such commissions and compensation to the viatical settlement  
3 provider within five business days following receipt of written  
4 demand from the viatical settlement provider, which demand shall be  
5 accompanied by either the viator's notice of rescission if rescinded  
6 at the election of the viator, or notice of the death of the insured  
7 if rescinded by reason of the death of the insured within the  
8 applicable rescission period.

9 D. The viatical settlement provider shall instruct the viator  
10 to send the executed documents required to effect the change in  
11 ownership, assignment or change in beneficiary directly to the  
12 independent escrow agent. Within three (3) business days after the  
13 date the escrow agent receives the document or from the date the  
14 viatical settlement provider receives the documents, if the viator  
15 erroneously provides the documents directly to the provider, the  
16 provider shall pay or transfer the proceeds of the viatical  
17 settlement into an escrow or trust account maintained in a state or  
18 federally-chartered financial institution whose deposits are insured  
19 by the Federal Deposit Insurance Corporation (FDIC). Upon payment  
20 of the settlement proceeds into the escrow account, the escrow agent  
21 shall deliver the original change in ownership, assignment or change  
22 in beneficiary forms to the viatical settlement provider or related  
23 provider trust or other designated representative of the viatical

1 settlement provider. Upon the escrow agent's receipt of the  
2 acknowledgment of the properly completed transfer of ownership,  
3 assignment or designation of beneficiary from the insurance company,  
4 the escrow agent shall pay the settlement proceeds to the viator.

5 E. Failure to tender consideration to the viator for the  
6 viatical settlement contract within the time set forth in the  
7 disclosure pursuant to paragraph 7 of subsection A of Section 8 of  
8 this act renders the viatical settlement contract voidable by the  
9 viator for lack of consideration until the time consideration is  
10 tendered to and accepted by the viator. Funds shall be deemed sent  
11 by a viatical settlement provider to a viator as of the date that  
12 the escrow agent either releases funds for wire transfer to the  
13 viator or places a check for delivery to the viator via United  
14 States Postal Service or other nationally recognized delivery  
15 service.

16 F. In order to assure that a viator, at the time of the  
17 viatical settlement has a life expectancy of less than two (2)  
18 years, receives reasonable return for viaticating an insurance  
19 policy, the following shall be minimum discounts:

	Minimum Percentage of Face
Insured's Life	Value Less Outstanding Loans
Expectancy	Received By Viator
Less than six (6) months	80%

1	At least six (6) but less than	
2	twelve (12) months	70%
3	At least twelve (12) but less	
4	than eighteen (18) months	65%
5	At least eighteen (18) months but	
6	less than twenty-four (24) months	60%
7	Twenty-four (24) months or more	50%

8 G. Contacts with the insured for the purpose of determining the  
9 health status of the insured by the viatical settlement provider or  
10 viatical settlement broker after the viatical settlement has  
11 occurred shall only be made by the viatical settlement provider or  
12 broker licensed in this state or its authorized representatives and  
13 shall be limited to once every three (3) months for insureds with a  
14 life expectancy of more than one (1) year, and to no more than once  
15 per month for insureds with a life expectancy of one year or less.  
16 The provider or broker shall explain the procedure for these  
17 contacts at the time the viatical settlement contract is entered  
18 into. The limitations set forth in this subsection shall not apply  
19 to any contacts with an insured for reasons other than determining  
20 the insured's health status. Viatical settlement providers and  
21 viatical settlement brokers shall be responsible for the actions of  
22 their authorized representatives.



- 1           b.    the viator's spouse dies,
- 2           c.    the viator divorces his or her spouse,
- 3           d.    the viator retires from full-time employment,
- 4           e.    the viator becomes physically or mentally disabled and
- 5                a physician determines that the disability prevents
- 6                the viator from maintaining full-time employment, or
- 7           f.    a final order, judgment or decree is entered by a
- 8                court of competent jurisdiction, on the application of
- 9                a creditor of the viator, adjudicating the viator
- 10              bankrupt or insolvent, or approving a petition seeking
- 11              reorganization of the viator or appointing a receiver,
- 12              trustee or liquidator to all or a substantial part of
- 13              the viator's assets; or

14           3.    The viator enters into a viatical settlement contract more  
15    than two (2) years after the date of issuance of a policy and, with  
16    respect to the policy, at all times prior to the date that is two  
17    (2) years after policy issuance, the following conditions are met:

- 18           a.    policy premiums have been funded exclusively with
- 19                unencumbered assets, including an interest in the life
- 20                insurance policy being financed only to the extent of
- 21                its net cash surrender value, provided by, or fully
- 22                recourse liability incurred by, the insured or a

1 person described in division 5 of subparagraph b of  
2 paragraph 14 of Section 2 of this act,

3 b. there is no agreement or understanding with any other  
4 person to guarantee any such liability or to purchase,  
5 or stand ready to purchase, the policy, including  
6 through an assumption or forgiveness of the loan, and

7 c. neither the insured nor the policy has been evaluated  
8 for settlement.

9 B. Copies of the independent evidence described in paragraph 2  
10 of subsection A of this section and documents required by subsection  
11 A of Section 10 of this act shall be submitted to the insurer when  
12 the viatical settlement provider or other party entering into a  
13 viatical settlement contract with a viator submits a request to the  
14 insurer for verification of coverage. The copies shall be  
15 accompanied by a letter of attestation from the viatical settlement  
16 provider that the copies are true and correct copies of the  
17 documents received by the viatical settlement provider.

18 C. If the viatical settlement provider submits to the insurer a  
19 copy of the owner or insured's certification described in and the  
20 independent evidence required by paragraph 2 of subsection A of this  
21 section when the provider submits a request to the insurer to effect  
22 the transfer of the policy or certificate to the viatical settlement  
23 provider, the copy shall be deemed to conclusively establish that

1 the viatical settlement contract satisfies the requirements of this  
2 section and the insurer shall timely respond to the request.

3 D. No insurer may, as a condition of responding to a request  
4 for verification of coverage or effecting the transfer of a policy  
5 pursuant to a viatical settlement contract, require that the viator,  
6 insured, viatical settlement provider or viatical settlement broker  
7 sign any forms, disclosures, consent or waiver form that has not  
8 been expressly approved by the Insurance Commissioner for use in  
9 connection with viatical settlement contracts in this state.

10 E. Upon receipt of a properly completed request for change of  
11 ownership or beneficiary of a policy, the insurer shall respond in  
12 writing within thirty (30) calendar days with written  
13 acknowledgement confirming that the change has been effected or  
14 specifying the reasons why the requested change cannot be processed.  
15 The insurer shall not unreasonably delay effecting change of  
16 ownership or beneficiary and shall not otherwise seek to interfere  
17 with any viatical settlement contract lawfully entered into in this  
18 state.

19 SECTION 12. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 4055.12 of Title 36, unless  
21 there is created a duplication in numbering, reads as follows:

22 A. With respect to any viatical settlement contract or  
23 insurance policy, no viatical settlement broker knowingly shall

1 solicit an offer from, effectuate a viatical settlement with or make  
2 a sale to any viatical settlement provider, viatical settlement  
3 purchaser, financing entity or related provider trust that is  
4 controlling, controlled by, or under common control with such  
5 viatical settlement broker.

6 B. With respect to any viatical settlement contract or  
7 insurance policy, no viatical settlement provider knowingly may  
8 enter into a viatical settlement contract with a viator, if, in  
9 connection with such viatical settlement contract, anything of value  
10 will be paid to a viatical settlement broker that is controlling,  
11 controlled by, or under common control with such viatical settlement  
12 provider or the viatical settlement purchaser, financing entity or  
13 related provider trust that is involved in such viatical settlement  
14 contract.

15 C. A violation of subsection A or B of this section shall be  
16 deemed a fraudulent viatical settlement act.

17 D. No viatical settlement provider shall enter into a viatical  
18 settlement contract unless the viatical settlement promotional,  
19 advertising and marketing materials, as may be prescribed by  
20 regulation, have been filed with the Insurance Commissioner. In no  
21 event shall any marketing materials expressly reference that the  
22 insurance is "free" for any period of time. The inclusion of any  
23 reference in the marketing materials that would cause a viator to

1 reasonably believe that the insurance is free for any period of time  
2 shall be considered a violation of the Viatical Settlements Act of  
3 2008.

4 E. No life insurance producer, insurance company, viatical  
5 settlement broker, viatical settlement provider or viatical  
6 settlement investment agent shall make any statement or  
7 representation to the applicant or policyholder in connection with  
8 the sale or financing of a life insurance policy to the effect that  
9 the insurance is free or without cost to the policyholder for any  
10 period of time unless provided in the policy.

11 SECTION 13. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 4055.13 of Title 36, unless  
13 there is created a duplication in numbering, reads as follows:

14 A. The purpose of this section is to provide prospective  
15 viators with clear and unambiguous statements in the advertisement  
16 of viatical settlements and to assure the clear, truthful and  
17 adequate disclosure of the benefits, risks, limitations and  
18 exclusions of any viatical settlement contract. This purpose is  
19 intended to be accomplished by the establishment of guidelines and  
20 standards of permissible and impermissible conduct in the  
21 advertising of viatical settlements to assure that product  
22 descriptions are presented in a manner that prevents unfair,  
23 deceptive or misleading advertising and is conducive to accurate

1 presentation and description of viatical settlements through the  
2 advertising media and material used by viatical settlement  
3 licensees.

4 B. This section shall apply to any advertising of viatical  
5 settlement contracts or related products or services intended for  
6 dissemination in this state, including Internet advertising viewed  
7 by persons located in this state. Where disclosure requirements are  
8 established pursuant to federal regulation, this section shall be  
9 interpreted so as to minimize or eliminate conflict with federal  
10 regulation wherever possible.

11 C. Every viatical settlement licensee shall establish and at  
12 all times maintain a system of control over the content, form and  
13 method of dissemination of all advertisements of its contracts,  
14 products and services. All advertisements, regardless of by whom  
15 written, created, designed or presented, shall be the responsibility  
16 of the viatical settlement licensees, as well as the individual who  
17 created or presented the advertisement. A system of control shall  
18 include regular routine notification, at least once a year, to  
19 agents and others authorized by the viatical settlement licensee who  
20 disseminate advertisements of the requirements and procedures for  
21 approval prior to the use of any advertisements not furnished by the  
22 viatical settlement licensee.

1           D. Advertisements shall be truthful and not misleading in fact  
2 or by implication. The form and content of an advertisement of a  
3 viatical settlement contract shall be sufficiently complete and  
4 clear so as to avoid deception. It shall not have the capacity or  
5 tendency to mislead or deceive. Whether an advertisement has the  
6 capacity or tendency to mislead or deceive shall be determined by  
7 the Insurance Commissioner from the overall impression that the  
8 advertisement may be reasonably expected to create upon a person of  
9 average education or intelligence within the segment of the public  
10 to which it is directed.

11           E. The information required to be disclosed under this section  
12 shall not be minimized, rendered obscure, or presented in an  
13 ambiguous fashion or intermingled with the text of the advertisement  
14 so as to be confusing or misleading.

15           1. An advertisement shall not omit material information or use  
16 words, phrases, statements, references or illustrations if the  
17 omission or use has the capacity, tendency or effect of misleading  
18 or deceiving viators as to the nature or extent of any benefit, loss  
19 covered, premium payable, or state or federal tax consequence. The  
20 fact that the viatical settlement contract offered is made available  
21 for inspection prior to consummation of the sale, or an offer is  
22 made to refund the payment if the viator is not satisfied or that  
23 the viatical settlement contract includes a "free look" period that

1 satisfies or exceeds legal requirements, does not remedy misleading  
2 statements.

3 2. An advertisement shall not use the name or title of a life  
4 insurance company or a life insurance policy unless the  
5 advertisement has been approved by the insurer.

6 3. An advertisement shall not state or imply that interest  
7 charged on an accelerated death benefit or a policy loan is unfair,  
8 inequitable or in any manner an incorrect or improper practice.

9 4. The words "free", "no cost", "without cost", "no additional  
10 cost", "at no extra cost", or words of similar import shall not be  
11 used with respect to any benefit or service unless true. An  
12 advertisement may specify the charge for a benefit or a service or  
13 may state that a charge is included in the payment or use other  
14 appropriate language.

15 5. Testimonials, appraisals or analysis used in advertisements  
16 must be genuine; represent the current opinion of the author; be  
17 applicable to the viatical settlement contract, product or service  
18 advertised, if any; and be accurately reproduced with sufficient  
19 completeness to avoid misleading or deceiving prospective viators  
20 as to the nature or scope of the testimonials, appraisal, analysis  
21 or endorsement. In using testimonials, appraisals or analysis, a  
22 licensee under the Viatical Settlements Act of 2008 makes as its own

1 all the statements contained therein, and the statements are subject  
2 to all the provisions of this section.

3 a. If the individual making a testimonial, appraisal,  
4 analysis or an endorsement has a financial interest in  
5 the party making use of the testimonial, appraisal,  
6 analysis or endorsement, either directly or through a  
7 related entity as a stockholder, director, officer,  
8 employee or otherwise, or receives any benefit  
9 directly or indirectly other than required union scale  
10 wages, that fact shall be prominently disclosed in the  
11 advertisement.

12 b. An advertisement shall not state or imply that a  
13 viatical settlement contract, benefit or service has  
14 been approved or endorsed by a group of individuals,  
15 society, association or other organization unless that  
16 is the fact and unless any relationship between an  
17 organization and the viatical settlement licensee is  
18 disclosed. If the entity making the endorsement or  
19 testimonial is owned, controlled or managed by the  
20 viatical settlement licensee, or receives any payment  
21 or other consideration from the viatical settlement  
22 licensee for making an endorsement or testimonial,  
23 that fact shall be disclosed in the advertisement.

1           c.    When an endorsement refers to benefits received under  
2                    a viatical settlement contract all pertinent  
3                    information shall be retained for a period of five (5)  
4                    years after its use.

5           F.    An advertisement shall not contain statistical information  
6                    unless it accurately reflects recent and relevant facts.  The source  
7                    of all statistics used in an advertisement shall be identified.

8           G.    An advertisement shall not disparage insurers, viatical  
9                    settlement providers, viatical settlement brokers, viatical  
10                   settlement investment agents, insurance producers, policies,  
11                   services or methods of marketing.

12          H.    The name of the viatical settlement licensee shall be  
13                   clearly identified in all advertisements about the licensee or its  
14                   viatical settlement contract, products or services, and if any  
15                   specific viatical settlement contract is advertised, the viatical  
16                   settlement contract shall be identified either by form number or  
17                   some other appropriate description.  If an application is part of  
18                   the advertisement, the name of the viatical settlement provider  
19                   shall be shown on the application.

20          I.    An advertisement shall not use a trade name, group  
21                   designation, name of the parent company of a viatical settlement  
22                   licensee, name of a particular division of the viatical settlement  
23                   licensee, service mark, slogan, symbol or other device or reference

1 without disclosing the name of the viatical settlement licensee, if  
2 the advertisement would have the capacity or tendency to mislead or  
3 deceive as to the true identity of the viatical settlement licensee,  
4 or to create the impression that a company other than the viatical  
5 settlement licensee would have any responsibility for the financial  
6 obligation under a viatical settlement contract.

7 J. An advertisement shall not use any combination of words,  
8 symbols or physical materials that by their content, phraseology,  
9 shape, color or other characteristics are so similar to a  
10 combination of words, symbols or physical materials used by a  
11 government program or agency or otherwise appear to be of such a  
12 nature that they tend to mislead prospective viators into believing  
13 that the solicitation is in some manner connected with a government  
14 program or agency.

15 K. An advertisement may state that a viatical settlement  
16 licensee is licensed in the state where the advertisement appears,  
17 provided it does not exaggerate that fact or suggest or imply that  
18 competing viatical settlement licensee may not be so licensed. The  
19 advertisement may ask the audience to consult the licensee's web  
20 site or contact the department of insurance to find out if the state  
21 requires licensing and, if so, whether the viatical settlement  
22 provider, viatical settlement broker is licensed.

1 L. An advertisement shall not create the impression that the  
2 viatical settlement provider, its financial condition or status, the  
3 payment of its claims or the merits, desirability, or advisability  
4 of its viatical settlement contracts are recommended or endorsed by  
5 any government entity.

6 M. The name of the actual licensee shall be stated in all of  
7 its advertisements. An advertisement shall not use a trade name,  
8 any group designation, name of any affiliate or controlling entity  
9 of the licensee, service mark, slogan, symbol or other device in a  
10 manner that would have the capacity or tendency to mislead or  
11 deceive as to the true identity of the actual licensee or create the  
12 false impression that an affiliate or controlling entity would have  
13 any responsibility for the financial obligation of the licensee.

14 N. An advertisement shall not directly or indirectly create the  
15 impression that any division or agency of the state or of the  
16 federal government endorses, approves or favors:

17 1. Any viatical settlement licensee or its business practices  
18 or methods of operation;

19 2. The merits, desirability or advisability of any viatical  
20 settlement contract or;

21 3. Any viatical settlement contract; or

22 4. Any life insurance policy or life insurance company.

1           O. If the advertiser emphasizes the speed with which the  
2 viatication will occur, the advertising must disclose the average  
3 time frame from completed application to the date of offer and from  
4 acceptance of the offer to receipt of the funds by the viator.

5           P. If the advertising emphasizes the dollar amounts available  
6 to viators, the advertising shall disclose the average purchase  
7 price as a percent of face value obtained by viators contracting  
8 with the licensee during the past six (6) months.

9           SECTION 14.       NEW LAW       A new section of law to be codified  
10 in the Oklahoma Statutes as Section 4055.14 of Title 36, unless  
11 there is created a duplication in numbering, reads as follows:

12           A. 1. A person shall not commit a fraudulent viatical  
13 settlement act.

14           2. A person shall not knowingly or intentionally interfere with  
15 the enforcement of the provisions of the Viatical Settlements Act of  
16 2008 or investigations of suspected or actual violations of the  
17 Viatical Settlements Act of 2008.

18           3. A person in the business of viatical settlements shall not  
19 knowingly or intentionally permit any person convicted of a felony  
20 involving dishonesty or breach of trust to participate in the  
21 business of viatical settlements.

22           B. 1. Viatical settlements contracts and applications for  
23 viatical settlements, regardless of the form of transmission, shall

1 contain the following statement or a substantially similar  
2 statement:

3 "Any person who knowingly presents false information in an  
4 application for insurance or viatical settlement contract is guilty  
5 of a crime and may be subject to fines and confinement in prison."

6 2. The lack of a statement as required in paragraph 1 of this  
7 subsection does not constitute a defense in any prosecution for a  
8 fraudulent viatical settlement act.

9 C. 1. Any person engaged in the business of viatical  
10 settlements having knowledge or a reasonable suspicion that a  
11 fraudulent viatical settlement act is being, will be or has been  
12 committed shall provide to the Insurance Commissioner such  
13 information as required by, and in a manner prescribed by, the  
14 Commissioner.

15 2. Any other person having knowledge or a reasonable belief  
16 that a fraudulent viatical settlement act is being, will be or has  
17 been committed may provide to the Commissioner the information  
18 required by, and in a manner prescribed by, the Commissioner.

19 D. 1. No civil liability shall be imposed on and no cause of  
20 action shall arise from a person's furnishing information concerning  
21 suspected, anticipated or completed fraudulent viatical settlement  
22 acts or suspected or completed fraudulent insurance acts, if the  
23 information is provided to or received from:

- 1           a.    the Commissioner or the Commissioner's employees,  
2                   agents or representatives,  
3           b.    federal, state or local law enforcement or regulatory  
4                   officials or their employees, agents or  
5                   representatives,  
6           c.    a person involved in the prevention and detection of  
7                   fraudulent viatical settlement acts or that person's  
8                   agents, employees or representatives,  
9           d.    the National Association of Insurance Commissioners  
10                   (NAIC), National Association of Securities Dealers  
11                   (NASD), the North American Securities Administrators  
12                   Association (NASAA), or their employees, agents or  
13                   representatives, or other regulatory body overseeing  
14                   life insurance, viatical settlements, securities or  
15                   investment fraud, or  
16           e.    the life insurer that issued the life insurance policy  
17                   covering the life of the insured.

18           2.    Paragraph 1 of this subsection shall not apply to statements  
19                   made with actual malice. In an action brought against a person for  
20                   filing a report or furnishing other information concerning a  
21                   fraudulent viatical settlement act, the party bringing the action  
22                   shall plead specifically any allegation that paragraph 1 of this

1 subsection does not apply because the person filing the report or  
2 furnishing the information did so with actual malice.

3 3. A person furnishing information as identified in paragraph 1  
4 of this subsection shall be entitled to an award of attorney's fees  
5 and costs if he or she is the prevailing party in a civil cause of  
6 action for libel, slander or any other relevant tort arising out of  
7 activities in carrying out the provisions of this act and the party  
8 bringing the action was not substantially justified in doing so.  
9 For purposes of this section a proceeding is "substantially  
10 justified" if it had a reasonable basis in law or fact at the time  
11 that it was initiated. However, such an award does not apply to any  
12 person furnishing information concerning his or her own fraudulent  
13 viatical settlement acts.

14 4. This section does not abrogate or modify common law or  
15 statutory privileges or immunities enjoyed by a person described in  
16 paragraph 1 of this subsection.

17 E. 1. The documents and evidence provided pursuant to  
18 subsection D of this section or obtained by the Commissioner in an  
19 investigation of suspected or actual fraudulent viatical settlement  
20 acts shall be privileged and confidential and shall not be a public  
21 record and shall not be subject to discovery or subpoena in a civil  
22 or criminal action.

1           2. Paragraph 1 of this subsection does not prohibit release by  
2 the Commissioner of documents and evidence obtained in an  
3 investigation of suspected or actual fraudulent viatical settlement  
4 acts:

5           a. in administrative or judicial proceedings to enforce  
6 laws administered by the Commissioner,

7           b. to federal, state or local law enforcement or  
8 regulatory agencies, to an organization established  
9 for the purpose of detecting and preventing fraudulent  
10 viatical settlement acts or to the NAIC, or

11           c. at the discretion of the Commissioner, to a person in  
12 the business of viatical settlements that is aggrieved  
13 by a fraudulent viatical settlement act.

14           3. Release of documents and evidence under paragraph 2 of this  
15 subsection does not abrogate or modify the privilege granted in  
16 paragraph 1 of this subsection.

17           F. This act shall not:

18           1. Preempt the authority or relieve the duty of other law  
19 enforcement or regulatory agencies to investigate, examine and  
20 prosecute suspected violations of law;

21           2. Prevent or prohibit a person from disclosing voluntarily  
22 information concerning viatical settlement fraud to a law

1 enforcement or regulatory agency other than the insurance  
2 department; or

3 3. Limit the powers granted elsewhere by the laws of this state  
4 to the Commissioner or an insurance fraud unit to investigate and  
5 examine possible violations of law and to take appropriate action  
6 against wrongdoers.

7 G. 1. Viatical settlement providers and viatical settlement  
8 brokers shall have in place antifraud initiatives reasonably  
9 calculated to detect, prosecute and prevent fraudulent viatical  
10 settlement acts. At the discretion of the Commissioner, the  
11 Commissioner may order, or a licensee may request and the  
12 Commissioner may grant, such modifications of the following required  
13 initiatives as necessary to ensure an effective antifraud program.  
14 The modifications may be more or less restrictive than the required  
15 initiatives so long as the modifications may reasonably be expected  
16 to accomplish the purpose of this section.

17 2. Antifraud initiatives shall include:

18 a. fraud investigators, who may be viatical settlement  
19 provider or viatical settlement broker employees or  
20 independent contractors, and

21 b. an antifraud plan, which shall be submitted to the  
22 Commissioner. The antifraud plan shall include, but  
23 not be limited to:

- 1 (1) a description of the procedures for detecting and  
2 investigating possible fraudulent viatical  
3 settlement acts and procedures for resolving  
4 material inconsistencies between medical records  
5 and insurance applications,  
6 (2) a description of the procedures for reporting  
7 possible fraudulent viatical settlement acts to  
8 the Commissioner,  
9 (3) a description of the plan for antifraud education  
10 and training of underwriters and other personnel,  
11 and  
12 (4) a description or chart outlining the  
13 organizational arrangement of the antifraud  
14 personnel who are responsible for the  
15 investigation and reporting of possible  
16 fraudulent viatical settlement acts and  
17 investigating unresolved material inconsistencies  
18 between medical records and insurance  
19 applications.

20 3. Antifraud plans submitted to the Commissioner shall be  
21 privileged and confidential and shall not be a public record and  
22 shall not be subject to discovery or subpoena in a civil or criminal  
23 action.

1 SECTION 15. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 4055.15 of Title 36, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. In addition to the penalties and other enforcement  
5 provisions of the Viaticals Settlements Act of 2008, if any person  
6 violates the Viatical Settlements Act of 2008 or any regulation  
7 implementing the Viatical Settlements Act of 2008, the Insurance  
8 Commissioner may seek an injunction in a court of competent  
9 jurisdiction and may apply for temporary and permanent orders that  
10 the Commissioner determines are necessary to restrain the person  
11 from committing the violation.

12 B. Any person damaged by the acts of a person in violation of  
13 the Viatical Settlements Act of 2008 may bring a civil action  
14 against the person committing the violation in a court of competent  
15 jurisdiction.

16 C. The Commissioner may issue, in accordance with the  
17 Administrative Procedures Act, a cease and desist order upon a  
18 person that violates any provision of the Viatical Settlements Act  
19 of 2008, any regulation or order adopted by the Commissioner, or any  
20 written agreement entered into with the Commissioner.

21 D. When the Commissioner finds that an activity in violation of  
22 the Viatical Settlements Act of 2008 presents an immediate danger to  
23 the public that requires an immediate final order, the Commissioner

1 may issue an emergency cease and desist order reciting with  
2 particularity the facts underlying the findings. The emergency  
3 cease and desist order is effective immediately upon service of a  
4 copy of the order on the respondent and remains effective for ninety  
5 (90) days. If the Commissioner begins nonemergency cease and desist  
6 proceedings, the emergency cease and desist order remains effective,  
7 absent an order by a court of competent jurisdiction pursuant to the  
8 Administrative Procedures Act.

9 E. In addition to the penalties and other enforcement  
10 provisions of the Viatical Settlements Act of 2008, any person who  
11 violates the Viatical Settlements Act of 2008 is subject to civil  
12 penalties of up to Ten Thousand Dollars (\$10,000.00) per violation.  
13 Imposition of civil penalties shall be pursuant to an order of the  
14 Commissioner issued under Section 313 of Title 36 of the Oklahoma  
15 Statutes. The Commissioner's order may require a person found to be  
16 in violation of the Viatical Settlements Act of 2008 to make  
17 restitution to persons aggrieved by violations of the Viatical  
18 Settlements Act of 2008.

19 F. A person convicted of a violation of the Viatical  
20 Settlements Act by a court of competent jurisdiction shall be guilty  
21 of a felony punishable as follows:

22 a. to imprisonment for not more than twenty (20) years or  
23 to payment of a fine of not more than One Hundred

1           Thousand Dollars (\$100,000.00), or both, if the value  
2           of the viatical settlement contract is more than  
3           Thirty-five Thousand Dollars (\$35,000.00),  
4           b.   to imprisonment for not more than ten (10) years or to  
5           payment of a fine of not more than Twenty Thousand  
6           Dollars (\$20,000.00), or both, if the value of the  
7           viatical settlement contract is more than Two Thousand  
8           Five Hundred Dollars (\$2,500.00) but not more than  
9           Thirty-five Thousand Dollars (\$35,000.00),  
10          c.   to imprisonment for not more than five (5) years or to  
11          payment of a fine of not more than Ten Thousand  
12          Dollars (\$10,000.00), or both, if the value of the  
13          viatical settlement contract is more than Five Hundred  
14          Dollars (\$500.00) but not more than Two Thousand Five  
15          Hundred Dollars (\$2,500.00), or  
16          d.   to imprisonment for not more than one (1) year or to  
17          payment of a fine of not more than Three Thousand  
18          Dollars (\$3,000.00), or both, if the value of the  
19          viatical settlement contract is Five Hundred Dollars  
20          (\$500.00) or less.

21          A person convicted of a violation of the Viatical Settlements  
22          Act of 2008 shall be ordered to pay restitution to persons aggrieved  
23          by the violation of the Viatical Settlements Act of 2008.

1 Restitution shall be ordered in addition to a fine or imprisonment,  
2 but not in lieu of a fine or imprisonment.

3 G. Except for a fraudulent viatical settlement act committed by  
4 a viator, the enforcement provisions and penalties of this section  
5 shall not apply to a viator. A person convicted of a violation of  
6 the Viatical Settlements Act of 2008 by a court of competent  
7 jurisdiction may be sentenced in accordance with paragraph 1, 2, 3  
8 or 4 of this subsection based on the greater of (i) the value of  
9 property, services, or other benefit wrongfully obtained or  
10 attempted to obtain, or (ii) the aggregate economic loss suffered by  
11 any person as a result of the violation. A person convicted of a  
12 fraudulent viatical settlement act must be ordered to pay  
13 restitution to persons aggrieved by the fraudulent viatical  
14 settlement act. Restitution must be ordered in addition to a fine  
15 or imprisonment but not in lieu of a fine or imprisonment.

16 1. To imprisonment for not more than twenty (20) years or to  
17 payment of a fine of not more than One Hundred Thousand Dollars  
18 (\$100,000.00), or both, if the value of viatical settlement contract  
19 is more than Thirty-five Thousand Dollars (\$35,000.00);

20 2. To imprisonment for not more than ten (10) years or to  
21 payment of a fine of not more than Twenty Thousand Dollars  
22 (\$20,000.00), or both, if the value of viatical settlement contract

1 is more than Two Thousand Five Hundred Dollars (\$2,500.00) but not  
2 more than Thirty-five Thousand Dollars (\$35,000.00);

3 3. To imprisonment for not more than five (5) years or to  
4 payment of a fine of not more than Ten Thousand Dollars  
5 (\$10,000.00), or both, if the value of viatical settlement contract  
6 is more than Five Hundred Dollars (\$500.00) but not more than Two  
7 Thousand Five Hundred Dollars (\$2,500.00); or

8 4. To imprisonment for not more than one year or to payment of  
9 a fine of not more than Three Thousand Dollars (\$3,000.00), or both,  
10 if the value of viatical settlement contract is Five Hundred Dollars  
11 (\$500.00) or less.

12 In any prosecution under this section under paragraphs 1, 2, 3  
13 and 4 of this subsection the value of the viatical settlement  
14 contracts within any six-month period may be aggregated and the  
15 defendant charged accordingly in applying the provisions of this  
16 section. When two or more offenses are committed by the same person  
17 in two or more counties, the accused may be prosecuted in any county  
18 in which one of the offenses was committed for all of the offenses  
19 aggregated under this section. The applicable statute of  
20 limitations provision under Section 93 of Title 12 of the Oklahoma  
21 Statutes shall not begin to run until the insurance company or law  
22 enforcement agency is aware of the fraud, but in no event may the

1 prosecution be commenced later than seven (7) years after the act  
2 has occurred.

3 SECTION 16. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 4055.16 of Title 36, unless  
5 there is created a duplication in numbering, reads as follows:

6 A violation of the Viatical Settlements Act of 2008, including  
7 the commission of a fraudulent viatical settlement act, shall be  
8 considered a deceptive trade practice under Sections 1201 through  
9 1219 of Title 36 of the Oklahoma Statutes subject to the penalties  
10 contained in those sections.

11 SECTION 17. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 4055.17 of Title 36, unless  
13 there is created a duplication in numbering, reads as follows:

14 The Insurance Commissioner shall have the authority to:

15 1. Promulgate regulations implementing the Viatical Settlements  
16 Act of 2008;

17 2. Establish standards for evaluating reasonableness of  
18 payments under viatical settlement contracts for persons who are  
19 terminally or chronically ill. This authority includes, but is not  
20 limited to, regulation of discount rates used to determine the  
21 amount paid in exchange for assignment, transfer, sale, devise or  
22 bequest of a benefit under a life insurance policy insuring the life  
23 of a person that is chronically or terminally ill;

1           3. Establish appropriate licensing requirements, fees and  
2 standards for continued licensure for viatical settlement providers  
3 and brokers;

4           4. Require a bond or other mechanism for financial  
5 accountability for viatical settlement providers and brokers; and

6           5. Adopt rules governing the relationship and responsibilities  
7 of both insurers and viatical settlement providers and viatical  
8 settlement brokers during the viatication of a life insurance policy  
9 or certificate.

10           SECTION 18.           NEW LAW           A new section of law to be codified  
11 in the Oklahoma Statutes as Section 4055.18 of Title 36, unless  
12 there is created a duplication in numbering, reads as follows:

13           No viatical settlement provider or viatical settlement broker  
14 transacting business in this state may continue to do so after  
15 November 1, 2008, unless the provider, broker or agent are in  
16 compliance with the Viatical Settlements Act of 2008.

17           SECTION 19.           AMENDATORY           36 O.S. 2001, Section 3604, is  
18 amended to read as follows:

19           Section 3604. A. 1. Any individual of competent legal  
20 capacity may procure or effect an insurance contract upon his or her  
21 own life or body for the benefit of any person. Except as provided  
22 in subsection D of this section, no person shall procure or cause to  
23 be procured any insurance contract upon the life or body of another

1 individual unless the benefits under the contract are payable to the  
2 individual insured or a personal representatives, or to a person  
3 having, at the time when the contract was made, an insurable  
4 interest in the individual insured.

5 2. In the absence of an agreement to the contrary, a policy  
6 procured and owned by a corporation, partnership, association,  
7 limited liability company, or other legal entity on the life or body  
8 of an officer, director, manager, member, or employee, other than a  
9 sole proprietor, upon the termination of the insurable interest, the  
10 owner of the policy shall, if permitted by the terms of the policy,  
11 offer to sell, transfer, or assign the policy to the insured in  
12 exchange for the cash surrender value of the policy or, if there is  
13 no cash value, in exchange for an amount equal to the total of any  
14 premiums paid for the policy, minus any dividends received, plus  
15 interest. This offer shall be made in writing to the insured after  
16 termination of the insurable interest. The offer shall state the  
17 time for acceptance which shall not be less than thirty (30) days  
18 after receipt of the offer by the insured. If the insured rejects  
19 the offer or fails to accept the offer in the time provided, the  
20 owner of the policy may continue to own the policy subject to its  
21 terms.

22 B. If the beneficiary, assignee, or other payee under any  
23 contract made in violation of this section receives from the insurer

1 any benefits thereunder accruing upon the death, disability, or  
2 injury of the individual insured, the individual insured or an  
3 executor or administrator, as the case may be, may maintain an  
4 action to recover such benefits from the person receiving them.

5 C. "Insurable interest" with reference to personal insurance  
6 includes only interests as follows:

7 1. In the case of individuals related closely by blood or by  
8 law, a substantial interest engendered by love and affection;

9 2. In the case of other persons, a lawful and substantial  
10 economic interest in having the life, health, or bodily safety of  
11 the individual insured continue, as distinguished from an interest  
12 which would arise only by, or would be enhanced in value by, the  
13 death, disability, or injury of the individual insured;

14 3. An individual heretofore or hereafter party to a contract or  
15 option for the purchase or sale of an interest in a business  
16 partnership or firm, or of shares of stock of a closed corporation  
17 or of an interest in such shares, has an insurable interest in the  
18 life of each individual party to the contract and for the purposes  
19 of the contract only, in addition to any insurable interest which  
20 may otherwise exist as to the life of the individual; ~~and~~

21 4. A trustee of a trust, whenever established, shall be deemed  
22 to have an insurable interest in:

23 a. the individual insured who established the trust,

1           b. each individual in whose life the owner of the trust  
2           for federal income tax purposes has an insurable  
3           interest, and

4           c. each individual in whose life a beneficiary of the  
5           trust has an insurable interest; and

6       5.    a.    An employer, or a trust which is sponsored by an  
7                    employer for the benefit of its employees, shall have  
8                    an insurable interest in each of the lives of the  
9                    employees, directors, or retired employees of the  
10                   employer. Notwithstanding paragraph 2 of subsection C  
11                   of this section or Section 4101 of this title, and  
12                   amendments thereto, the employer or trust may insure  
13                   the life of any employee, director, or retired  
14                   employee for the benefit of the employer or trust on  
15                   an individual or group basis only with the written  
16                   consent of the insured.

17           b.    The consent requirement of Section 3607 of this title  
18                   shall be accomplished as follows:

19                   (1) the employer shall notify the employee, director,  
20                        or retired employee by a written notice that the  
21                        employer or trust would like to obtain life  
22                        insurance coverage with respect to the person's  
23                        life, and

- 1                   (2) if the employee, director, or retired employee  
2                   fails to provide written consent to the employer  
3                   or trust, the employer or trust shall not  
4                   purchase or obtain such insurance.
- 5           c.    It shall be unlawful for the employer or trust to  
6           retaliate against any person for refusing to consent  
7           to the issuance of insurance on the person.
- 8           d.    The insurable interest of the employer or trust in  
9           nonmanagement and retired employees shall be limited  
10           to an amount agreed to by the employee or, in the  
11           absence of an agreement, an amount of aggregate  
12           projected death benefits commensurate with the  
13           aggregate projected liabilities to the employee under  
14           all employee welfare benefit plans, as defined in  
15           Section 1002(1) of Title 29 of the United States Code.  
16           Calculations of life insurance benefits and welfare  
17           benefit liabilities shall be made in accordance with  
18           generally accepted actuarial principles. Matching of  
19           life insurance benefits and welfare benefit  
20           liabilities may be done on cash flow, present value,  
21           or other appropriate basis.
- 22           e.    For purposes of this section:

1                   (1) "employer" means any individual, sole  
2                   proprietorship, partnership, limited liability  
3                   company, corporation, or other legal entity that  
4                   is legally doing business in this state; the term  
5                   shall also include all entities or persons which  
6                   are controlled by or affiliated with any of the  
7                   foregoing. The determination of whether any  
8                   entity or person is controlled by or affiliated  
9                   with another shall be made by applying the  
10                  principles set forth in subsection (b) or (c) of  
11                  Section 414 of Title 26 of the United States  
12                  Code, as in effect on January 1, 1993, except  
13                  that all references therein to eighty percent  
14                  (80%) shall be changed to fifty-one percent  
15                  (51%), and

16                  (2) "employee" means any common law employee of an  
17                  employer.

18                  f. This section shall not be interpreted to limit other  
19                  insurable interests which may exist by statute or at  
20                  common law.

21                  g. Determination of the existence and extent of the  
22                  insurable interest under any life insurance policy  
23                  shall be made at the time the contract of insurance

1                    becomes effective, provided however, the insurable  
2                    interest need not exist at the time the loss occurs.

3            D. Life insurance contracts may be entered into in which the  
4 person paying the consideration for the insurance has no insurable  
5 interest in the life of the individual insured, where charitable,  
6 benevolent, educational or religious institutions, or their  
7 agencies, are designated as the beneficiaries thereof. In no event  
8 shall an individual be named as a beneficiary. In making these  
9 contracts, the person paying the premium shall make and sign the  
10 application therefor as owner and shall designate a charitable,  
11 benevolent, educational, or religious institution, or an agency  
12 thereof, as the beneficiary or beneficiaries of the contract. The  
13 application or any subsequent change of beneficiary designation  
14 shall be signed by the individual whose life is to be insured.  
15 These contracts shall be valid and binding among the parties,  
16 notwithstanding the absence otherwise of an insurable interest in  
17 the life of the individual insured.

18            E. Life insurance contracts may be entered into in which the  
19 members of an alumni association of an institution of higher  
20 education accredited by the Oklahoma State Regents for Higher  
21 Education are insured under a group insurance policy and either the  
22 institution is the designated beneficiary thereof or the association  
23 is the designated beneficiary with the stipulation that the

1 association will use the proceeds of the policies for direct grants  
2 to the institution or for scholarships for students of such  
3 institutions. In no event shall an individual be named as a  
4 beneficiary to such a policy. In making such contracts, the person  
5 paying the premium shall make and sign the application therefor as  
6 owner and shall designate an institution or alumni association as  
7 the beneficiary or beneficiaries of such contract. The application  
8 or any subsequent change of beneficiary designation shall be signed  
9 also by the individual whose life is to be insured. These contracts  
10 shall be valid and binding among the parties thereto,  
11 notwithstanding the absence of an insurable interest in the life of  
12 the individual insured.

13 SECTION 20. REPEALER 36 O.S. 2001, Sections 4041, 4042,  
14 4043, 4044, 4045, 4046, 4046.1, 4047, 4048, 4048.1, 4049, 4050,  
15 4051, 4051.1, 4051.2 and 4052, are hereby repealed.

16 SECTION 21. REPEALER 36 O.S. 2001, Sections 4085, 4086,  
17 4087, 4088, 4089, 4090, 4091, 4091.1, 4092, 4093, 4094, 4095,  
18 4095.1, 4095.2 and 4096, are hereby repealed.

19 SECTION 22. This act shall become effective November 1, 2008.

20 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT & INSURANCE, dated  
21 2-21-08 - DO PASS, As Amended and Coauthored.