

## HOUSE MESSAGE SUMMARY

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BILL: CS/CS/SB 108  
SPONSOR: Judiciary, B & I and Sen. Geller  
SUBJECT: Structured Settlements  
PREPARED BY: Senate Committee on Banking and Insurance  
DATE: May 3, 2001

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### I. Amendments Contained in Message:

**House Amendment 1 ---655695** (body with title)

**House Amendment 2 ---983481** (body with title)

### II. Summary of Amendments Contained in Message:

**House Amendment 1:** This amendment is identical to CS/SB 1530 (First Engrossed) which passed the Senate on 5/2/2001.

The amendment makes several technical changes to the definition sections relating to viatical transactions and clarifies other provisions which apply to such transactions in the secondary market. Specifically, it amends the definitions of the terms “related provider trust,” “viatical settlement purchase agreement,” “viatical settlement purchaser,” “special purpose entity,” and “financing entity” to clarify that those terms apply to purchases in the secondary market. That is, purchases made from any person other than the provider who effectuated the viatical contract.

It provides that the viatical settlement sales agent must provide specified disclosures to any viatical settlement purchaser and that independent third-party trustees or escrow agents must be utilized during specified viatical settlement purchase transactions. It also places responsibility with the viatical settlement provider to “track” or monitor specified activities relating to the insured. Finally, it requires that a viatical settlement provider “doing business from this state” must obtain a license from the Department of Insurance.

**House Amendment 2:** This amendment provides for several changes to CS/CS/SB 108 which passed the Senate on 3/29/2001. The amendment provides for the following:

- specifies that a structured settlement agreement must be approved by a court “of this state;”
- clarifies that the net payment amount disclosure statement provide that the net amount a party would receive for a future structured-settlement payment represents a percent of the estimated current value of the payment, “based upon the discounted value using the applicable federal rate;”
- clarifies that the payee has established that the transfer (of structured settlements rights) is in the best interests of the payee, “taking into account the welfare and support of” the payee’s dependents; and,

- authorizes that “any interested party,” (as opposed to the state attorney in the bill) may bring a civil action for injunctive relief, penalties and any other relief that is appropriate to secure compliance with the section.