

Amendment No.

CHAMBER ACTION

Senate

House

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Representative Stevenson offered the following:

Amendment to Amendment (257657)

Remove line 31 of the amendment and insert:

~~(3) The owner of the policy is not a natural person;~~

~~(4) The viatical settlement contract was entered into
before July 1, 2000;~~

~~(c)1.(5) The viator certifies by producing independent
evidence to the viatical settlement provider that one or more of
the following conditions were met during the 5-year period have
been met within the 2-year period:~~

~~a.(a)1. The viator or insured is terminally or chronically
ill diagnosed with an illness or condition that is either:~~

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14 ~~a. Catastrophic or life threatening; or~~

15 ~~b. Requires a course of treatment for a period of at least~~
16 ~~3 years of long-term care or home health care; and~~

17 b.2. The condition was not known to the insured at the
18 time the life insurance contract was entered into; ~~:-~~

19 2.(b) The viator's spouse dies;

20 3.(e) The viator divorces his or her spouse;

21 4.(d) The viator retires from full-time employment;

22 5.(e) The viator becomes physically or mentally disabled
23 and a physician determines that the disability prevents the
24 viator from maintaining full-time employment;

25 6.(f) The owner of the policy was the insured's employer
26 at the time the policy or certificate was issued and the
27 employment relationship terminated;

28 7.(g) A final order, judgment, or decree is entered by a
29 court of competent jurisdiction, on the application of a
30 creditor of the viator, adjudicating the viator bankrupt or
31 insolvent, or approving a petition seeking reorganization of the
32 viator or appointing a receiver, trustee, or liquidator to all
33 or a substantial part of the viator's assets; or

34 8.(h) The viator experiences a significant decrease in
35 income which is unexpected by the viator and which impairs his
36 or her reasonable ability to pay the policy premium.

37 (d) The viator entered into a viatical settlement contract
38 more than 2 years after the policy's issuance date and, with

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39 respect to the policy, at all times before the date that is 2
40 years after policy issuance, each of the following conditions are
41 met:

42 1. Policy premiums have been funded exclusively with
43 unencumbered assets, including an interest in the life insurance
44 policy being financed only to the extent of its net cash
45 surrender value, provided by, or fully recourse liability
46 incurred by, the insured;

47 2. There is no agreement or understanding with any other
48 person to guarantee any such liability or to purchase, or stand
49 ready to purchase, the policy, including through an assumption or
50 forgiveness of the loan; and

51 3. Neither the insured nor the policy has been evaluated
52 for settlement.

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