



549508

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/20/2017	.	
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The Committee on Appropriations (Young) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 190 - 256

and insert:

626.99287 Contestability of viaticated policies.-

(1) Except as hereinafter provided, if a viatical settlement contract is entered into within the 2-year period commencing with the date of issuance of the insurance policy or certificate to be acquired, the viatical settlement contract is void and unenforceable by either party.



549508

11           (2) Except as hereinafter provided, if a viatical  
12 settlement policy is subject to a loan secured directly or  
13 indirectly by an interest in the policy within a 5-year period  
14 commencing on the date of issuance of the policy or certificate,  
15 the viatical settlement contract is void and unenforceable by  
16 either party.

17           (3) Notwithstanding the limitations in subsections (1) and  
18 (2) ~~this limitation~~, such a viatical settlement contract is not  
19 void and unenforceable if the viator provides a sworn affidavit  
20 and accompanying independent evidentiary documentation  
21 certifying to the viatical settlement provider that one or more  
22 of the following conditions were met during the periods  
23 applicable to the viaticated policy as stated in subsections (1)  
24 or (2):

25           (a) ~~(1)~~ The policy was issued upon the owner's exercise of  
26 conversion rights arising out of a group or term policy, if the  
27 total time covered under the prior policy is at least 60 months.  
28 The time covered under a group policy must be calculated without  
29 regard to any change in insurance carriers, provided the  
30 coverage has been continuous and under the same group  
31 sponsorship.

32           (b) ~~(2)~~ The owner of the policy is a charitable organization  
33 exempt from taxation under 26 U.S.C. s. 501(c) (3).

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

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

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



549508

40 ~~period:~~

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

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

44 ~~b. Requires a course of treatment for a period of at least~~  
45 ~~3 years of long-term care or home health care; and~~

46 ~~2. the condition was not known to the insured at the time~~  
47 ~~the life insurance contract was entered into;:-~~

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

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

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

51 ~~5.(e) The viator becomes physically or mentally disabled~~  
52 ~~and a physician determines that the disability prevents the~~  
53 ~~viator from maintaining full-time employment;~~

54 ~~6.(f) The owner of the policy was the insured's employer at~~  
55 ~~the time the policy or certificate was issued and the employment~~  
56 ~~relationship terminated;~~

57 ~~7.(g) A final order, judgment, or decree is entered by a~~  
58 ~~court of competent jurisdiction, on the application of a~~  
59 ~~creditor of the viator, adjudicating the viator bankrupt or~~  
60 ~~insolvent, or approving a petition seeking reorganization of the~~  
61 ~~viator or appointing a receiver, trustee, or liquidator to all~~  
62 ~~or a substantial part of the viator's assets; or~~

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

66 ~~(d) The viator entered into a viatical settlement contract~~  
67 ~~more than 2 years after the policy's issuance date and, with~~  
68 ~~respect to the policy, at all times before the date that is 2~~



549508

69 years after policy issuance, each of the following conditions is  
70 met:

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

76 2. There is no agreement or understanding with any other  
77 person to guarantee any such liability or to purchase, or stand  
78 ready to purchase, the policy, including through an assumption  
79 or forgiveness of the loan; and

80 3. Neither the insured or the policy has been evaluated for  
81 settlement.

82  
83 ===== T I T L E A M E N D M E N T =====

84 And the title is amended as follows:

85 Delete lines 11 - 15

86 and insert:

87 F.S.; providing that a viatical settlement contract is  
88 void and unenforceable by either party if the viatical  
89 settlement policy is subject, within a specified  
90 timeframe, to a loan secured by an interest in the  
91 policy; revising conditions and requirements in which  
92 viatical settlement contracts entered into within  
93 specified timeframes are valid and enforceable;  
94 deleting