

Title 210 – NEBRASKA DEPARTMENT OF INSURANCE

Chapter 76 – VIATICAL SETTLEMENTS

001. Authority

This regulation is adopted by the director pursuant to the authority in Neb. Rev. Stat. § 44-1114.

002. Definitions

In addition to the definitions in Neb. Rev. Stat. § 44-1102, the following definitions apply to this regulation:

- (002.01) “Insured” means the person covered under the policy being considered for viatication.
- (002.02) “Life expectancy” means the mean of the number of months the individual insured under the life insurance policy to be viaticated can be expected to live as determined by the viatical settlement provider considering medical records and appropriate experiential data.
- (002.03) “Net death benefit” means the amount of the life insurance policy or certificate to be viaticated less any outstanding debts or liens.
- (002.04) “Patient identifying information” means an insured’s address, telephone number, facsimile number, electronic mail address, photograph or likeness, employer, employment status, social security number, or any other information that is likely to lead to the identification of the insured.

003. License Requirements

(003.01A) The Director may require an individual applying for a viatical settlement broker license to pass a written examination designated by the Department testing the knowledge of the individual concerning viatical settlements, the duties and responsibilities of a viatical settlement broker, and the laws, rules and regulations applicable to viatical settlement sales in Nebraska. ~~examination based on the NAIC Viatical Settlements Brokers Examination.~~

~~(003.01B) No existing viatical settlement broker's license shall be renewed or reissued until the licensee or individual authorized to act as a viatical settlement broker under a license issued to a legal entity has passed the NAIC Viatical Settlement Brokers Examination, if required by the director.~~

~~(003.01C) — A passing score for the NAIC Viatical Settlements Brokers Examination shall be a minimum score of seventy percent (70%).~~

~~(003.01D) — If the individual passes the NAIC Viatical Settlement Brokers Examination that is administered by another state that is a participant in the NAIC Viatical Settlement Brokers Examination process, then the individual has satisfied the testing requirements of this state.~~

(003.02) In addition to the information required in Neb. Rev. Stat. § 44-1103, the director may ask for other information necessary to determine whether the applicant for a license as a viatical settlement provider or viatical settlement broker complies with the requirements of ~~Neb. Rev. Stat. § 44-1103~~.

(003.03) The application for a viatical settlement broker shall be accompanied by a fee of \$40.00. The broker license may be renewed by payment of \$40.00 and a current copy of a letter of good standing obtained from the filing officer of the applicant's state of domicile. The application for a viatical settlement provider shall be accompanied by a fee of \$1,000. The provider license may be renewed annually by payment of \$100 and a current copy of a letter of good standing from the state of domicile. If a viatical settlement provider or viatical settlement broker fails to pay the renewal fee within the time prescribed, or a viatical settlement provider fails to submit the reports required in Section 006 of this regulation, such nonpayment or failure to submit the required reports shall result in expiration of the license. If a viatical settlement provider has, at the time of renewal, viatical settlements where the insured has not died, it shall do one of the following:

(003.03A) Renew or maintain its current license status until the earlier of the following events:

(003.03A(1)) The date the viatical settlement provider properly assigns, sells or otherwise transfers the viatical settlements where the insured has not died; or

(003.03A(2)) The date that the last insured covered by viatical settlement transaction has died.

(003.03B) Appoint, in writing, either the viatical settlement provider that entered into the viatical settlement, the broker who received

commissions from the viatical settlement, if applicable, or any other viatical settlement provider or broker licensed in this state to make all inquiries to the viator, or the viator's designee, regarding health status of the viator or any other matters.

(003.04) An individual licensed as a viatical settlement broker or authorized to act under a license issued to a licensed entity as a viatical settlement broker shall complete ~~nine-fifteen~~ (915) hours of department-approved continuing education during each continuing education biennium.

~~(003.04A)~~ The required continuing education hours shall include a minimum of:

- (a) ~~Six-Twelve~~ (612) hours in life insurance;
- (b) Three (3) hours in ethics.

(003.04B) ~~The same hours may be credited towards the individual's continuing education requirements for the viatical settlement broker license and the applicable producer license, if any Pursuant to Neb. Rev. Stat. § 44-1103(8), a life insurance producer who is operating as a viatical settlement broker pursuant to Neb. Rev. Stat. § 44-1103(1) shall be exempt from the requirements of section 003.04.~~

(003.04C) Each continuing education biennium shall begin at the end of the licensee's birth month when licensee's age ends in an even number.

(003.04D) The license of an individual who fails to comply with this continuing education requirement and who has not been granted an extension of time to comply in accordance with the procedures set forth in Neb. Rev. Stat. § 44-4054(6) shall terminate and shall be promptly surrendered to the director without demand.

(003.05) A viatical settlement broker or viatical settlement provider shall file with the director, and thereafter for as long as the license remains in effect shall keep in force, evidence of financial responsibility. Evidence of financial responsibility shall be in the form of:

(003.05A) ~~For viatical settlement brokers, evidence of financial responsibility shall be in the form of an errors and omissions insurance policy with a minimum limit of \$100,000. The policy shall not be terminated without thirty (30) days prior written notice to the licensee and the director. A surety bond executed and issued by~~

an insurer authorized to issue surety bonds in this state in the amount of \$250,000; or

(003.05B) ~~For viatical settlement providers, evidence of financial responsibility shall be in the amount of \$50,000 and shall be in the form of a surety bond issued by an authorized corporate surety or a deposit of cash, certificates of deposit or securities or any combination of these evidences of financial responsibility. The policy, bond, deposit or combination thereof shall not be terminated without thirty (30) days prior written notice to the licensee and the director and shall name the director as obligee. A~~
deposit of cash, certificates of deposit, or securities, or any combination thereof, in the amount of \$250,000.

(003.06) The license issued to a viatical settlement provider or viatical settlement broker shall be a limited license that allows it to operate only within the scope of its license.

004. Appointments

(004.01) A viatical settlement broker shall not act as an agent of a viatical settlement provider unless the viatical settlement broker becomes an appointed agent of that provider. A viatical settlement broker who is not acting as a viatical settlement broker of a provider is not required to be appointed.

(004.02) To appoint a viatical settlement broker as its agent, the appointing provider shall file, in a format approved by the director, a notice of appointment within fifteen (15) days from the date the agency contract is executed or the first viatical settlement contract is negotiated on behalf of the provider.

(004.03) Upon receipt of the notice of appointment, the director shall verify within a reasonable time not to exceed thirty (30) days that the viatical settlement broker is determined to be eligible for appointment. If the viatical settlement broker is determined to be ineligible for appointment, the director shall notify the provider within ten (10) days of its determination.

(004.04) A provider shall pay an annual appointment fee, in the amount and method of payment set forth in Neb. Rev. Stat. § 44-4064(1)-(eb) not to exceed \$10.00, for each viatical settlement broker appointed by the provider.

(004.05) A licensed life insurance producer acting as a viatical settlement broker pursuant to Neb. Rev. Stat. § 44-1103(1) who is an appointed agent of a

viatical settlement provider under the Insurance Producer's Licensing Act does not need to be separately appointed with that viatical settlement provider under this section.

~~(004.05) — A provider shall remit, in a manner prescribed by the insurance director, a renewal fee in the amount set forth in Neb. Rev. Stat. §44-4064(1)(e) not to exceed \$10.00.~~

005. Standards for Evaluation of Reasonable Payments for Terminally or Chronically Ill Insureds

In order to assure that viators receive a reasonable return for viaticating an insurance policy, the return for viaticating a policy shall be no less than the following payouts for insureds who are terminally or chronically ill:

Insured's Life Expectancy	Minimum Percentage of Face Value Less Outstanding Loans Received by Viator
Less than 6 months	[80%]
At least 6 but less than 12 months	[70%]
At least 12 but less than 18 months	[65%]
At least 18 but less than 24 months	[60%]
Twenty-four months or more	[50%]

The percentage may be reduced by [5%] for viaticating a policy written by an insurer rated less than the highest [4] categories by A.M. Best, or a comparable rating by another rating agency.

006. Reporting Requirement

(006.01) On or before March 1 of each calendar year, each viatical settlement provider licensed in this state shall submit the following make a report of all viatical settlement transactions where the viator is a resident of this state and for all states in the aggregate containing the following information for the related to the licensee's activities for the previous calendar year:

(006.01A) For viatical settlements contracted during reporting period:

~~_____ (006.01A(1)) Date of viatical settlement contract; A report of the viatical settlement transactions related to Nebraska viators, which shall be submitted on Form VSP 001 (Appendix B);~~

~~_____ (006.01A(2)) Viator's state of residence at the time of the contract;~~

~~(006.01A(32)) Mean life expectancy of the insured at time of contract in months; A report of the individual mortality of Nebraska insureds, which shall be submitted on Form VSP 002 (Appendix C);~~

~~—————(006.01A(43)) Face amount of policy viaticated; A certification of the information contained in the reports, which shall be submitted on Form VSP 003 (Appendix D) and shall be filed with the reports.~~

~~—————(006.01A(5)) Net death benefit viaticated;~~

~~(006.01A(6)) Estimated total premiums to keep policy in force for mean life expectancy;~~

~~(006.01A(7)) Net amount paid to viator;~~

~~(006.01A(8)) Source of policy (B-Broker; D-Direct Purchase; O-Purchased from individual or entity other than the original viator);~~

~~(006.01A(9)) Type of coverage (I-Individual or G-Group);~~

~~(006.01A(10)) Within the contestable or suicide period, or both, at the time of viatical settlement (yes or no);~~

~~(006.01A(11)) Classification of diseases and injuries:~~

~~(a) — Cardiovascular diseases;~~

~~(b) — Diseases of the central nervous system;~~

~~(c) — Diseases of the peripheral nervous system;~~

~~(d) — Elders with nonspecific disease processes;~~

~~(e) — Infectious diseases and autoimmune diseases;~~

~~(f) — Liver and renal diseases;~~

~~(g) — Neoplasms;~~

~~(h) — Non-neoplastic pulmonary diseases;~~

~~(i) — Other;~~

~~(006.01A(12)) Type of funding. (P-purchaser; L-license; A-accredited investor; F-financing entity; S-special purpose entity; R-related provider trust, I-internal funding); and~~

~~(006.01A(13)) Rating of insurer that issued the policy at the time the policy was viaticated.~~

~~(006.01B) — For viatical settlements where death has occurred during the reporting period;~~

~~_____ (006.01B(1)) — Date of viatical settlement contract;~~

~~_____ (006.01B(2)) — Viator's state of residence at the time of the contract;~~

~~(006.01B(3)) — Mean life expectancy of the insured at time of contract in months;~~

~~_____ (006.01B(4)) — Net death benefit collected;~~

~~(006.01B(5)) — Total premiums paid to maintain the policy (WP-Waiver of Premium; NA-Not Applicable);~~

~~(006.01B(6)) — Net amount paid to viator;~~

~~(006.01B(7)) — Classification of diseases and injuries:~~

~~(a) — Cardiovascular diseases;~~

~~(b) — Diseases of the central nervous system;~~

~~(c) — Diseases of the peripheral nervous system;~~

~~(d) — Elders with nonspecific disease processes;~~

~~(e) — Infectious diseases and autoimmune diseases;~~

~~(f) — Liver and renal diseases;~~

~~(g) — Neoplasms;~~

~~(h) — Non-neoplastic pulmonary diseases;~~

~~(i) — Other;~~

~~_____ (006.01B(8)) — Date of death;~~

~~(006.01B(9)) — Amount of time between date of contract and date of death in months;~~

~~(006.01B(10)) — Difference between the number of months that passed between the date of contract and the date of death and the mean life expectancy in months as determined by the reporting company;~~

~~(006.01B(11)) — Type of coverage (I-Individual or G-Group);~~

~~(006.01B(12)) — Within the contestable or suicide period, or both, at the time of viatical settlement (yes or no);~~

~~(006.01C) — Name and address of each viatical settlement broker through whom the reporting provider purchased a policy from a viator who resided in this state at the time of contract;~~

~~(006.01D) — Number of policies reviewed and rejected; and~~

~~(006.01E) — Number of policies purchased from an individual or entity other than the original viator as a percentage of total policies purchased.~~

(006.02) Each viatical settlement provider shall remit an annual statement filing fee of \$200.00 in accordance with Neb. Rev. Stat. § 44-114(7).

007. General Rules

(007.01) With respect to policies containing a provision for double or additional indemnity for accidental death, the additional payment shall remain payable to the beneficiary last named by the viator prior to entering into the viatical settlement contract, or to such other beneficiary, other than the viatical settlement provider, as the viator may thereafter designate, or in the absence of a beneficiary, to the estate of the viator.

(007.02) Payment of the proceeds of a viatical settlement pursuant to ~~Neb. Rev. Stat. § 44-1109~~(4) shall be by means of wire transfer to the account of the viator or by certified check or cashier's check.

(007.03) Payment of the proceeds of the viator pursuant to a viatical settlement shall be made in a lump sum except where the viatical settlement provider has purchased an annuity or similar financial instrument issued by a licensed insurance company or bank, or an affiliate of either. Retention of a portion of the proceeds by the viatical settlement provider or escrow agent is not permissible.

(007.04) A viatical settlement provider or viatical settlement broker shall not discriminate in the making or solicitation of viatical settlements or discriminate between viators with dependents and without dependents.

(007.05) A viatical settlement provider or viatical settlement broker shall not pay or offer to pay any finder's fee, commission or other compensation to any insured's physician, or to an attorney, accountant or other person providing medical, legal or financial planning services to the viator, or to any other person acting as an agent of the viator, other than a viatical settlement broker, with respect to the viatical settlement.

(007.06) If a viatical settlement provider enters into a viatical settlement that allows the viator to retain an interest in the policy, the viatical settlement contract shall contain the following provisions;

- (007.06A) A provision that the viatical settlement provider will effect the transfer of the amount of the death benefit only to the extent or portion of the amount viaticated. Benefits in excess of the amount viaticated shall be paid directly to the viator's beneficiary by the insurance company.
- (007.06B) A provision that the viatical settlement provider will, upon acknowledgment of the perfection of the transfer, either;
 - (007.06B(1)) Advise the insured, in writing, that the insurance company has confirmed the viator's interest in the policy; or
 - (007.06B(2)) Send a copy of the instrument sent from the insurance company to the viatical settlement provider that acknowledges the viator's interest in the policy; and
- (007.06C) A provision that apportions the premiums to be paid by the viatical settlement provider and the viator. It is permissible for the viatical settlement contract to specify that all premiums shall be paid by the viatical settlement provider. The contract may also require that the viator reimburse the viatical settlement provider for the premiums attributable to the retained interest.
- (007.07) In all cases where the insured is a minor child, disclosures to and permission of a parent satisfy the requirements of Neb. Rev. Stat. § 44-1108 and this regulation.

008. Prohibited Practices

- (008.01) A viatical settlement provider or viatical settlement broker shall obtain from a person that is provided with patient identifying information a signed affirmation that the person or entity will not further divulge the information without procuring the express, written consent of the insured for the disclosure. Notwithstanding the foregoing, if a viatical settlement provider, or viatical settlement broker is served with a subpoena and, therefore, compelled to produce records containing patient identifying information, it shall notify the viator and the insured in writing at their last known addresses within five (5) business days after receiving notice of the subpoena.
- (008.02) A viatical settlement provider shall not act also as a viatical settlement broker, whether entitled to collect a fee directly or indirectly, in the same viatical settlement.

- (008.03) A viatical settlement broker shall not, without the written agreement of the viator obtained prior to performing any services in connection with a viatical settlement, seek or obtain any compensation from the viator.
- (008.04) A viatical settlement provider shall not use a longer life expectancy than is reasonable in order to reduce the pay-out to the viator.

009. Insurance Company Practices

- (009.01) Life insurance companies authorized to do business in this state shall respond to a request for verification of coverage from a viatical settlement provider or a viatical settlement broker within thirty (30) calendar days of the date a request is received, including the insurer's intent whether to pursue an additional investigation regarding possible fraud or the validity of the insurance contract, subject to the following conditions:
- (009.01A) A current authorization consistent with applicable law, signed by the policyowner or certificateholder, accompanies the request;
- (009.01B) ~~In the case of an individual policy, submission of a form substantially similar to Appendix A, which has been completed by the viatical settlement provider or the viatical settlement broker in accordance with the instructions on the form.~~
- ~~(009.01C) — In the case of group insurance coverage:~~
- ~~(009.01C(1)) — Submission of a form substantially similar to Appendix B, which has been completed by the viatical settlement provider or viatical settlement broker in accordance with the instructions on the form, and~~
- ~~(009.01C(2)) — Which has previously been referred to the group policyholder and completed to the extent the information is available to the group policyholder; the case of an individual policy or group insurance coverage where details with respect to the certificate holder's coverage are maintained by the insurer, submission of a form substantially similar to Appendix A, which has been completed by the viatical settlement provider or viatical settlement broker in accordance with the instructions on the form.~~
- (009.02) Nothing in this section shall prohibit a life insurance company and a viatical settlement provider or a viatical settlement broker from using another verification of coverage form that has been mutually agreed upon in writing in advance of submission of the request.

- (009.03) A life insurance company may not charge a fee for responding to a request for information from a viatical settlement provider or viatical settlement broker in compliance with this section in excess of any usual and customary charges to contractholders, certificateholders or insureds for similar services.
- (009.04) The life insurance company may send an acknowledgement of receipt of the request for verification of coverage to the policyowner or certificateholder and, where the policy owner or certificate owner is other than the insured, to the insured. The acknowledgment may contain a general description of any accelerated death benefit that is available under a provision of or rider to the life insurance contract.

010. Severability.

If any section or portion of a section of this chapter, or the applicability thereof to any person or circumstance, is held invalid by a court, the remainder of this chapter, or the applicability of such provision to other persons shall not be affected thereby.

APPENDIX A

**VERIFICATION OF COVERAGE
FOR INDIVIDUALS POLICIES**

Section One:

(To be completed by the Viatical Settlement Provider or Viatical Settlement Broker)

Insurance Company: _____ Name of
Policyowner: _____

Policy Number: _____ Owner's Social Security
Number: _____

Name of Insured: _____ Policyowner's
Address: _____

(Street)

Insured's Date of Birth: _____

(City/State)

Please provide the information requested in Section Two (below) with regard to the policy identified above and in accordance with the attached authorization.

In addition, please provide the forms checked below which are available from your company to complete a viatical settlement transaction:

_____ Absolute Assignment/Change of Ownership/Viatical Assignment Form

_____ Change of beneficiary

_____ Release of Irrevocable Beneficiary (if applicable)

_____ Waiver of Premium Claim Form

_____ Disability Waiver of Premium Approval Letter

Date _____ Signature of a Representative of
Viatical _____

Settlement Broker or Viatical
Settlement Provider _____

Full name and address of Viatical Settlement Broker or Viatical Settlement Provider

**Section Two:
(To be completed by the life insurance company)**

- 1) Face amount of policy: \$ _____
- 2) Original date of issue: _____ / _____ / _____ (Month/Day/Year)
- 3) Was face amount increased after original issue date? _____ no _____ yes
- a) If yes, when: _____ / _____ / _____ (Month/Day/Year)
- 4) Type of policy: _____ (Term/Whole Life/Universal Life/Variable Life)
- 5) Is policy participating? _____ no _____ yes
- 6) Current net death benefit: _____ (Enter full amount payable, including any additional insurance, and/or dividends accumulated at interest, minus policy loans, outstanding interest on policy loans and/or accelerated death benefits paid.)
- 7) a) Current cash value: \$ _____ (Enter full amount, including cash value of any additional insurance and/or dividends accumulated at interest, minus policy loans and outstanding interest on policy loans.)
b) Current surrender value: \$ _____
- 8) Terms of policy loans:
a) Amount of policy loans: \$ _____
b) Amount of outstanding interest on policy loan: \$ _____
c) Current interest rate: _____
- 9) Has policy lapsed? _____ no _____ yes
a) If yes, when did policy lapse? _____ / _____ / _____ (Month/Day/Year)
If policy has lapsed, is coverage continued under non-forfeiture option? _____ no _____ yes If yes, indicate which option, amount of coverage, duration, etc.: _____

- 10) Is policy in force: _____ no _____ yes
a) If yes, has the policy been reinstated within the last two years? _____ no _____ yes
If yes, date of reinstatement _____ / _____ / _____ (Month/Day/Year)

- 11) Amount of contract/scheduled premiums: \$ _____
- 12) Current premium mode: _____ (Monthly, semi-annually, etc.)
- a) when is next premium due? ____/____/____ (Month/Day/Year)
- 13) Does the policy include a disability premium waiver provision/rider? _____ no _____ yes
- a) If yes, are premiums currently being waived? _____ no _____ yes
- b) If yes, since when? ____/____/____ (Month/Day/Year)
- c) How often is continued eligibility reviewed? _____
- d) When is the next review? ____/____/____ (Month/Day/Year)
- 14) Can payment of all or part of the death benefit be accelerated under this policy? _____ no _____ yes
- 15) Has a claim for accelerated death benefit been submitted? _____ no _____ yes
- a) If yes, was payment made under this provision? _____ no _____ yes
- Amount paid: _____ Date paid: ____/____/____ (Month/Day/Year)
- 16) Do current records show any assignments of record? _____ no _____ yes
- 17) Do current records show any outstanding liens or encumbrances of record? _____ no _____ yes
- 18) Please identify current primary beneficiaries: _____
- a) Are they named irrevocably, or is owner otherwise limited in designation of new beneficiaries? _____ no _____ yes
- 19) Have any riders been added to this policy after issue? _____ no _____ yes
- If yes, please identify: _____
- 20) If an ownership or beneficiary change or assignment were to be made on this policy, to whom would the completed forms be sent? _____

Name: _____

Title: _____

Company Name: _____ Department: _____

Address (No P.O. Box, please) _____

City: _____ State: _____ Zip: _____

Telephone No: _____

Fax: _____

- 21) Based on the information provided, do you intend to pursue an investigation for fraud in the underlying _____

insurance contract? _____

The answers provided reflect information contained in the company's records as of:
_____ (date)

Signature: _____ Name:
(printed) _____

Title:

Company:

Direct Telephone No: _____ Direct Fax No:

APPENDIX B

VERIFICATION OF GROUP LIFE INSURANCE BENEFITS

Section One:

~~(To be completed by the viatical settlement provider or viatical settlement broker~~

~~Insurance Company _____ Name of Employee/Member _____~~

~~Employer/Policyholder Name _____ Insured's Date of Birth _____~~

~~Policy Number _____ Employee/Membership Number _____~~

~~Please provide the information requested in Section Two or Section Three, as appropriate, with regard to the individual and coverage described, in accordance with the attached authorization. In addition, please provide the forms checked below which are available from your company to complete a viatical settlement transaction:~~

- ~~_____ Absolute Assignment~~
- ~~_____ Change of Beneficiary (irrevocable if applicable)~~
- ~~_____ Disability Waiver of premium claim or~~
- ~~_____ Disability Waiver of premium award letter~~

~~_____~~
~~_____~~
~~Date _____ Signature of a Representative of Viatical Settlement Broker or Viatical Settlement Provider~~

~~_____~~
~~_____~~
~~_____~~
~~_____~~
~~Full name and address of Viatical Settlement Broker or Viatical Settlement Provider~~

Section Two:

~~(To be completed by the employer/group policyholder and the insurer. Both should indicate the parts they completed.)~~

1) ~~BASIC COVERAGE:~~

a) ~~Is the plan self-insured or is coverage provided under a group policy issued by a life insurance company?~~

~~_____~~
~~_____~~

~~If by a group policy, please provide the name of the insurance company for BASIC life insurance~~

~~coverage: _____~~
~~_____~~

b) ~~Effective date of BASIC life insurance coverage:~~

~~_____~~
~~_____~~

c) ~~Face amount of BASIC life~~

~~insurance: _____~~
~~_____~~

d) ~~Does Basic coverage plan have contestable provisions? _____ no _____ yes~~

e) ~~Is BASIC coverage subject to a suicide provision? _____ no _____ yes~~

f) ~~Monthly premium paid by employer/group policyholder for BASIC life insurance:~~

~~\$ _____~~
~~_____~~

g) ~~Monthly premium paid by employee/insured for BASIC life insurance:~~

~~\$ _____~~
~~_____~~

h) ~~Is BASIC life insurance coverage _____ Term _____ Universal Life?~~

i) ~~If Universal Life, please indicate cash value, if any: _____ Is this amount payable in addition to the face amount? _____ no _____ yes~~

~~i) Is coverage in force? _____ no _____ yes~~

~~j) When is next premium due? _____~~

~~k) Has employee's coverage under this plan ever been reinstated? _____ no _____ yes~~

~~i) If yes, date of reinstatement: _____~~
~~_____~~

2) ~~SUPPLEMENTAL (OPTIONAL) COVERAGE~~

a) ~~Insurance Company for SUPPLEMENTAL life insurance coverage:~~

~~_____~~
~~_____~~

b) ~~Effective date of SUPPLEMENTAL life insurance coverage:~~

~~_____~~
~~_____~~

c) ~~Face amount of SUPPLEMENTAL life~~

~~insurance: _____~~
~~_____~~

d) ~~Does SUPPLEMENTAL coverage plan have contestable provisions? _____ no _____ yes~~

e) ~~Is SUPPLEMENTAL coverage subject to a suicide provision? _____ no _____ yes~~

f) ~~Monthly premium paid by employer/group policyholder for SUPPLEMENTAL life insurance: \$ _____~~
~~_____~~

g) ~~Monthly premium paid by employee/insured for SUPPLEMENTAL life insurance: \$ _____~~
~~_____~~

h) ~~Is SUPPLEMENTAL life insurance coverage _____ Term _____ Universal Life?~~

i) ~~If Universal Life, please indicate cash value, if any: _____ Is this amount payable in addition to the face amount? _____ no _____ yes~~

~~i) Is coverage in force? _____ no _____ yes~~

j) ~~When is next premium due? _____~~

k) ~~Has employee's coverage under this policy been reinstated within the last two years?
_____ no _____ yes~~

i) ~~If yes, date of reinstatement: _____~~

3) ~~DISABILITY WAIVER OF PREMIUM~~

~~a) Does plan provide for waiver of premium in the event of employee/insured's disability?~~

~~BASIC _____ no _____ yes What is the waiting period? _____~~

~~SUPPLEMENTAL _____ no _____ yes What is the waiting period? _____~~

~~b) Are premiums currently being waived under disability premium waiver?
BASIC _____ no _____ yes~~

~~SUPPLEMENTAL _____ no _____ yes~~

~~c) Who pays premiums under disability premium waiver?~~

~~BASIC _____~~

~~SUPPLEMENTAL _____~~

~~d) What was the date of approval? _____~~

~~e) Next review date? _____~~

~~f) If the insured is no longer eligible for waiver, what amount of coverage can be converted to an individual policy? \$ _____~~

~~i) Will a new suicide/contestability clause be in effect for the converted policy?
_____ no _____ yes~~

~~ii) Will assignee be notified if insured is no longer eligible for waiver? _____ no _____ yes~~

4) ~~BENEFICIARIES, ASSIGNMENTS AND LIMITATIONS~~

~~a) Who are the primary beneficiaries of the coverage(s)?~~

~~BASIC _____~~

~~SUPPLEMENTAL: _____~~

~~b) Is any beneficiary under this policy designated irrevocably, or is insured otherwise limited in designation of new beneficiaries? _____ no _____ yes~~

e) ~~Can this coverage be assigned?~~

~~BASIC _____ no _____ yes~~

~~If yes, to a corporation? _____ no _____ yes~~

~~To someone not related to insured? _____ no _____ yes~~

~~SUPPLEMENTAL _____ no _____ yes~~

~~If yes, to a corporation? _____ no _____ yes~~

~~To someone not related to insured? _____ no _____ yes~~

~~d) Do records show any assignments of record? _____ no _____ yes~~

~~e) Do records show any outstanding liens or encumbrances of record? _____ no _____ yes~~

f) ~~The following parties (as applicable) should indicate whether they will provide notice to the assignee if the master policy is terminated.~~

~~Group policyholder _____ no _____ yes~~

~~Third party administrator (if any) _____ no _____ yes~~

~~Insurance Company _____ no _____ yes~~

~~g) Can Assignee convert the coverage without the permission of insured? _____ no _____ yes~~

5) ~~ACCELERATED DEATH BENEFITS~~

~~a) Is there an Accelerated Death Benefit available under the coverage?~~

~~BASIC _____ no _____ yes~~

~~SUPPLEMENTAL _____ no _____ yes~~

~~b) Has request for Accelerated Death Benefit been made? _____ no _____ yes~~

~~c) Has payment been made to insured under this provision? _____ no _____ yes~~

~~i) Amount paid: _____ Date paid: _____~~

~~ii) Is this amount a lien against death proceeds? _____ no _____ yes~~

~~iii) Can the remaining death benefit be assigned? _____ no _____ yes~~

6) ~~MISCELLANEOUS~~

~~a) Is coverage portable?~~

~~BASIC _____ no _____ yes~~

~~SUPPLEMENTAL _____ no _____ yes~~

~~b) If insured is no longer eligible for coverage under the group, will Assignee be notified?~~

~~_____ no _____ yes~~

~~_____ If master policy discontinues, what amount can be converted to an individual policy?~~

~~\$_____ Is this plan administered by a third party? _____ no _____ yes~~

~~_____ If yes, please provide the name, address and telephone number of administrator:~~

Name: _____ Title

Company name: _____ Department:

Street

Address: _____

_____ (No P.O. Box please)

City: _____ State: _____

Zip: _____

Telephone number: (_____) _____ Fax:

(_____) _____

If a change of beneficiary form or assignment were to be made for this coverage, to whom should the completed forms be sent?

Name: _____ Title

Company name: _____ Department:

Street

Address: _____

_____ (No P.O. Box please)

City: _____ State: _____

Zip: _____

Telephone number: (_____) _____ Fax:

(_____) _____

The answers provided reflect information in our files as of
_____ (date)

Signature: _____

Name: _____

Date: _____

Date: _____

Company: _____

Direct telephone number:

(_____) _____ Title: _____

Information not provided by the employer may be obtained from the insurance company if different from administrator identified above:

Name: _____

Title: _____

Company name: _____

Department: _____

Address: _____

City: _____ State _____

Zip: _____

Telephone number: (_____) _____ Fax

(_____) _____

Section Three:

~~Under the terms of Section 009 covering insurance company practices, the insurance company or the third party administrator name above is requested to complete the information not provided by the employer in Section Two, above, Items number: _____~~

7) ~~Based on the information provided, do you intend to pursue an investigation for fraud in the underlying insurance contract?~~

~~The answers provided to the identified questions reflect information in the files of the insurance company as of _____ (date)~~

Signature: _____
Name: _____

Date: _____
Title: _____

Company: _____

Direct telephone number: (_____) _____ Direct fax
number(_____) _____

APPENDIX A

VERIFICATION OF COVERAGE FOR LIFE INSURANCE POLICIES

SUBMITTED TO: _____ **NAIC**
_____
_____ **Name of Insurance Company**

POLICY _____ **NUMBER:** _____

SUBMITTED FROM: _____
_____ **Name of Viatical Settlement Broker/Provider**

ADDRESS: _____

TELEPHONE NUMBER: _____

CONTACT: _____
_____ **TITLE:** _____

IF INFORMATION IS CORRECT, INSURER REPRESENTATIVE MAY PLACE A CHECKMARK IN THE BOX. OTHERWISE PROVIDE CORRECTED INFORMATION THROUGHOUT THIS FORM. AN ASTERISK INDICATES INFORMATION THE VIACIAL SETTLEMENT PROVIDER/BROKER MUST PROVIDE.

POLICY OWNER'S AND INSURED'S INFORMATION

	<u>This column to be completed by Viatical Settlement</u>	<u>This column to be used by Insurance Company</u>
--	--	---

	<u>Broker/Provider</u>	
<u>Owner's name</u>	* -	
<u>Address</u>	* -	
<u>City, state, ZIP code</u>	* -	
<u>Tax ID or social security number</u>	* -	
<u>Insured's name</u>	* -	
<u>Insured's date of birth</u>	* -	
<u>Second insured's name (if applicable)</u>	* -	
<u>Second insured's date of birth (if applicable)</u>	* -	

I hereby consent by my signature below to release of information requested by this form by the insurance company to the viatical settlement broker/provider.

Signature of policy owner

Date signed

Form VOC

POLICY VALUES

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

PREMIUM INFORMATION

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

TO BE COMPLETED BY VIATICAL SETTLEMENT BROKER/PROVIDER

The information submitted for verification by the viatical settlement broker/provider is correct and accurate to the best of my knowledge and has been obtained through the policy owner and/or insured.

- Signature Printed Name

TO BE COMPLETED BY INSURANCE COMPANY

The information provided by verification by the insurance company is correct and accurate to the best of my knowledge as of _____ (date).

Insurance company: _____ NAIC

Printed name: _____ Title:

Telephone number: _____ Fax number:

Signature:

Please provide information about where the forms listed below should be submitted for processing.

Name: _____ Title:

Company Name:

Mailing Address:

City, State, ZIP:

Overnight Address:

City, State, ZIP:

Telephone number: _____ Fax number:

FORMS REQUEST

Please provide the forms checked below:

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Initials of Preparer: _____

VSP 001

Viatical Settlement Provider Report [State]Nebraska Insureds Only Instructions

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

APPENDIX C

Calendar year

Individual Mortality Report

Viatical Settlement Provider's Name

Nebraska[State] Insureds Only

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

Completed by Viatical Settlement Providers

Initials of preparer:

VSP 002

Individual Mortality Report—[State]Nebraska Insureds Only Instructions

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

VSP 002 Instructions

Initials of preparer:

