

State of Mississippi: Life Settlements Statutes

Mississippi Statutes → Title 19 → Part 2 → Chapter 15 Viatical Settlements Regulations

Rule 19-2-15.01 - Authority

This regulation is adopted by the Commissioner pursuant to the authority in Miss.Code Ann. § 83-7-201*et.seq.*

19 Miss. Code. R. 2-15.01

Rule 19-2-15.02 - Definitions

In addition to the definitions in Miss. Code Ann. § 83-7-203, the following definitions apply to this regulation:

A. "Chronically ill" means:

1. Being unable to perform at least two (2) activities of daily living (i.e. eating, toileting, transferring, bathing, dressing, or continence);
2. Requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment; or
3. Having a level of disability similar to that described in (1) above as determined by the Secretary of Health and Human Services;

B. "Insured" mean the person covered under the policy being considered for viatication;

C. "Financing Entity" means an underwriter, placement agent, lender, purchaser of securities, purchaser of a policy or certificate from a viatical settlement provider, credit enhancer, or any person that may be a party to a viatical settlement contract and that has a direct ownership in a policy or certificate that is the subject of a viatical settlement contract but whose sole activity related to the transaction is providing funds to effect the viatical settlement and who has an agreement in writing with a licensed viatical settlement provider to act as a participant in a financing transaction;

D. "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;

E. "Life settlement" means when a person, who does not have a terminal or chronic illness, sells a life insurance policy to a third party, usually a viatical settlement provider, for less than the face value of the policy. For purposes of this regulation and the Viatical Settlements Act there is no difference between a life settlement and a viatical settlement;

F. "Net death benefit" means the amount of the life insurance policy or certificate to be viaticated less any outstanding debts or liens;

G. "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; and

H. "Terminally ill" means having an illness or sickness that can reasonably be expected to result in death in twenty-four (24) months or less.

19 Miss. Code. R. 2-15.02

Rule 19-2-15.03 - License Requirements**A.** In addition to the information required in Miss Code Ann. § 83-7-205, the Commissioner may ask for other information necessary to determine whether the applicant for a license as a viatical settlement provider, viatical settlement broker, or viatical settlement representative complies with the requirements of Miss. Code Ann. § 83-7-205.**B.** The application shall be accompanied by a fee specified in Miss. Code Ann. § 83-7-205 and a current copy of a letter of good standing obtained from the filing officer of the applicant's state of domicile. If a viatical settlement provider, viatical settlement broker or viatical settlement representative fails to pay the renewal fee within the time prescribed, or a viatical settlement provider fails to submit the reports required in of Miss Code Ann. § 83-7-205(6), such nonpayment or failure to submit therequired reports shall result in lapse 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:**1.** Renew or maintain its current license status until the earlier of the following events:**a.** The date the viatical settlement provider properly assigns, sells, or otherwise transfers the viatical settlements where the insured hasnot died; or**b.** The date that the last insured covered by viatical settlement transaction has died.**2.** 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, the viator's designee, regarding health status of the viator or any other matters.**C.** The license issued to a viatical settlement broker or viatical settlement representative shall be a life insurance license.

19 Miss. Code. R. 2-15.03

Rule 19-2-15.04 - Appointment Requirements for Viatical Settlement Representatives

A viatical settlement representative, as defined in Miss. Code Ann. § 83-7-203(2) shallnot solicit a viatical settlement contract without first obtaining an appointment from a licensed viatical settlement provider or licensed viatical settlement broker.

A. The appointment shall be made on a form required by the Commissioner.**B.** The appointment shall be accompanied by a fee of ten dollars (\$10.00). The appointment may be renewed yearly by payment of a fee of ten dollars (\$10.00). Failure to pay the renewal fee within the prescribed time may result in automatic expiration of the appointment.**C.** If the appointment is revoked by either party, the appointing viatical settlement provider or viatical settlement broker shall notify the Commissioner of the revocation within thirty (30) days.

19 Miss. Code. R. 2-15.04

Rule 19-2-15.05 - Standards for Evaluation of Reasonable Payments

In order to assure that viators receive a reasonable return for viaticating an insurance policy, the following shall be minimum discounts:

| 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% |
| At least 24 but less than 30 months | 55% |
| At least 30 but less than 42 months | 50% |

The percentage may be reduced by five percent (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 agency.

19 Miss. Code. R. 2-15.05

Rule 19-2-15.06 - Reporting Requirement

On March 1 of each calendar year, each viatical settlement provider licensed in this state shall 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 previous calendar year:

A. For viatical settlements contracted during the reporting period:**1.** Date of viatical settlement contract;**2.** Viator's state of residence at the time of the contract;**3.** Mean life expectancy of the insured at time of contract in months;**4.** Face amount of policy viaticated;**5.** Net death benefit viaticated;**6.** Estimated total premiums to keep policy in force for mean life expectancy;**7.** New amount paid to viator;**8.** Source of policy (B-Broker, D-Direct Purchase; SM-Secondary Market);**9.** Type of coverage (I-Individual or G-Group)**10.** Within the contestable or suicide period, or both, at the time of viatical settlement (yes or no);**11.** Primary ICD Diagnosis Code, in numeric format, as defined by the International classification of diseases, as published by the U.S. Department of Health and Human Services; and**12.** Type of funding (I-Institutional; P-Private)**B.** For viatical settlements where death has occurred during the reporting period:**1.** Date of viatical settlement contract;**2.** Viator's state of residence at the time of the contract;**3.** Mean life expectancy of the insured at time of contract in months;**4.** Net death benefit collected;**5.** Total premiums paid to maintain the policy (WP- Waiver of Premium; NA-Not Applicable);**6.** New amount paid to viator;**7.** Primary ICD Diagnosis Code, in numeric format, as defined by the International Classification of Diseases, as published by the U.S. Department of Health and Human Services;**8.** Date of death;**9.** Amount of time between date of contract and the date of death in months;**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;**11.** Name and address of each viatical settlement broker through whom the reporting company purchased a policy from a viator who resided in this state at the time of contract;**12.** Number of policies reviewed and rejected; and**13.** Number of policies purchased in the secondary market as a percentage of total policies purchased.

19 Miss. Code. R. 2-15.06

Rule 19-2-15.07 - General Rules**A.** 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.**B.** Pursuant to Miss. Code Ann. § 83-7-217(4) the viatical settlement provider shall pay the proceeds of the viatical settlement to an escrow or trust account in a state or federally chartered financial institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) within two business days of receiving the documents that effect the transfer of the insurance policy.**C.** Payment of the proceeds to 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.**D.** A viatical settlement provider, viatical settlement broker or viatical settlement representative shall not discriminate in the making or solicitation of viatical settlements on the basis of race, age, sex, national origin, creed, religion, occupation, marital or family status or sexual orientation, or discriminate between viators with dependents and without.**E.** A viatical settlement provider, viatical settlement broker or viatical settlement representative 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 with respect to the viatical settlement.**F.** A viatical settlement provider shall not knowingly solicit investors who have treated or have been asked to treat the illness of the insured whose coverage would be the subject of investment.**G.** Advertising standards:
Advertising related to the viatical settlement shall be truthful and not misleading by fact or implication. The form and content of an advertisement of a viatical settlement contract, product, or service shall be sufficiently complete and clear so as to avoid deception. It shall not have the capacity or tendency to mislead or deceive. Whether an advertisement has the capacity or tendency to mislead or deceive shall be determined by the Commissioner from the overall impression that the advertisement may reasonably be expected to create upon a person of average education or intelligence within the segment of the public to which it is directed.

1. If the advertiser emphasizes the speed with which the viatication will occur, the advertising must disclose the average time frame from completed application to the date of offer and from acceptance of the offer to receipt of the funds by the viator.**2.** If the advertising emphasizes the dollar amounts available to viators, the advertising shall disclose the average purchase price as a percent of face value obtained by viators contracting with the advertiser during the past six (6) months.**3.** An advertisement may not represent that a viatical settlement purchase agreement is guaranteed by any insurance guaranty fund.**4.** An advertisement shall not make unfair or incomplete comparisons of insurance policies, benefits, dividends or rates. An advertisement

shall not disparage insurers, insurance producers, policies, services or methods of marketing.**5.** An advertisement shall not use a trade name, group designation, name of the parent company of the viatical settlement provider, name of a particular division of the viatical settlement provider, service mark, slogan, symbol, or other device or reference without disclosing the name of the viatical settlement provider, if the advertisement would have the capacity or tendency to mislead or deceive as to the true identity of the viatical settlement provider, or create the impression that a company other than the viatical settlement provider would have any responsibility for the financial obligation under a viatical settlement contract or viatical settlement purchase agreement.**6.** A provider may not use any terminology, logo, or words so similar to the name of a governmental agency or governmental program as to have the tendency to confuse, deceive, or mislead a prospective viator. Further, a provider shall not use an advertisement that would create the impression that a division or agency of the state or federal government endorses, approves, or favors the provider, the financial condition or business practices of the provider, agents for the provider, or the merits of any viatical settlement contract.**7.** Each viatical settlement provider shall file with the Commissioner with its annual statement a certificate of compliance executed by an authorized officer of the viatical settlement provider stating that to the best of his or her knowledge, information and belief, the advertisements that were disseminated or seen or heard in this state by or on behalf of the viatical settlement provider during the preceding statement year complied or were made to comply in all respects with the provisions of this regulation and Miss. Code Ann. § 83-7-215(3).**H.** 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;**1.** A provision that the viatical settlement provider will affect 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;**2.** A provision that the viatical settlement provider will, upon acknowledgment of the perfection of the transfer, either;**a.** Advise the insured, in writing, that the insurance company has confirmed the viator's interest in the policy; or **b.** Send a copy of the instrument sent from the insurance company to the viatical settlement company that acknowledges the viator's interest in the policy; and **3.** A provision that apportions the premiums to be paid by the viatical settlement company and the viator. It is permissible for the viatical settlement contract to specify that all premiums shall be paid by the viatical settlement company. The contract may also require that the viator reimburse the viatical settlement provider for the premiums attributable to the retained interest.**I.** Viatical settlement contracts and purchase agreement forms and applications for viatical settlements, regardless of the form of transmission, shall contain the following statement or a substantially similar statement: "Any person who knowingly presents false information in an application for insurance or viatical settlement contract or viatical settlement purchase agreement may be guilty of a crime and prosecuted under state law."

19 Miss. Code. R. 2-15.07

Rule 19-2-15.08 - Disclosure**A.** A disclosure document containing the disclosures required in Miss Code Ann. § 83-7-215 and this regulation shall be provided before or concurrent with taking an application for a viatical settlement contract. Said disclosure document shall contain all of the disclosures listed in Appendix A.**B.** The disclosure document shall contain the following language: "All medical, financial or personal information solicited or obtained by a viatical

settlement company or viatical settlement broker about a viator and insured, including the viator and insured's identity or the identity of family members, a spouse or a significant other, is confidential." The information shall not be disclosed in any form to any person, unless disclosure:**1.** Is necessary to effect the viatical settlement between the viator and the viatical settlement provider; and **2.** The viator and insured have provided prior written consent to the disclosure; or **3.** Is provided in response to an investigation by the Commissioner or any other governmental officer or agency. **C.** The disclosure shall include advising the viator and insured that the information may be provided to financing entities including individual and institutional purchasers.

19 Miss. Code. R. 2-15.08

Rule 19-2-15.09 - Prohibited Practices**A.** A viatical settlement provider, viatical settlement broker, or viatical settlement representative shall not provide patient identifying information to any person, unless the insured and viator provide written consent to the release of the information at or before the time of the viatical settlement transaction pursuant to Section 8B. **B.** A viatical settlement provider, viatical settlement broker, or viatical settlement representative 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, viatical settlement broker or viatical settlement representative 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. **C.** 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. **D.** 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. **E.** A viatical settlement provider shall not use a longer life expectancy than is realistic in order to reduce the payout to which the viator is entitled.

19 Miss. Code. R. 2-15.09

Rule 19-2-15.10 - Insurance Company Practices**A.** Life insurance companies authorized to do business in this state shall respond to a request 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, subject to the following conditions: **1.** A current authorization consistent with applicable law, signed by the policy owner or certificate holder, accompanies the request; **2.** In the case of an individual policy, submission of a form substantially similar to Appendix B, which has been completed by the viatical settlement provider or the viatical settlement broker in accordance with the instructions on the form. **3.** In the case of group insurance coverage: **4.** Submission of a form substantially similar to Appendix C, which has been completed by the viatical settlement provider or viatical settlement broker in accordance with the instructions on the form, and **5.** Which has previously been referred to the group policy holder and completed to the extent the information is available to the group policy holder. **B.** 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. **C.** 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 contract holders, certificate holders or insureds for similar services.**D.** The life insurance company may send an acknowledgment of receipt of the request for verification of coverage to the policy owner or certificate holder 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.

19 Miss. Code. R. 2-15.10

Rule 19-2-15.11 - Effective Date

This regulation is effective August 1, 2000. A viatical settlement provider, viatical settlement broker or viatical settlement representative transacting business in this state may continue to do so pending approval of the provider, broker or representative's application for a license as long as the application is filed with the commissioner by July 1, 2000.

19 Miss. Code. R. 2-15.11

Rule 19-2-15.12 - Appendix A- Disclosure Form APPENDIX A

Selling Your Life Insurance Policy

Today it is possible for you to sell your life insurance policy to someone else (a viatical settlement provider) for an immediate cash payment. This financial arrangement, known as a viatical settlement, is best suited for people who are living with an immediate life-threatening illness and facing tough financial choices. A viatical settlement may also be beneficial for individuals who do not have a terminal or chronic illness, but wish to sell the policy for other reasons including, changed needs of dependents, wanting to reduce premiums, and cash for meeting expenses.

It may not always be in your best interest to sell your life insurance policy. Before you take action, you want to be sure you understand:

What future benefits you may lose What other options may be available

Selling your life insurance policy is a complex financial arrangement. This guide will help you make an informed decision.

We recommend that you:

A. Evaluate your needs **B.** Check all your options **C.** Understand how the process works **D.** Know your rights **E.** Check with the Mississippi Insurance Department

Step 1. Evaluate your needs

Before you sell your policy and give up valuable insurance protection, think about whether your need for life insurance has changed since you bought the policy. If it hasn't, selling your policy may not be the right choice. If you sell your policy now, your beneficiaries **will not** be paid a benefit at your death.

If you sell your policy now, remember premiums go up a lot as you grow older. You may not want to pay the higher cost to replace your coverage later.

Step 2. Check all of your options

You may be able to get the cash you need now without selling your policy:

A. Policy Cash Values

Contact your current life insurance agent or company to see if you have any cash value in your policy. Ask if you can:

borrow from the cash value and still keep the insurance in force, cancel the policy for its current cash value, use the cash value as collateral to get a loan from a financial institution.

Your insurance company must tell you about your options if you ask.

B. Accelerated Death Benefits

Find out if your policy has an "accelerated death benefit." It may be your best option.

Many life insurance policies do have an accelerated death benefit. With that benefit, policy holders who are terminally ill, affected with certain diseases or permanently confined in a nursing home can access 50% or more of a policy's death benefit while still living. An accelerated death benefit could pay you a large part of your policy's death benefit and you could keep your policy.

A very important feature of the accelerated benefit is that when the policy holder dies, the beneficiaries get the remaining death benefit. This means that eventually 100% of the policy benefits will be paid out either to the insured or the beneficiary.

C. Other Considerations

Think about what it will mean if you do sell your policy. Check out the tax implications. Not all proceeds from a viatical settlement are tax-free.

Find out if creditors could claim any of the money you would get from a viatical settlement.

Find out if you will lose any public assistance benefits such as Medicaid or other government benefits if you accept a cash settlement for your life insurance.

D. Comparison Shop

To learn the market value of your policy, it's a good idea to contact three to five viatical settlement providers. Or you could use a viatical settlement broker who would contact several

viatical settlement providers for you. Your financial advisor can help you decide whether to work with a viatical settlement provider or through a viatical settlement broker.

E. Summary

Everyone's financial situation is different. A viatical settlement may or may not be the best approach for you. Check it out for yourself. We recommend that you ask an advisor who is qualified to review your finances to help you review your options.

Step 3. How the process works

If you decide to sell your life insurance policy to a viatical settlement provider, you will enter into a viatical settlement agreement with the provider. You, the seller, agree to accept a cash payment for your policy. The amount will be less than the face amount the policy would pay upon your death. (For example, you might agree to accept a \$75,000 cash payment for a \$100,000 policy)

The viatical settlement provider buying your policy:

A. becomes the new owner of your policy, **B.** names the beneficiary, **C.** collects the full death benefit when you die, **D.** begins paying premiums on the policy, and **E.** may sell your policy again.

There are four basic phases required to complete a viatical transaction:

A. Phase 1-Qualifying to sell your policy (underwriting)

The viatical settlement provider will need information about you before making an offer. Usually it will take some preliminary information from you over the phone and send you this paperwork to sign:

A medical release form so the viatical settlement provider can get and review your medical records an authorization form to contact your insurance company to confirm benefit, premium, and ownership of your policy.

To avoid delays, it's important that you give complete and accurate information about your medical history.

If you apply with more than one viatical settlement provider, each will contact your doctor for medical records and your insurance company for policy information.

B. Phase 2-Calculating the offer

The viatical settlement provider uses the information it gets in the underwriting phase to make an offer. To develop an offer, a viatical settlement provider takes into account various factors including:

1. Estimated life expectancy and medical condition of the insured. Generally, the shorter the life expectancy of the insured, the more the viatical settlement provider will offer for the policy. **2.** The amount of life insurance coverage. **3.** Loans or advances, if any, previously taken

against the policy.**4.** Amount of premiums necessary to keep the life insurance policy in force.**5.** The rating of the issuing insurance company.**6.** Prevailing interest rates.**7.** The minimum payment required by Mississippi Insurance Regulation.**C. Phase 3-Closing the agreement**
If you accept an offer, a closing package is forwarded to you, the seller, for approval and signature. Closing documents typically include an offer letter, a viatical settlement contract, and the forms the insurance company needs to transfer ownership of the policy to the viatical settlement provider.

The closing documents are then returned to the viatical settlement provider for its signature.

The viatical settlement provider will put the cash payment owed to you in escrow, if required, and send the signed insurance change forms to the insurance company to record the change.

Phase 4. Know your rights

A. State laws

Mississippi provides you with important consumer protections. You'll want to contact the Mississippi Insurance Department if you have any questions about the following consumer protections Mississippi requires:

1. A viatical settlement broker or viatical settlement provider arranging viatical settlements must be licensed with the Mississippi Insurance Department.**2.** The viatical settlement provider buying your policy must keep your identity and medical history confidential unless you give written consent to tell others.**3.** To protect your proceeds, the viatical settlement provider buying your policy must put your money into an escrow account with an independent party during the transfer process.**4.** You have the right to change your mind about the settlement AFTER you receive the money, provided you return all the money. You have 15 days to review your settlement arrangement.**5.** The new owners of your policy are limited in how often they may contact you about your health status.**B. Federal tax laws**

Two groups of people may receive benefits from a viatical settlement without owing federal income tax:

1. persons who have been diagnosed with a terminal illness and with a life expectancy of 24 months or less; and certain chronically ill individuals.**2.** If you qualify for this federal tax-free treatment, you also must use a viatical settlement provider that is licensed in the state when you live, or, in states where licensing is not required, that complies with the standards of the National Association of Insurance Commissioners' Viatical Settlements Model Act.

Remember that, as when interpreting any tax laws, it's always best to check with your own financial advisor.

C. Avoiding Consumer Fraud

If you have been contacted by someone who wants you to buy a policy and then sell it immediately, you should contact your Mississippi Insurance Department. You may be a target for fraud.

If you are asked to buy a life insurance policy for the sole purpose of selling it, you may be participating in fraud.

If you are asked to invest in a viatical settlement, we recommend you contact the Mississippi Secretary of State's Office to learn more about the issues and risks that might be involved in such an investment.

Step 5. Check with your state insurance regulator

A. State Licensing

For a complete list of authorized viatical settlement providers, brokers, and their representatives, call the Mississippi Department of Insurance.

B. Seller Checklist

Before you sell your policy be sure you know the answers to these questions

C. Evaluating your needs

Do you still need life insurance?

Do you have dependents who might rely on your life insurance benefits should anything happen to you?

If you don't need life insurance protection now, what are the chances you'll need it in the future?

D. Current policy benefits

Can you borrow from the cash value?

Can you cancel the policy for its current cash value?

Can you use the cash value as collateral to get a loan from a financial institution?

Do you have an accelerated death benefit feature?

E. Taxes and other financial considerations

Is the money you get from selling the policy taxable?

Will the money you get from selling the policy affect your eligibility for government benefits?

Do you need the advice of a tax or estate planning specialist before you decide to sell our policy?

If you sell your policy, can any of your creditors claim the money?

F. Understanding the process

If you sell your policy, who will be the legal owner?

Is the viatical settlement provider buying your policy licensed?

If you sell your policy, how will the value you get be calculated? What interest rate will be used?

If you sell your policy but then change your mind, can you get your money back?

Will investors have specific information about you, your family or your health status? How are fees or commissions paid to the viatical settlement broker or provider?

G. Protections in your state

Contact the Mississippi Insurance Department to find out more about the laws governing viatical settlements in Mississippi.

19 Miss. Code. R. 2-15.12

Rule 19-2-15.13 - Appendix B- Verification of Coverage for Individual Policies

APPENDIX B

VERIFICATION OF COVERAGE FOR INDIVIDUAL 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/Date/Year* **3)** Was face amount increased after original issue date? no yes **a)** if yes, when: _____ / _____ / _____ **4)** Type of policy: _____ *(Term/Whole Life/ Universal Life/Variable Life)* **5)** Is policy participating? no yes **a)** If yes, what is current dividend election? _____ **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? _____ / _____ / _____ 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: _____ / _____ / _____ **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 _____ / _____ / _____ **c)** How often is continued eligibility reviewed? _____ **d)** When is next review? _____ / _____ / _____ **14)** Can payment of all or part of the death benefit be accelerated under this policy? no yes

a) If yes, by what method is the benefit calculated, the lien method or the discount method? _____ **b)** If lien method, what is the interest rate? _____ **c)** Can any remaining death benefit be assigned? 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: _____

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: _____ Department: _____

Address(no PO BOX, please) _____

City: _____ State: _____ ZIP: _____

Telephone No: _____ Fax: _____

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: _____

Rule 19-2-15.14 - Appendix C- Verification of Group Insurance Benefits
APPENDIX C

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 Insured's Social Security Number

Certificate 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 ViaticalSettlement 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**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

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? Insurance carrier Employer

SUPPLEMENTAL? Insurance carrier Employer

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**c)** 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 Interest rate**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: _____ Title: _____

Company: _____

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

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

Name _ _ _____ Title _____

Company name: _____ Department _____

Street Address: _____

(No P.O. Box please)

City: _____ State _____ ZIP

Telephone number: (____) _____ Fax: (____) _____

Section Three:

Under the terms of Mississippi Regulation 2000-1 covering insurance company practices, the insurance company or the third party administrator named above is requested to complete the information not provided by the employer in Section Two, above, Items number: _____

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: (____) _____

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