

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7467**

**BILL NUMBER:** HB 1646

**NOTE PREPARED:** Apr 11, 2005

**BILL AMENDED:** Apr 8, 2005

**SUBJECT:** Viatical Settlements.

**FIRST AUTHOR:** Rep. Ripley

**FIRST SPONSOR:** Sen. M. Young

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill prohibits certain actions related to viatical settlement contracts. It amends the statutes of limitations for certain actions concerning securities violations involving certain viatical settlement contracts. It requires a viatical settlement broker and a viatical settlement agent to obtain a viatical settlement intermediary license. It specifies requirements for a viatical settlement intermediary license.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** The bill requires viatical settlement brokers and viatical settlement agents to obtain a viatical settlement intermediary license from the Department of Insurance (DOI). The bill will have no budgetary impact on the DOI because the DOI will be able to implement this provision given its existing level of budget and resources. The DOI currently provides viatical settlement provider licenses.

The DOI Commissioner must, not later than December 31, 2005, designate a viatical settlement intermediary examination for use in licensing of a viatical settlement intermediary. The DOI may regulate a viatical settlement intermediary in the same manner that it currently regulates a viatical settlement provider. The DOI should be able to implement these provisions given its existing level of budget and resources. The viatical settlement intermediary applicant must pay the expenses of an examination. This provision will result in no additional expenses for the DOI.

**Explanation of State Revenues:** The DOI must adopt rules to set the viatical settlement intermediary licensing fee. A viatical settlement intermediary license must be renewed on July 1 of the fourth year after the license is issued or renewed. A viatical settlement intermediary may renew a license by applying for renewal and

paying the renewal fee of \$20. The amount of revenue that will be generated by the new license is indeterminable, but will depend, in part, on the fee established.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DOI; Secretary of State; Securities Commissioner; Attorney General.

**Local Agencies Affected:** Prosecuting Attorneys.

**Information Sources:** Amy Strati, Acting Commissioner, DOI.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.