

Broker Contract Compliance Checklist

*Please indicate under "Location" where in the contract the cited requirements are located. (Ex. Page 3, Section 1.2, Paragraph 4, Line 5)

Location	Compliance Yes/No (Dept Use)

760 IAC 1-61-6 (2)

The contract shall require payment in a lump sum equal to the full amount of the proceeds to a trust or escrow account in a state or Federally chartered financial institution whose deposits are insured by the FDIC. Payment into the escrow account shall be made immediately upon receipt of a signed viatical settlement contract. A trustee or escrow agent independent of the parties to the viatical contract shall manage the account. The proceeds shall be paid to the viator by wire transfer to the account of the viator, by certified check, or by cashier's check, in accordance with the time periods set forth in IC 27-8-19.8-24.2(b).

Location	Compliance Yes/No (Dept Use)

760 IAC 1-61-6 (3)

The contract should contain the following rescission provisions:

- (A) Allow unconditional rescission by the in accordance with time periods no less favorable than those set forth in IC 27-8-19.8-21(b) (2).
- (B) The rescission provision shall be prominently displayed on the first page of the contract and shall set forth the method for giving notice of rescission. If notice of rescission is given by mail, it shall be deemed to be given when deposited in the United States mail, first class postage prepaid.
- (C) Shall provide that if the insured dies during the period of time allowed for rescission, the contract will be automatically rescinded, subject to repayment of all proceeds to the viatical settlement provider.

Location	Compliance Yes/No (Dept Use)

760 IAC 1-61-6 (4)

If a viatical settlement provider enters into a viatical settlement contract that allows the viator to retain an interest in the policy that is being viaticated, the viatical settlement contract shall contain the following provisions:

- (A) 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. The insurance company shall pay benefits in excess of the amount viaticated directly to the viator's beneficiary.
- (B) A provision that the viatical settlement provider will, upon acknowledgement of the completion of the assignment or transfer of the life insurance policy by its issuing company either:
 - (i) advise the viator in writing that the insurance company has confirmed, in writing, the viator's nonviaticated interest in the policy: or
 - (ii) send to the viator a copy of the document sent from the insurance company to the viatical settlement provider that acknowledges the viator's nonviaticated interest in the policy.

Location	Compliance Yes/No (Dept Use)

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760 IAC 1-61-6 (4) (cont.)

(C) A provision that apportions the premiums to be paid by the viatical settlement provider and the viator. The viatical settlement contract may 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.

760 IAC 1-61-6 (5)

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

IC 27-8-19.8-21

(a) A viatical settlement contract must establish the terms under which the viatical settlement provider will pay value, in return for the viator's assignment, bequest, devise, sale or transfer of the death benefit, certificate, or ownership of the insurance policy to the viatical settlement provider.

(b) A viatical settlement contract must provide for the unconditional rescission of the contract by the viator for the longer of the following:

- 1) The period ending not more than fifteen (15) days after the receipt of the viatical settlement proceeds by the viator: or
- 2) The period ending not more that thirty (30) days after execution of the contract.

(c) A viatical settlement contract is rescinded if the insured dies during the rescission period, subject to repayment to the viatical settlement provider of all proceeds and any premiums, loans, and loan interest that have been paid by the viatical settlement provider.