

### **Viatical Settlement Provider Application**

“Viatical Settlement Provider” means a person, other than a viator or insured, that enters into a viatical settlement contract, including a person that

- (A) obtains financing for the purchase, acquisition, transfer, or other assignment of one or more viatical settlement contracts, viaticated policies, or interests in viatical settlement contracts or viaticated policies; or
- (B) sells, assigns, transfers, pledges, hypothecates, or disposes of one or more viatical settlement contracts, viaticated policies, or interests in viatical settlement contracts or viaticated policies.

**In addition to the requirements set forth in the Insurance Code, the issuance of the license is subject to the requirements of AS 25.27.244 and AS 14.43.148.**

**Applications not completed within four months from the dated filed will be considered withdrawn and a new application and application fees will be required pursuant to AS 21.27.040.**

**IF YOU WISH TO WITHDRAW YOUR APPLICATION AT ANYTIME DURING THE APPLICATION PROCESS, PLEASE CONTACT THIS DIVISION.**

**If all filing requirements to obtain your registration are not met within four (4) months of receipt of your application forms, your application filing is considered withdrawn and new forms and fees are required (AS 21.27.040(f)).**

#### **FORM FILING REQUIREMENTS FOR VIATICAL SETTLEMENT PROVIDERS**

**ALL APPLICANTS:** The applicant(s) must hold a valid Alaska license for life and variable authority.

- Application Form 08-239.
- Bond Form 08-217.
- Application Fee. (Please make check payable to the Division of Insurance.)
- FINRA Individual Control Registration Depository (CRD) Number.
- All basic organizational documents of the Provider, including articles of incorporation, articles of association, partnership agreement, trade name certificate, trust agreement, shareholder agreement and other applicable documents and all endorsements to the required documents.
- Bylaws, rules, regulations, partnership or member agreement and similar documents regulating the internal affairs of the administrator.
- A detailed plan of operation which must be a narrative overview of the provider's business and must include: 1. a chart showing the relationship of the provider to any parent, affiliate, or subsidiary corporation. 2. detailed description of the providers marketing techniques, including a description of training programs for those individuals who will have direct contact with viators. 3. a schedule listing the names of the qualified financial institutions with which the provider has escrow trust agreements, including the balance on each account and copies of all escrow and trust agreements. 4. detailed description of the steps through which the viator will have access to funds, including the entity that will make funds available.
- All documents necessary to verify statements contained in or in connection with the application.
- Copy of the domiciliary Certificate of Authority or license certified by the domiciliary official. (To be supplied only if viatical settlement providers are required to be licensed in the state of domicile.)
- Anti-Fraud Plan that includes reference that the provider shall develop and implement antifraud initiatives to detect, prosecute, and prevent a fraudulent act involving a viatical settlement transaction, and that the provider will obtain services of a fraud investigator through employment or by contract, and that the plan will include a description of the plan for antifraud education and training of personnel.

#### **Definitions:**

**Compliance Officer:** means a licensee that is responsible for the firm's compliance with the insurance statutes and regulations of this state.

**Individual:** means a person required to be licensed under AS 21.27.010.

**Individual in a Firm:** means a natural person required to be licensed under AS 21.27.010 who is employed by a firm.

**Transaction:** means, with respect to viatical settlement contracts,

- (A) solicitation and inducement;
- (B) preliminary negotiations;
- (C) effectuation of a viatical settlement contract;
- (D) transaction of matters subsequent to the effectuation of the viatical settlement contract and arising out of it.

**Viatical settlement broker:**

(A) means a person that, on behalf of a viator or insured and for a fee, commission, or other valuable consideration, offers or attempts to negotiate viatical settlement contracts between a viator or insured and one or more viatical settlement providers;

(B) does not include a person acting as an attorney or accountant retained to represent a viator or insured and compensated by or at the direction of the viator or insured;

**Viatical settlement contract:**

(A) means a written agreement between a viator or insured and a viatical settlement provider for the sale, assignment, transfer, devise, or bequest to the viatical settlement provider by the viator or insured of all or a portion of the death benefit or ownership of a life insurance policy for consideration that is less than the expected death benefit of the life insurance policy;

(B) includes a contract for a loan or other financial transaction secured primarily by an individual or group life insurance policy;

(C) does not include

(i) a loan by a life insurance company under the terms of a life insurance contract;

(ii) a loan secured by the cash value of a policy;

(iii) the assignment of a life insurance policy as collateral for a loan to a bank, saving bank, savings and loan association, credit union, or other licensed lending institution;

(iv) the exercise by the viator or insured of an accelerated benefits provision under the terms of the life insurance contract; or

(v) the sale, assignment, transfer, devise, or bequest of a life insurance policy for less than the expected death benefit by a viator or insured to a friend or family member if the friend or family member does not enter into more than one agreement in a calendar year;

**Viatical settlement provider:** means a person, other than a viator or insured, that enters into a viatical settlement contract, including a person that

(A) obtains financing for the purchase, acquisition, transfer, or other assignment of one or more viatical settlement contracts, viaticated policies, or interests in viatical settlement contracts or viaticated policies; or

(B) sells, assigns, transfers, pledges, hypothecates, or disposes of one or more viatical settlement contracts, viaticated policies, or interests in viatical settlement contracts or viaticated policies.

**Viatical settlement representative:**

(A) means a person that is an authorized agent of a viatical settlement provider or broker and that acts or aids in any manner in the transaction of a viatical settlement contract;

(B) does not include

(i) a person acting as an attorney or an accountant, or a person exercising a power of attorney granted by a viator or insured; or

(ii) a person retained to represent a viator or insured and compensated by or at the direction of the viator or insured;

**Viaticated policy:** means a life insurance policy that has been acquired by a viatical settlement provider under a viatical settlement contract;

**Viator:** means the owner of a life insurance policy insuring the life of an individual who enters or seeks to enter into a viatical settlement contract.

**Once licensed by the State of Alaska, you are required to notify the division by certified mail within 30 days of any of the following occurrences:**

- Change in the plan of operation or financial information filed with its application
- Change in compliance officer
- Change in place of business
- Change in name as reflected on license
- Suspension revocation, or disciplinary of an insurance license by another state or jurisdiction
- Change in residence
- Change in telephone number
- Change in mailing address
- Conviction of a misdemeanor, felony, or disciplinary action by another state or jurisdiction
- Change in electronic (e-mail) address

<b>Registration Fees (Individual or Firm)</b>		
	<u>Resident</u>	<u>Nonresident</u>
Application fees are nonrefundable (3 AAC 31.010(a))	\$300	\$300

**LICENSE RENEWALS**

- A firm license will be effective for two years from original date of license issuance.
- An individual license will expire on the person's birth date, odd/even year of birth. After the first renewal, licenses will expire biennially.
- A renewal notice will be mailed at least 30 days prior to the expiration date of the license.



**SECTION 2 – Individual OR Compliance Officer**

1. Social Security Number		2. If applicable, FINRA Central Registration Depository (CRD) Number		3. Are you a Citizen of the United States (check one) Yes <input type="checkbox"/> No <input type="checkbox"/> (If No, of which country are you a citizen?) (If No and you are applying for a resident license, you must supply proof of eligibility to work in the U.S.) Country: _____			
4. Last Name		JR./SR. etc.	5. First Name		6. Middle Name	7. Date of Birth month ____ day ____ year ____	
8. Residence/Home Address (Physical Street)			9. P.O. Box	10. City		11. State	12. Zip or Foreign Country
13. Home Phone Number		14. Gender (circle one) Male      Female		15. Residence E-mail Address		16. Business Name	
17. Business Address (Physical Street)			18. P.O. Box	19. City		20. State	21. Zip or Foreign Country
22. Business Phone Number		23. Business Fax Number		24. Business E-mail Address		25. Business Website Address	
26. Business Mailing Address				27. City		28. State	29. Zip

**Agency or Business Entity Affiliations**

30. All individuals who transact Alaska business on behalf of a firm must be licensed in affiliation with the firm. You must list your insurance agency affiliations. Is this firm Alaska licensed? (Check our website above).

No    If no, obtain and complete required firm license application forms.

Yes    If yes, is the location of the firm where you physically transact business, registered? If no, attach a firm secondary registration form and fee to this application.

Fein # \_\_\_\_\_ Name of Agency \_\_\_\_\_

Fein # \_\_\_\_\_ Name of Agency \_\_\_\_\_

**Employment History**

31. Account for all time for the past five years. Give all employment experience starting with your current employer working back five full years. Include full and part-time work, self-employment, military service, unemployment and full-time education, accounting for the filling five years time **without gaps**. Attach a separate piece of paper, if necessary.

	From		To		Position Held
	Month	Year	Month	Year	
Name					
City	State				
Name					
City	State				
Name					
City	State				

32. a. Have you and/or the business entity ever been in a position which required a fidelity bond?  Yes  No  
If any claims were made on the bond, give details: \_\_\_\_\_

b. Have you and/or the business entity ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked?  Yes  No  
If yes, give details: \_\_\_\_\_

33. During the last ten (10) years, have you and/or the business entity ever been refused a professional, occupational, or vocational license by a governmental licensing agency or regulatory authority, or has any such license held by you ever been suspended or revoked?  Yes  No  
If yes, give details: \_\_\_\_\_

34. List any insurers, reinsurer, agents, brokers, or reinsurance intermediaries in which you are a partner or control directly or indirectly or own legally or beneficially 10 percent or more of the outstanding stock (in voting power).  
If any of the stock is pledged or hypothecated in any way, give details: \_\_\_\_\_

35. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any insurance related organization which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship?  Yes  No  
If yes, give details: \_\_\_\_\_

## BACKGROUND INFORMATION

36. Please read the following very carefully and answer every question. All written statements submitted by the Applicant must include an original signature.

- 1a. Has the business entity or any owner, partner, officer or director of the business entity, or member or manager of a limited liability company, ever been convicted of a misdemeanor, had a judgment withheld or deferred or is the business entity or any owner, partner, officer or director of the business entity, or member or manager currently charged with, committing a misdemeanor? Yes \_\_\_ No \_\_\_

You may exclude the following misdemeanor convictions or pending misdemeanor charges: traffic citations, driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license.

You may also exclude juvenile adjudications (offenses where you were adjudicated delinquent in juvenile court.)

- 1b. Has the business entity or any owner, partner, officer or director of the business entity, or member or manager of a limited liability company ever been convicted of a felony, had judgment withheld or deferred, or is the business entity or any owner, partner, officer or director of the business entity or member or manager of a limited liability company currently charged with committing a felony? Yes \_\_\_ No \_\_\_

You may exclude juvenile adjudications (offenses where you were adjudicated delinquent in a juvenile court.)

If you have a felony conviction involving dishonesty or breach of trust, have you applied for written consent to engage in the business of insurance in your home state as required by 18 USC 1033? N/A \_\_\_ Yes \_\_\_ No \_\_\_

If so, was consent granted? (Attach copy of 1033 consent approved by home state.) N/A \_\_\_ Yes \_\_\_ No \_\_\_

- 1c. Has the business entity or any owner, partner, officer or director of the business entity or member or manager of a limited liability company, ever been convicted of a military offense, had a judgment withheld or deferred, or is the business entity or any owner, partner, officer or director of the business entity or member or manager of a limited liability company, currently charged with committing a military offense? Yes \_\_\_ No \_\_\_

**NOTE:** For Questions 1a, 1b, and 1c "**Convicted**" includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere or no contest, or having been given probation, a suspended sentence or a fine.

If you answer yes to any of these questions, you must attach to this application:

- a) a written statement identifying all parties involved (including their percentage of ownership, if any) and explaining the circumstances of each incident,
- b) a copy of the charging document,
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

2. Has the business entity or any owner, partner, officer or director of the business entity, or manager or member of a limited liability company, ever been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license, or registration? Yes \_\_\_ No \_\_\_

"Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license or registration. "Involved" also means having a license application denied or the act of withdrawing an application to avoid a denial. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

**BACKGROUND INFORMATION (Continued)**

If you answer yes, you must attach to this application:

- a) a written statement identifying the type of license, all parties involved (including their percentage of ownership, if any) and explaining the circumstances of each incident,
- b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

3. Has any demand been made or judgment rendered against the business entity or any owner, partner, officer or director of the business entity, or member or manager of a limited liability company, for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Do not include personal bankruptcies, unless they involve funds held on behalf of others.

N/A \_\_\_ Yes \_\_\_ No \_\_\_

If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment.

4. Has the business entity or any owner, partner, officer or director of the business entity, or member or manager of a limited liability company, ever been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement?

Yes \_\_\_ No \_\_\_

If you answer yes, identify the jurisdiction(s): \_\_\_\_\_

5. Is the business entity or any owner, partner, officer or director of the business entity, or member or manager of a limited liability company, a party to, or ever been found liable in any lawsuit or arbitration proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty?

Yes \_\_\_ No \_\_\_

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident,
- b) a copy of the Petition, Complaint or other document that commenced the lawsuit arbitrations, or mediation proceedings and
- c) a copy of the official documents which demonstrates the resolution of the charges or any final judgment.

6. Has the business entity or any owner, partner, officer or director of the business entity, or member or manager of a limited liability company ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct?

Yes \_\_\_ No \_\_\_

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and
- b) copies of all relevant documents.

7. In response to a "yes" answer to one or more of the Background Questions for this application, are you submitting document(s) to the NAIC/NIPR Attachments Warehouse?

N/A \_\_\_ Yes \_\_\_ No \_\_\_

If you answer yes:

Will you be associating (linking) previously filed documents from the NAIC/NIPR Attachments Warehouse to this application?

Yes \_\_\_ No \_\_\_

**Certification**

37. The undersigned hereby certifies, under penalty of perjury, that:

1. All of the information submitted in this application and attachments is true and complete and I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license or registration revocation and may subject me and the business entity to civil or criminal penalties.
2. Where required by law, the business entity hereby designates the Director of Insurance, or an appropriate representative for which this application is made to be its agent for service of process regarding all insurance matters and agree that service upon the Alaska Director of Insurance is of the same legal force and validity as personal service upon the business entity.
3. I grant, on behalf of the firm, permission to the Director of Insurance for which this application is made to verify any information supplied with any federal, state or local government agency, current or former employer or insurance company.
4. Every owner, partner, officer, or director of the business entity either a) does not have a current child-support obligation, or b) has a child-support obligation and is currently in compliance with that obligation or c) has identified the child support obligation arrearage on this application.
5. I authorize the State of Alaska to give any information it may have concerning me to any federal, state or municipal agency, or any other organization and I release the State of Alaska and any person acting on their behalf from any and all liability of whatever nature by reason of furnishing such information.
6. I acknowledge that I am familiar with the Alaska insurance laws and regulations.
7. No representatives acting on behalf of this firm have been convicted of any felony involving dishonesty or breach of trust (18 USC 1033).
8. I hereby certify that upon request, I will furnish the jurisdiction(s) to which I'm/we're applying, certified copies of any documents attached to this application or requested by the jurisdiction.

\_\_\_\_\_  
Signature of Compliance Officer

\_\_\_\_\_  
Type or Printed Name of Compliance Officer

\_\_\_\_\_  
Month/Day/Year

Division Use Only

**SECTION 3 – OFFICIAL LIST OF MANAGEMENT AND OWNERS**

Below give the name, social security number, resident address, position, and percent of ownership of all persons responsible for the conduct of affairs of the applicant. This list should include all officers, all directors, all partners (in the case of a partnership), all trustees, all executive committee members and every person owning, directly or indirectly, 5 percent or more of the applicant and any other person who exercises control or influence over the affairs of the applicant. THIS LIST MUST INCLUDE THE NAMES OF ALL PERSONS AS VIATICAL SETTLEMENT PROVIDERS. You may reproduce this form as needed.

<b>1</b>	<b>NAME:</b>	<b>S.S.#:</b>		
	<b>MAILING:</b>	<b>CITY:</b>	<b>STATE:</b>	<b>ZIP:</b>
	<b>POSITION:</b>	<b>OWNERSHIP %:</b>		
<b>2</b>	<b>NAME:</b>	<b>S.S.#:</b>		
	<b>MAILING:</b>	<b>CITY:</b>	<b>STATE:</b>	<b>ZIP:</b>
	<b>POSITION:</b>	<b>OWNERSHIP %:</b>		
<b>3</b>	<b>NAME:</b>	<b>S.S.#:</b>		
	<b>MAILING:</b>	<b>CITY:</b>	<b>STATE:</b>	<b>ZIP:</b>
	<b>POSITION:</b>	<b>OWNERSHIP %:</b>		
<b>4</b>	<b>NAME:</b>	<b>S.S.#:</b>		
	<b>MAILING:</b>	<b>CITY:</b>	<b>STATE:</b>	<b>ZIP:</b>
	<b>POSITION:</b>	<b>OWNERSHIP %:</b>		
<b>5</b>	<b>NAME:</b>	<b>S.S.#:</b>		
	<b>MAILING:</b>	<b>CITY:</b>	<b>STATE:</b>	<b>ZIP:</b>
	<b>POSITION:</b>	<b>OWNERSHIP %:</b>		
<b>6</b>	<b>NAME:</b>	<b>S.S.#:</b>		
	<b>MAILING:</b>	<b>CITY:</b>	<b>STATE:</b>	<b>ZIP:</b>
	<b>POSITION:</b>	<b>OWNERSHIP %:</b>		
<b>7</b>	<b>NAME:</b>	<b>S.S.#:</b>		
	<b>MAILING:</b>	<b>CITY:</b>	<b>STATE:</b>	<b>ZIP:</b>
	<b>POSITION:</b>	<b>OWNERSHIP %:</b>		
<b>8</b>	<b>NAME:</b>	<b>S.S.#:</b>		
	<b>MAILING:</b>	<b>CITY:</b>	<b>STATE:</b>	<b>ZIP:</b>
	<b>POSITION:</b>	<b>OWNERSHIP %:</b>		

**SECTION 4 – GENERAL INFORMATION**

Below give the name, social security number, resident address, position, and percent of ownership of all persons responsible for the conduct of affairs of the applicant. This list should include all officers, all directors, all partners (in the case of a partnership), members or managers of a limited liability company or partnership, or all trustees, all executive committee members and every person owning, directly or indirectly, 5 percent or more of the applicant and any other person who exercises control or influence over the affairs of the applicant. THIS LIST MUST INCLUDE THE NAMES OF ALL PERSONS AS VIATICAL SETTLEMENT PROVIDERS. You may reproduce this form as needed.

If the applicant is an alien company, furnish the name, address, and telephone number of its American legal counsel.

**A**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone Number: \_\_\_\_\_

**B**

Give the name and address of the Agent for Service of Process appointed by the applicant.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone Number: \_\_\_\_\_

**C**

Give the name, address, and telephone number of the contact person or division to whom questions regarding contract and application forms should be directed.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone Number: \_\_\_\_\_

**D**

Give the name, address, and telephone number of the contact person or division to whom questions regarding consumer complaints should be directed. If available, provide a toll-free telephone number.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone Number: \_\_\_\_\_

**SECTION 5 – OTHER REQUIREMENTS**

**A**

**MARKETING TECHNIQUES**

Describe how the applicant advertises and markets its business in general. More particularly, detail how individual clients/viators are contacted and communicated with. Explain how marketing representatives and other individual who have direct contact with clients/viators are recruited, trained, and compensated.

**B**

**VIATICAL SETTLEMENT CONTRACT FORMS**

Submit a copy of all applicants' viatical settlement contract forms that the applicant uses or plans to use to enter into viatical settlements with viators in Alaska.

**C**

**VIATICAL SETTLEMENT INFORMATIONAL MATERIALS**

Submit a copy of all applicants' informational materials that the applicant uses or plans to deliver to the prospective viators.

**D**

**VIATICAL SETTLEMENT ADVERTISING OR SOLICITATION**

Submit a copy of all advertising or solicitation materials that the applicant uses or plans to use to attract potential viators, or to otherwise market, promote, or publicize its business or services.

**E**

**DISCLOSURE FORMS**

Submit a copy of the disclosure form the applicant uses or plans to use to enter into viatical settlements with viators in Alaska.