



## Ohio Revised Code

### Section 3916.03 Application for license - issuance, renewal - new or revised information.

Effective: September 11, 2008

Legislation: House Bill 404

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(A) An applicant for a license as a viatical settlement provider or viatical settlement broker shall submit an application for the license in a manner prescribed by the superintendent of insurance. The application shall be accompanied by a fee established by the superintendent by rule adopted in accordance with Chapter 119. of the Revised Code.

(B) A license issued under this chapter to a person other than an individual authorizes all partners, officers, members, or designated employees of the person to act as viatical settlement providers or viatical settlement brokers, as applicable, and all those partners, officers, members, or designated employees shall be named in the application and any supplements to the application.

(C) Upon the filing of an application under this section and the payment of the license fee, the superintendent shall make an investigation of the applicant and issue to the applicant a license that states in substance that the person is authorized to act as a viatical settlement provider or viatical settlement broker, as applicable, if all of the following apply:

(1) Regarding an application for a license as a viatical settlement provider, the applicant provides all of the following:

(a) A detailed plan of operation;

(b) Proof of financial responsibility pursuant to division (D) of this section;

(c) A general description of the method the applicant will use to determine life expectancies, including a description of the applicant's intended receipt of life expectancies, the applicant's intended use of life expectancies, the applicant's intended use of life expectancy providers, and a written plan of policies and procedures used to determine life expectancies.



(2) The superintendent finds all of the following:

(a) The applicant is competent and trustworthy and intends to act in good faith in the capacity of a viatical settlement provider or viatical settlement broker, as applicable.

(b) The applicant has a good business reputation and has had experience, training, or education so as to be qualified to act in the capacity of a viatical settlement provider or viatical settlement broker, as applicable.

(3) If the applicant is a person other than an individual, the applicant provides a certificate of good standing from the state of its organization.

(4) The applicant provides an antifraud plan that meets the requirements of division (G) of section 3916.18 of the Revised Code.

(D)(1) An applicant for licensure as a viatical settlement provider may provide proof of financial responsibility through one of the following means:

(a) Submitting audited financial statements that show a minimum equity of not less than two hundred fifty thousand dollars in cash or cash equivalents;

(b) Submitting both audited annual financial statements that show positive equity and either of the following:

(i) A surety bond in the amount of two hundred fifty thousand dollars in favor of this state issued by an insurer authorized to issue surety bonds in this state;

(ii) An unconditional and irrevocable letter of credit, deposit of cash, or securities, in any combination, in the aggregate amount of two hundred fifty thousand dollars.

(2) If an applicant is licensed as a viatical settlement provider in another state, the superintendent may accept as valid any similar proof of financial responsibility the applicant filed in that state.



(3) The superintendent may request proof of financial responsibility at any time the superintendent considers necessary.

(E) An applicant shall provide all information requested by the superintendent. The superintendent may, at any time, require an applicant to fully disclose the identity of all shareholders, partners, officers, members, and employees, and may, in the exercise of the superintendent's discretion, refuse to issue a license to an applicant that is not an individual if the superintendent is not satisfied that each officer, employee, shareholder, partner, or member who may materially influence the applicant's conduct meets the standards set forth in this chapter.

(F) Except as otherwise provided in this division, a license as a viatical settlement provider or viatical settlement broker expires on the last day of March next after its issuance or continuance. A license as a viatical settlement provider or viatical settlement broker may, in the discretion of the superintendent and the payment of an annual renewal fee established by the superintendent by rule adopted in accordance with Chapter 119. of the Revised Code, be continued past the last day of March next after its issue and after the last day of March in each succeeding year. Failure to pay the renewal fee by the required date results in the expiration of the license.

(G) Any individual licensed as a viatical settlement broker shall complete not less than fifteen hours of continuing education biennially. The superintendent shall approve continuing education courses that shall be related to viatical settlements and viatical settlement transactions. The superintendent shall adopt rules for the enforcement of this division.

(H) The superintendent shall not issue a license to a nonresident applicant, unless either of the following applies:

(1) The applicant files and maintains a written designation of an agent for service of process with the superintendent.

(2) The applicant has filed with the superintendent the applicant's written irrevocable consent that any action against the applicant may be commenced against the applicant by service of process on the superintendent.



(I) A viatical settlement provider or viatical settlement broker shall provide to the superintendent new or revised information regarding any change in its officers, any shareholder owning ten per cent or more of its voting securities, or its partners, directors, members, or designated employees within thirty days of the change.

(J) Any fee collected under this section shall be paid into the state treasury to the credit of the department of insurance operating fund created by section 3901.021 of the Revised Code.