

Ohio Department of Insurance

John R. Kasich – Governor
 Mary Taylor – Lt. Governor/Director



Viatical Settlement Provider License Application

www.insurance.ohio.gov

(Please Print or Type)

SECTION ONE			
Demographic Information			
① Applicant Name	② Date of Incorporation	③ State of Domicile	④ Federal Employer ID (FEIN)
⑤ Business Address (Principal place of business)		⑥ City	⑦ State
⑧ Zip	⑨ Phone Number (include extension) ()	⑩ Fax Number ()	⑪ Business Web Site Address
⑫ List states in which Applicant is licensed or registered as a Viatical Settlement Provider			

SECTION TWO			
Official List of Ultimate Controlling Person(s), Owners, Partners, Members, Officers, Directors and Designated Employees			
<p>Identify all ultimate controlling person(s), owners, partners, officers, members and directors of the applicant, as well as employees designated to act on behalf of the Applicant. If the ultimate controlling person(s) or owners are not natural persons, identify all owners of the parent company and all ultimate controlling person(s). All natural persons must submit a Biographical Affidavit on a form provided by the Superintendent which must be verified by an approved independent third party verifier. See www.insurance.ohio.gov for further information.</p>			
Name _____	Title _____	SSN/FEIN _____	_____
Resident Address _____	% of Ownership _____		_____
Name _____	Title _____	SSN/FEIN _____	_____
Resident Address _____	% of Ownership _____		_____
Name _____	Title _____	SSN/FEIN _____	_____
Resident Address _____	% of Ownership _____		_____
Name _____	Title _____	SSN/FEIN _____	_____
Resident Address _____	% of Ownership _____		_____
Name _____	Title _____	SSN/FEIN _____	_____
Resident Address _____	% of Ownership _____		_____
<input type="checkbox"/> OVERFLOW. I have attached a list of additional owners, partners, officers, members, directors and/or designated employees in the above format.			

SECTION THREE

Service of Process

1. Provide the full name and address of the Agent for Service of Process appointed by Applicant and registered with Ohio’s Secretary of State. Attach copy of Agent for Service of Process registration with Ohio’s Secretary of State.

2. Provide the full name, address, telephone number and email address of the person, on behalf of the Applicant, who shall be responsible for handling or responding to regulatory complaints, form filing submissions, or inquiries regarding its activities in this State.

SECTION FOUR

Business Reputation

Please answer the following questions and ATTACH THE REQUESTED INFORMATION FOR ANY QUESTIONS ANSWERED IN THE AFFIRMATIVE:

- 1. Has the Applicant had a Viatical Settlement Provider license or registration surrendered, expired, suspended, placed in a probationary status or revoked? Yes No
- 2. Has the Applicant had a Viatical Settlement Provider license or registration subject to a Cease-and-Desist Order or Consent Order? Yes No
- 3. Has any state denied or refused to issue the Applicant a Viatical Settlement Provider license or registration? Yes No
- 4. Has the Applicant submitted a Viatical Settlement Provider license or registration application in any state that was subsequently withdrawn? Yes No
- 5. Have any of the Ultimate Controlling Persons, Owners, Partners, Members, Officers, Directors, or Designated Employees of the Applicant ever been a party to a lawsuit brought by a viator involving allegations of fraud, misappropriation, conversion of funds, misrepresentation, breach of fiduciary duty, unjust enrichment or similar declarations? Yes No

If the answer is yes, to any of the 1-5 questions, include these required attachments:

- a) A written summary explaining the circumstances;
- b) Any copy of the Notice of Opportunity for Hearing, Complaint, Petition or similar document that states the allegations; and
- c) Any copy of the official document which demonstrates the resolution of the allegations, Settlement Agreement or any final order/judgment.

6. Has the Applicant been subject to a financial or market conduct examination in any other state? Yes No

If the answer is yes, attach to this application a copy of the examination report and any response to the examination report.

7. Attach any correspondence from any Departments of Insurance or other regulators within the past ten years to the company in reference to any allegations of violations, and/or administrative actions and of any information provided by the company to the Department of Insurance or other regulators in response to allegations of violations, and/or administrative actions. Yes No

8. Does the Applicant intend to sell fractionalized interests in Viatical Settlement Contracts to Ohio residents? Yes No

9. Does the Applicant intend to hold the settled life insurance policies purchased from viators? Yes No

10. Completed Application Supplements (see section 8 of this application for details): Yes No

- a) Plan of Operation
- b) Proof of Financial Responsibility
- c) Life Expectancy Methodology
- d) Experience – Qualifications
- e) Anti-Fraud Plan

SECTION FIVE

Applicant Certification and Attestation

The undersigned duly authorized owner, partner, officer, member, or director of the applicant hereby certifies, under penalty of perjury, that:

1. All of the information submitted in this application and attachments is true and complete and the Applicant is aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license denial or revocation and may subject the Applicant to civil or criminal penalties, or both.
2. The Applicant grants permission to the Ohio Superintendent of Insurance to verify any information supplied with any person having knowledge, including, without limitation, federal, state or local government agency.
3. The Applicant has provided a written designation of an agent for service of process with the Superintendent or, in the alternative, the Applicant hereby irrevocably consents that any action against the applicant may be commenced against the applicant by service of process upon the Superintendent.
4. The Applicant authorizes the Ohio Department of Insurance to give any information they may have concerning the applicant to any federal, state or municipal agency, or any other similar organization, and the applicant releases the Ohio Department of Insurance and any person acting on their behalf from any and all liability of whatever nature by reason or furnishing such information.
5. The Applicant agrees that it will comply with Ohio’s laws, including Chapter 3916. of the Revised Code and the rules promulgated thereunder.

SECTION SIX

Signatures

Application must be signed by an authorized representative, such as an owner, partner, officer, member or director:

Signature	Date	
Type or Print Name		
Title		
Address		
City	State	Zip

SECTION SEVEN

Attachments

- Non-refundable filing fee (check or money order) made payable to the “State of Ohio Treasurer” in the amount of \$1,000.00. [ORC section 3916.03(A); OAC section 3901-9-01(E)(2)]
- Required documentation for questions answered in the affirmative “Yes”. [ORC section 3916.03(E)]
- Plan of Operation – Supplement A. [ORC section 3916.03(C)(1)(a)]
- Proof of Financial Responsibility as defined in the Ohio Revised Code – Supplement B. [ORC section 3901.03(C)(1)(b)]
- Life Expectancy Methodology – Supplement C. [ORC section 3916.03(C)(1)(c)]
- Experience/Qualification Statement – Supplement D. [ORC section 3916.03(C)(2)(b)]
- Anti-Fraud Plan – Supplement E. [ORC 3916.03(C)(1)(c)]
- Copy of Certificate of Good Standing from home state. [ORC section 3916.03(C)(3)]
- Copy of Registration with Ohio Secretary of State. [ORC section 3916.03(E)]
- Completed Biographical Affidavits (INS7254) for all natural persons listed in Section Two of application. [ORC section 3916.03(E)];
Completed Disclosure and Authorization Concerning Background Reports (INS7255) for all natural persons listed in Section Two of application;
Evidence a background report has been ordered for all natural persons listed in Section Two of application from an approved verifier.

Mail Completed Viatical Settlement Provider License Application to:
Ohio Department of Insurance
Risk Assessment
Attn: Viatical/Life Settlements
50 West Town Street, Suite 300
Columbus, Ohio 43215

Note: An application shall not be considered complete until the superintendent received the application completed in its entirety, required attachments, and the applicable fee. The applicant shall be notified if the superintendent considers an application to be incomplete and the application shall not be considered for licensure. Application fees are not transferable or refundable. [OAC 3901-9-01(E)(2), (3), and (4)]

SECTION EIGHT**Supplement A – Plan of Operation**Purpose

1. Guideline to satisfy Ohio Revised Code section 3916.03(C)(1)(a).
2. Elicit the purview of an applicant's Plan of Operation by requiring the applicant to provide a written Plan of Operation which at a minimum addresses:
 - a) General description of the company
 - b) Scope of Operations
 - c) System of Internal Controls
 - d) Record retention policy per Ohio Revised Code Chapter 3916.11(A)(1)(a)(b)(c).
 - e) Measurement and reporting of performance of settled policies – *Accounting for Life Settlement Contracts by Third-Party Investors*:
 - i) Investment Method / Fair Value Method
 - ii) Recognition of policy maintenance costs

Note: Measurement and reporting of performance of settled policies may already be addressed in the footnotes of the financial statements.

Supplement B – Proof of Financial ResponsibilityPurpose

1. Guideline to satisfy Ohio Revised Code section 3916.03(D)(1).
2. Elicit the purview of an applicant's Financial Responsibility by requiring the applicant to provide proof through one of the following means:
 - a) Submitting financial statements, audited by an independent certified public accountant along with a letter stating whether any significant deficiencies or material weaknesses were detected during the audit pursuant to statement on auditing standards number 115 or as amended or superseded, that show a minimum equity of not less than two hundred fifty thousand dollars in cash or cash equivalents.
 - b) Submitting both audited 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.
 - c) The superintendent does not accept as valid any similar proof of financial responsibility the applicant has filed in another state.

Supplement C – Life Expectancy MethodologyPurpose

1. Guideline to satisfy Ohio Revised Code section 3916.03(C)(1)(c).
2. Elicit the purview of an applicant's Life Expectancy Methodology by requiring the applicant to address certain components of a sound Life Expectancy Methodology.
 - a) How many life expectancy reports are sought for each case file?
 - b) Describe how a life expectancy report is evaluated to determine the credibility of the information contained therein.
 - c) Describe the policies and procedures to keep life expectancy reports confidential and limited to persons needing to have access to them.
 - d) How is the life expectancy report used to calculate the offer presented to the viator?
 - e) Written plan (flow chart) for life expectancy reports beginning with when a life expectancy report is sought through to disposition.

Supplement D – Experience/QualificationsPurpose

1. Guideline to satisfy Ohio Revised Code section 3916.03(C)(2)(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 as a viatical settlement provider.
2. Elicit the purview of an applicant's business reputation, experience and qualifications to act in the capacity as a viatical settlement provider by requiring the applicant to describe their experience, training, or education so as to be qualified to act in the capacity as a viatical settlement provider which at a minimum addresses the following:
 - a) Source of financing to purchase settled life insurance policies (credit facilities and capacity).
 - b) Number of life insurance policies reviewed for eligibility for settlement since the date of incorporation.
 - c) Number of settled life insurance policies currently owned and their face value.
 - d) Investment Management:
 - i) Policy Pricing and Valuation;
 - ii) Calculating expected rates of return on investment;
 - iii) Underwriting policies and procedures.

Supplement E – Anti-Fraud PlanPurpose

1. Guideline to satisfy Ohio Revised Code section 3916.03(C)(4).
2. Elicit the purview of an applicant's Anti-Fraud Plan by requiring the applicant to provide a written Anti-Fraud Plan which at a minimum addresses:
 - a) Fraud investigator, who may be a licensed viatical settlement provider or licensed viatical settlement broker, employee or independent contractor.
 - b) A description of the procedures for detecting and investigating possible fraudulent viatical settlement acts and procedures for resolving material inconsistencies between medical records and insurance applications.
 - c) A description of the procedures for reporting possible fraudulent viatical settlements acts to the superintendent.
 - d) A description of the anti-fraud education and training of underwriters and other personnel.
 - e) A description or chart outlining the organizational arrangement of the anti-fraud personnel who are responsible for the investigation and reporting of possible fraudulent viatical settlement acts and investigating unresolved material inconsistencies between medical records and insurance applications.
 - f) A description of the procedures used to perform initial and continuing review of the accuracy of life expectancies used in connection with a viatical settlement contract.