
Addendum: for use with Illinois Life online course and study guide version number 28197en, per exam content outline updates effective 1/1/2024.

The following are **content additions** to supplement your existing text.

Illinois Statutes and Requirements Pertinent to Life Only

E. Viatical Settlements

2. Licensing

Individuals, corporations, or other entities **must be licensed to act as viatical settlement providers**. Applications for viatical settlement provider licenses must include a \$3,000 fee, which will be deposited into the Insurance Producer Administration Fund.

The Director will issue a license if the licensing fee and application information has been submitted, and the Director finds that the applicant:

- Has provided a detailed plan of operation, as well as an anti-fraud plan;
- Is competent and trustworthy and intends to act in good faith;
- Has a good business reputation and has had training or education that qualifies the applicant to work as a viatical settlement provider;
- Has demonstrated evidence of financial responsibility in a format prescribed by the Director through either a surety bond or a deposit of cash, certificates of deposit or securities, or irrevocable letter of credit in the amount of \$125,000; and
- If a legal entity, provides a certificate of good standing from the state of its domicile.

A viatical settlement provider's **license may be revoked, suspended, or nonrenewed** if the Director finds that there was any material misrepresentation in the application for the license, or that the viatical settlement provider or any officer, partner, member, or controlling person:

- Uses fraudulent or dishonest practices or is otherwise shown to be untrustworthy, incompetent, or financially irresponsible in this state or elsewhere;



- Demonstrates a pattern of unreasonable payments to viators;
- Has violated any insurance laws or any rule, subpoena, or order of the Director or of another state's chief insurance regulatory official, or is subject to a final administrative action brought by the Director or by the Illinois Secretary of State or by another state's chief insurance regulatory official or chief securities regulatory official;
- Has used a viatical settlement contract that has not been approved;
- Has failed to honor contractual obligations set out in a viatical settlement contract;
- No longer meets the requirements for initial licensure;
- Has assigned, transferred, or pledged a purchased policy to a person other than a licensed viatical settlement provider, a viatical settlement purchaser, a financing entity, a special purpose entity, or a related provider trust; or
- Has violated any of the provisions of the Viatical Settlements Act.

If the Director denies a viatical settlement provider license application or suspends, revokes, or refuses to renew the license, the Director must notify the applicant or viatical settlement provider and advise them, in writing, of the reason for the suspension, revocation, denial, or nonrenewal. The applicant or viatical settlement provider may make a written demand upon the Director **within 30 days** after the date of mailing **for a hearing** before the Director to determine the reasonableness of the Director's action. The hearing must be held within not fewer than 20 days nor more than 30 days after the mailing of the notice of hearing.

The viatical settlement provider's license expires every year on the anniversary date. To renew the license a renewal fee of \$1,500 along with renewal forms approved by the Director must be submitted prior to the anniversary date. If the renewal fee and renewal forms are not submitted before the expiration date, the license will expire.