INSURANCE DIVISION[191]

Notice of Intended Action

**Proposing rule making related to viatical and life settlement reporting requirements and
providing an opportunity for public comment**

The Insurance Division hereby proposes to amend Chapter 48, "Viatical and Life Settlements," Iowa
Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 508E.19.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 508E.6.

Purpose and Summary

This proposed rule making clarifies the requirements of the annual report for viatical settlement
providers and adds a late fee of $100. There are 13 licensed viatical settlement providers, and the
Division has received seven late reports in the past two years. The goal of this rule making is to make
the annual reports more uniform and to discourage late filing.

Fiscal Impact

The fiscal impact cannot be calculated at this time. The goal of imposing a late fee is to encourage
compliance with the filing deadline. If the addition of the late fee has its intended effect, the fiscal impact
will be zero.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would
result in hardship or injustice to that person may petition the Division for a waiver of the discretionary
provisions, if any, pursuant to 191—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making.
Written or oral comments in response to this rule making must be received by the Division no later than
4 p.m. on September 15, 2021. Comments should be directed to:

Tracy Swalwell
Iowa Insurance Division
1963 Bell Ave, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6549
Email: tracy.swalwell@iid.iowa.gov

If requested, a public hearing at which persons may present their views orally or in writing will be held as follows:

September 15, 2021   Via conference call
10 a.m.

A conference call number will be available prior to the hearing on the Division's web page at iid.iowa.gov/hearings. Persons wishing to attend the hearing may also contact Tracy Swalwell for hearing information. Persons who wish to make oral comments at the public hearing must submit a request to Tracy Swalwell prior to the public hearing to facilitate an orderly hearing. Persons will be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact Tracy Swalwell and advise of specific needs.

The public hearing will be canceled without further notice if no public hearing is requested by 12 noon on September 14, 2021.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making action is proposed:

Amend rule 191—48.7(508E) as follows:

191—48.7(508E) Reporting requirements. Pursuant to Iowa Code section 508E.6, on or before March 1 of each year, the secretary and either the president or the vice president of each viatical settlement provider licensed in this state shall submit, under oath, an annual statement report for the immediately preceding calendar year.

48.7(1) *Transaction information.* ~~On March 1 of each calendar year, the secretary and either the president or the vice president of each viatical settlement provider licensed in this state shall submit, under oath, the following: the annual statement required by Iowa Code section 508E.6; a report of all viatical settlement transactions in which the viator is a resident of this state; and a report for all states in the aggregate.~~ The annual statement report shall contain the following transaction information for ~~the previous calendar year~~ all viatical settlement transactions in which the viator is a resident of this state:

a.   The following information pursuant to Iowa Code section 508E.6:

(1)   Total number of transactions;

(2)   Aggregate face amount of all policies; and

(3)   Total proceeds of policies settled.

~~a.~~ *b.*   For viatical settlements contracted during the reporting period:

(1) to (12) No change.

~~b.~~ *c.*   For viatical settlements in which death of the insured has occurred during the reporting period:

(1) to (10) No change.

~~c.~~ *d.*   Name and address of each viatical settlement broker through whom the reporting company purchased a policy from a viator who resided in this state at the time of contract;

e.   Name of the insurance companies whose policies have been settled;

~~d.~~ *f.*   Number of policies reviewed and rejected; and

e. g. Number of policies purchased from persons other than a viator (on the secondary market) as a percentage of total policies purchased.

48.7(2) *Additional required information.* ~~On or before March 1 of each year, the secretary and either the president or the vice president of each viatical settlement provider licensed in this state shall make a report under oath of the following or shall provide the following documentation~~ The annual statement report shall also contain the following documentation and statements:

a. to *c.* No change.

d. Transaction information as identified in subrule 48.7(1) for all states.

48.7(3) *Form.* The annual statement report shall be submitted in a format prescribed by the commissioner.

48.7(4) *Late fee.* A viatical settlement provider that fails to timely file the annual statement report pursuant to this rule shall pay a late fee of $100.