

508E.4 License revocation and denial.

1. The commissioner may refuse to issue, suspend, revoke, or refuse to renew the license of a viatical settlement provider or viatical settlement broker if the commissioner finds that any of the following applies:

- a. There was any material misrepresentation in the application for the license.
- b. The licensee or any officer, partner, member, or key management personnel has been convicted of fraudulent or dishonest practices, is subject to a final administrative action, or is otherwise shown to be untrustworthy or incompetent.
- c. The viatical settlement provider demonstrates a pattern of unreasonable payments to viators.
- d. The licensee or any officer, partner, member, or key management personnel has been found guilty of, or has pleaded guilty or nolo contendere to, any felony, or to a misdemeanor involving fraud or moral turpitude, regardless of whether a judgment of conviction has been entered by the court.
- e. The viatical settlement provider has entered into any viatical settlement contract form that has not been approved pursuant to this chapter.
- f. The viatical settlement provider has failed to honor contractual obligations set out in a viatical settlement contract.
- g. The licensee no longer meets the requirements for initial licensure.
- h. The viatical settlement provider has assigned, transferred, or pledged a viaticated policy to a person other than a viatical settlement provider licensed in this state, viatical settlement purchaser, an accredited investor, or qualified institutional buyer as defined respectively in 17 C.F.R. § 230.501(a) or 17 C.F.R. § 230.144A as promulgated by the United States securities and exchange commission under the federal Securities Act of 1933, as amended, 15 U.S.C. § 77a et seq., a financing entity, special purpose entity, or related provider trust.
- i. The licensee or any officer, partner, member, or key management personnel has violated any provision of this chapter.

2. The commissioner may suspend, revoke, or refuse to renew the license of a viatical settlement broker or a life insurance producer operating as a viatical settlement broker pursuant to this chapter if the commissioner finds that the viatical settlement broker or life insurance producer has violated the provisions of this chapter or has otherwise engaged in bad faith conduct with one or more viators.

3. If the commissioner denies a license application or suspends, revokes, or refuses to renew the license of a viatical settlement provider or viatical settlement broker, or suspends, revokes, or refuses to renew a license of a life insurance producer operating as a viatical settlement broker pursuant to this chapter, the commissioner shall conduct a hearing in accordance with chapter 17A.

2000 Acts, ch 1147, §38; 2008 Acts, ch 1155, §4