

# 1996 SESSION

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## HOUSE BILL NO. 871

Offered January 22, 1996

A *BILL to amend the Code of Virginia by adding in Chapter 2 of Title 38.2 a section numbered 38.2-334, relating to the Viatical Agreement Monitoring.*

Patrons—Van Landingham, Darner, Van Yahres and Wilkins; Senator: Earley

Referred to Committee on Corporations, Insurance and Banking

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Chapter 2 of Title 38.2 a section numbered 38.2-334 as follows:**

*38.2.-334. Viatical Agreement Monitoring; definitions; authority of the Commission; inspections.*

*A. As used in this article, the following terms shall have the following meanings, unless the context clearly requires a different meaning:*

*"Commission" means the State Corporation Commission.*

*"Person" means any individual, firm, corporation, partnership, association, trust, or legal or commercial entity or group of individuals, however organized.*

*"Viatical agreement" means a written agreement between a person who owns or is covered under a group policy insuring the life of a person who has a catastrophic or life threatening illness or condition and a buyer, under the terms of which the buyer pays compensation or other valuable consideration, which compensation or other valuable consideration is less than the expected death benefit of the insurance policy or certificate, in return for the policyowner's assignment, transfer, sale, devise or bequest of the death benefit or ownership of the insurance policy or certificate to the buyer.*

*B. In order to protect the citizens of the Commonwealth from possible exploitation, the Commission may, in its discretion, require, on or after July 1, 1996, that no person shall engage in the business of brokering or providing viatical agreements, unless such person has first registered with the Commission, in accordance with such procedures as the Commission may establish. Any required registration shall be accompanied by a payment of a nonrefundable, nonrebatable registration fee, as determined by the Commission.*

*C. The Commission may, by its designated officers and employees, upon receiving a complaint or upon its own motion, investigate the affairs, business, premises, and records of any person engaging in the business of brokering or providing viatical agreements in Virginia. In the course of such investigation, all persons associated with the person being investigated shall afford full access to all premises, books, records, and information which the person making such investigation deems necessary. For the foregoing purposes, the person making such investigation shall have authority to administer oaths, examine under oath all the aforementioned persons, and compel the production of documents and objects of all kinds.*

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