

# Review Requirements Checklist

## Viatical Settlement Contracts

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**Line(s) of Insurance:** Viatical Settlement Contracts

### Links:

- [Illinois Compiled Statutes Online](#)
- [Administrative Regulations Online](#)
- [Product Coding Matrix](#)

Each filing must include a completed Review Requirements Checklist that must contain a completed “Location of Standard in Filing” column for each required element of the filing. Please indicate the proper page # and form # for each entry.

FORM FILING REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS
Review Requirements Checklist	Go to Review Requirements Checklists on DOI web site. See next column	Each filing must include a completed Review Requirements Checklist that must contain a completed “Location of Standard in Filing” column for each required element of the filing. Please indicate the proper page # and form # for each entry.
Approval of Viatical Settlement Contracts and Disclosure Statements	<a href="#">215 ILCS 159/20</a>	Viatical settlement contracts must be filed and approved by the Director prior to use.
REQUIRED GENERAL PROVISIONS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS
Policy Forms	<a href="#">215 ILCS 159/20</a>	Each form must have a unique form number assigned on the lower left hand corner.

Title	<a href="#">215 ILCS 159/5</a> <a href="#">215 ILCS 159/20</a>	A contract must be clearly titled “VIATICAL SETTLEMENT CONTRACT”
Physician Statement	<a href="#">215 ILCS 159/45(a)(1)</a>	A viatical settlement provider must first obtain a written statement from an attending physician verifying the insured has a catastrophic illness or life-threatening condition.
Witnessed Document Prior to Execution of Contract	<a href="#">215 ILCS 159/45(d)</a>	Prior to, or at the time the contract is executed, the viatical settlement provider shall obtain a witnessed document in which the viator consents to the contract and, if applicable, acknowledges that the insured has a terminal or chronic illness and that such condition was diagnosed after the life insurance policy was issued.
Important Consumer Notice	<a href="#">215 ILCS 159/35(b)</a>	A signed copy of the document must be provided to the viator. THE DOCUMENT MUST BE TITLED, “IMPORTANT CONSUMER NOTICE”
Medical Consent Form	<a href="#">215 ILCS 159/45(a)(2)</a>	There must be a statement signed by the viator releasing medical records.
Description of Payment	<a href="#">215 ILCS 159/45(j)</a>	The contract must include a description of the release of funds.
Required Disclosures no later than the Date Contract is signed	<a href="#">215 ILCS 159/35(c)</a>	<ol style="list-style-type: none"> <li>1. The affiliation, if any, between the viatical settlement provider and the issuer of the policy;</li> <li>2. The name, business address, and telephone number of the viatical settlement provider;</li> <li>3. Whether any affiliations or contractual arrangements exist between the viatical settlement provider and the purchaser;</li> <li>4. If a joint policy or policy involving family riders is involved the viator must be informed of the possible loss of coverage on the other lives under the policy;</li> <li>5. The dollar amount of the current death benefit and the availability of additional guaranteed insurance benefits, including accidental death and dismemberment benefits;</li> <li>6. The name, business address, and telephone number of the escrow agent.</li> </ol>

Date Funds Made Available	<a href="#">215 ILCS 159/45(k)</a>	The contract must contain a statement disclosing the date the funds will be made available. Failure to tender payment by the date disclosed to the viator renders the contract null and void.
Limits on Contact with Viator	<a href="#">215 ILCS 159/35(a)(11)</a>	The contract must contain language stating any contact with the viator (the insured) must be limited to once every 3 months if the viator's life expectancy is over one year and only once per month if the life expectancy is less than one year.
Payment of Proceeds	<a href="#">215 ILCS 159/35(a)(8)</a>	Proceeds must be sent to the viator within three business days after the viatical settlement provider has received the written acknowledgement that ownership of the policy has been transferred.
Right to Rescind	<a href="#">215 ILCS 159/35(a)(7)</a> <a href="#">215 ILCS 159/45(h)</a>	The viator has the right to rescind the viatical settlement within 30 days of the date the contract is executed by all parties or within 15 days of receipt of the viatical settlement, whichever is less.
Viator's Death During Recission Period	<a href="#">215 ILCS 159/45(h)</a>	There must be a provision within the contract that if the viator dies during the recission period the contract is rescinded.
Purchase Limit	<a href="#">215 ILCS 159/50(f)</a>	The change of beneficiary may only be limited to the portion purchased as agreed upon.
Payment of Proceeds	<a href="#">215 ILCS 159/20</a>	The proceeds must be paid in a lump sum unless an annuity or other similar instrument is purchased
<b>ADDITIONAL DISCLOSURE PROVISIONS</b>	<b>REFERENCE</b>	<b>DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS</b>
Disclosure of Additional Life Insurance	<a href="#">215 ILCS 159/35(a)(1)</a>	A statement must be included in the contract that the insured may not qualify for another life insurance policy or may be required to pay substantially higher premiums.
Disclosure of alternatives	<a href="#">215 ILCS 159/35(a)(2)</a>	A viatical settlement provider must disclose the possible alternatives to a viatical settlement contract, including the availability of accelerated benefits offered by life insurance policies.
Proceeds Subject to Claims of Creditors	<a href="#">215 ILCS 159/35(a)(5)</a> <a href="#">215 ILCS 159/35(b)(4)</a>	There must be disclosure that the proceeds of the viatical settlement contract are subject to the claims of creditors.

Disclosure on affect of supplement insurance benefits	<a href="#">215 159/35(a)(1)</a> <a href="#">215 ILCS 159/35(c)(5)</a>	The contract must provide notice of the consequences that a viatical settlement will have on supplemental insurance benefits.
Disclosure of affect on other benefits	<a href="#">215 ILCS/159/35(a)(6)</a>	There must be a statement that the viator is aware that receipt of a viatical settlement may affect his/her eligibility for Medicaid or government benefits.
Disclosure of affect on taxes	<a href="#">215 ILCS 159/35(b)(4)</a>	Viatical settlements may be subject to federal and state taxes and assistance from a tax advisor may be necessary.
Confidentiality of Medical Records	<a href="#">215 ILCS 159/35(a)(10)</a>	There must be a notice that the viatical settlement provider will maintain medical records in confidence.
Disclosure of Sound Mind	<a href="#">215 ILCS 159/45(a)(1)</a>	There must be a statement that the viator is of sound mind and not under constraint or undue influence.
Disclosure of Fraud	<a href="#">215 ILCS 159/65(b)</a>	The following statement is required for ALL Viatical Settlement Contracts and Applications: "Any person who knowingly presents false information in an application for insurance or a viatical settlement contract is guilty of a crime and may be subject to fines and confinement in prison."