§ 2137. Life settlement brokers; licensing. (a) The superintendent may issue a license to any individual, firm, association or corporation who or that has complied with the requirements of this chapter, authorizing the licensee to act as a life settlement broker.

(b) Any such license issued to a firm or association shall authorize only the members thereof, named in such license as sub-licensees, to act individually as life settlement brokers thereunder, and any such license issued to a corporation shall authorize only the officers and directors thereof, who are named in such license as sub-licensees, to act individually as life settlement brokers thereunder. Every sub-licensee, acting as a life settlement broker pursuant to such a license shall be authorized so to act only in the name of the licensee.

(c) Every individual applicant for a license under this section and every proposed sub-licensee shall be eighteen years of age or over at the time of the issuance of such license.

(d)(1) Before any original life settlement broker's license is issued, there shall be on file in the office of the superintendent an application by the proposed licensee in such form or forms, and supplements thereto, and containing information the superintendent prescribes. For each business entity, the sub-licensee or sub-licensees named in the application shall be designated responsible for the business entity's compliance with this chapter and regulations promulgated thereunder. The applicant shall fully disclose the identity of all stockholders (except stockholders owning fewer than ten percent of the voting shares of a life settlement broker whose shares are publicly traded), partners, officers, members, directors and persons with a controlling interest and the superintendent may, in the exercise of the superintendent's discretion, refuse to issue a license in the name of a legal entity if not satisfied that any employee, stockholder, partner, officer, member, director or person with a controlling interest thereof who may materially influence the applicant's conduct meets the standards of this article and article seventy-eight of this chapter. Thereafter, the applicant and, if a license has been issued, the licensee, shall provide to the superintendent new or revised information about stockholders (except stockholders owning fewer than ten percent of the voting shares of a life settlement broker whose shares are publicly traded), partners, officers, members, directors and persons with a

controlling interest within thirty days of the change. For purposes of this section, "controlling interest" means a person who directly or indirectly, has the power to cause to be directed the management, control or activities of such licensee.

(2) The superintendent may require any individual named in the application for such license to submit a set of fingerprints, unless such applicant is licensed as an insurance producer with a life line of authority. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check. All such criminal history records sent to the superintendent pursuant to this paragraph shall be confidential pursuant to the applicable federal and state laws, rules and regulations, and shall not be published or in any way disclosed to persons other than the superintendent, unless otherwise authorized by law. The superintendent shall provide such applicant with a copy of his or her criminal history record, if any, together with a copy of article twenty-three-A of the correction law, and inform such applicant of his or her right to seek correction of any incorrect information contained in such record pursuant to regulations and procedures established by the division of criminal justice services. All determinations to grant or deny clearance for licensure pursuant to this section shall be in accordance with subdivision sixteen of section two hundred ninety-six of the executive law and article twenty-three-A of the correction law. When the superintendent denies an application, written notice of such determination shall be given to the prospective applicant who shall be afforded notice and the right to be heard and offer proof in opposition to such determination.

(e) The superintendent shall, in order to determine the competency of every individual applicant and of every proposed sub-licensee for the life settlement broker license, require such individual to submit to a personal written examination and to pass the same to the satisfaction of the superintendent. The examination shall be held at such times and places as the superintendent shall from time to time determine. Every individual applying to take any written examination shall, at the time of applying therefor, pay to the superintendent or, at the discretion of

the superintendent, directly to any organization that is under contract to provide examination services, an examination fee of an amount that is the actual documented administrative cost of conducting said qualifying examination as certified by the superintendent from time to time. An examination fee represents an administrative expense and is not refundable. The superintendent may accept, in lieu of any such examination, the result of any previous written examination, given by the superintendent, which in the superintendent's judgment, is equivalent to the examination for which it is substituted. No individual shall be deemed qualified to take the examination unless he or she shall have successfully completed a course or courses, approved by the superintendent.

(f)(1) No such written examination or prelicensing education shall be required:

(A) of any insurance producer with a life line of authority licensed in this state for at least one year;

(B) in the discretion of the superintendent, of any individual whose license has been revoked or suspended;

(C) of any applicant who has passed the written examination given by the superintendent for a life settlement broker's license and was licensed as such, or of an applicant who was licensed as a life settlement broker but did not pass such an examination; provided the applicant applies within two years following the date of termination of the applicant's license;

(D) in the discretion of the superintendent, as to all or any part of the written examination or the prerequisite course specified in subsection (e) of this section, of any individual seeking to be named a licensee or sub-licensee, upon whom has been conferred the Chartered Life Underwriter (C.L.U.) or Chartered Life Underwriter Associate designation by The American College; or

(E) any individual seeking to be named a licensee or sub-licensee, who is a nonresident and a life settlement broker or who is licensed as an insurance producer with a life line of authority in the individual's home state for at least one year; provided, however, that the individual's home state grants nonresident licenses to residents of this state on the same basis.

(2) No prelicensing education shall be required of any individual

regularly employed by a life settlement provider, life insurance company, life settlement broker, or an insurance producer with a life line of authority, for a period or periods aggregating not less than one year, during the three years next preceding the date of entrance into the service of the armed forces of the United States or immediately following his or her discharge therefrom, in responsible duties relating to the use of life insurance and annuity contracts in the design and administration of plans for estate conservation and distribution, employee benefits and business continuation, and settlements of life insurance and annuity contracts; provided the application for such license is filed within one year following the date of discharge, and the applicant submits with the application a statement subscribed and affirmed as true under the penalties of perjury by such employer or employers stating facts which show compliance with this requirement.

(g) The superintendent may refuse to issue any life settlement broker's license if, in the superintendent's judgment, the proposed licensee or any sub-licensee: is not trustworthy and competent to act as a life settlement broker; has given cause for license revocation or suspension; or has failed to comply with any prerequisite for the issuance of such license.

(h)(1) Every license issued to a business entity pursuant to subsection (a) of this section shall expire on June thirtieth of odd-numbered years.

(2) Every license issued pursuant to this section to an individual who was born in an odd-numbered year shall expire on the individual's birthday in each odd-numbered year. Every license issued pursuant to this section to an individual who was born in an even-numbered year shall expire on the individual's birthday in each even-numbered year. Every such license may be renewed for the ensuing period of twenty-four months upon the filing of an application in conformity with this subsection.

(3) The license may be issued for all of such two-year terms, or upon application made during any such term, for the balance thereof.

(4) Any license shall be considered in good standing within the license term unless:

(A) revoked or suspended by the superintendent pursuant to this article; or

(B) if at the expiration date of the license term, the licensee fails to file a renewal application, provided the license was in good standing during the term.

(5) Before the renewal of any life settlement broker's license shall be issued, the licensee shall have:

(A) filed a completed renewal application in such form or forms, and supplements thereto, and containing such information as the superintendent may prescribe; and

(B) paid such fees as are prescribed by the superintendent; provided, however, that such fee shall not exceed that which is required for the licensing or renewal for an insurance producer with a life line of authority.

(6) If an application for a renewal license shall have been filed with the superintendent before the expiration of such license, then the license sought to be renewed shall continue in full force and effect either until the issuance by the superintendent of the renewal license applied for or until five days after the superintendent shall have refused to issue such renewal license and shall have given notice of such refusal to the applicant and to each proposed sub-licensee. Before refusing to renew any such license, except on the ground of failure to pass a written examination, the superintendent shall notify the applicant of the superintendent's intention to do so and shall give the applicant a hearing.

(7)(A) The superintendent may, in issuing a renewal license, dispense with the requirements of a verified application by any individual licensee or sub-licensee who, by reason of being engaged in any military service for the United States, is unable to make personal application for the renewal license, upon the filing of an application on behalf of such individual, in such form as the superintendent shall prescribe, by a person who, in the person's judgment, has knowledge of the facts and who makes affidavit showing such military service and the inability of the life settlement broker to make personal application.

(B) An individual licensee or sub-licensee who is unable to comply with license renewal procedures due to other extenuating circumstances, such as a long-term medical disability, may request a waiver of such procedures, in such form as the superintendent shall prescribe. The licensee or sub-licensee may also request a waiver of any examination

requirement or any other fine or sanction imposed for failure to comply with renewal procedures.

(8) In addition to any examination fee required by subsection (e) of this section, there shall be paid to the superintendent for each individual license applicant and each proposed sub-licensee a licensing or renewal fee to be determined by the superintendent; provided, however that such fee shall not exceed that which is required for the licensing or renewal for an insurance producer with a life line of authority.

(9) An application for the renewal of a license shall be filed with the superintendent not less than sixty days prior to the date the license expires or the applicant shall be subject to a further fee of ten dollars for late filing.

(10) No license fee shall be required of any person who served as a member of the armed forces of the United States at any time and who (A) shall have been discharged therefrom, under conditions other than dishonorable, or (B) has a qualifying condition, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, or (C) is a discharged LGBT veteran, as defined in section one of the veterans' services law, and has received a discharge other than bad conduct or dishonorable from such service, in a current licensing period, for the duration of such period.

(11) Except where a corporation, association or firm licensed as a life settlement broker is applying to add a sub-licensee, there shall be no fee required for the issuance of an amended license.

(12) The license shall contain the licensee's name, address, personal identification number, the date of issuance, and any other information the superintendent deems necessary. The superintendent may issue the life settlement broker's license in conjunction with any other license, or its renewal, held by the applicant.

(i) If the superintendent deems it necessary, then the superintendent may require any licensed life settlement broker to submit a new application at any time.

(j) The superintendent may issue a replacement for a currently in-force license that has been lost or destroyed. Before such replacement license shall be issued, there shall be on file in the office of the superintendent a written application for such replacement

license, affirming under penalty of perjury that the original license has been lost or destroyed, together with a fee of fifteen dollars.