§ 7811. Disclosures to owners and insureds. (a) The life settlement provider or life settlement broker shall provide the owner with a separate written document conspicuously displaying the information and disclosures required by this subsection. The separate document shall be signed by the owner and life settlement provider, no later than the date the life settlement contract is signed by all parties. At a minimum, the document shall state:

(1) that there are possible alternatives to life settlement contracts, including accelerated benefits offered by the issuer of the policy;

(2) that some or all of the proceeds of a life settlement contract may be taxable and that advice should be sought from a professional tax advisor;

(3) that the proceeds from a life settlement contract could be subject to the claims of creditors;

(4) that receipt of proceeds from a life settlement contract may adversely affect the recipients' eligibility for public assistance or other government benefits or entitlements and that advice should be obtained from the appropriate agencies;

(5) that the owner has a right to rescind a life settlement contract from the time of execution of the contract until fifteen days after the receipt of the life settlement proceeds by the owner;

(6) that proceeds will be sent to the owner within three business days after the life settlement provider has received the insurer or group administrator's acknowledgement that ownership of the policy or interest in the certificate has been transferred and the beneficiary has been designated in accordance with the terms of the life settlement contract;

(7) that entering into a life settlement contract may cause other rights or benefits, including conversion rights and waiver of premium benefits, that may exist under the policy or certificate of a group policy to be forfeited by the owner and that assistance should be sought from a professional financial advisor;

(8) the gross offer or bid that the life settlement provider shall pay pursuant to the life settlement contract; the net amount to be paid to the owner pursuant to the life settlement contract; the name of each life settlement broker, life settlement intermediary, insurance producer or insurance consultant that will be compensated by the life settlement provider, or any affiliate, parent corporation, or subsidiary of the

life settlement provider; and the amount of compensation that the life settlement provider, or any affiliate, parent corporation or subsidiary of the life settlement provider, shall provide to a life settlement broker, life settlement intermediary, insurance producer or insurance consultant, or any affiliate, parent corporation or subsidiary of such broker, intermediary, producer, or consultant, pursuant to the life settlement contract. For the purposes of this paragraph, "gross offer or bid" means the total amount or value offered by the life settlement provider for the purchase of one or more life insurance policies, inclusive of commissions and fees;

(9) the date by which the funds will be available to the owner and the transmitter of the funds;

(10) that the life settlement provider or life settlement broker is required to provide an owner during the solicitation process with a consumer information booklet in a form prescribed by the superintendent, or other similar material, subject to the approval of the superintendent;

(11) that the insured may be contacted by either the life settlement provider or life settlement broker, or any authorized representative thereof, for the purpose of determining the insured's health status or to verify the insured's address, and that the contact shall be limited to once every three months if the insured has a life expectancy of more than one year, and no more than once per month if the insured has a life expectancy of one year or less;

(12) any affiliations or contractual arrangements between the life settlement provider and the issuer of the policy to be settled;

(13) any affiliations or contractual arrangements with any other life settlement provider, life settlement broker, life settlement intermediary or party financing the transaction;

(14) that a life settlement broker represents exclusively the owner, and not the insurer or the life settlement provider or any other person, and owes a fiduciary duty to the owner, including a duty to act according to the owner's instructions and in the best interest of the owner;

(15) the name, business address, telephone number and e-mail address of the independent, third party escrow agent and that the owner has the right to inspect or receive copies of the relevant escrow or trust

agreements or documents;

(16) that a change of ownership could in the future limit the insured's ability to purchase future insurance on the insured's life because there is a limit to how much coverage insurers will issue on one life; and

(17) the name, business address, telephone number and e-mail address of the life settlement provider.

(b) The life settlement provider or life settlement broker shall provide to the insured in a separate written document conspicuously displaying the information and disclosures required by this subsection. The separate document shall be signed by the insured no later than the date the life settlement contract is signed by all parties. The document shall:

(1) state that the insured may be contacted by either the life settlement provider or life settlement broker or any authorized representative thereof, for the purpose of determining the insured's health status or to verify the insured's address, and that the contact shall be limited to once every three months if the insured has a life expectancy of more than one year, and no more than once per month if the insured has a life expectancy of one year or less;

(2) state that a change of ownership could in the future limit the insured's ability to purchase additional insurance on the insured's life because there is a limit to how much coverage insurers will issue on one life; and

(3) contain the following language, or such other language required by the superintendent by regulation: "All medical, financial or personal information solicited or obtained by a life settlement provider or life settlement broker about an insured, including the insured's identity or the identity of family members, a spouse or a significant other may be disclosed as necessary to effect the life settlement contract between the owner and provider. If you are asked to provide this information, you will be asked to consent to the disclosure. The information may be provided to someone who buys the policy or provides funds for the purchase. You may be asked to renew your permission to share information every two years".

(c) The life settlement broker shall provide the owner with a separate written document conspicuously displaying the information and

disclosures required by this subsection. The separate document shall be signed by the owner and life settlement broker, no later than the date the life settlement contract is signed by all parties. At a minimum, the document shall state:

(1) the name, business address, telephone number and e-mail address of the life settlement broker;

(2) a full, complete and accurate description of all the offers, counter-offers, acceptances and rejections relating to the proposed life settlement contract;

(3) any affiliations or contractual arrangements with any life settlement provider, other life settlement broker, life settlement intermediary or any financing entity;

(4) the gross amount to be paid pursuant to the life settlement contract, the net amount of the proceeds to be paid to the owner pursuant to the life settlement contract, the amount of compensation to be paid to the life settlement broker pursuant to the life settlement contract, and the name of such life settlement broker. For purposes of this paragraph, "gross amount to be paid" means the total amount or value to be paid by the life settlement provider for the purchase of one or more life insurance policies, inclusive of commissions and fees; and

(5) a complete reconciliation of the gross offer or bid by the life settlement provider to the net amount of proceeds or value to be received by the owner, provided that for the purpose of this section, "gross offer or bid" shall mean the total amount or value offered by the life settlement provider for the purchase of one or more life insurance policies, inclusive of commissions and fees.