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SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2268

2007 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2268

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2268**

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **January 30, 2007**

Recorder Job Number: **2287**

Committee Clerk Signature

Viatical Settlements: STOLEY

Jim Poolman – Commissioner ND Insurance Dept. - In Favor

TESTIMONY # 1

Went over testimony. Viatical settlements are created to help terminally ill, cancer or aids patients. When we see a policy taken out on another person we see "fraud." There is a secondary role in the marketplace. When it is stranger originated, the investor gets the roll over funds. [6:00m explains]

Bill does prohibit action but gives a narrow window of 5 years to settle the policy. If this is public policy is it a moral hazard? You would need to die sooner to maximize your benefits. Covers Bid Rigging 8:31m] Coventry pays off other companies to not bid on policies. Instead of 3-4-5- bids, who wants to make most money off a policy. Second issue is the net bid on his policy. Broker is presented a gross offer. \$250,000 told, really would be \$500,000 and will cost an extra \$250,000 extra in fees and charges.

There is no property right unless you're an investor. ND is not the first, there are 9-10 states that are introduced. Viatical agreements are adopted by 30 different states.

ND Bankers' Association will have an Amendment.. [ends 13:56m]

S Klein: So this is a "Stranger Originated Policy," what about those relatives who want to plan to provide for their kids upon an death of a parent.

J Poolman: Family interest laws are clear, this is an invisible interest and it will not be affected under this bill.

S Hacker: Does this effect buy-sell insurance in business?

J Poolman: Yes, there is a portion that talks about those specifically exempted. In this bill

S Wanzek: Does this also cover employers who cover employees who are key people like a Manager?

J Poolman: Yes, all are legitimate. CO-LEE is for CO insured and is legitimate.

S Heitkamp: I've read the press release from Spitzer case. Do you have the power to replace the agent and settle?

J Poolman: We have control over Viatical controllers now. This bill makes it clear that we have authority over the viatical settlement company who's committing bid rigging and specifically the broker who makes the transaction.

S Hacker: Bid rigging still is illegal.

J Poolman: this specifically spells it out also to the consumer

Marilyn Foss – ND Bankers Association - In Favor – PROPOSING AMMENDMENT

TESTIMONY # 2 Agree with Jim Poolman, in favor and asking for the bill with amendments.

Went over testimony and amendments. Marilyn visited with Commissioner and agreed on the points in the amendments. [25:20m ends]

Bruce Ferguson – Trade Association – In Favor'

TESTIMONY #3

Talked of Jim Poolman's testimony..

Did look at the amendments prepared by Banker's association and make sense to us.

Add needed clarification. Our goal is to legitimate transactions.

S Klein: This goes from a 2 to a 5 year change.

B Ferguson: Having to wait longer is a deterrent as a type of protection.

S Klein: Why not 8 or 3, why 5?

B Ferguson: The proposal was drawn up for a 5 year waiting period. It would be reviewed on how it would change in the legislature. No magic in it.

S Hacker: The investors are buying multiple policies at a time. Do you have an idea on how the market works, and what sort of return.

B Ferguson: The individual policies are taken out and sold as an investment .

S Hacker: Can those packages be sold in the secondary market or do they have to wait the 2 years or 5 years?

B Ferguson: There are several exceptions to the both the 2 year and 5 year waiting period.

Terminal or chronic illness, retirement, divorce, are exceptions to the waiting period.

[explains 32:30m]

S Wanzek: The grace period, is that going from 2 to 5 years? What is the risk for investor? Is there a risk that the insured might die within the 5 years and then the insurance would go to the family.

B Ferguson: 5 years, without insurable interest. It is a risk to investor not getting his hands on the policy. If you're not putting up your own collateral, the 5 year waiting period applies to the sale of the policy for someone without an insurable interest.

S Wanzek: Would it make investors reassess the risk of making the investment and taking a harder look at it. The risk might be higher now.

S Heitkamp: Can't this all be settled by you and how you sell the policy?

B Ferguson: More and more companies are trying to detect these types of transactions that were design to settle. Insurers are asking, "have you been approached by a settlement company, are you getting premium financing from another source?" so that they can detect these type of transactions at the onset.

S Heitkamp: Can't you write rules so you don't get the policy.

B Ferguson: The Insurable Interest law says you must have insurable interest. It can be used as property. It's a different kind of property, it is a contract on someone's life.

S Heitkamp: Like a savings account.

B Ferguson: You can't sell a policy to someone without an insurable interest. Also, how can we come up with something that legislates intent?

S Hacker: How many transactions took place in the last year, industry wide?

B Ferguson: No, there are no rules to track them.

Terry Weis – ND Association of Insurance and Financial Advisors - In Favor

TESTIMONY # 4 Went over testimony. Not a complicated issue. Support with amendments.

S Wanzek: Sometimes I need to say what I'm thinking. What you're essentially saying that there is potential value and I can see potential value in this type of situations, but there is also potential for abuse. And you're trying to find that balance at that point, we don't want to keep the door wide open.

T Weis: You're correct, we need to pass this to change the bill.

S Behm: "Keep the shysters away from the door."

T Weis: We're not going to say that.

S Hacker: From 2 year to 5 year, it would adjust the price. The legitimate ones, 5 year prior, do you feel the price will drop?

T Weis: I have had corporations have owned policies on some of their share holders and the share holders have sold their stock back to the corporation so therefore they didn't have any interest in that individual anymore, so they've had their life insurance policies. Not a lot of cash value to them, only 4 or 5 years old, they're not old and not going to die quick, so there was no interest in their policies. A 5 year waiting period would be a deterrent to an investment organization looking to wait a long time before they see a return on their investment.

OPPOSITION

Tom Kelsch – Peachtree Settlement Funding - In Opposition

[43:16m] Deals with structured settlements

Jack Kelly – Peachtree Settlement Funding - In Opposition

Is this a solution looking for a problem? Has anyone come up and mentioned this issue to you? People are saying here, "we have an issue we have to deal with." In all honesty, has anyone said, "Senator, you really have to do something about this, I'm really getting ripped off." It's about the rights of ND citizens. It's a right you have to do as you please as an individual, to insure property, and you like to do with it as YOU choose, is your right as an individual. Insurance is used for many different purposes. Now days insurance companies sell insurance for "viance" purposes. Use it as an investment tool. [48:46 examples on life planning]
Explains how there are not issues on this point [49:25m] Do we generally need to have this done? Is this a problem or do we need to find a problem. Unintended thins happen when we rush.

S Hacker: How many did you purchase?

J Kelly: If you're a charity and do Co-Lee , you have to report to treasury. Nobody really knows how many are out there.

S Heitkamp: How many other states are you having to go in and have this debate.

J Kelly: This is the first state.

S Heitkamp: How many other states....

J Kelly: This is the first one that introduced it.

S Klein: Have they adopted any portions of? None? Zero?

J Kelly: That's the key fact that it was only adopted by a committee, because it's contentious and isn't sure it will be adopted by the whole committee, because of fact that Encoil legislators committee said we have an issue, we need to debate this, we need to more this onto our meetings in March and April. Most legislators are saying, let's slow this down, it's not a race and see where it's going.

S Wanzek: I see legitimate value in these tools, may eliminate that tool for our consumers in the state. Trying to find a balance to protect the consumers of abuse and still providing the business. Can you explain the procedure of paying off other bidders. i.e. Bid Rigging

J Kelly [turns red 56:40m]

[gives examples] Bid rigging is not in my interest. If we had big rigging from another company we would shut it down. We price them right. We like to make better offers than the competition, it is better for the consumer.

S Hacker: If we move from 2 years to 5 years, what effect would that have on consumer?

J Kelly: It will deflate the price as actuary.

Michael Freedman – Life Institute. – In Opposition

TESTIMONY # 5

National Conference of Insurance Legislators did a review of this bill didn't just put it off, it was rejected. According to their rules, it goes too far. It impairs and interferes with life settlements.

Imposes numerous restrictions on life settlements that have NOTHING TO DO WITH INVESTOR-INITIATED LIFE INSURANCE. Goes well beyond the attempt to try to capture the

STOLEY programs. I think it's important they REJECTED it, not just that they weren't going to use it. The problem is the initiation, illegal manufacturing of life insurance. Is lying on the application of a smoker or non-smoker, health conditions or not. The incident at inception of the life insurance policy.

Inducing someone to take out a life insurance policy already illegal.

It already says a stranger cannot initiate that life insurance. The laws in the nation, someone with an insurable interest cannot be used as a dupe for a policy. The law ALREADY says that you can't agree to sell your policy any time within the first 2 years of the policy, so there are at least 3 laws in the general provision of the U.S. law that you can't initiate life insurance through

1. inducement
2. pre-arranged settlement
3. violation of insurable interest laws

The carriers are trying to investigate at inception the same way as if someone were trying to defraud a life insurance company through lying about medical conditions, etc. The problem is the inception.

The average life settlement done in the country today isn't on anyone who has a terminal, chronic illness it is on seniors with a life expectancy of average of almost 10 years which means investors today are estimating they will pay on average more than years of premiums in order to see a realization of their investment. 5 years is an arbitrary number, it doesn't recognize that investors are already paying excess of 5 years of premiums.

It says the consumers can not have the property right established in their life insurance policy, that right to assign which is protected by the Century Code and by Supreme Court of State and U.S. It takes away for 5 years any value other than the value the life insurance establishes for that policy, "cash surrender" value. It punishes consumers and their rights. [continues to

17:30m] Every state that has adopted a law with the exception of Iowa and the NAIC's bill that was passed by the life aid committee, specifically says that if you are a life insurance agent with one year of authority you are able to operate as a settlement broker. This bill carves that out. If you can't get the advice and assistance from your agent on a market to see your policy in an open market and your agent has to go through a separate licensing scheme to become a separate viatical settlement, it deviates from the other states in the country.

S Wanzek: I'm trying to figure a scenario that I could utilize. I farm, when you start you have a lot of debt, take out a lot of debt, have lot of life insurance, when 65, 70, mortgage is paid, the insurance policies are still there, wife and I would like to enjoy retirement years, other than sell land, I could come to you and show my life insurance policies and find out what the value of them to you and negotiate with you or any other viatical settlement company and essentially get a payment and not have to wait until I die. Just for my understanding.

M Freedman: That is a life settlement.

S Hacker: Same question as I did for Jack, on the 2-5 year, what sort of impact would that have on the price you can offer to the consumer?

M Freedman: It eliminates any value, we wouldn't make you an offer.

S Hacker: Based on returns, how will the 2-5 years be affected?

M Freedman: We would be able to make an offer, it would be illegal.

S Hacker: [example 68:26]

[looks at the actuarial process] How will that affect the prices for the people? You need them to pass away at 5.5 or whatever...

M Freedman: We can't have the ownership of the policy, so any performance would be irrelevant until we have an ownership interest.

S Hacker: [uses example] I'm 70 years old and have 3 policies and want to sell one, I talk to you, TODAY you would give me "X" price. Tomorrow this bill is enacted into law, how much of a price reduction would it be that you could offer me?

M Freeman: How old is your policy?

S Hacker: Had it since I was 22.

M Freeman: It wouldn't affect the price at all as it's over 5 years.

CLOSE

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2268 B**

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **January 31, 2007**

Recorder Job Number: **2446**

Committee Clerk Signature

Minutes:

S Heitkamp: Pooley sends us an email calling, that you and Encoil (?) in fact didn't do that, which one was it?

S Klein: If they get into a discussion where they don't agree, they just drag it on to the next dinner. There is a small group of ACLI which Bruce Ferguson and does Doug Head who isn't here, who sent Jack and Mike. It got testy, so they put it off until the next meeting. There's probably more in favor of what we're doing in the group than that little life settlement group that wants to repeal those ideas. George is on this one, George is a bigger player than I certainly am, so to me that has brought more credence to the fact that Encoil is biting off on this and we're moving it forward, it's just that meeting 3 times a year in an hour life settlements discussion, they need less time than we do on our viatical bill that we heard yesterday.

S Heitkamp: For them to say Encoil has said, "Absolutely, no possible way,"...

S Klein: That's not true.

S Heitkamp: Ok

S Klein: I was sitting in there that day and I , where did they get that from because that wasn't the message I got.

S Potter: I would really like to know why I'm voting the way I am.

S Klein: I want people to formulate that.

S Behm: I was here and I'm still not sure what they're talking about.

S Hacker: This bill touches a very narrow section of the insurance policy buyers, it doesn't affect them all. They painted with a broad brush that it would affect the whole industry and it would not. It's about the 5 year thing and how they finance that with these people. Most people have had their policies for a few years, and what they're trying to avoid the people who are going out and buying a policy for the sole purpose of selling that policy and so it's not a very large segment; in fact, Peachtree said they only had a couple hundred last year.

Michael Freedman is a member of the "Institute." He is an employee of one of the companies, Covenant obviously it was not exciting to tell the committee that. There's a lot of underlying things going on with the bill.

S Potter: I'd like to give the Commissioner one, he's probably right, I just don't know my arguments.

S Wanzek: I thought I had my mind made up, but as I listened to the opposition yesterday, I started to have some doubts and questions about; my concern was I thought they said the minute you transaction that sale to the viatical company, you have to wait 5 years before they can own the policy. That is not the case. [example of farming situation 4:19m]

My concern was that was when I made the transaction I had to wait 5 years and that would lower the value.. now I understand I just need to have owned the policy for 5 years, which I could have sold it and liquidated into cash. Putting a 5 year period on it from a moral issue...

S Klein: It's about the "shysters," Senator Behm hit it on the head.

S Wanzek: It kind of bothers me that somebody you've never done business with before or buy a policy and their only interest is to have you die, I think putting a 5 year period on it may be stop some of the abuse.

S Heitkamp: Move a "Do Pass."

S Klein: We have a **Do Pass on 2268.**

Second by S Hacker

S Klein: I did visit with Mr. Kelsch, asked him, "Do you have anything that would sway anybody with any good information?" He just smiled and said, "It would be over to the House then probably where you'd need the work if there are some issues.."

S Hacker: I have to mention this because it is the core of everything, this is what really tripped me up. In this letter that we got, in the very last paragraph with a situation that was going on in one of the settlements [talks about paragraph in testimony].

S Klein:

We have a DO PASS on SB 2268

Call the Roll: 6-0-1

As you recall we have some punctuational issues that need to be reviewed.

S Heitkamp Send it to the House for that.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2268 C**

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **February 5, 2007**

Recorder Job Number: **2850 Retraction and Revote w/amendments 2851**

Committee Clerk Signature

Minutes:

S Klein: I think we got ahead of ourselves there. On the viatical settlements.

S Wanzek I move that [2850 ends – pick up on 2851] we reconsider as there are amendments that we needed to apply to the bill.

Second by S Hacker all in favor – Aye – Unanimous

Opposed, No [no contest]

S Klein: Even the securities commissioner got a hold of me today and said, “what did you do?” Those amendments are – We have the ND Bankers Association amendments, we have amendments as proposed by the Insurance Commissioner.

S Heitkamp: So you took out the criteria for the architect and all that? Then I vote yes.

S Klein: Then we have everyone on board. We have suggested to S Erbele to work on it in the House if they can find another way to work it. Two sets of amendments, Bankers Amendments, this was to make sure that the Commissioner’s amendments made sure the Securities Commissioner had the regulator authority over the portion that becomes an investment.

S Heitkamp: Do you want a motion on the insurance commissioner’s amendment?

S Klein: Yes

S Heitkamp: I'll move.

Second by Hacker

Roll Call for Insurance Commissioner Amendments – 6-0-1 Passed

S Klein: I know the banker's amendments are minimal, with margins and punctuation. Can I have a motion for the banker's amendment?

S Heitkamp: What does the banker's amendment do that the insurance commissioner's don't?

S Klein: I think it's how the bank holds the policy as a security of the loan.

S Heitkamp: I thought it was to clean up the amendment and if we just amended with the insurance commissioner, are the banker's amendments right?

S Klein: I believe they are.

S Wanzek: They're not going to be in conflict in any way are they? They appear they don't conflict. I haven't seen one area where they test it. I just want to make sure we don't have to reconsider our actions again.

Motion by S Wanzek

Second by S Hacker

Vote on Bankers Amendment – 6-0-1 Passed Amendment

S Hacker: Could you send Marilyn a note that she can just say "number accordingly?"

Motion to DO PASS AS AMENDED on SB 2268 - S Wanzek

Second by S Hacker

Vote for DO PASS AS AMENDED – 6-0-1 - Passed

Carrier: S Klein

S Heitkamp: So basically what we did there was just cleaned up language, and the bill just changed Viatical settlements from 2 years to 5 years.

S Klein: Correct

FISCAL NOTE
 Requested by Legislative Council
 03/26/2007

Amendment to: Engrossed
 SB 2268

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The amendments to the bill will have an impact of less than \$500.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

See 2A.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See 2A.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See 2A.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

See 2A.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	03/26/2007

Date: 1-30-07

Roll Call Vote: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 22108

Senate INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Heitkamp Seconded By Hacker

Senators	Yes	No	Senators	Yes	No
Chairman Jerry Klein	✓		Senator Arthur Behm	✓	
Vice Chair Nicholas Hacker	✓		Senator Joel Heitkamp	✓	
Senator John Andrist	NP		Senator Tracy Potter	✓	
Senator Terry Wanzek	✓				

Total Yes 6 No 0

Absent 1

Floor Assignment Klein

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 31, 2007 3:35 p.m.

Module No: SR-21-1708
Carrier: Klein
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2268: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2268 was placed on the Eleventh order on the calendar.

Date: 2-5-07

Roll Call Vote: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2268

Senate INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Remove - withdrawn.

Motion Made By Wanzek Seconded By Hacker

Senators	Yes	No	Senators	Yes	No
Chairman Klein, Jerry			Senator Behm, Art		
Senator Hacker, Nick, VC			Senator Heitkamp, Joel		
Senator Andrist, John			Senator Potter, Tracy		
Senator Wanzek, Terry					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-5-07

Roll Call Vote: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2268

Senate INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Ins. Com Am

Motion Made By Heitkamp Seconded By Hacker

Senators	Yes	No	Senators	Yes	No
Chairman Klein, Jerry	✓		Senator Behm, Art	✓	
Senator Hacker, Nick, VC	✓		Senator Heitkamp, Joel	✓	
Senator Andrist, John	✓		Senator Potter, Tracy	✓	
Senator Wanzek, Terry	✓				

Total Yes 6 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-5-07

Roll Call Vote: 3

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2268

Senate INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Barbers Amendment

Motion Made By Wanzek Seconded By Hacker

Senators	Yes	No	Senators	Yes	No
Chairman Klein, Jerry	✓		Senator Behm, Art	✓	
Senator Hacker, Nick, VC	✓		Senator Heitkamp, Joel	✓	
Senator Andrist, John	N		Senator Potter, Tracy	✓	
Senator Wanzek, Terry	✓				

Total Yes 6 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2268: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2268 was placed on the Sixth order on the calendar.

Page 1, line 20, remove "purchase or"

Page 2, line 2, remove "or other agreement"

Page 2, line 28, remove the third "viatical"

Page 2, line 29, remove "settlement investment agent,"

Page 3, line 9, remove ", or as a result of a viatical"

Page 3, line 10, remove "settlement purchase agreement"

Page 3, line 12, remove the underscored comma

Page 3, line 13, remove "viatical settlement purchase agreement"

Page 3, line 16, replace the first underscored comma with "or" and remove ", or viatical settlement purchase"

Page 3, line 17, remove "agreement"

Page 3, line 18, remove the underscored comma

Page 3, line 19, remove "viatical settlement purchase agreement"

Page 7, replace lines 1 through 5 with:

"(2) A loan made by a bank or other licensed financial institution in which the lender takes an interest in a life insurance policy solely to secure repayment of the loan or, if there is a default on the loan and the policy is transferred, the further assignment of the policy by the lender, provided that the default itself is not pursuant to an agreement or understanding with any other person for the purpose of evading regulation under this chapter;"

Page 8, line 8, after the underscored period insert "A viatical settlement investment agent is an agent as defined in section 10-04-02."

Page 8, line 19, after the third comma insert "or" and replace ", other" with ";

(2) A"

Page 8, line 20, remove the underscored comma

Page 8, line 24, replace "(2)" with "(3)"

Page 8, line 25, replace "(3)" with "(4)"

Page 8, line 28, replace "(4)" with "(5)"

Page 8, line 31, replace "(5)" with "(6)"

Page 9, line 1, replace "(6)" with "(7)"

Page 9, line 2, replace "(7)" with "(8)"

Page 9, line 3, replace "(8)" with "(9)"

Page 9, line 4, replace "(9)" with "(10)"

Page 9, line 10, after the underscored period insert "A viatical settlement purchase agreement is a viatical settlement contract as defined in section 10-04-02."

Page 10, remove lines 20 through 27

Page 10, line 28, replace "c." with "b."

Page 11, line 3, replace "d." with "c."

Page 11, line 24, replaced the underscored comma with "or"

Page 11, line 25, remove "or viatical settlement investment agents,"

Page 14, line 2, remove "or a viatical settlement purchase"

Page 14, line 3, remove "agreement"

Page 15, line 9, remove "viatical settlement investment agent,"

Page 15, remove lines 17 through 19

Page 15, line 20, replace "c." with "b."

Page 15, line 23, after "desirability" insert an underscored comma and replace "d." with "c."

Page 15, line 25, replace "e." with "d."

Page 15, line 29, replace "f." with "e."

Page 16, line 1, replace "g." with "f."

Page 32, remove lines 22 through 24

Page 32, line 25, replace "5." with "4."

Page 33, line 10, replace "6." with "5."

Page 33, line 18, replace "7." with "6."

Page 34, line 5, after "provider" insert "or it is otherwise conclusively shown by the viatical settlement provider"

Page 34, line 19, after the underscored semicolon insert "or"

Page 34, line 22, remove "or"

Page 34, line 23, replace "(6)" with "c."

