

NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
11 NYCRR 381
INSURANCE REGULATION NO. 198
LIFE SETTLEMENTS

I, Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, pursuant to the authority granted by Sections 202 and 302 of the Financial Services Law, Section 301 of the Insurance Law of the State of New York, Sections 2137, 7803, 7804, and 7817 of the Insurance Law as added by Chapter 499 of the Laws of New York of 2009, and Section 21 of Chapter 499 of the Laws of New York of 2009, do hereby promulgate a new Part 381 of Title 11 of the Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 198), to take effect upon publication in the State Register, to read as follows:

Chapter XV of Title 11 is renamed "Life Settlements".

ALL NEW MATERIAL

Section 381.1 License fees and financial accountability requirements for life settlement providers.

Section 381.2 License fees for life settlement brokers.

Section 381.3 Registration fees for life settlement intermediaries.

Section 381.1 License fees and financial accountability requirements for life settlement providers.

(a) The application for a license as a life settlement provider shall be made on such forms and supplements as prescribed by the superintendent and shall be accompanied by a non-refundable fee of \$10,000.

(b) The financial accountability of a life settlement provider required in accordance with section 7803(c)(2)(E) of the Insurance Law, to assure the faithful performance of its obligations to owners and insureds on life settlement contracts subject to Article 78 of the Insurance Law, shall be in an amount at least equivalent to \$250,000, shall be maintained at all times and may be evidenced in one of the following manners:

(1) Assets in excess of liabilities in an amount at least equal to \$250,000 as reflected in the applicant's financial statements;

(2) A surety bond in an amount at least equal to \$250,000 placed in trust with the superintendent issued by an insurer licensed in this State to write fidelity and surety insurance under section 1113(a)(16) of the Insurance Law; or

(3) Securities placed in trust with the superintendent consisting of securities of the types specified in section 1402(b)(1) and (2) of the Insurance Law, estimated at an amount not exceeding their current market value, but with a total par value not less than \$250,000; provided that:

(i) If the life settlement provider is incorporated in another state, the securities allowed for placement in the trust may consist of direct obligations of that state; and

(ii) If the aggregate market value of the securities in trust falls below the required amount, the superintendent may require the life settlement provider to deposit additional securities of like character.

(c) The application for the biennial renewal of a life settlement provider license shall be made on such forms and supplements as prescribed by the superintendent and shall be accompanied by a non-refundable fee of \$5,000.

Section 381.2 License fees for life settlement brokers.

(a) The application for a license as a life settlement broker shall be made on such forms and supplements as prescribed by the superintendent and shall be accompanied by a non-refundable fee for each individual applicant and for each proposed sub-licensee of forty dollars for each year or fraction of a year in which a license shall be valid.

(b) The application for the biennial renewal of a life settlement broker license shall be made on such forms and supplements as prescribed by the superintendent and shall be accompanied by a non-refundable fee for each individual applicant and for each proposed sub-licensee of forty dollars for each year or fraction of a year in which a license shall be valid.

Section 381.3 Registration fees for life settlement intermediaries.

(a) The application for registration as a life settlement intermediary shall be made on such forms and supplements as prescribed by the superintendent and shall be accompanied by a non-refundable fee of \$7,500.

(b) The application for the biennial renewal of a life settlement intermediary registration shall be made on such forms and supplements as prescribed by the superintendent and shall be accompanied by a non-refundable fee of \$2,500.



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Benjamin M. Lawsky
Superintendent

I, Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, do hereby certify that the foregoing is the new Part 381 of Title 11 (Insurance Regulation 198), signed by me on March 6, 2012 pursuant to the authority granted by Sections 202 and 302 of the Financial Services Law and Section 301 of the Insurance Law, Sections 2137, 7803, 7804, and 7817 of the Insurance Law as added by Chapter 499 of the Laws of 2009, and Section 21 of Chapter 499 of the Laws of 2009, to take effect upon publication in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed regulation was published in the State Register on December 28, 2011. No other publication or prior notice is required by statute.

A handwritten signature in black ink, appearing to read "Benjamin M. Lawsky".

Benjamin M. Lawsky
Superintendent of Financial Services

Date: March 6, 2012