

## TEXAS CHECKLIST - VIATICAL

Please use this checklist to insure you have enclosed all the documents necessary to process your application efficiently.

\_\_\_\_\_ Application: Complete and sign Application *and Personal and Insurance Information Form*

\_\_\_\_\_ Completed, signed and witnessed *Authorization for the Release of Medical Information and Authorization to Release Policy Information*

\_\_\_\_\_ Photocopy of the *Life Insurance Policy*

\_\_\_\_\_ Photocopy of the *Insured's Driver's License*

\_\_\_\_\_ Read and sign: \_\_\_\_\_ (1) *Viatical Consumer Disclosure Form*  
\_\_\_\_\_ (2) *Acknowledgment Form with Notary*

\_\_\_\_\_ Photocopy of *Medical Records* for past five years.\*

\_\_\_\_\_ *Statement* from Insurance Company reflecting the policy's cash value, loan value and premium payment structure.\*

\_\_\_\_\_ Photocopy of *Divorce Decree* (if applicable).\*

\_\_\_\_\_ Photocopy of *Discharge from Bankruptcy* (if applicable).\*

Fax or mail all copies and documents to:

Stephen M. Watson, President  
Viatical Settlement Professionals, Inc.  
2 West Runswick Dr.  
Richmond, Virginia 23238

Tel. 804-740-3900  
Toll Free: 888-321-9057  
Fax: 804-740-8880

\*These items are optional, but if included the response time will improve.

## APPLICATION

### VIATICAL SETTLEMENT

**“Receipt of a viatical\* settlement may affect your eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. The money you receive for your life insurance policy also may be taxable. Before completing a viatical settlement contract, you are urged to consult with an attorney, accountant, estate planner, financial planning advisor, your insurer or insurance agent, tax advisor or a social service agency concerning how receipt of a payment will affect you, your family, and your spouse’s eligibility for public assistance. For more information about viatical settlements generally, contact the Texas Department of Insurance, at 1-800-252-3439.”**

**\*Viatical Settlement – A transaction whereby a written agreement is solicited, negotiated, offered, entered into, delivered, or issued for delivery in this state, under which a viatical settlement provider acquires, through assignment, sale, or transfer of a policy insuring the life of an individual who has a catastrophic or life-threatening illness or condition, by paying the owner or certificate holder compensation or anything of value that is less than the net death benefit of the policy.**

**“El aceptar una liquidación tipo viáticos\* podría afectar que usted pueda inscribirse en los programas de asistencia pública, tales como los de Asistencia Médica de Medicaid, Ayuda para Familias con Hijos Menores (AFDC), Ingreso Suplementario del Seguro Social (SSI) y otros programas de ayuda para la compra de medicamentos. Es posible que también tenga que pagar impuestos por el dinero que usted reciba por su seguro de vida. Antes de firmar cualquier acuerdo tipo viáticos lo exhortamos que consulte con un abogado, contador, planeador de patrimonios, consejero económico, su aseguradora o agente de seguros, consejero (perito) en materia de impuestos o con (y con) una agencia (las agencias) de servicios sociales para que se informe cómo el recibo de dichos pagos podría afectar su capacidad, la de su familia y la de su cónyuge para recibir asistencia pública. Para más información en general respecto a los acuerdos tipo viáticos llame al Departamento de Seguros de Texas al 1-800-252-3439.”**

**\*Pago Tipo Viáticos- Una transacción en la cual por medio de un contrato por escrito a cumplir en este estado se solicita, negocia, ofrece, compromete, establece o expide, que bajo dicho contrato un proveedor de liquidación tipo viáticos adquiera, por medio de asignación, venta o transferencia, la póliza de seguro de vida de un individuo que padece de una enfermedad o padecimiento catastrófico o que amenaza la vida, al pagar al propietario o tenedor de la póliza una compensación o cualquier cosa de valor de menos cuantía que la suma neta del beneficio de muerte que estipula la póliza.**

## CONFIDENTIAL PERSONAL AND INSURANCE INFORMATION VIATICAL SETTLEMENT

After receiving the following pages of information, we will be able to evaluate the opportunity to present you with an offer to purchase your life insurance policy. Please complete the following forms and sign as indicated.

### 1. PERSONAL DATA

Date: \_\_\_\_\_

Name of Insured \_\_\_\_\_  
Social Security Number \_\_\_\_\_  
Current Address \_\_\_\_\_  
City/State/Zip \_\_\_\_\_  
County \_\_\_\_\_  
Telephone Number(s): Daytime ( ) \_\_\_\_\_ Evening ( ) \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Marital Status: \_\_\_\_\_ Sex: ( ) Male ( ) Female  
Dependent Children: ( ) Yes ( ) No

If Policy Owner is Different than above:

Name of Policy Owner \_\_\_\_\_  
Tax Identification No./Social Security Number # \_\_\_\_\_  
Current Address: \_\_\_\_\_  
City/State/Zip \_\_\_\_\_  
Telephone Number(s): Daytime ( ) \_\_\_\_\_ Evening ( ) \_\_\_\_\_

### 2. LIFE INSURANCE POLICY INFORMATION

Please enclose a copy of the policy or please complete the following:

Name of Insurance Company \_\_\_\_\_  
Policy Number \_\_\_\_\_  
Date Policy was issued: \_\_\_\_\_ Coverage/Face Amount: \$ \_\_\_\_\_  
Amount of Premium: \$ \_\_\_\_\_ How frequently is premium paid? \_\_\_\_\_  
Loans? \$ \_\_\_\_\_ Current Surrender Value: \$ \_\_\_\_\_  
Type of Policy: ( ) Term ( ) Whole Life ( ) Universal Life ( ) Other \_\_\_\_\_  
Is this a group or individual policy? ( ) Individual ( ) Group ( ) Converted Group

If group policy, please provide the following information:

Name of Organization Providing Coverage: \_\_\_\_\_

Name of Benefits Manager or Third Party Administrator \_\_\_\_\_

Tel. No. ( ) \_\_\_\_\_. May we contact the person named above? ( ) Yes ( ) No

### 3. MEDICAL HISTORY

Please give a brief description of your medical condition: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of physician seen for this medical condition:

Name of Physician: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_

City: \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Who is your primary or family physician? (If different from above)

Name of Physician: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_

City: \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

If there are other physicians that have treated you in the last three years, you may attach an additional page including their full name, address and telephone.

\_\_\_\_\_  
Signature of Insured

\_\_\_\_\_  
Signature of Policy Owner

## AUTHORIZATION TO RELEASE POLICY INFORMATION

I, \_\_\_\_\_ (Name of Policy Owner) hereby authorize \_\_\_\_\_ (Name of Insurance Company) the issuer of insurance policy number \_\_\_\_\_ (Policy Number) insuring the life/lives of: \_\_\_\_\_ (Name of Insured) to release any and all information directly to Viatical Settlement Professionals, Inc. (VSPI). The information may include, but is not limited to, the following information and documents:

1. Copy of the policy, including the application therefor.
2. Any and all forms promulgated with respect to the Policy and rights of the insured and/or owner, including forms relating to the beneficiary, absolute or collateral assignment, change of ownership, premium payments, loans, withdrawals, payment provisions and/or conversion.
3. In-force illustrations of the policy including projections of values into the future.
4. All other requested information related to the life insurance Policy.

I understand that funding sources will use information released or obtained pursuant to this authorization for the purposes of pursuing and/or completing the sale of life insurance policy on which I am the owner, viator and/or insured. A photographic copy or facsimile of this Authorization shall be valid as the original. This Authorization shall remain valid for the lifetime of the undersigned, absent any provision of any applicable state statute or regulation to the contrary, in which event it shall remain valid for the maximum period permitted thereunder. The viator or owner may withdraw their consent pursuant to applicable law.

\_\_\_\_\_  
Signature of Viator                      Date                      Signature of Policy Owner                      Date

\_\_\_\_\_  
Printed Name                      Date                      Printed Name                      Date

\_\_\_\_\_  
Signature of Witness                      Date                      Signature of Witness                      Date

\_\_\_\_\_  
Printed Name                      Date                      Printed Name                      Date

## VIATICAL SETTLEMENT AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

I hereby authorize any physician, medical practitioner, hospice, hospital, clinic or other medical or medically related facility, insurance support organization, pharmacy, governmental agency, insurance company, group policyholder, employer, benefit plan administrator, to provide Viatical Settlement Professionals, Inc. (VSPI), any and all information as to diagnosis, treatment and prognosis with respect to any physical or mental condition including psychiatric conditions, or drug or alcohol abuse, of or relating to the insured.

This authorization allows for the disclosure, inspection and copying of any and all records, reports, and/or documents, including any underlying data, regarding the care and treatment of the insured, and any other information in your possession concerning any treatment or hospitalization, including, but not limited to, all testing materials completed by or administered to the insured, along with any and all medical charts, clinical or doctors' notes, memoranda, medical reports, X-ray reports, index cards, history notes, pictures, records and medical bills in your possession and control.

I understand that funding sources will use information released or obtained pursuant to this Authorization for the purposes of pursuing and/or completing the sale of the life insurance policy on which I am the owner, viator or insured. I agree that a photographic copy or facsimile of this Authorization shall be valid as the original. I agree that this Authorization shall remain valid for the life time of the undersigned, absent any provision of any applicable state statute or regulation to the contrary, in which event it shall remain valid for the maximum period permitted thereunder, provided, however, regardless of anything to the contrary herein, the medical release form may be used to track ongoing health status and that the owner or viator may withdraw their consent pursuant to applicable law.

\_\_\_\_\_  
Signature of Viator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

**VIATICAL SETTLEMENT PROFESIONALS, INC.  
2 WEST RUNSWICK DRIVE  
RICHMOND, VIRGINIA 23238  
804-740-3900 (Toll Free 888-321-9057)**

**Required Notice – Viatical Consumer Disclosure Prototype Form**

**Important Information You Need to Know  
Before Entering Into a Viatical Settlement**

**What are viatical settlements?**

A viatical settlement is the sale of a life insurance policy or certificate (hereafter referred to as policy) issued on the life of a person, who has a catastrophic or life-threatening illness or condition that is likely to result in death within 24 months, for a dollar amount that is less than the policy's face value. The person with the catastrophic or life-threatening illness or condition who is insured under the policy is called a viator. This person may or may not be the owner of the policy. Only the owner of the policy has the right to sell the policy. If you do not own the policy, the owner cannot sell the policy without your consent. The entity that buys the policy is called a viatical settlement provider (hereafter referred to as provider) and must have a registration from the Texas Department of Insurance (hereafter referred to as TDI). Additionally, there are persons called brokers or provider representatives, who help with the sale of the policy. The provider representative or broker must also have a registration from TDI.

A viatical settlement offers you the opportunity to receive a portion of your policy's death benefit while you are still alive, giving you a chance to ease the financial stress that sometimes goes with an illness or condition.

**How do viatical settlements work?**

Most providers, provider representatives, or brokers will ask you to complete an application and medical release forms so that they can gather information from your life insurance company and your doctors. All information gathered must be kept confidential and cannot be given to anyone without your written approval. If you qualify, the provider will make you an offer for your policy. The amount offered for your policy will be based on facts such as how long you are expected to live, the amount you pay for premiums, the rating of your insurance company, and your policy's provisions (e.g., a waiver of premium). If you accept the offer, you will be asked to sign a viatical settlement contract.

**Do I have to sell all of my policy?**

No. You can sell all of your policy or you can sell only a part of your policy. If you sell only a part, you will be required to assign or transfer only the part being sold. If you sell the entire policy, the provider will become the new owner of the policy.

**Is there a difference between a broker and a provider representative?**

Yes. Although both a broker and a provider representative will help you with the sale of your policy, there are important differences between them. A broker works for you. A broker will check with several providers to find the best offer for you. A provider representative works for a provider. A provider representative will only check with the provider he or she works with to get you their offer. If you use someone to help with the sale of your policy, you may want to ask whether they are a broker or a provider representative.

**Is the provider, provider representative, or broker required to keep my information confidential?**

Yes, any financial, medical, or personal information obtained by a provider, provider representative, or broker about you, including your family members, a spouse, or a significant other, may not be shared with anyone unless you have given written approval that the information may be shared. Any written approval for the sharing of this information must show who may get the information and why it will be released.

**If I enter a viatical settlement contract, when will I get my money and from whom?**

The answer to this question depends on how the provider runs its business. Some providers use an escrow agent or trustee to handle the money that will be paid to you. If an escrow agent or trustee is used, the escrow agent or trustee will send you the money within three business days of the date the insurance company confirms to the provider that the transfer of ownership has been completed. If an escrow agent or trustee is not used, the provider will send you the money within three business days from the date you signed both the contract and the papers needed to transfer or assign your policy to them.

**What if I change my mind?**

If you change your mind about selling your policy, you can cancel the viatical settlement contract at any time up to the 15th day after you receive the money from the provider. To cancel the viatical settlement contract, you will have to return any money the provider paid to you for the purchase of your policy along with any premiums the provider paid to keep the policy in force. If you change your mind, remember to arrange with the provider to have the insurance company transfer the ownership of the policy back to you.

**What if I die shortly after selling my policy?**

If you die at any time up to the 15th day after you receive the money from the provider, the settlement contract will automatically cancel. The provider will pay the owner of your policy or beneficiaries designated by the owner in the viatical settlement contract any proceeds it receives from your policy, minus any money it already paid for the purchase of your policy and any premiums it paid to the insurance company to keep your policy current. The insurance company or the provider should refund any unearned premiums paid.

**What happens after I get my money?**

After the provider has paid the owner for the sale of the policy, they may begin calling to check on the health status of the viator.

**What if I don't want to be contacted about my health status?**

If you do not want to be contacted about your health status, you may appoint an adult person or persons to be contacted on your behalf. That person must be in regular contact with you and you must give the provider their name, address and phone number. Once you give the provider this information, they may not contact you unless they have tried and have not been able to reach the contact person for more than 30 days. If you need to, you can change your contact person at any time by sending a written notice to the provider.

**How will I know who will be calling me or my contact person about my health status and how often can they call?**

The provider must give you the name, address, and phone number of the person who will be contacting you or your contact person(s) about your health status. If your life is expected to end in one year or less, contacts to check on your health status are limited to once every 30 days. If you are expected to live for more than one year, contact is limited to once every three months.

**Will the provider be calling my doctor to check on my health status?**

Some providers will use your signed medical release form to check with your doctor for updates on your health status. The medical release form tells your doctor that you want your doctor to give your medical information to the provider, their broker, or provider representative. If you decide you do not want the provider to contact your doctor, you have the right to withdraw your medical consent in accordance with law.

**Does anyone make money or commissions from the sale of my policy?**

You have the right to ask for and receive the names of all the people who have or will receive some type of payment from the sale of your policy, along with the amount and terms of the payment. You may ask for this information at any time.

**How will I know if my policy includes extra coverages like accidental death, future increases in the death benefit, or covers other family members? Do these affect my settlement?**

Some policies contain extra coverages. You may want to contact your insurance company or agent to see if your policy contains a provision or rider providing extra coverages. If your policy includes a benefit for accidental death, the additional death benefit may not be included as part of your settlement. The additional death benefit will remain payable to your beneficiaries or your estate. If your policy provides future increases in the death benefit, you may want to ask how much the provider is paying you for the purchase of this benefit. If your policy is a joint policy, or provides coverage on the lives of other family members or anyone other than yourself, there may be a possible loss of coverage.

**Are there other options available besides selling my policy?**

Your insurance company may offer options, such as accelerated death benefits, loans, and surrender of the policy for its cash value. Before entering into a viatical settlement, you should contact your insurance company or agent to see what options are available.

**What other things should I know about a viatical settlement contract?**

Some things that may be affected if you enter a viatical settlement are:

- there may be a loss of life insurance coverage on your spouse or other family members, if the policy (or any riders attached to it) covers their lives;
- the amount of premiums you pay;
- policy cash values or dividends, if provided for in the policy;
- a loss of other rights or benefits, including conversion rights and waiver of premium benefits that may exist under the your policy;
- you may incur tax consequences;
- your ability to receive supplemental social security income, public assistance, and public medical services including Medicaid; and
- the money you receive for your viatical settlement could be taken away from you by creditors, personal representatives, trustees in bankruptcy, and receivers in state or federal court.

Because of the above, you should contact an attorney, accountant, estate planner, financial planning advisor, tax advisor, social services agency, your insurance company, or agent, as applicable, to find out what effect selling your policy will have on you.

**What if I have a complaint?**

You may file a complaint with the Texas Department of Insurance, Consumer Protection, Mail Code 111-1A, P. O. Box 149091, Austin, Texas 78714-9091; or by calling the Consumer Help Line between 8 a.m. and 5 p.m., Central time, Monday-Friday at 1-800-252-3439; by faxing a complaint to TDI at 1-521-475-1771; by completing a complaint on-line at [www.tdi.state.tx.us](http://www.tdi.state.tx.us); or by e-mailing a complaint to [consumer.protection@tdi.state.tx.us](mailto:consumer.protection@tdi.state.tx.us).

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Signature

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Date

## Acknowledgment Prototype Form for Viatical Settlements

THE STATE OF \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF \_\_\_\_\_

That \_\_\_\_\_ (Name of Viator)  
and \_\_\_\_\_ (Name of  
Policy Owner, *if different from the Viator*) do(es) acknowledge that, to the best of his/her  
knowledge, the following are true representations:

- The viator has a catastrophic or life-threatening illness or condition that is likely to result in death within 24 months.
- A copy of the required written disclosures have been received and read by the viator and the policy owner.
- All of the documents (applications, medical release forms, etc.) used to effect the viatical settlement have been received and read by the viator and the policy owner.
- The viatical settlement contract is being entered into knowingly and voluntarily.

Witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Viator's Signature

\_\_\_\_\_  
Policy Owner's Signature  
(*if different from Viator*)

\_\_\_\_\_  
Viator's Printed Name

\_\_\_\_\_  
Policy Owner's Printed Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

THE STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Before me, \_\_\_\_\_, on  
(Printed name of Notary)

this day personally appeared \_\_\_\_\_ (Printed name of Viator) and \_\_\_\_\_ (Printed name of Policy Owner, if different from the Viator) known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that the named person(s) executed the same for the purposes and considerations therein expressed, in the capacities therein stated, and as the act and deed of said viator and policy owner.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

(Notary Seal)

\_\_\_\_\_  
(Notary Public Signature)

Notary Public, State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_