

HOUSE AMENDMENTS TO A-ENGROSSED SENATE BILL 973

By COMMITTEE ON CONSUMER PROTECTION

June 4

1 On page 1 of the printed A-engrossed bill, line 6, delete “5 and 11 to 19” and insert “5, 11 to
2 19 and 22”.

3 On page 9, line 4, delete “30th” and insert “60th”.

4 In line 5, delete “15th” and insert “30th”.

5 On page 11, delete lines 5 through 7 and insert:

6 “(e) Receipt of proceeds from a life settlement contract may affect the owner’s eligibility for
7 public assistance or other government benefits or entitlements, and advice should be obtained from
8 appropriate agencies. Receipt of proceeds from a life settlement contract may reduce the owner’s
9 risk of becoming impoverished and becoming dependent on public assistance or other government
10 benefits or entitlements.”

11 On page 18, delete lines 14 through 24 and insert:

12 “**SECTION 15.** (1) With respect to a life settlement contract or insurance policy, it is unlawful
13 for a life settlement broker to knowingly solicit an offer from, effectuate a life settlement contract
14 with or make a sale to a life settlement provider, financing entity or related provider trust that is
15 controlling, controlled by or under common control with a life settlement broker, unless that re-
16 lationship is disclosed to the owner.

17 “(2) With respect to a life settlement contract or insurance policy, it is unlawful for a life
18 settlement broker to knowingly enter into a life settlement contract with an owner if, in connection
19 with the life settlement contract, anything of value will be paid to a life settlement broker that is
20 controlling, controlled by or under common control with a life settlement provider, financing entity
21 or related provider trust that is involved in the settlement contract, unless that relationship is dis-
22 closed to the owner.”

23 On page 23, line 23, after the period insert “Nothing in this subsection shall be construed to
24 alter the provisions of ORS 743.168 or 743.171 relating to the period of incontestability of a policy
25 of life insurance.”

26 On page 27, after line 3, insert:

27 “**SECTION 22.** (1) **With respect to each policy issued by an insurance company, the in-**
28 **surance company shall notify the owner of an individual life insurance policy when the in-**
29 **sured person under such a policy is 60 years of age or older, or is known to be terminally ill**
30 **or chronically ill, that there may be alternative transactions available to that owner at the**
31 **time of each of the following:**

32 “(a) **When a life insurance company receives from such an owner a request to surrender,**
33 **in whole or in part, an individual policy;**

34 “(b) **When a life insurance company receives from such an owner a request to receive**
35 **an accelerated death benefit under an individual policy;**

1 “(c) When a life insurance company sends to such an owner all notices of lapse of an
2 individual policy; or

3 “(d) At any other time that the Director of the Department of Consumer and Business
4 Services may require by rule.

5 “(2)(a) The director shall approve a document calculated to apprise the consumer of the
6 consumer’s rights as an owner of a life insurance policy. The document must be made
7 available at no cost to all insurance companies and life insurance producers and written so
8 as to be understandable to individuals who are not in the insurance business.

9 “(b) The document must advise the consumer:

10 “(A) That life insurance is a critical part of a broader financial plan, and that the con-
11 sumer is encouraged, and has a right, to seek additional financial advice and opinions;

12 “(B) That possible alternatives to lapse exist; and

13 “(C) Of the definitions of common industry terms.

14 “(c) In addition to the information described in paragraphs (a) and (b) of this subsection,
15 the document must contain the following statement in large, bold or otherwise conspicuous
16 typeface: ‘Life insurance is a critical part of a broader financial plan. There are many options
17 available, and you have the right to shop around and seek advice from different financial
18 advisers in order to find the option best suited to your needs.’

19 “(d) The document may include brief descriptions of common products available from
20 providers. These products must be discussed in general terms for informative purposes only,
21 and not identifiable to any specific provider.

22 “(e) The document is considered part of the notice required in subsection (1) of this
23 section.”.

24 In line 4, delete “22” and insert “23”.

25 In line 5, delete “23” and insert “24”.