



NATIONAL ASSOCIATION OF INDEPENDENT LIFE BROKERAGE AGENCIES

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NAILBA Applauds NAIC Adoption of Revisions to Viatical Settlements Model Act

(Fairfax, Va.) On Sunday, December 10, during its Winter National Meeting in San Antonio, Texas, the NAIC Life Insurance (A) Committee adopted revisions to the NAIC Viatical Settlements Model Act designed to address the problem of stranger-initiated life insurance (STOLI).

The revisions include a five year ban on certain types of settlement transactions which promote and enable STOLI, while exempting from the five year ban situations involving typical life settlement circumstances, such as chronic illness, divorce, death of a spouse, bankruptcy, or recourse premium financing.

Also included in the revisions is language sought by a coalition comprised of NAILBA, AALU, ACLI, and NAIFA that tightened up the definition of "Viatical Settlement Contract".

Through significant online and in-person collaboration, the coalition has worked diligently over many months to seek the passage of the amended model.

Adoption of these revisions by the NAIC Life Insurance (A) Committee was a great victory for the coalition. The amended model will be considered and voted on by the full NAIC at the March 2007 NAIC meeting.