

31A-36-104 License requirements, revocation, and denial.

- (1)
 - (a) A person may not, without first obtaining a license from the commissioner, operate in or from this state as:
 - (i) a life settlement provider; or
 - (ii) a life settlement producer.
 - (b) A life settlement is included within the scope of the life insurance producer line of authority.
- (2)
 - (a) To obtain a license as a life settlement provider, an applicant shall:
 - (i) comply with Section 31A-23a-117;
 - (ii) file an application;
 - (iii) pay the license fee; and
 - (iv) provide evidence of financial responsibility.
 - (b) If an applicant for a life settlement provider license complies with Subsection (2)(a) and Section 31A-23a-117, the commissioner shall investigate the applicant and issue a life settlement provider license if the commissioner finds that the applicant is competent and trustworthy to engage in the business of providing life settlements by experience, training, or education.
- (3) In addition to the requirements in Sections 31A-23a-111, 31A-23a-112 and 31A-23a-113, the commissioner may refuse to issue, suspend, revoke, or refuse to renew the license of a life settlement provider or life settlement producer if the commissioner finds that:
 - (a) a life settlement provider demonstrates a pattern of unreasonable payments to owners;
 - (b) the applicant, the licensee, an officer, partner, or member, or key management personnel:
 - (i) is, whether or not a judgment of conviction is entered by the court, found guilty of, or pleads guilty or nolo contendere to:
 - (A) a felony; or
 - (B) a misdemeanor involving fraud or moral turpitude;
 - (ii) violates this chapter; or
 - (iii) is subject to a final administrative action by another state or federal jurisdiction.
 - (c) a life settlement provider enters into a life settlement not approved under this chapter;
 - (d) a life settlement provider fails to honor obligations of a life settlement;
 - (e) a life settlement provider assigns, transfers, or pledges a settled policy to a person other than:
 - (i) a life settlement provider licensed under this chapter;
 - (ii) a life settlement purchaser;
 - (iii) an accredited investor as defined in Regulation D, Rule 501, 17 C.F.R. Sec. 230.501;
 - (iv) a qualified institutional buyer as defined in Rule 144A, 17 C.F.R. Sec. 230.144A;
 - (v) a financing entity;
 - (vi) a special purpose entity; or
 - (vii) a related provider trust;
 - (f) a life settlement provider fails to maintain a standard set forth in Subsection (2)(b);
 - (g) an applicant or licensee has a material misrepresentation in an initial or renewal application for a license; or
 - (h) the licensee engages in bad faith conduct with one or more owners.
- (4) If the commissioner denies a license application or suspends, revokes, or refuses to renew the license of a life settlement provider or life settlement producer, the commissioner shall conduct an adjudicative proceeding under Title 63G, Chapter 4, Administrative Procedures Act.

Amended by Chapter 355, 2009 General Session

