
SUBSTITUTE SENATE BILL 5195

State of Washington

61st Legislature

2009 Regular Session

By Senate Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Swecker, Kauffman, Hobbs, King, Marr, Haugen, Franklin, Parlette, Schoesler, and Shin)

READ FIRST TIME 02/11/09.

1 AN ACT Relating to adopting the life settlements model act;
2 reenacting and amending RCW 42.56.400; adding new sections to chapter
3 48.102 RCW; repealing RCW 48.102.005, 48.102.010, 48.102.015,
4 48.102.020, 48.102.025, 48.102.030, 48.102.035, 48.102.040, 48.102.045,
5 48.102.050, 48.102.055, 48.102.900, and 48.102.901; and prescribing
6 penalties.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** SHORT TITLE. This chapter may be cited as
9 the "life settlements act."

10 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
11 section apply throughout this chapter unless the context clearly
12 requires otherwise.

13 (1) "Advertisement" means any written, electronic, or printed
14 communication or any communication by means of recorded telephone
15 messages or transmitted on radio, television, the internet, or similar
16 communications media, including film strips, motion pictures, and
17 videos, published, disseminated, circulated, or placed directly before
18 the public for the purpose of creating an interest in or inducing a

1 person to purchase or sell, assign, devise, bequest, or transfer the
2 death benefit or ownership of a policy or an interest in a policy
3 pursuant to a life settlement contract.

4 (2) "Broker" means a person who, on behalf of an owner and for a
5 fee, commission, or other valuable consideration, offers or attempts to
6 negotiate life settlement contracts between an owner and providers. A
7 broker represents only the owner and owes a fiduciary duty to the owner
8 to act according to the owner's instructions, and in the best interest
9 of the owner, notwithstanding the manner in which the broker is
10 compensated. A broker does not mean an attorney, certified public
11 accountant, or financial planner retained in the type of practice
12 customarily performed in their professional capacity to represent the
13 owner whose compensation is not paid directly or indirectly by the
14 provider or any other person, except the owner.

15 (3) "Business of life settlements" means an activity involved in,
16 but not limited to, offering to enter into, soliciting, negotiating,
17 procuring, effectuating, monitoring, or tracking life settlement
18 contracts.

19 (4) "Chronically ill" means:

20 (a) Being unable to perform at least two activities of daily
21 living, i.e., eating, toileting, transferring, bathing, dressing, or
22 continence;

23 (b) Requiring substantial supervision to protect the individual
24 from threats to health and safety due to severe cognitive impairment;
25 or

26 (c) Having a level of disability substantially similar to that
27 described in (a) of this subsection made in a written determination, as
28 existing on the effective date of this section, by the United States
29 secretary of health and human services.

30 (5) "Commissioner" means the insurance commissioner.

31 (6)(a) "Financing entity" means an underwriter, placement agent,
32 lender, purchaser of securities, purchaser of a policy from a provider,
33 credit enhancer, or any entity that has a direct ownership in a policy
34 that is the subject of a life settlement contract, but:

35 (i) Whose principal activity related to the transaction is
36 providing funds to effect the life settlement contract or purchase of
37 one or more policies; and

1 (ii) Who has an agreement in writing with one or more providers to
2 finance the acquisition of life settlement contracts.

3 (b) "Financing entity" does not mean a nonaccredited investor or
4 purchaser.

5 (7) "Financing transaction" means a transaction in which a licensed
6 provider obtains financing from a financing entity including, without
7 limitation, any secured or unsecured financing, any securitization
8 transaction, or any securities offering which either is registered or
9 exempt from registration under federal and state securities law.

10 (8) "Fraudulent life settlement act" includes:

11 (a) Acts or omissions committed by any person who, knowingly and
12 with intent to defraud, for the purpose of depriving another of
13 property or for pecuniary gain, commits, or permits its employees or
14 its agents to engage in acts including, but not limited to:

15 (i) Presenting, causing to be presented, or preparing with
16 knowledge and belief that it will be presented to or by a provider,
17 premium finance lender, broker, insurer, insurance producer, or any
18 other person, false material information, or concealing material
19 information, as part of, in support of, or concerning a fact material
20 to one or more of the following:

21 (A) An application for the issuance of a life settlement contract
22 or policy;

23 (B) The underwriting of a life settlement contract or policy;

24 (C) A claim for payment or benefit pursuant to a life settlement
25 contract or policy;

26 (D) Premiums paid on a policy;

27 (E) Payments and changes in ownership or beneficiary made in
28 accordance with the terms of a life settlement contract or policy;

29 (F) The reinstatement or conversion of a policy;

30 (G) In the solicitation, offer to enter into, or effectuation of a
31 life settlement contract, or policy;

32 (H) The issuance of written evidence of life settlement contracts
33 or insurance; or

34 (I) Any application for, or the existence of or any payments
35 related to, a loan secured directly or indirectly by any interest in a
36 policy;

37 (ii) Entering into any act, practice, or arrangement that involves
38 stranger-originated life insurance;

1 (iii) Failing to disclose to the insurer where the request for such
2 disclosure has been asked for by the insurer that the prospective
3 insured has undergone a life expectancy evaluation by any person or
4 entity other than the insurer or its authorized representatives in
5 connection with the issuance of the policy;

6 (iv) Employing any device, scheme, or artifice to defraud in the
7 business of life settlements; or

8 (v) In the solicitation, application, or issuance of a policy,
9 employing any device, scheme, or artifice in violation of state
10 insurable interest laws.

11 (b) In the furtherance of a fraud or to prevent the detection of a
12 fraud any person commits or permits its employees or its agents to:

13 (i) Remove, conceal, alter, destroy, or sequester from the
14 commissioner the assets or records of either a broker or provider, or
15 both or other person engaged in the business of life settlements;

16 (ii) Misrepresent or conceal the financial condition of either a
17 broker or provider, or both, financing entity, insurer, or other
18 person;

19 (iii) Transact the business of life settlements in violation of
20 laws requiring a license, certificate of authority, or other legal
21 authority for the transaction of the business of life settlements;

22 (iv) File with the commissioner or the chief insurance regulatory
23 official of another jurisdiction a document containing false
24 information or otherwise concealing information about a material fact
25 from the commissioner;

26 (v) Engage in embezzlement, theft, misappropriation, or conversion
27 of moneys, funds, premiums, credits, or other property of a provider,
28 insured, owner, or any other person engaged in the business of life
29 settlements;

30 (vi) Knowingly and with intent to defraud, enter into, broker, or
31 otherwise deal in a life settlement contract, the subject of which is
32 a policy that was obtained by presenting false information concerning
33 any fact material to the policy or by concealing, for the purpose of
34 misleading another, information concerning any fact material to the
35 policy, where the owner or the owner's agent intended to defraud the
36 policy's issuer;

37 (vii) Attempt to commit, assist, aid, or abet in the commission of,

1 or conspiracy to commit, the acts or omissions specified in this
2 subsection; or

3 (viii) Misrepresent the state of residence of an owner to be a
4 state or jurisdiction that does not have a law substantially similar to
5 this chapter for the purpose of evading or avoiding the provisions of
6 this chapter.

7 (9) "Insured" means the person covered under the policy being
8 considered for sale in a life settlement contract.

9 (10) "Life expectancy" means the arithmetic mean of the number of
10 months the insured under the policy to be settled can be expected to
11 live considering medical records and appropriate experiential data.

12 (11) "Life insurance producer" means any person licensed in this
13 state as a resident or nonresident insurance producer who has received
14 qualification or authority for life insurance coverage or a life line
15 of coverage pursuant to RCW 48.17.170.

16 (12)(a) "Life settlement contract" means a written agreement
17 entered into between a provider and an owner, establishing the terms
18 under which compensation or any thing of value will be paid, which
19 compensation or thing of value is less than the expected death benefit
20 of the policy, in return for the owner's assignment, transfer, sale,
21 devise, or bequest of the death benefit or any portion of a policy for
22 compensation, provided, however, that the minimum value for a life
23 settlement contract shall be greater than a cash surrender value or
24 accelerated death benefit available at the time of an application for
25 a life settlement contract.

26 (b) "Life settlement contract" also means the transfer for
27 compensation or value of ownership or beneficial interest in a trust or
28 other entity that owns such policy if the trust or other entity was
29 formed or availed of for the principal purpose of acquiring one or more
30 life insurance contracts, which life insurance contract insures the
31 life of a person residing in this state.

32 (c) "Life settlement contract" also means a written agreement for
33 a loan or other lending transaction, secured primarily by a policy or
34 a premium finance loan made for a policy on or before the date of
35 issuance of the policy where:

36 (i) The loan proceeds are not used solely to pay premiums for the
37 policy and any costs or expenses incurred by the lender or the borrower
38 in connection with the financing;

1 (ii) The owner receives on the date of the premium finance loan a
2 guarantee of the future life settlement value of the policy; or

3 (iii) The owner agrees on the date of the premium finance loan to
4 sell the policy or any portion of its death benefit on any date
5 following the issuance of the policy.

6 (d) "Life settlement contract" does not mean:

7 (i) A policy loan by a life insurance company pursuant to the terms
8 of the policy or accelerated death provisions contained in the policy,
9 whether issued with the original policy or as a rider;

10 (ii) A premium finance loan or any loan made by a bank or other
11 licensed financial institution, provided that neither the default on
12 the loan nor the transfer of the policy in connection with such a
13 default is pursuant to an agreement or understanding with any other
14 person for the purpose of evading regulation under this chapter;

15 (iii) A collateral assignment of a policy by an owner;

16 (iv) A loan made by a lender that does not violate any provision of
17 this title, provided the loan is not described in (a) of this
18 subsection, and is not otherwise within the definition of life
19 settlement contract;

20 (v) An agreement where all the parties (A) are closely related to
21 the insured by blood or law, or (B) have a lawful substantial economic
22 interest in the continued life, health, and bodily safety of the person
23 insured, or are trusts established primarily for the benefit of those
24 parties;

25 (vi) Any designation, consent, or agreement by an insured who is an
26 employee of an employer in connection with the purchase by the
27 employer, or trust established by the employer, of life insurance on
28 the life of the employee;

29 (vii) A bona fide business succession planning arrangement:

30 (A) Between one or more shareholders in a corporation or between a
31 corporation and one or more of its shareholders or one or more trusts
32 established by its shareholders;

33 (B) Between one or more partners in a partnership or between a
34 partnership and one or more of its partners or one or more trusts
35 established by its partners; or

36 (C) Between one or more members in a limited liability company or
37 between a limited liability company and one or more of its members or
38 one or more trusts established by its members;

1 (viii) An agreement entered into by a service recipient, or a trust
2 established by the service recipient, and a service provider, or a
3 trust established by the service provider, who performs significant
4 services for the service recipient's trade or business; or

5 (ix) Any other contract, transaction, or arrangement from the
6 definition of life settlement contract that the commissioner determines
7 is not of the type intended to be regulated by this chapter.

8 (13) "Net death benefit" means the amount of the policy to be
9 settled less any outstanding debts or liens.

10 (14)(a) "Owner" means the owner of a policy, with or without a
11 terminal illness, who enters or seeks to enter into a life settlement
12 contract. For the purposes of this chapter, an owner shall not be
13 limited to an owner of a policy that insures the life of an individual
14 with a terminal or chronic illness or condition except where
15 specifically addressed.

16 (b) "Owner" does not mean:

17 (i) Any provider or other licensee under this chapter;

18 (ii) A qualified institutional buyer as defined, as of the
19 effective date of this section, in rule 144A of the federal securities
20 act of 1933, as amended;

21 (iii) A financing entity;

22 (iv) A special purpose entity; or

23 (v) A related provider trust.

24 (15) "Patient identifying information" means an insured's address,
25 telephone number, facsimile number, electronic mail address, photograph
26 or likeness, employer, employment status, social security number, or
27 any other information that is likely to lead to the identification of
28 the insured.

29 (16) "Policy" means an individual or group life insurance policy,
30 group certificate, contract, or arrangement of life insurance owned by
31 a resident of this state, regardless of whether delivered or issued for
32 delivery in this state.

33 (17) "Premium finance loan" means a loan made primarily for the
34 purposes of making premium payments on a policy, which loan is secured
35 by an interest in the policy.

36 (18) "Person" means any natural person or legal entity, including
37 but not limited to, a partnership, limited liability company,
38 association, trust, or corporation.

1 (19)(a) "Provider" means a person, other than an owner, who enters
2 into or effectuates a life settlement contract with an owner.

3 (b) "Provider" does not mean:

4 (i) Any bank, savings bank, savings and loan association, or credit
5 union;

6 (ii) A licensed lending institution or creditor or secured party
7 pursuant to a premium finance loan agreement which takes an assignment
8 of a policy as collateral for a loan;

9 (iii) The insurer of a policy or rider to the extent of providing
10 accelerated death benefits or riders under an approved policy form or
11 cash surrender value;

12 (iv) Any natural person who enters into or effectuates no more than
13 one agreement in a calendar year for the transfer of a policy, for
14 compensation or anything of value less than the expected death benefit
15 payable under the policy;

16 (v) A purchaser;

17 (vi) Any authorized or eligible insurer that provides financial
18 guaranty insurance to a provider, purchaser, financing entity, special
19 purpose entity, or related provider trust;

20 (vii) A financing entity;

21 (viii) A special purpose entity;

22 (ix) A related provider trust;

23 (x) A broker; or

24 (xi) An accredited investor or qualified institutional buyer as
25 defined, respectively, in regulation D, rule 501 or rule 144A of the
26 federal securities act of 1933, as amended, who purchases a policy from
27 a provider.

28 (20) "Purchased policy" means a policy that has been acquired by a
29 provider pursuant to a life settlement contract.

30 (21) "Purchaser" means a person who pays compensation or anything
31 of value as consideration for a beneficial interest in a trust which is
32 vested with, or for the assignment, transfer, or sale of, an ownership
33 or other interest in a policy which has been the subject of a life
34 settlement contract.

35 (22) "Related provider trust" means a titling trust or other trust
36 established by a licensed provider or a financing entity for the sole
37 purpose of holding the ownership or beneficial interest in purchased
38 policies in connection with a financing transaction. In order to

1 qualify as a related provider trust, the trust must have a written
2 agreement with the licensed provider under which the licensed provider
3 is responsible for ensuring compliance with all statutory and
4 regulatory requirements and under which the trust agrees to make all
5 records and files relating to life settlement transactions available to
6 the commissioner as if those records and files were maintained directly
7 by the licensed provider.

8 (23) "Settled policy" means a policy that has been acquired by a
9 provider pursuant to a life settlement contract.

10 (24) "Special purpose entity" means a corporation, partnership,
11 trust, limited liability company, or other legal entity formed solely
12 to provide either directly or indirectly access to institutional
13 capital markets for a financing entity or provider:

14 (a) In connection with a transaction in which the securities in the
15 special purpose entity are acquired by the owner or by a "qualified
16 institutional buyer" as defined in rule 144 promulgated under the
17 federal securities act of 1933, as amended; or

18 (b) When the securities pay a fixed rate of return commensurate
19 with established asset-backed institutional capital markets.

20 (25) "Stranger-originated life insurance" means an act, practice,
21 or arrangement to initiate a policy for the benefit of a third-party
22 investor who, at the time of policy origination, has no insurable
23 interest in the insured under chapter 48.18 RCW. Stranger-originated
24 life insurance practices include, but are not limited to, cases in
25 which life insurance is purchased with resources or guarantees from or
26 through a person or entity who, at the time of policy inception, could
27 not lawfully initiate the policy and where, at the time of inception,
28 there is an arrangement or agreement to directly or indirectly transfer
29 the ownership of the policy or the policy benefits, or both, to a third
30 party. Any trust that is created to give the appearance of insurable
31 interest, and is used to initiate one or more policies for investors,
32 violates chapter 48.18 RCW and the prohibition against wagering on
33 human life. Stranger-originated life insurance arrangements do not
34 include those practices set forth in subsection (12)(d) of this
35 section.

36 (26) "Terminally ill" means having an illness or sickness that can
37 reasonably be expected to result in death in twenty-four months or
38 less.

1 NEW SECTION. **Sec. 3.** LICENSING REQUIREMENTS FOR PROVIDERS. (1)

2 A person, wherever located, shall not act as a provider with an owner
3 who is a resident of this state or if there is more than one owner on
4 a single policy and one of the owners is a resident of this state,
5 without first having obtained a license from the commissioner.

6 (2) An application for a provider license shall be made to the
7 commissioner by the applicant on a form prescribed by the commissioner,
8 and the application shall be accompanied by a licensing fee in the
9 amount of two hundred fifty dollars, which shall be deposited to the
10 insurance commissioner's regulatory account under RCW 48.02.190.

11 (3) All provider licenses shall continue in force until suspended,
12 revoked, or not renewed. A license shall be subject to renewal
13 annually on the first day of July upon application of the provider and
14 payment of a renewal fee of two hundred fifty dollars, which shall be
15 deposited to the insurance commissioner's regulatory account under RCW
16 48.02.190. If not so renewed, the license shall automatically expire
17 on the renewal date.

18 (a) If the renewal fee is not received by the commissioner prior to
19 the expiration date, the provider shall pay to the commissioner in
20 addition to the renewal fee, a surcharge as follows:

21 (i) For the first thirty days or part thereof delinquency the
22 surcharge is fifty percent of the renewal fee;

23 (ii) For the next thirty days or part thereof delinquency the
24 surcharge is one hundred percent of the renewal fee;

25 (b) If the renewal fee is not received by the commissioner after
26 sixty days but prior to twelve months after the expiration date the
27 payment of the renewal fee shall be for reinstatement of the license
28 and the provider shall pay to the commissioner the renewal fee and a
29 surcharge of two hundred percent.

30 (4) Subsection (3)(a) and (b) of this section does not exempt any
31 person from any penalty provided by law for transacting a life
32 settlement business without a valid and subsisting license.

33 (5) The applicant shall provide such information as the
34 commissioner may require on forms prescribed by the commissioner. The
35 commissioner has the authority, at any time, to require such an
36 applicant to fully disclose the identity of its stockholders, partners,
37 officers, and employees, and the commissioner may, in the exercise of
38 the commissioner's sole discretion, refuse to issue such a license in

1 the name of any person if not satisfied that any officer, employee,
2 stockholder, or partner thereof who may materially influence the
3 applicant's conduct meets the standards of this chapter.

4 (6) A license issued to a partnership, corporation, or other entity
5 authorizes all members, officers, and designated employees to act as a
6 licensee under the license, if those persons are named in the
7 application and any supplements to the application.

8 (7) Upon the filing of an application for a provider's license and
9 the payment of the license fee, the commissioner shall make an
10 investigation of each applicant and may issue a license if the
11 commissioner finds that the applicant:

12 (a) Has provided a detailed plan of operation;

13 (b) Is competent and trustworthy and intends to transact its
14 business in good faith;

15 (c) Has a good business reputation and has had experience,
16 training, or education so as to be qualified in the business for which
17 the license is applied;

18 (d)(i) Has demonstrated evidence of financial responsibility in a
19 form and in an amount prescribed by the commissioner by rule.

20 (ii) The commissioner may ask for evidence of financial
21 responsibility at any time the commissioner deems necessary;

22 (e) If the applicant is a legal entity, is formed or organized
23 pursuant to the laws of this state, is a foreign legal entity
24 authorized to transact business in this state, or provides a
25 certificate of good standing from the state of its domicile; and

26 (f) Has provided to the commissioner an antifraud plan that meets
27 the requirements of section 17 of this act and includes:

28 (i) A description of the procedures for detecting and investigating
29 possible fraudulent acts and procedures for resolving material
30 inconsistencies between medical records and insurance applications;

31 (ii) A description of the procedures for reporting fraudulent
32 insurance acts to the commissioner;

33 (iii) A description of the plan for antifraud education and
34 training of its underwriters and other personnel; and

35 (iv) A written description or chart outlining the arrangement of
36 the antifraud personnel who are responsible for the investigation and
37 reporting of possible fraudulent insurance acts and investigating

1 unresolved material inconsistencies between medical records and
2 insurance applications.

3 (8)(a) A nonresident provider shall appoint the commissioner as its
4 attorney to receive service of, and upon whom shall be served, all
5 legal process issued against it in this state upon causes of action
6 arising within this state. Service upon the commissioner as attorney
7 shall constitute service upon the provider. Service of legal process
8 against the provider can be had only by service upon the commissioner.

9 (b) With the appointment the provider shall designate the person to
10 whom the commissioner shall forward legal process so served upon him or
11 her. The provider may change the person by filing a new designation.

12 (c) The appointment of the commissioner as attorney shall be
13 irrevocable, shall bind any successor in interest or to the assets or
14 liabilities of the provider, and shall remain in effect as long as
15 there is in this state any contract made by the provider or liabilities
16 or duties arising therefrom.

17 (d) Duplicate copies of legal process against a provider for whom
18 the commissioner is attorney shall be served upon him or her either by
19 a person competent to serve summons, or by registered mail. At the
20 time of service the plaintiff shall pay to the commissioner ten
21 dollars, taxable as costs in the action.

22 (e) The commissioner shall immediately send one of the copies of
23 the process, by registered mail with return receipt requested, to the
24 person designated for the purpose by the provider in its most recent
25 designation filed with the commissioner.

26 (f) The commissioner shall keep a record of the day and hour of
27 service upon him or her of all legal process. Proceedings shall not be
28 had against the provider, and the provider shall not be required to
29 appear, plead, or answer until the expiration of forty days after the
30 date of service upon the commissioner.

31 (9) A provider may not use any person to perform the functions of
32 a broker unless the person is authorized to act as a broker under this
33 chapter.

34 (10) A provider shall provide to the commissioner new or revised
35 information about officers, stockholders, partners, directors, members,
36 or designated employees within thirty days of the change.

1 NEW SECTION. **Sec. 4.** LICENSING REQUIREMENTS FOR BROKERS. (1)

2 Only a life insurance producer who has been duly licensed as a resident
3 insurance producer with a lifeline of authority in this state or his or
4 her home state for at least one year and is licensed as a nonresident
5 producer in this state is permitted to operate as a broker.

6 (2) Not later than thirty days from the first day of operating as
7 a broker, the life insurance producer shall notify the commissioner
8 that he or she intends acting as a broker on a form prescribed by the
9 commissioner, pay a fee of one hundred dollars, and if a nonresident
10 producer appoint the commissioner as attorney for service of process
11 under subsection (6) of this section. Notification shall include an
12 acknowledgement by the life insurance producer that he or she will
13 operate as a broker in accordance with this chapter.

14 (3) A person licensed as an attorney, certified public accountant,
15 or financial planner accredited by a nationally recognized
16 accreditation agency, who is retained to represent the owner, whose
17 compensation is not paid directly or indirectly by the provider or
18 purchaser, may negotiate life settlement contracts on behalf of the
19 owner without having to obtain a license as a broker.

20 (4) The authority to act as a broker shall continue in force until
21 suspended, revoked, or not renewed. The authority to act as a broker
22 shall automatically expire if not timely renewed. The authority to act
23 as a broker shall be valid for a time period coincident with the
24 expiration date of the broker's insurance producer license. The
25 authority to act as a broker is renewable at that time, upon payment of
26 a renewal fee in the amount of one hundred dollars and if the payment
27 is received by the commissioner prior to the expiration date, the
28 broker's authority to act as a broker continues in effect.

29 (a) If the renewal fee is not received by the commissioner prior to
30 the expiration date, the broker shall pay to the commissioner in
31 addition to the renewal fee, a surcharge as follows:

32 (i) For the first thirty days or part thereof of delinquency the
33 surcharge is fifty percent of the renewal fee;

34 (ii) For the next thirty days or part thereof delinquency the
35 surcharge is one hundred percent of the renewal fee;

36 (b) If the payment of the renewal fee is not received by the
37 commissioner after sixty days the surcharge is two hundred percent of
38 the renewal fee.

1 (5) Subsection (4)(a) of this section does not exempt any person
2 from any penalty provided by law for transacting life settlement
3 business without the valid authority to act as a broker.

4 (6)(a) A nonresident broker shall appoint the commissioner as its
5 attorney to receive service of, and upon whom shall be served, all
6 legal process issued against it in this state upon causes of action
7 arising within this state. Service upon the commissioner as attorney
8 shall constitute service upon the broker. Service of legal process
9 against the broker can be had only by service upon the commissioner.

10 (b) With the appointment the broker shall designate the person to
11 whom the commissioner shall forward legal process so served upon him or
12 her. The broker may change the person by filing a new designation.

13 (c) The appointment of the commissioner as attorney shall be
14 irrevocable, shall bind any successor in interest or to the assets or
15 liabilities of the broker, and shall remain in effect as long as there
16 is in this state any contract made by the broker or liabilities or
17 duties arising therefrom.

18 (d) Duplicate copies of legal process against a broker for whom the
19 commissioner is attorney shall be served upon him or her either by a
20 person competent to serve summons, or by registered mail. At the time
21 of service the plaintiff shall pay to the commissioner ten dollars,
22 taxable as costs in the action.

23 (e) The commissioner shall immediately send one of the copies of
24 the process, by registered mail with return receipt requested, to the
25 person designated for the purpose by the broker in its most recent
26 designation filed with the commissioner.

27 (f) The commissioner shall keep a record of the day and hour of
28 service upon him or her of all legal process. Proceedings shall not be
29 had against the broker, and the broker shall not be required to appear,
30 plead, or answer until the expiration of forty days after the date of
31 service upon the commissioner.

32 (7) A broker may not use any person to perform the functions of a
33 provider unless such a person holds a current, valid license as a
34 provider, and as provided in this chapter.

35 NEW SECTION. **Sec. 5.** LICENSE SUSPENSION, REVOCATION, OR REFUSAL
36 TO RENEW--FINES. (1) If the commissioner finds that a broker:

37 (a) Committed a fraudulent life settlement act;

1 (b) Or any officer, partner, member, or director has been guilty of
2 fraudulent or dishonest practices, is subject to a final administrative
3 action, or is otherwise shown to be untrustworthy or incompetent to act
4 as a licensee;

5 (c) Or any officer, partner, member, or director has been convicted
6 of a felony, or of any misdemeanor of which criminal fraud is an
7 element; or the licensee has pleaded guilty or nolo contendere with
8 respect to any felony or any misdemeanor of which criminal fraud or
9 moral turpitude is an element, regardless whether a judgment of
10 conviction has been entered by the court; or

11 (d) Has violated any of the provisions of this chapter or fails to
12 comply with any proper order or regulation of the commissioner;
13 then such action shall be an additional cause under RCW 48.17.530 to
14 place on probation, suspend, revoke, or refuse to renew the insurance
15 producer's license of the broker.

16 The procedure to suspend, revoke, or nonrenew the broker's
17 insurance producer license shall be governed by RCW 48.17.540. The
18 suspension, revocation, or nonrenewal of the broker's insurance
19 producer license shall terminate the insurance producer's authority to
20 act as a broker under this chapter.

21 (2) The commissioner may refuse, suspend, revoke, or refuse to
22 renew a provider's license if the commissioner finds that:

23 (a) The provider committed a fraudulent life settlement act;

24 (b) There was any material misrepresentation in the provider's
25 application for its license;

26 (c) The provider or any officer, partner, member, or director has
27 been guilty of fraudulent or dishonest practices, is subject to a final
28 administrative action, or is otherwise shown to be untrustworthy or
29 incompetent to act as a licensee;

30 (d) The provider demonstrates a pattern of unreasonably withholding
31 payments to policy owners;

32 (e) The provider no longer meets the requirements for initial
33 licensure or authority to act as a provider;

34 (f) The provider or any officer, partner, member, or director has
35 been convicted of a felony, or of any misdemeanor of which criminal
36 fraud is an element; or the provider has pleaded guilty or nolo
37 contendere with respect to any felony or any misdemeanor of which

1 criminal fraud or moral turpitude is an element, regardless whether a
2 judgment of conviction has been entered by the court;

3 (g) The provider has entered into any life settlement contract that
4 has not been approved under this chapter;

5 (h) The provider has failed to honor contractual obligations set
6 out in a life settlement contract;

7 (i) The provider has assigned, transferred, or pledged a settled
8 policy to a person other than a provider licensed in this state, a
9 purchaser, an accredited investor or qualified institutional buyer as
10 defined, respectively, in regulation D, rule 501 or rule 144A of the
11 federal securities act of 1933, as amended, a financing entity, a
12 special purpose entity, or a related provider trust; or

13 (j) The provider or any officer, partner, member, or key management
14 personnel has violated any of the provisions of this chapter or fails
15 to comply with any proper order or regulation of the commissioner.

16 (3) The commissioner shall give the provider notice of his or her
17 intention to suspend, revoke, or not renew its license not less than
18 ten days before the order of suspension, revocation, or nonrenewal is
19 to become effective. The commissioner shall not suspend a provider's
20 license for a period in excess of one year, and the commissioner shall
21 state in the order of suspension the period during which it shall be
22 effective.

23 (4) After hearing or with the consent of the provider or broker and
24 in addition to or in lieu of the suspension, revocation, or refusal to
25 renew any license, the commissioner may levy a fine upon the provider
26 or broker or its employees in an amount not less than two hundred fifty
27 dollars and not more than ten thousand dollars. The order levying the
28 fine shall specify the period within which the fine shall be fully paid
29 and which period shall not be less than fifteen nor more than thirty
30 days from the date of the order. Upon failure to pay the fine when due
31 the commissioner shall revoke the license of the provider or the
32 insurance producer license of the broker if not already revoked, and
33 the fine shall be recovered in a civil action brought on behalf of the
34 commissioner by the attorney general. Any fine so collected shall be
35 paid by the commissioner to the state treasurer for the account of the
36 general fund.

1 NEW SECTION. **Sec. 6.** CONTRACT REQUIREMENTS. (1) A person may not
2 use any form of life settlement contract in this state unless it has
3 been filed with and approved, if required, by the commissioner in a
4 manner that conforms with the filing procedures and any time
5 restrictions or deeming provisions, if any, for life insurance forms,
6 policies, and contracts.

7 (2) An insurer may not, as a condition of responding to a request
8 for verification of coverage or in connection with the transfer of a
9 policy pursuant to a life settlement contract, require that the owner,
10 insured, provider, or broker sign any form, disclosure, consent,
11 waiver, or acknowledgment that has not been expressly approved by the
12 commissioner for use in connection with life settlement contracts in
13 this state.

14 (3) A person shall not use a life settlement contract form or
15 provide to an owner a disclosure statement form in this state unless
16 first filed with and approved by the commissioner. The commissioner
17 shall disapprove a life settlement contract form or disclosure
18 statement form if, in the commissioner's opinion, the contract or
19 provisions contained therein fail to meet the requirements of sections
20 10, 11, 14, and 18 of this act or are unreasonable, contrary to the
21 interests of the public, or otherwise misleading or unfair to the
22 owner. At the commissioner's discretion, the commissioner may require
23 the submission of advertising material.

24 NEW SECTION. **Sec. 7.** REPORTING REQUIREMENTS AND RECORD RETENTION.

25 (1) Each provider shall file with the commissioner on or before March
26 1 of each year an annual statement containing such information as the
27 commissioner may prescribe by rule. In addition to any other
28 requirements, for any policy settled within five years of policy
29 issuance, the annual statement shall specify the total number,
30 aggregate face amount, and life settlement proceeds of policies settled
31 during the immediately preceding calendar year, together with a
32 breakdown of the information by policy issue year.

33 (2) Every provider that fails to file an annual statement as
34 required in this section, or fails to reply within thirty calendar days
35 to a written inquiry by the commissioner in connection therewith,
36 shall, in addition to other penalties provided by this chapter, be

1 subject, upon due notice and opportunity to be heard, to a penalty of
2 up to fifty dollars per day of delay, not to exceed twenty-five
3 thousand dollars in the aggregate, for each such failure.

4 (3) Records of all consummated transactions and life settlement
5 contracts shall be maintained by the provider for three years after the
6 death of the insured and shall be available to the commissioner for
7 inspection during reasonable business hours.

8 NEW SECTION. **Sec. 8.** PRIVACY. (1) Except as otherwise allowed or
9 required by law, a provider, broker, purchaser, insurance company,
10 insurance producer, information bureau, rating agency or company, or
11 any other person with actual knowledge of an insured's identity, shall
12 not disclose the identity of an insured or information that there is a
13 reasonable basis to believe could be used to identify the insured or
14 the insured's financial or medical information to any other person
15 unless the disclosure:

16 (a) Is necessary to effect a life settlement contract between the
17 owner and a provider and the owner and insured have provided prior
18 written consent to the disclosure;

19 (b) Is necessary to effectuate the sale of life settlement
20 contracts, or interests therein, as investments, provided (i) the sale
21 is conducted in accordance with applicable state and federal securities
22 law, and (ii) the owner and the insured have both provided prior
23 written consent to the disclosure;

24 (c) Is provided in response to an investigation or examination by
25 the commissioner or any other governmental officer or agency or
26 pursuant to the requirements of sections 9, 17, and 18 of this act;

27 (d) Is a term or condition to the transfer of a policy by one
28 provider to another provider, in which case the receiving provider
29 shall be required to comply with the confidentiality requirements of
30 this subsection;

31 (e) Is necessary to allow the provider or broker or their
32 authorized representatives to make contacts for the purpose of
33 determining health status.

34 (i) For the purposes of this section, the "authorized
35 representative" does not include any person who has or may have any
36 financial interest in the settlement contract other than a provider,

1 licensed broker, financing entity, related provider trust, or special
2 purpose entity.

3 (ii) A provider or broker shall require its authorized
4 representative to agree in writing to adhere to the privacy provisions
5 of this chapter; or

6 (f) Is required to purchase stop loss coverage.

7 (2) Nonpublic personal information solicited or obtained in
8 connection with a proposed or actual life settlement contract shall be
9 subject to the provisions applicable to financial institutions under
10 the federal Gramm Leach Bliley act, P.L. 106-102 (1999).

11 (3) Names and individual identification data for all owners and
12 insureds shall be considered private and confidential information and
13 shall not be disclosed by the commissioner unless required by law.

14 NEW SECTION. **Sec. 9. EXAMINATION.** (1) Any life settlement
15 provider, broker, or person licensed or regulated by this chapter shall
16 be subject to the provisions of chapters 48.03 and 48.37 RCW, except as
17 otherwise explicitly exempted or modified in this chapter.

18 (2) For the purpose of ascertaining its condition, or compliance
19 with this title, the commissioner may as often as the commissioner
20 finds advisable examine the accounts, records, documents, and
21 transactions of:

22 (a) Any life settlement provider, broker, or person licensed or
23 regulated under this chapter;

24 (b) Any person having a contract under which he or she enjoys in
25 fact the exclusive or dominant right to manage or control a provider or
26 broker; and

27 (c) Any person holding the shares of capital stock of a provider or
28 broker for the purpose of control of its management either as voting
29 trustee or otherwise.

30 (3) In lieu of an examination or market conduct oversight activity
31 under this chapter of any foreign or alien licensee licensed in this
32 state, the commissioner may, at the commissioner's discretion, accept
33 an examination report or market conduct oversight action on the
34 provider or broker as prepared by the commissioner for the provider's
35 or broker's state of domicile or port-of-entry state.

36 (4)(a) Every examination, whatsoever, or any part of the
37 examination of any person licensed or regulated under this chapter

1 shall be at the expense of the person examined. RCW 48.03.060 (1) and
2 (2) are not applicable to persons licensed or regulated under this
3 chapter.

4 (b) When making an examination under this section, the commissioner
5 may retain attorneys, appraisers, independent actuaries, independent
6 certified public accountants, or other professionals and specialists as
7 examiners, the cost of which shall be borne by the person who is the
8 subject of the examination.

9 (c) The person examined and liable therefore shall reimburse the
10 state upon presentation of an itemized statement thereof, for the
11 actual travel expenses of the commissioner's examiners, their
12 reasonable living expense allowance, and their per diem compensation,
13 including salary and the employer's cost of employee benefits, at a
14 reasonable rate approved by the commissioner, incurred on account of
15 the examination. Per diem salary and expenses for employees shall be
16 established by the commissioner on the basis of the national
17 association of insurance commissioner's recommended salary and expense
18 schedule for zone examiners, or the salary schedule established by the
19 Washington personnel resources board and the expense schedule
20 established by the office of financial management, whichever is higher.

21 (d) The commissioner or the commissioner's examiners shall not
22 receive or accept any additional emolument on account of any
23 examination.

24 (5) Nothing contained in this section limits the commissioner's
25 authority to terminate or suspend any examination or market conduct
26 oversight activities in order to pursue other legal or regulatory
27 action under the insurance laws of this state. Findings of fact and
28 conclusions made pursuant to any order adopting an examination report
29 are prima facie evidence in any legal or regulatory action.

30 NEW SECTION. **Sec. 10.** ADVERTISING. (1) A broker, or provider
31 licensed pursuant to this chapter, may conduct or participate in
32 advertisements within this state. These advertisements shall comply
33 with all advertising and marketing laws or rules adopted by the
34 commissioner that are applicable to life insurers or to brokers, and
35 providers licensed pursuant to this chapter.

36 (2) Advertisements shall be accurate, truthful, and not misleading
37 in fact or by implication.

1 (3) A person or trust shall not:

2 (a) Directly or indirectly, market, advertise, solicit, or
3 otherwise promote the purchase of a policy, not previously issued, for
4 the sole purpose of, or with the primary emphasis on, settling the
5 policy; or

6 (b) Use the words "free," "no cost," or words of similar import in
7 the marketing, advertising, soliciting or otherwise promoting of the
8 purchase of a policy.

9 NEW SECTION. **Sec. 11.** DISCLOSURES TO OWNERS. (1) The provider or
10 broker shall provide in writing, or require the broker to provide, in
11 a separate document that is signed by the owner and provider or broker,
12 the following information to the owner no later than the date of
13 application for a life settlement contract:

14 (a) The fact that possible alternatives to life settlement
15 contracts exist, including, but not limited to, accelerated benefits
16 offered by the issuer of the life insurance policy;

17 (b) The fact that some or all of the proceeds of a life settlement
18 contract may be taxable and that assistance should be sought from a
19 professional tax advisor;

20 (c) The fact that the proceeds from a life settlement contract
21 could be subject to the claims of creditors;

22 (d) The fact that receipt of proceeds from a life settlement
23 contract may adversely affect the recipients' eligibility for public
24 assistance or other government benefits or entitlements and that advice
25 should be obtained from the appropriate agencies;

26 (e) The fact that the owner has a right to terminate a life
27 settlement contract within fifteen days of the date it is executed by
28 all parties and the owner has received the disclosures required by this
29 section. Rescission, if exercised by the owner, is effective only if
30 both notice of the rescission is given, and the owner repays all
31 proceeds and any premiums, loans, and loan interest paid on account of
32 the provider within the rescission period. If the insured dies during
33 the rescission period, the contract shall be deemed to have been
34 rescinded subject to repayment by the owner or the owner's estate of
35 all proceeds and any premiums, loans, and loan interest to the
36 provider;

1 (f) The fact that proceeds will be sent to the owner within three
2 business days after the provider has received the insurer or group
3 administrator's acknowledgement that ownership of the policy or
4 interest in the certificate has been transferred and the beneficiary
5 has been designated in accordance with the terms of the life settlement
6 contract;

7 (g) The fact that entering into a life settlement contract may
8 cause other rights or benefits, including conversion rights and waiver
9 of premium benefits that may exist under the policy to be forfeited by
10 the owner and that assistance should be sought from a professional
11 financial advisor;

12 (h) The date by which the funds will be available to the owner and
13 the transmitter of the funds;

14 (i) The fact that the commissioner may require delivery of a
15 buyer's guide or a similar consumer advisory package in the form
16 prescribed by the commissioner to owners during the solicitation
17 process;

18 (j) The disclosure document shall contain the following language:

19 "All medical, financial, or personal information solicited or
20 obtained by a provider or broker about an insured, including the
21 insured's identity or the identity of family members, a spouse or a
22 significant other may be disclosed as necessary to effect the life
23 settlement contract between the owner and provider. If you are asked
24 to provide this information, you will be asked to consent to the
25 disclosure. The information may be provided to someone who buys the
26 policy or provides funds for the purchase. You may be asked to renew
27 your permission to share information every two years.";

28 (k) A separate signed fraud warning as follows:

29 "Any person who knowingly presents false information in an
30 application for insurance or life settlement contract is guilty of a
31 crime and may be subject to fines and confinement in prison.";

32 (l) The fact that the insured may be contacted by either the
33 provider or broker or its authorized representative for the purpose of
34 determining the insured's health status or to verify the insured's
35 address. This contact is limited to once every three months if the
36 insured has a life expectancy of more than one year, and no more than
37 once per month if the insured has a life expectancy of one year or
38 less;

1 (m) The affiliation, if any, between the provider and the issuer of
2 the insurance policy to be settled;

3 (n) That a broker represents exclusively the owner, and not the
4 insurer or the provider or any other person, and owes a fiduciary duty
5 to the owner, including a duty to act according to the owner's
6 instructions and in the best interest of the owner;

7 (o) The document shall include the name, address, and telephone
8 number of the provider;

9 (p) The name, business address, and telephone number of the
10 independent third-party escrow agent, and the fact that the owner may
11 inspect or receive copies of the relevant escrow or trust agreements or
12 documents; and

13 (q) The fact that a change of ownership could in the future limit
14 the insured's ability to purchase future insurance on the insured's
15 life because there is a limit to how much coverage insurers will issue
16 on one life.

17 (2) The written disclosures shall be conspicuously displayed in any
18 life settlement contract furnished to the owner by a provider including
19 any affiliations or contractual arrangements between the provider and
20 the broker.

21 (3) A broker shall provide the owner and the provider with at least
22 the following disclosures no later than the date the life settlement
23 contract is signed by all parties. The disclosures shall be
24 conspicuously displayed in the life settlement contract or in a
25 separate document signed by the owner and provide the following
26 information:

27 (a) The name, business address, and telephone number of the broker;

28 (b) A full, complete, and accurate description of all the offers,
29 counter-offers, acceptances, and rejections relating to the proposed
30 life settlement contract;

31 (c) A written disclosure of any affiliations or contractual
32 arrangements between the broker and any person making an offer in
33 connection with the proposed life settlement contracts;

34 (d) The name of each broker who receives compensation and the
35 amount of compensation received by that broker, which compensation
36 includes anything of value paid or given to the broker in connection
37 with the life settlement contract;

1 (e) A complete reconciliation of the gross offer or bid by the
2 provider to the net amount of proceeds or value to be received by the
3 owner. For the purpose of this section, gross offer or bid means the
4 total amount or value offered by the provider for the purchase of one
5 or more life insurance policies, inclusive of commissions and fees; and

6 (f) The failure to provide the disclosures or rights described in
7 this section is an unfair trade practice pursuant to section 21 of this
8 act.

9 NEW SECTION. **Sec. 12.** DISCLOSURE BY INSURER. In addition to
10 other questions an insurance carrier may lawfully pose to a life
11 insurance applicant, insurance carriers may inquire in the application
12 for insurance whether the proposed owner intends to pay premiums with
13 the assistance of financing from a lender that will use the policy as
14 collateral to support the financing.

15 (1) If, as described in section 2 of this act, the loan provides
16 funds which can be used for a purpose other than paying for the
17 premiums, costs, and expenses associated with obtaining and maintaining
18 the life insurance policy and loan, the application shall be rejected
19 as a violation of the prohibited practices in section 16 of this act.

20 (2) If the financing does not violate section 16 of this act in
21 this manner, the insurance carrier:

22 (a) May make disclosures, including but not limited to the
23 applicant and the insured, either on the application or an amendment to
24 the application to be completed no later than the delivery of the
25 policy:

26 "If you have entered into a loan arrangement where the policy is
27 used as collateral, and the policy does change ownership at some point
28 in the future in satisfaction of the loan, the following may be true:

29 (i) A change of ownership could lead to a stranger owning an
30 interest in the insured's life;

31 (ii) A change of ownership could in the future limit your ability
32 to purchase future insurance on the insured's life because there is a
33 limit to how much coverage insurers will issue on one life;

34 (iii) Should there be a change of ownership and you wish to obtain
35 more insurance coverage on the insured's life in the future, the
36 insured's higher issue age, a change in health status, and/or other

1 factors may reduce the ability to obtain coverage and/or may result in
2 significantly higher premiums;

3 (iv) You should consult a professional advisor, since a change in
4 ownership in satisfaction of the loan may result in tax consequences to
5 the owner, depending on the structure of the loan"; and

6 (b) May require certifications, such as the following, from the
7 applicant and/or the insured:

8 "(i) I have not entered into any agreement or arrangement providing
9 for the future sale of this life insurance policy;

10 (ii) My loan arrangement for this policy provides funds sufficient
11 to pay for some or all of the premiums, costs, and expenses associated
12 with obtaining and maintaining my life insurance policy, but I have not
13 entered into any agreement by which I am to receive consideration in
14 exchange for procuring this policy; and

15 (iii) The borrower has an insurable interest in the insured."

16 NEW SECTION. **Sec. 13.** (1) With respect to each policy issued by
17 an insurance company, the insurance company shall notify the owner of
18 an individual life insurance policy when the insured person under such
19 a policy is age sixty or older, or is known to be terminally ill or
20 chronically ill, that there may be alternative transactions available
21 to that owner at the time of each of the following:

22 (a) When a life insurance company receives from such an owner a
23 request to surrender, in whole or in part, an individual policy;

24 (b) When a life insurance company receives from such an owner a
25 request to receive an accelerated death benefit under an individual
26 policy;

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

29 (d) At any other time that the commissioner may require by rule.

30 (2)(a) The commissioner shall approve a document calculated to
31 appraise the consumer of his or her rights as an owner of a life
32 insurance policy. The document shall be made available at no cost to
33 all insurance companies and life insurance producers and written in lay
34 terms.

35 (b) The document shall advise the consumer:

36 (i) That life insurance is a critical part of a broader financial

1 plan, and that the consumer is encouraged, and has a right, to seek
2 additional financial advice and opinions;

3 (ii) That possible alternatives to lapse exist; and

4 (iii) Of the definitions of common industry terms.

5 (c) In addition to the information described in (a) and (b) of this
6 subsection, the document must contain the following statement in large,
7 bold, or otherwise conspicuous typeface calculated to draw the eye:
8 "Life insurance is a critical part of a broader financial plan. There
9 are many options available, and you have the right to shop around and
10 seek advice from different financial advisers in order to find the
11 option best suited to your needs."

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

16 (e) The document will be considered part of the notice required in
17 subsection (1) of this section.

18 NEW SECTION. **Sec. 14.** GENERAL RULES. (1) A provider entering
19 into a life settlement contract with any owner of a policy, wherein the
20 insured is terminally or chronically ill, shall first obtain:

21 (a) If the owner is the insured, a written statement from a
22 licensed attending physician that the owner is of sound mind and under
23 no constraint or undue influence to enter into a settlement contract;
24 and

25 (b) A document in which the insured consents to the release of his
26 or her medical records to a provider, settlement broker, or insurance
27 producer and, if the policy was issued less than two years from the
28 date of application for a settlement contract, to the insurance company
29 that issued the policy.

30 (2) The insurer shall respond to a request for verification of
31 coverage submitted by a provider, settlement broker, or life insurance
32 producer not later than thirty calendar days of the date the request is
33 received. The request for verification of coverage must be made on a
34 form approved by the commissioner. The insurer shall complete and
35 issue the verification of coverage or indicate in which respects it is
36 unable to respond. In its response, the insurer shall indicate

1 whether, based on the medical evidence and documents provided, the
2 insurer intends to pursue an investigation at this time regarding the
3 validity of the insurance contract.

4 (3) Before or at the time of execution of the settlement contract,
5 the provider shall obtain a witnessed document in which the owner
6 consents to the settlement contract, represents that the owner has a
7 full and complete understanding of the settlement contract, that the
8 owner has a full and complete understanding of the benefits of the
9 policy and acknowledges that the owner is entering into the settlement
10 contract freely and voluntarily, and, for persons with a terminal or
11 chronic illness or condition, acknowledges that the insured has a
12 terminal or chronic illness and that the terminal or chronic illness or
13 condition was diagnosed after the policy was issued.

14 (4) The insurer shall not unreasonably delay effecting change of
15 ownership or beneficiary with any life settlement contract lawfully
16 entered into in this state or with a resident of this state.

17 (5) If a settlement broker or life insurance producer performs any
18 of these activities required of the provider, the provider is deemed to
19 have fulfilled the requirements of this section.

20 (6) If a broker performs the verification of coverage activities
21 required of the provider, the provider has fulfilled the requirements
22 of section 11(1) of this act.

23 (7) Within twenty days after an owner executes the life settlement
24 contract, the provider shall give written notice to the insurer that
25 issued that insurance policy that the policy has become subject to a
26 life settlement contract. The notice shall be accompanied by the
27 documents required by section 12(2) of this act.

28 (8) All medical information solicited or obtained by any licensee
29 shall be subject to the applicable provision of state law relating to
30 confidentiality of medical information, if not otherwise provided in
31 this chapter.

32 (9) All life settlement contracts entered into in this state shall
33 provide that the owner may rescind the contract on or before fifteen
34 days after the date it is executed by all parties thereto.
35 Rescission, if exercised by the owner, is effective only if both notice
36 of the rescission is given, and the owner repays all proceeds and any
37 premiums, loans, and loan interest paid on account of the provider
38 within the rescission period. If the insured dies during the

1 rescission period, the contract is considered rescinded subject to
2 repayment by the owner or the owner's estate of all proceeds and any
3 premiums, loans, and loan interest to the provider.

4 (10) Within three business days after receipt from the owner of
5 documents to effect the transfer of the insurance policy, the provider
6 shall pay the proceeds of the settlement to an escrow or trust account
7 managed by a trustee or escrow agent in a state or federally chartered
8 financial institution pending acknowledgement of the transfer by the
9 issuer of the policy. The trustee or escrow agent shall be required to
10 transfer the proceeds due to the owner within three business days of
11 acknowledgement of the transfer from the insurer.

12 (11) Failure to tender the life settlement contract proceeds to the
13 owner by the date disclosed to the owner renders the contract voidable
14 by the owner for lack of consideration until the time the proceeds are
15 tendered to and accepted by the owner. A failure to give written
16 notice of the right of rescission under this section tolls the right of
17 rescission until thirty days after the written notice of the right of
18 rescission has been given.

19 (12) Any fee paid by a provider, party, individual, or an owner to
20 a broker in exchange for services provided to the owner pertaining to
21 a life settlement contract shall be computed as a percentage of the
22 offer obtained, not the face value of the policy. This section does
23 not prohibit a broker from reducing the broker's fee below this
24 percentage if the broker so chooses.

25 (13) The broker shall disclose to the owner anything of value paid
26 or given to a broker, which relate to a life settlement contract.

27 (14) A person at any time prior to, or at the time of, the
28 application for, or issuance of, a policy, or during a two-year period
29 commencing with the date of issuance of the policy, shall not enter
30 into a life settlement regardless of the date the compensation is to be
31 provided and regardless of the date the assignment, transfer, sale,
32 devise, bequest, or surrender of the policy is to occur. This
33 prohibition shall not apply if the owner certifies to the provider
34 that:

35 (a) The policy was issued upon the owner's exercise of conversion
36 rights arising out of a group or individual policy, provided the total
37 of the time covered under the conversion policy plus the time covered
38 under the prior policy is at least twenty-four months. The time

1 covered under a group policy must be calculated without regard to a
2 change in insurance carriers, provided the coverage has been continuous
3 and under the same group sponsorship; or

4 (b) The owner submits independent evidence to the provider that one
5 or more of the following conditions have been met within the two-year
6 period:

7 (i) The owner or insured is terminally or chronically ill;

8 (ii) The owner or insured disposes of his or her ownership
9 interests in a closely held corporation, pursuant to the terms of a
10 buyout or other similar agreement in effect at the time the insurance
11 policy was initially issued;

12 (iii) The owner's spouse dies;

13 (iv) The owner divorces his or her spouse;

14 (v) The owner retires from full-time employment;

15 (vi) The owner becomes physically or mentally disabled and a
16 physician determines that the disability prevents the owner from
17 maintaining full-time employment; or

18 (vii) A final order, judgment, or decree is entered by a court of
19 competent jurisdiction, on the application of a creditor of the owner,
20 adjudicating the owner bankrupt or insolvent, or approving a petition
21 seeking reorganization of the owner or appointing a receiver, trustee,
22 or liquidator to all or a substantial part of the owner's assets;

23 (c) Copies of the independent evidence required by (b) of this
24 subsection shall be submitted to the insurer when the provider submits
25 a request to the insurer for verification of coverage. The copies
26 shall be accompanied by a letter of attestation from the provider that
27 the copies are true and correct copies of the documents received by the
28 provider. This section does not prohibit an insurer from exercising
29 its right to contest the validity of any policy;

30 (d) If the provider submits to the insurer a copy of independent
31 evidence provided for in (b)(i) of this subsection when the provider
32 submits a request to the insurer to effect the transfer of the policy
33 to the provider, the copy is deemed to establish that the settlement
34 contract satisfies the requirements of this section.

35 NEW SECTION. **Sec. 15.** CONFLICT OF LAWS. (1) If there is more
36 than one owner on a single policy, and the owners are residents of
37 different states, the life settlement contract shall be governed by the

1 law of the state in which the owner having the largest percentage
2 ownership resides or, if the owners hold equal ownership, the state of
3 residence of one owner agreed upon in writing by all of the owners.
4 The law of the state of the insured shall govern in the event that
5 equal owners fail to agree in writing upon a state of residence for
6 jurisdictional purposes.

7 (2) A provider from this state who enters into a life settlement
8 contract with an owner who is a resident of another state that has
9 enacted statutes or adopted regulations governing life settlement
10 contracts, shall be governed in the effectuation of that life
11 settlement contract by the statutes and regulations of the owner's
12 state of residence. If the state in which the owner is a resident has
13 not enacted statutes or regulations governing life settlement
14 contracts, the provider shall give the owner notice that neither state
15 regulates the transaction upon which he or she is entering. For
16 transactions in those states, however, the provider is to maintain all
17 records required if the transactions were executed in the state of
18 residence. The forms used in those states need not be approved by the
19 commissioner.

20 (3) If there is a conflict in the laws that apply to an owner and
21 a purchaser in any individual transaction, the laws of the state that
22 apply to the owner shall take precedence and the provider shall comply
23 with those laws.

24 NEW SECTION. **Sec. 16.** PROHIBITED PRACTICES. (1) It is unlawful
25 for any person to:

26 (a) Enter into a life settlement contract if such person knows or
27 reasonably should have known that the life insurance policy was
28 obtained by means of a false, deceptive or misleading application for
29 such policy;

30 (b) Engage in any transaction, practice, or course of business if
31 such person knows or reasonably should have known that the intent was
32 to avoid the notice requirements of this chapter;

33 (c) Engage in any fraudulent act or practice in connection with any
34 transaction relating to any settlement involving an owner who is a
35 resident of this state;

36 (d) Issue, solicit, market, or otherwise promote the purchase of an

1 insurance policy, not previously issued, for the sole purpose of, or
2 with the primary emphasis on, settling the policy;

3 (e) If providing premium financing, receive any proceeds, fees, or
4 other consideration from the policy or owner of the policy that are in
5 addition to the amounts required to pay principal, interest, and any
6 costs or expenses incurred by the lender or borrower in connection with
7 the premium finance agreement, except for the event of a default,
8 unless either the default on such a loan or transfer of the policy
9 occurs pursuant to an agreement or understanding with any other person
10 for the purpose of evading regulation under this chapter. Any
11 payments, charges, fees, or other amounts received by a person
12 providing premium financing in violation of this subsection shall be
13 remitted to the original owner of the policy or to the original owner's
14 estate if the original owner is not living at the time of the
15 determination of overpayment;

16 (f) With respect to any settlement contract or insurance policy and
17 a broker, knowingly solicit an offer from, effectuate a life settlement
18 contract with, or make a sale to any provider, financing entity, or
19 related provider trust that is controlling, controlled by, or under
20 common control with such broker unless this relationship is disclosed
21 to the owner;

22 (g) With respect to any life settlement contract or insurance
23 policy and a provider, knowingly enter into a life settlement contract
24 with an owner, if, in connection with such life settlement contract,
25 anything of value will be paid to a broker that is controlling,
26 controlled by, or under common control with such provider or the
27 financing entity or related provider trust that is involved in such
28 settlement contract, unless this relationship is disclosed to the
29 owner;

30 (h) With respect to a provider, enter into a life settlement
31 contract unless the life settlement promotional, advertising, and
32 marketing materials, as may be prescribed by rule, have been filed with
33 the commissioner. In no event shall any marketing materials expressly
34 reference that the insurance is "free" for any period of time. The
35 inclusion of any reference in the marketing materials that would cause
36 an owner to reasonably believe that the insurance is free for any
37 period of time is a violation of this chapter;

1 (i) With respect to any life insurance producer, insurance company,
2 broker, or provider make any statement or representation to the
3 applicant or policyholder in connection with the sale or financing of
4 a life insurance policy to the effect that the insurance is free or
5 without cost to the policyholder for any period of time unless provided
6 in the policy; or

7 (j) With respect to an insurer, engage in any transaction, act,
8 practice, or course of business or dealing which restricts, limits, or
9 impairs in any way the lawful transfer of ownership, change of
10 beneficiary, or assignment of a policy.

11 (2) A violation of this section constitutes a fraudulent life
12 settlement act.

13 NEW SECTION. **Sec. 17.** FRAUD PREVENTION AND CONTROL. (1)(a) A
14 person shall not commit a fraudulent life settlement act.

15 (b) A person shall not knowingly and intentionally interfere with
16 the enforcement of this chapter or investigations of suspected or
17 actual violations of this chapter.

18 (c) A person in the business of life settlements shall not
19 knowingly or intentionally permit any person convicted of a felony
20 involving dishonesty or breach of trust to participate in the business
21 of life settlements.

22 (2)(a) Life settlement contracts and applications for life
23 settlement contracts, regardless of the form of transmission, shall
24 contain the following statement or a substantially similar statement:

25 "Any person who knowingly presents false information in an
26 application for insurance or life settlement contract is guilty of a
27 crime and may be subject to fines and confinement in prison."

28 (b) The lack of a statement as required in (a) of this subsection
29 does not constitute a defense in any prosecution for a fraudulent life
30 settlement act.

31 (3)(a) Any person engaged in the business of life settlements
32 having knowledge or a reasonable belief that a fraudulent life
33 settlement act is being, will be, or has been committed shall provide
34 to the commissioner the information required by, and in a manner
35 prescribed by, the commissioner.

36 (b) Any other person having knowledge or a reasonable belief that

1 a fraudulent life settlement act is being, will be, or has been
2 committed may provide to the commissioner the information required by,
3 and in a manner prescribed by, the commissioner.

4 (4)(a) Civil liability shall not be imposed on and no cause of
5 action shall arise from a person's furnishing information concerning
6 suspected, anticipated, or completed fraudulent life settlement acts or
7 suspected or completed fraudulent insurance acts, if the information is
8 provided to or received from:

9 (i) The commissioner or the commissioner's employees, agents, or
10 representatives;

11 (ii) Federal, state, or local law enforcement or regulatory
12 officials or their employees, agents, or representatives;

13 (iii) A person involved in the prevention and detection of
14 fraudulent life settlement acts or that person's agents, employees, or
15 representatives;

16 (iv) Any regulatory body or their employees, agents, or
17 representatives, overseeing life insurance, life settlements,
18 securities, or investment fraud;

19 (v) The life insurer that issued the life insurance policy covering
20 the life of the insured; or

21 (vi) Either a broker or provider, or both and any agents,
22 employees, or representatives.

23 (b) Subsection (4)(a) of this section shall not apply to statements
24 made with actual malice. In an action brought against a person for
25 filing a report or furnishing other information concerning a fraudulent
26 life settlement act or a fraudulent insurance act, the party bringing
27 the action shall plead specifically any allegation that (a) of this
28 subsection does not apply because the person filing the report or
29 furnishing the information did so with actual malice.

30 (c) A person identified in (a) of this subsection shall be entitled
31 to an award of attorneys' fees and costs if he or she is the prevailing
32 party in a civil cause of action for libel, slander, or any other
33 relevant tort arising out of activities in carrying out the provisions
34 of this chapter and the party bringing the action was not substantially
35 justified in doing so. For purposes of this section a proceeding is
36 "substantially justified" if it had a reasonable basis in law or fact
37 at the time that it was initiated.

1 (d) This section does not abrogate or modify common law or
2 statutory privileges or immunities enjoyed by a person described in (a)
3 of this subsection.

4 (5)(a) The documents and evidence provided pursuant to subsection
5 (4) of this section or obtained by the commissioner in an investigation
6 of suspected or actual fraudulent life settlement acts shall be
7 privileged and confidential and shall not be a public record and shall
8 not be subject to discovery or subpoena in a civil or criminal action.

9 (b) Subsection (5)(a) of this section does not prohibit release by
10 the commissioner of documents and evidence obtained in an investigation
11 of suspected or actual fraudulent life settlement acts:

12 (i) In administrative or judicial proceedings to enforce laws
13 administered by the commissioner;

14 (ii) To federal, state, or local law enforcement or regulatory
15 agencies, to an organization established for the purpose of detecting
16 and preventing fraudulent life settlement acts, or to the national
17 association of insurance commissioners; or

18 (iii) At the discretion of the commissioner, to a person in the
19 business of life settlements that is aggrieved by a fraudulent life
20 settlement act.

21 (c) Release of documents and evidence under (b) of this subsection
22 does not abrogate or modify the privilege granted in (a) of this
23 subsection.

24 (6) This chapter does not:

25 (a) Preempt the authority or relieve the duty of other law
26 enforcement or regulatory agencies to investigate, examine, and
27 prosecute suspected violations of law;

28 (b) Preempt, supersede, or limit any provision of chapter 21.20 RCW
29 or any rule, order, or notice issued thereunder;

30 (c) Prevent or prohibit a person from disclosing voluntarily
31 information concerning life settlement fraud to a law enforcement or
32 regulatory agency other than the commissioner; or

33 (d) Limit the powers granted elsewhere by the laws of this state to
34 the commissioner or an insurance fraud unit to investigate and examine
35 possible violations of law and to take appropriate action against
36 wrongdoers.

37 (7)(a) Providers and brokers shall have in place antifraud
38 initiatives reasonably calculated to detect, prosecute, and prevent

1 fraudulent life settlement acts. At the discretion of the
2 commissioner, the commissioner may order, or either a broker or
3 provider, or both may request and the commissioner may grant, such
4 modifications of the following required initiatives as necessary to
5 ensure an effective antifraud program. The modifications may be more
6 or less restrictive than the required initiatives so long as the
7 modifications may reasonably be expected to accomplish the purpose of
8 this section. Antifraud initiatives shall include:

9 (i) Fraud investigators, who may be provider or broker employees or
10 independent contractors; and

11 (ii) An antifraud plan, which shall be submitted to the
12 commissioner. The antifraud plan shall include, but not be limited to:

13 (A) A description of the procedures for detecting and investigating
14 possible fraudulent life settlement acts and procedures for resolving
15 material inconsistencies between medical records and insurance
16 applications;

17 (B) A description of the procedures for reporting possible
18 fraudulent life settlement acts to the commissioner;

19 (C) A description of the plan for antifraud education and training
20 of underwriters and other personnel; and

21 (D) A description or chart outlining the organizational arrangement
22 of the antifraud personnel who are responsible for the investigation
23 and reporting of possible fraudulent life settlement acts and
24 investigating unresolved material inconsistencies between medical
25 records and insurance applications.

26 (b) Antifraud plans submitted to the commissioner shall be
27 privileged and confidential and shall not be a public record and shall
28 not be subject to discovery or subpoena in a civil or criminal action.

29 NEW SECTION. **Sec. 18.** ENFORCEMENT. (1) The commissioner may
30 conduct investigations to determine whether any person has violated any
31 provision of this chapter.

32 (2) If the commissioner has cause to believe that any person is
33 violating or is about to violate any provision of this title or any
34 regulation or order of the commissioner, the commissioner may:

35 (a) Issue a cease and desist order; and/or

36 (b) Bring an action in any court of competent jurisdiction to

1 enjoin the person from continuing the violation or doing any action in
2 furtherance thereof.

3 NEW SECTION. **Sec. 19.** PENALTIES. (1) For the purpose of this
4 section, an act is committed in this state if it is committed, in whole
5 or in part, in the state of Washington, or affects persons or property
6 within this state and relates to or involves a life settlement
7 contract.

8 (2) It is a violation of this chapter for any person, provider,
9 broker, or any other party related to the business of life settlements,
10 to commit a fraudulent life settlement act.

11 (3) For criminal liability purposes, a person that knowingly
12 commits a fraudulent life settlement act is guilty of a class B felony
13 punishable under chapter 9A.20 RCW.

14 (4) Any person who knowingly acts as a life settlement provider
15 without being licensed by the commissioner is guilty of a class B
16 felony punishable under chapter 9A.20 RCW.

17 (5) Any person who knowingly acts as a life settlement broker
18 without the proper authorization under this chapter is guilty of a
19 class B felony punishable under chapter 9A.20 RCW.

20 (6) Any criminal penalty imposed under this section is in addition
21 to, and not in lieu of, any other civil or administrative penalty or
22 sanction otherwise authorized under state law.

23 (7) If the commissioner has cause to believe that any person has:

24 (a) Knowingly acted as a life settlement provider without being
25 licensed by the commissioner; or

26 (b) Knowingly acted as a life settlement broker without the proper
27 authorization under section 4 this act;

28 the commissioner may assess a civil penalty of not more than twenty-
29 five thousand dollars for each violation, after providing notice and an
30 opportunity for a hearing in accordance with chapters 34.05 and 48.04
31 RCW.

32 (8) Upon failure to pay a civil penalty when due, the attorney
33 general may bring a civil action on behalf of the commissioner to
34 recover the unpaid penalty. Any amounts collected by the commissioner
35 must be paid to the state treasurer for the account of the general
36 fund.

1 NEW SECTION. **Sec. 20.** AUTHORITY TO ADOPT RULES. The commissioner
2 may adopt rules implementing and administering this chapter including,
3 but not limited to:

4 (1) Establishing standards for evaluating reasonableness of
5 payments under life settlement contracts for persons who are terminally
6 ill or chronically ill including, but not limited to, regulation of
7 discount rates used to determine the amount paid in exchange for
8 assignment, transfer, sale, devise, or bequest of a benefit under a
9 life insurance policy insuring the life of a person that is chronically
10 or terminally ill;

11 (2) Requiring a bond or other mechanism for financial
12 accountability for life settlement providers; and

13 (3) Governing the activities, relationships, and responsibilities
14 of providers, brokers, insurers, and their agents.

15 NEW SECTION. **Sec. 21.** UNFAIR TRADE PRACTICES. The legislature
16 finds that the practices covered by this chapter are matters vitally
17 affecting the public interest for the purpose of applying the consumer
18 protection act, chapter 19.86 RCW. A violation of this chapter is not
19 reasonable in relation to the development and preservation of business
20 and is an unfair or deceptive act in trade or commerce and an unfair
21 method of competition for the purpose of applying the consumer
22 protection act, chapter 19.86 RCW.

23 NEW SECTION. **Sec. 22.** EXISTING VIATICAL SETTLEMENT LICENSES. (1)
24 All viatical settlement brokers' licenses that are in effect on the
25 effective date of this section shall expire upon the effective date of
26 this section.

27 (2) All viatical settlement providers' licenses that are in effect
28 on the effective date of this section shall be converted to a life
29 settlement provider license and upon the next renewal date of the
30 license the life settlement provider must be in compliance with the
31 requirements to be licensed as a life settlement provider under section
32 3 of this act.

33 (3) A provider lawfully transacting business in this state prior to
34 the effective date of this section may continue to do so if the
35 provider submits a completed application and pays the required fee to
36 the commissioner within thirty days of the effective date of this

1 section. A provider that has submitted an application and paid the
2 required fee to the commissioner within thirty days of the effective
3 date of this section may continue to act as a provider for an
4 additional ninety days from the receipt of the application by the
5 commissioner and payment of the required fee, or approval or denial of
6 the license by the commissioner, whichever is earlier. Any person
7 transacting business in this state under this subsection must comply
8 with all other requirements of this chapter.

9 **Sec. 23.** RCW 42.56.400 and 2007 c 197 s 7, 2007 c 117 s 36, and
10 2007 c 82 s 17 are each reenacted and amended to read as follows:

11 The following information relating to insurance and financial
12 institutions is exempt from disclosure under this chapter:

13 (1) Records maintained by the board of industrial insurance appeals
14 that are related to appeals of crime victims' compensation claims filed
15 with the board under RCW 7.68.110;

16 (2) Information obtained and exempted or withheld from public
17 inspection by the health care authority under RCW 41.05.026, whether
18 retained by the authority, transferred to another state purchased
19 health care program by the authority, or transferred by the authority
20 to a technical review committee created to facilitate the development,
21 acquisition, or implementation of state purchased health care under
22 chapter 41.05 RCW;

23 (3) The names and individual identification data of (~~all violators~~
24 ~~regulated~~) either all owners or all insureds, or both, received by the
25 insurance commissioner under chapter 48.102 RCW;

26 (4) Information provided under RCW 48.30A.045 through 48.30A.060;

27 (5) Information provided under RCW 48.05.510 through 48.05.535,
28 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600
29 through 48.46.625;

30 (6) Examination reports and information obtained by the department
31 of financial institutions from banks under RCW 30.04.075, from savings
32 banks under RCW 32.04.220, from savings and loan associations under RCW
33 33.04.110, from credit unions under RCW 31.12.565, from check cashers
34 and sellers under RCW 31.45.030(3), and from securities brokers and
35 investment advisers under RCW 21.20.100, all of which is confidential
36 and privileged information;

1 (7) Information provided to the insurance commissioner under RCW
2 48.110.040(3);

3 (8) Documents, materials, or information obtained by the insurance
4 commissioner under RCW 48.02.065, all of which are confidential and
5 privileged;

6 (9) Confidential proprietary and trade secret information provided
7 to the commissioner under RCW 48.31C.020 through 48.31C.050 and
8 48.31C.070;

9 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
10 7.70.140 that, alone or in combination with any other data, may reveal
11 the identity of a claimant, health care provider, health care facility,
12 insuring entity, or self-insurer involved in a particular claim or a
13 collection of claims. For the purposes of this subsection:

14 (a) "Claimant" has the same meaning as in RCW 48.140.010(2).

15 (b) "Health care facility" has the same meaning as in RCW
16 48.140.010(6).

17 (c) "Health care provider" has the same meaning as in RCW
18 48.140.010(7).

19 (d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

20 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

21 (11) Documents, materials, or information obtained by the insurance
22 commissioner under RCW 48.135.060;

23 (12) Documents, materials, or information obtained by the insurance
24 commissioner under RCW 48.37.060;

25 (13) Confidential and privileged documents obtained or produced by
26 the insurance commissioner and identified in RCW 48.37.080;

27 (14) Documents, materials, or information obtained by the insurance
28 commissioner under RCW 48.37.140; (~~and~~)

29 (15) Documents, materials, or information obtained by the insurance
30 commissioner under RCW 48.17.595; and

31 (16) Documents, materials, or information obtained by the insurance
32 commissioner under sections 8(1) and 17 (3) and (7)(a)(ii) of this act.

33 NEW SECTION. Sec. 24. Captions used in this act are not any part
34 of the law.

35 NEW SECTION. Sec. 25. Sections 1 through 22, 24, and 26 of this
36 act are each added to chapter 48.102 RCW.

1 NEW SECTION. **Sec. 26.** This act does not affect any existing right
2 acquired or liability or obligation incurred under the sections
3 repealed in this act or under any rule or order adopted under those
4 sections, nor does it affect any proceeding instituted under those
5 sections.

6 NEW SECTION. **Sec. 27.** The following acts or parts of acts are
7 each repealed:

8 (1) RCW 48.102.005 (Definitions) and 1995 c 161 s 1;

9 (2) RCW 48.102.010 (License required for providers and brokers--
10 Application--Requirements--Fee--Rules) and 1995 c 161 s 2;

11 (3) RCW 48.102.015 (Commissioner may suspend, revoke, or refuse to
12 issue or renew license--Information requirements--Hearing--Fine) and
13 2002 c 227 s 5 & 1995 c 161 s 3;

14 (4) RCW 48.102.020 (Commissioner approval required for contract
15 form, rate, fee, commission, or other compensation charged--Finding
16 necessary for disapproval) and 1995 c 161 s 4;

17 (5) RCW 48.102.025 (Licensee must file annual statement) and 1995
18 c 161 s 5;

19 (6) RCW 48.102.030 (Examination of business and affairs of
20 applicant or licensee--Production of information--Expenses--
21 Confidentiality of information--Recordkeeping requirements) and 1995 c
22 161 s 6;

23 (7) RCW 48.102.035 (Requirement to provide information to the
24 viator) and 1995 c 161 s 7;

25 (8) RCW 48.102.040 (Requirement for provider to obtain
26 information--Medical information is confidential--Rescission rights--
27 Time is of the essence) and 1995 c 161 s 8;

28 (9) RCW 48.102.045 (Must be licensed--Transfer to unlicensed entity
29 is void--Rights in policy restored to viator--Exceptions allowed by
30 rule) and 1995 c 161 s 9;

31 (10) RCW 48.102.050 (Rules as necessary to implement chapter) and
32 1995 c 161 s 10;

33 (11) RCW 48.102.055 (Consumer protection act applies--Civil
34 action--Damages--Costs--Attorneys' fees) and 1995 c 161 s 11;

35 (12) RCW 48.102.900 (Short title--1995 c 161) and 1995 c 161 s 12;
36 and

1 (13) RCW 48.102.901 (Application of chapter 21.20 RCW--1995 c 161)
2 and 1995 c 161 s 13.

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