

VIATICAL SETTLEMENT CONTRACTS (EXCERPT)
Act 386 of 1996

550.521 Definitions.

Sec. 1.

As used in this act:

- (a) "Commissioner" means the commissioner of insurance.
- (b) "Life insurance" means that term as defined in section 602 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.602 of the Michigan Compiled Laws.
- (c) "Physician" means a person licensed in this or another state to practice medicine or osteopathic medicine.
- (d) "Policy" means an individual life insurance policy or a certificate under a group life insurance policy.
- (e) "Provider" means a person who enters into a viatical settlement contract with a viator. Provider does not mean any of the following:
 - (i) A financial lending institution that takes a policy as collateral for a loan.
 - (ii) The issuer of a policy providing accelerated benefits under section 602 of Act No. 218 of the Public Acts of 1956.
 - (iii) An individual who enters into no more than 1 viatical settlement contract in a calendar year for the transfer of a policy for any value less than the expected death benefit.
- (f) "Viatical settlement contract" or "contract" means a written agreement entered into between a provider and a viator in which the provider will pay consideration that is less than the expected death benefit of the viator's policy in return for the viator's assignment, transfer, sale, devise, or bequest of the death benefit or ownership of the policy to the provider.
- (g) "Viator" means the owner or holder of a policy who has a terminal illness or condition and who enters into a viatical settlement contract.

History: 1996, Act 386, Eff. Mar. 31, 1997

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities of the insurance bureau and the commissioner of insurance to the commissioner of the office of financial and insurance services and the office of financial and insurance services, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.