

11 NCAC 12 .1716 CONTRACTS AND PAYMENT OF PROCEEDS

(a) Two specimen copies of each contract, application, brochure, and proposal shall be filed with the Division for approval under G.S. 58-58-220.

(b) In addition to the requirements in G.S. 58-58-250, every contract shall include the following provisions:

- (1) If the viator elects the right to rescind the contract, the provider's rights or interest in the policy will terminate immediately upon the viator giving notice of the rescission and tendering of the settlement proceeds together with any escrow interest received by the viator.
- (2) The amount of the fee or fees to be paid by the viator to the provider in conjunction with the contract shall be clearly stated, along with any conditions of payment or receipt of the fee or fees.
- (3) The contract together with the application constitutes the entire agreement between the parties.
- (4) If the contract provides for the payment of an additional settlement amount to the viator upon the exercise of a guaranteed insurability option by the viator, the contract shall disclose the amount of the additional settlement and the terms upon which it shall be payable.
- (5) If the policy to be viaticated provides a guaranteed insurability option, the option may only be exercised for the benefit of a person who has an insurable interest in the life to be insured.

(c) Every application for a contract shall:

- (1) Contain the viator's printed name and signature;
- (2) Be witnessed and notarized by a person who does not have a financial interest in the policy or viatical settlement contract; and
- (3) Provide for an acknowledgment by the viator of receipt of the information booklet required by G.S. 58-58-245(a)(8).

History Note: *Authority G.S. 58-2-40; 58-58-220; 58-58-300;*
Temporary Adoption Eff. April 1, 2002;
Eff. April 1, 2003;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1,
2018.