

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4661

A bill to amend 1996 PA 386, entitled
"An act to regulate the sale and purchase of viatical settlement
contracts; to prescribe the powers and duties of certain state
agencies and officials; and to prescribe penalties,"
by amending section 8 (MCL 550.528).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) The commissioner may issue an order prohibiting
2 the provider from entering into a viatical settlement contract in
3 this state if the commissioner finds any of the following:

4 (a) The provider has been fraudulent or engaged in dishonest
5 practices.

6 (b) The provider demonstrates a pattern of unreasonable pay-
7 ments to policy owners.

8 (c) The provider has been convicted of a felony or any
9 misdemeanor that involved criminal fraud.

HB 4661, As Passed Senate, December 3, 1997

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1 (d) The provider has violated a provision of this act.

2 (2) In addition to the order under subsection (1), the
3 commissioner may order any of the following:

4 (a) Payment of a civil fine of not more than \$500.00 for
5 each violation.

6 (b) If the ~~person~~ PROVIDER knew or reasonably should have
7 known that ~~he or she~~ THE PROVIDER was in violation of this act,
8 the ~~commissioner may order the payment~~ REPAYMENT of all ~~death~~
9 ~~benefits and other proceeds~~ CONSIDERATION paid by OR ON BEHALF
10 OF a viator FOR A VIATICAL SETTLEMENT CONTRACT affected by the
11 violation and a civil fine of not more than \$2,500.00 for each
12 violation.

13 (c) A cease and desist order.