

# FISCAL NOTE

Bill Version: CSHB 190(L&C)

(H) Publish Date: 1/26/00

**STATE OF ALASKA  
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) \_\_\_\_\_  
Title Viatical Settlements

Dept. Affected Community & Econ. Dev.  
BRU Banking, Securities, and Corporations  
Component Banking, Securities, and Corporations

Sponsor House Labor & Commerce  
Requester House Labor & Commerce

Component Serial No. 1233

**Expenditures/Revenues**

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**CAPITAL EXPENDITURES**

**CHANGE IN REVENUES ( )**

(Thousands of Dollars)

**FUND SOURCE**

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY99) cost: \_\_\_\_\_

**POSITIONS**

POSITIONS	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Viatical settlements involve the purchase by an investor of an insurance policy covering the life of an individual diagnosed with a terminal illness. The purchase is usually for a fraction of the face value of the policy, thus the terminally ill person receives money now to cover expenses and other considerations while the investor receives the right to the face amount of the policy on the viator's death. A life settlement is functionally the same, only the insured is not burdened with a terminal illness, thus these investments are contemplated for a considerably longer time period. Sales of these investments have been tainted with considerable fraud in the past and the public requires protections that only the state can implement. The division contemplates regulations and required disclosures, together with mandatory rescission periods, will adequately protect the average investor. Since the added regulation will likely keep most bad actors out of the state, and the division currently handles these as investment contracts, the additional supervision is not expected to impose any additional significant fiscal impact.

Prepared by Franklin T. Elder, Director  
Division Banking, Securities and Corporations  
Approved by Commissioner Deborah B. Sedwick  
Agency Community and Economic Development

Phone 465-2521  
Date/Time 12/30/99 11:30 AM  
Date 1/9/00

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**  
For further distribution information, call the Governor's Legislative Office

(Rev 10/98) 99form.xls/OMB