

Article - Insurance

§27–804.

(a) Each viatical settlement provider shall have in place an antifraud plan reasonably calculated to detect, prosecute, and prevent fraudulent viatical settlement acts.

(b) Within 30 days after instituting or modifying an antifraud plan, the viatical settlement provider shall notify the Commissioner in writing.

(c) Each antifraud plan shall include:

(1) the use of fraud investigators;

(2) a description of the procedures for detecting and investigating possible fraudulent viatical settlement acts and procedures for resolving material inconsistencies between medical records and insurance applications;

(3) a description of the procedures for reporting possible fraudulent viatical settlement acts to the Commissioner;

(4) a description of the plan for antifraud education and training of underwriters, and other personnel; and

(5) a description or chart outlining the organizational arrangement of the antifraud personnel who are responsible for the investigation and reporting of possible fraudulent viatical settlement acts and investigating unresolved material inconsistencies between medical records and insurance applications.

(d) An antifraud plan submitted to the Commissioner shall be privileged and confidential and shall not be a public record and shall not be subject to discovery or subpoena in a civil or criminal action.

(e) (1) Each viatical settlement provider shall file its antifraud plan with the Commissioner.

(2) The Commissioner may review each antifraud plan to determine whether it complies with the requirements of this section.

(3) An antifraud plan is deemed approved unless disapproved by the Commissioner within 30 days after the date of filing.

(f) (1) If the Commissioner finds that an antifraud plan does not comply with the requirements of this section, the Commissioner shall disapprove the antifraud plan and send a notice of disapproval, including the reasons for disapproval, to the viatical settlement provider.

(2) If the Commissioner disapproves an antifraud plan, the viatical

settlement provider shall submit a new antifraud plan to the Commissioner within 60 days after the date of disapproval.

(g) It is a violation of this subtitle if the Commissioner finds that a viatical settlement provider has failed to:

- (1) file an antifraud plan;
- (2) file a revised antifraud plan after disapproval by the Commissioner of the initial antifraud plan; or
- (3) comply with the antifraud plan filed by the viatical settlement provider.