

DIRK KEMPTHORNE
GOVERNOR



GAVIN M. GEE
DIRECTOR

April 2, 2003

STATE OF IDAHO
DEPARTMENT OF FINANCE
700 W. STATE STREET, 2ND FLOOR
P. O. BOX 83720
BOISE ID 83720-0031
www.state.id.us/finance/dof.htm

Re: Solicitation and Purchase of Policies in Idaho

Dear M

This is in response to your letter of February 17, 2003. It is our understanding that () will limit its Idaho activities to the solicitation and purchase of life insurance death benefits from insured persons in Idaho. You have asked whether those activities are subject to the jurisdiction of the Idaho Securities Act (the Act). In our view, the stated activities do not include the offer and sale of viatical investment interests in Idaho.

Our Department currently reviews the offer and sale of viatical investment instruments in Idaho on a case-by-case basis to determine whether the investment is a security and, therefore, subject to the provisions of the Act. Please note that we have previously taken enforcement action under the Act in instances where a form of viatical related instruments were offered and sold to Idaho investors.

Based upon the representations contained in your letter, the Department will take a no-enforcement action position with regard to proposed activities in Idaho. Our position pertains only to the activities presented in letter of February 17, 2003. Any offer or sale of viatical or other investment interests to Idaho residents may be subject to the provisions of the Act. We advise to ensure that its business is being conducted in accordance with Idaho Consumer Protection and Idaho Insurance regulations and rules.

If you have further questions, please contact the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "Patricia R. Highley".

PATRICIA R. HIGHLEY
Senior Securities Analyst
Idaho Department of Finance

Banks & Savings Banks (208) 332-8005
Credit Unions (208) 332-8003
Securities (208) 332-8004
Money Transmitters (208) 332-8004

PHONE: (208) 332-8000
FAX: (208) 332-8098
Director's Fax: (208) 332-8097
Securities Fax: (208) 332-8099

Supporting Services (208) 332-8001
Mortgage Companies (208) 332-8002
Finance Companies (208) 332-8002
Collection Agencies (208) 332-8002

EQUAL OPPORTUNITY EMPLOYER

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DEPARTMENT OF FINANCE

Monday February 17, 2003
State of Idaho
Department of Finance Securities Bureau
700 West State St., 2nd Floor
P.O. Box 83720
Boise, ID 83720-0031

To whom it concerns:

Our company plans in the future to involve ourselves in the purchase and sale of Secondary Market Life Insurance products in your state. We may perform some or all of the following:

- 1) Solicit the purchase of policies from residents of your state.
- 2) Broker the purchase of policies from residents of your state.
- 3) Buy policies from residents of your state.

We are institutionally funded and have no intention to resell these policies in any form to residents of your state.

In consideration of the statements above:

- 1) Please advise us of all licensing that is required to conduct the business described,
- 2) Specifically differentiate the licensing requirements for both Viatical and Senior Settlements,
- 3) Provide the state code reference as it currently exists, as well as any pending legislation or anticipated amendments.

Please include us in your database in order to keep us informed of updated information, as it becomes available.

Sincerely,