



## Ohio Revised Code

### Section 3916.09 Independent escrow agent.

Effective: September 11, 2008

Legislation: House Bill 404 - 127th General Assembly

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(A) The viatical settlement provider shall instruct the viator to send the executed documents required to effect the change in ownership, assignment, or change in beneficiary directly to the escrow agent. Within three business days after the date the escrow agent receives the documents, or from the date the viatical settlement provider receives the documents if the viator erroneously provides the documents directly to the viatical settlement provider, the viatical settlement provider shall pay or transfer the gross amount to be paid by the viatical settlement provider to the escrow agent for deposit in a trust or escrow account set up for that purpose by the escrow agent in a regulated financial institution. Upon payment of the settlement proceeds into the escrow or trust account, the escrow agent or trustee shall deliver the original change in ownership, assignment, or change in beneficiary forms to the viatical settlement provider, a representative of the viatical settlement provider, or related provider trust. Upon the escrow agent's receipt of the acknowledgment of the properly completed transfer of ownership, assignment, or designation of beneficiary from the insurance company, the escrow agent shall pay the settlement proceeds to the viator and any other person pursuant to the viatical settlement contract and the escrow agreement. The escrow agent shall make payment within three business days of the date the escrow agent received the acknowledged forms from the insurance company. Funds are considered sent to a viator as of the date that the escrow agent either releases the funds for wire transfer to the viator or places a check for delivery to the viator via United States postal service or other nationally recognized delivery service.

(B) Failure to transfer the proceeds to the viator within the period of time disclosed pursuant to division (A)(1)(f) of section 3916.06 of the Revised Code renders the viatical settlement contract voidable by the viator for lack of consideration until the time consideration is tendered to and accepted by the viator. If a viatical settlement contract is voided by the viator pursuant to this division, ownership of the policy reverts to the viator or to the viator's estate if the viator is deceased, irrespective of any transfer of ownership of the policy by the viator, viatical settlement provider, or any other person.