

## **Anti-Fraud Plan of [ENTITY] and [BROKER]**

### **Article I**

#### **Purpose**

The purpose of the Anti-Fraud Plan is to implement anti-fraud initiatives to detect, prosecute, and prevent fraudulent life settlement acts in connection with the services and brokerage of [BROKER] and/or the representatives and employees of [ENTITY], to its clients. This plan is made in compliance with the Hawaii Life Settlements Act under the Hawaii Revised Statutes. This plan is intended to supplement but not replace any applicable state and federal laws governing life settlements.

### **Article II**

#### **Definitions**

##### **1. Responsible Person**

Any director, principal officer, underwriter, member, licensed representative, broker, independent sales representative, or employee of [BROKER] and/or [ENTITY], is an Responsible Person for purposes of this plan agreement.

##### **2. Fraudulent Acts**

Fraudulent Acts as used herein shall include: (a) material inconsistencies between information in medical records and insurance applications for life settlements; (b) material omissions or misstatements in insurance applications and other records and forms relating to insurance applications for life settlements; and (c) such other questionable information or inconsistencies as may reasonably give rise to a Responsible Person that the proposed life settlement is not sought in good faith.

##### **3. Fraud Investigator**

The person appointed by the Broker to serve as principal investigator of issues relating to possible or actual Fraudulent Acts.

##### **4. Broker**

The licensed insurance broker under Hawaii law for [ENTITY].

## Article III

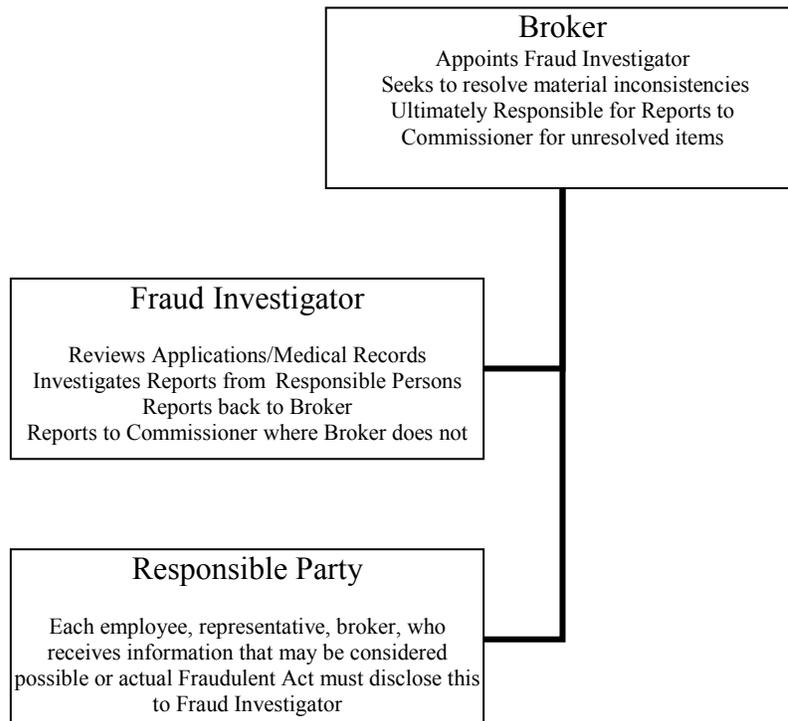
### Procedures

#### 1. Appointment of Fraud Investigator and Duties

The initial Fraud Investigator for [ENTITY] will be [NAME] until his replacement. The Broker may at any time appoint a new Fraud Investigator by written notice of appointment, with copy to the existing Fraud Investigator. The Fraud Investigator shall be responsible for investigating any possible or actual Fraudulent Acts, which responsibility will include the review on an ongoing basis of all medical records, applications, and other related documents in connection with any proposed life settlement. The Fraud Investigator shall also be responsible for training of Responsible Persons on matters relating to this document and anti-fraud issues in life settlements.

#### 2. Responsible Persons' Duty to Disclose

In connection with any actual or possible Fraudulent Acts, a Responsible Person must disclose to the Fraud Investigator or to the broker, the existence of or potential occurrence of any Fraudulent Act. In cases where the Fraud Investigator discovers any actual or possible Fraudulent Acts, then the Fraud Investigator shall disclose such acts to the broker or if the broker is the Fraud Investigator, then to at least one other officer, employee, or representative of [ENTITY]. The following chart demonstrates the organizational arrangement for investigation and reporting:



### **3. Procedures for Addressing Fraudulent Act(s)**

a. Upon determination of any inconsistency between medical records and applications, or any other matter that reasonably gives rise to actual or possible Fraudulent Acts, the Fraud Investigator will report said items to the broker, who shall seek to resolve such inconsistencies and/or questionable information directly with parties involved, including any Responsible Person, any provider, broker, independent contractor or representative, or any applicant.

b. If the Fraud Investigator is not satisfied that an possible or actual Fraudulent Act has been fully resolved by the procedure in paragraph a, above, then the Fraud Investigator shall instruct the broker to report the possible or actual Fraudulent Act to the Insurance Commissioner of the State of Hawaii. Any such report shall be in writing, signed by the broker, with disclosures of all material facts and supporting documentation attached. A copy of any such report shall be provided to the Fraud Investigator. In any case where the broker fails to make a report, the Fraud Investigator may make such report on behalf of broker.

c. If the Fraud Investigator has reasonable cause to believe a Responsible Person has failed to disclose actual or possible Fraudulent Acts, it shall inform the Responsible Person of the basis for such belief and afford the Responsible Person an opportunity to explain the alleged failure to disclose. If, after hearing the Responsible Person's response and after making further investigation as warranted by the circumstances, the Fraud Investigator shall defer to the broker to determines appropriate disciplinary and/or corrective action.

## **Article IV**

### **Education**

The Broker shall schedule annual reviews of this agreement with each Responsible Person. In connection with such annual reviews, the Broker shall direct the appointed Fraud Investigator to implement a minimum of one hour of training on the subject matter of this agreement to all Responsible Persons. Training may be in seminar format, one-on-one conferences, assigned readings and/or examinations, and/or hands-on review of specific cases and documents. All such training shall be documented by the Fraud Investigator.

## **Article V**

### **Employee Requirements**

Existing employees or contractors, and any new employees or contractors, may be required to sign a copy of this agreement as a condition of employment or continued employment, without additional consideration for such signing.

Each of the undersigned Responsible Persons has signed this document, acknowledging receipt hereof, certifying that he/she has read and understands this document, and agreeing to comply with this instrument.

Date: \_\_\_\_\_

\_\_\_\_\_  
\*\*\*\*\* , Broker and  
[TITLE] of [ENTITY]

\_\_\_\_\_  
\*\*\*\*\*  
[TITLE] of [ENTITY]

\_\_\_\_\_  
\*\*\*\*\* , Licensed Representative

\_\_\_\_\_  
\*\*\*\*\* , Licensed Representative

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\*\*\*\*\* , Licensed Representative