



Kansas Insurance Department

Sandy Praeger

COMMISSIONER OF INSURANCE

FOR IMMEDIATE RELEASE

October 13, 2004

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PRAEGER AND BIGGS ISSUE WARNING ABOUT VIATICAL INVESTMENTS *Commissioners Investigate Marketing Practice of Mutual Benefits Corporation*

Kansas Insurance Commissioner Sandy Praeger and Securities Commissioner Chris Biggs are issuing a warning to Kansans who have invested in viatical investment products sold by the Mutual Benefits Corporation of Fort Lauderdale, Florida. Mutual Benefits is currently the subject of a lawsuit alleging the company engaged in questionable marketing practices in its sale of viatical products.

“I am concerned about how these sales have severely impacted many Kansas investors and several appear to be examples of inappropriate sales,” said Commissioner Praeger. “We know that in at least one case, a Kansas widow was convinced to place the entire balance of her husband’s life insurance policy into viatical investments. Sadly, she is currently living solely on Social Security benefits because her money is locked into the investment.”

Securities Commissioner Biggs stated, “Most of these investments were sold by people who did not have the required securities license.”

In a viatical contract, a policyholder sells a life insurance policy to a viatical settlement company that sells the right to receive the death benefits to investors. The viatical settlement company makes arrangements for premiums to be paid and for proceeds to be paid out upon the death of the insured. Mutual Benefits is being investigated for how they marketed viatical products.

“The Kansas Insurance Department’s Anti-fraud Division is working in cooperation with the Securities Commissioner to survey Kansans who have purchased this type of investment from Mutual Benefits,” said Commissioner Praeger. “Kansans should be cautious before purchasing any investment product. We recommend they also check with the Kansas Insurance Department or the Office of the Securities Commissioner to verify any company they are considering doing business with is in good standing.”

The Kansas Insurance Department and the Office of the Securities Commissioner dually regulate the viatical investment process. The Kansas Insurance Department has identified 180 investors of viatical products from the records of Mutual Benefits Corporation. About half have responded to the Department’s survey. Commissioner Praeger urges any Kansas investor who has not responded to the questionnaire or who may have purchased a viatical contract from Mutual Benefits to call the Anti-fraud Hotline at 1.800.460.7972.

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