



**BOB RILEY
GOVERNOR**

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BULLETIN

TO: All Life Insurance Producers Licensed in this State
FROM: Walter A. Bell, Commissioner of Insurance
DATE: June 26, 2007
RE: Zero Premium Life Insurance

It has come to the attention of the Department some life insurance companies may be contemplating developing and/or marketing a product known as Zero Premium Life Insurance (also called stranger owned life insurance, investor life insurance and/or investor initiated life insurance).

The Department has received information that these insurance companies and/or agent recruiters are soliciting producers to sell these types of arrangements. All Alabama licensed producers are cautioned by the Department to refrain from entering into any agreement or arrangement to market or sell a life insurance product where an unnamed individual or company is offering to pay for all or a significant portion of the insurance coverage on behalf of the insured; where the insurance company offering the arrangement is not disclosed up front in any advertising about the product; where there is a third person or entity having a remaining beneficial interest in the balance of the coverage beyond that afforded to the insured; or where you, as a licensed producer are not being directly "appointed" to market or sell a final expense life insurance product by an insurance company that is offering the coverage in Alabama.

YOU ARE ADVISED TO USE CAUTION IN CONSIDERING THIS PROGRAM OR ARRANGEMENT UNTIL DETAILED INFORMATION IS OBTAINED ABOUT THIS PRODUCT AND THE PRODUCT CAN BE THOROUGHLY REVIEWED. THIS PRODUCT OR ARRANGEMENT HAS THE POTENTIAL TO VIOLATE SEVERAL ALABAMA STATUTES AND REGULATIONS.

WAB/EB/ss