

SECOND REGULAR SESSION

# SENATE BILL NO. 863

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIELAND.

Read 1st time January 6, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5416S.011

## AN ACT

To amend chapter 376, RSMo, by adding thereto five new sections relating to unclaimed life insurance benefits.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 376, RSMo, is amended by adding thereto five new sections, to be known as sections 376.661, 376.662, 376.663, 376.664, and 376.665, to read as follows:

**376.661. Sections 376.661 to 376.665 shall be known as and may be cited as the "Unclaimed Life Insurance Benefits Act".**

**376.662. The general assembly declares the purpose of sections 376.661 to 376.665 shall be to require recognition of the escheat statute or unclaimed property statutes, as found in section 447.510, and to require complete and proper disclosure, transparency, and accountability relating to any method of payment for life insurance death benefits regulated by the department of insurance, financial institutions and professional registration.**

**376.663. As used in sections 376.661 to 376.665, the following terms mean:**

**(1) "Contract", an annuity contract. The term "contract" shall not include an annuity used to fund an employment-based retirement plan or program where the insurer does not perform the record keeping services or the insurer is not committed by terms of the annuity contract to pay death benefits to the beneficiaries of specific plan participants;**

**(2) "Death Master File", the United States Social Security Administration's Death Master File or any other database or service that is at least as comprehensive as the United States Social Security**

12 Administration's Death Master File for determining that a person has  
13 reportedly died;

14 (3) "Death Master File match", a search of the Death Master File  
15 that results in a match of the Social Security number or the name and  
16 date of birth of an insured, annuitant, or retained asset account holder;

17 (4) "Knowledge of death", a receipt of an original or valid copy  
18 of a certified death certificate or a Death Master File match validated  
19 by the insurer in accordance with subsection 1 of section 376.664;

20 (5) "Policy", any policy or certificate of life insurance issued on  
21 or after January 1, 2018, that provides a death benefit. The term  
22 "policy" shall not include:

23 (a) Any policy or certificate of life insurance that provides a  
24 death benefit under:

25 a. An employee benefit plan, subject to the Employee Retirement  
26 Income Security Act of 1974, as defined by 29 U.S.C. Section 1002(3), as  
27 periodically amended; or

28 b. Any federal employee benefit program;

29 (b) Any policy or certificate of life insurance that is used to fund  
30 a preneed funeral contract or prearrangement;

31 (c) Any policy or certificate of credit for life or accidental death  
32 insurance; or

33 (d) Any policy issued to a group master policyholder for which  
34 the insurer does not provide record keeping services;

35 (6) "Record keeping services", those circumstances under which  
36 the insurer has agreed with a group policy or contract customer to be  
37 responsible for obtaining, maintaining, and administering in its own or  
38 its agents' systems information about each individual insured under an  
39 insured's group insurance contract, or a line of coverage thereunder,  
40 at least the following information:

41 (a) Social security number or name and date of birth;

42 (b) Beneficiary designation information;

43 (c) Coverage eligibility;

44 (d) Benefit amount; and

45 (e) Premium payment status;

46 (7) "Retained asset account", any mechanism whereby the  
47 settlement of proceeds payable under a policy or contract is  
48 accomplished by the insurer or an entity acting on behalf of the insurer

49 depositing the proceeds into an account with check or draft writing  
50 privileges, where those proceeds are retained by the insurer or its  
51 agent, pursuant to a supplementary contract not involving annuity  
52 benefits other than death benefits.

376.664. 1. An insurer shall perform a comparison of its insureds'  
2 in-force life insurance policies, contracts, and retained asset accounts  
3 against a Death Master File, on at least a semiannual basis, by using  
4 the full Death Master File once and thereafter using the Death Master  
5 File update files for future comparisons to identify potential matches  
6 of its insureds. Nothing in this section shall limit an insurer from  
7 requesting a valid death certificate as part of any claims validation  
8 process. For those potential matches identified as a result of a Death  
9 Master File match, the insurer shall:

10 (1) Within ninety days of a Death Master File match:

11 (a) Complete a good-faith effort, which shall be documented by  
12 the insurer, to confirm the death of the insured or retained asset  
13 account holder against other available records and information;

14 (b) Determine whether benefits are due in accordance with the  
15 applicable policy or contract and, if benefits are due in accordance  
16 with the applicable policy or contract:

17 a. Use good-faith efforts, which shall be documented by the  
18 insurer, to locate the beneficiary or beneficiaries; and

19 b. Provide the appropriate claims forms or instructions to each  
20 beneficiary or beneficiaries to make a claim, including the need to  
21 provide an official death certificate if applicable under the policy, or  
22 contract;

23 (2) In the event an insurer is unable to confirm the death of a  
24 person following a Death Master File match, an insurer may consider  
25 such policy, annuity, or retired asset account to be in force according  
26 to its terms;

27 (3) With respect to group life insurance, insurers are required  
28 only to confirm the possible death of an insured when the insurers  
29 maintain at least the following information of those covered under a  
30 policy or certificate:

31 (a) Social Security number or name and date of birth;

32 (b) Beneficiary designation information;

33 (c) Coverage eligibility;

34 (d) Benefit amount; and

35 (e) Premium payment status;

36 (4) To the extent permitted by law, the insurer may disclose  
37 minimum necessary personal information about the insured or  
38 beneficiary to a person who the insurer reasonably believes may be  
39 able to assist the insurer locate the beneficiary or a person otherwise  
40 entitled to payment of the claims proceeds.

41 2. An insurer or its service provider shall not charge any  
42 beneficiary or other authorized representative for any fees or costs  
43 associated with a Death Master File search or verification of a Death  
44 Master File match conducted pursuant to this section.

45 3. The benefits from a policy, contract, or a retained asset  
46 account, plus any applicable accrued contractual interest shall first be  
47 payable to the designated beneficiaries or owners and in the event such  
48 beneficiaries or owners cannot be found, shall escheat to the state as  
49 unclaimed property pursuant to section 447.510. Interest payable under  
50 section 408.020 or 20 C.S.R. 100-1.050(1)(H), shall not be payable as  
51 unclaimed property under section 447.510 or section 447.533.

52 4. The director may promulgate rules and regulations as may be  
53 reasonably necessary to implement the provisions of sections 376.661  
54 to 376.665.

55 5. The failure to meet any requirement of sections 376.661 to  
56 376.665 with such frequency as to constitute a general business practice  
57 shall constitute an unfair trade practice under the provisions of  
58 sections 375.930 to 375.948. Nothing in sections 376.661 to 376.665 shall  
59 be construed to create or imply a private cause of action for a violation  
60 of sections 376.661 to 376.665.

376.665. Sections 376.661 to 376.665 shall apply only to life  
2 insurance policies, annuity contracts, and retained asset accounts  
3 issued and delivered in this state and which are issued or entered into  
4 on or after January 1, 2018.

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