

HOUSE BILL NO. 2150

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE GOSEN.

5640H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 376, RSMo, by adding thereto four 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 four new sections, to be known as sections 376.2050, 376.2051, 376.2052, and 376.2053, to read as follows:

376.2050. Sections 376.2050 to 376.2053 shall be known and may be cited as the "Unclaimed Life Insurance Benefits Act".

376.2051. As used in sections 376.2050 to 376.2053, 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 in which 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 Administration's Death Master File for determining that a person has reportedly died;

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

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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

- 16 **(a) Any policy or certificate of life insurance that provides a death benefit under:**
17 **a. An employee benefit plan, subject to the Employee Retirement Income Security**
18 **Act of 1974, as defined by 29 U.S.C. Section 1002(3), as periodically amended; or**
19 **b. Any federal employee benefit program;**
20 **(b) Any policy or certificate of life insurance that is used to fund a preneed funeral**
21 **contract or arrangement;**
22 **(c) Any policy or certificate of credit life or accidental death insurance; or**
23 **(d) Any policy issued to a group master policyholder for which the insurer does not**
24 **provide record-keeping services;**
25 **(5) "Record-keeping services", those circumstances under which the insurer has**
26 **agreed with a group policy or contract customer to be responsible for obtaining,**
27 **maintaining, and administering in its own or its agents' systems at least the following**
28 **information about each individual insured under an insured's group insurance contract,**
29 **or a line of coverage thereunder:**
30 **(a) Social Security number or name and date of birth;**
31 **(b) Beneficiary designation information;**
32 **(c) Coverage eligibility;**
33 **(d) Benefit amount; and**
34 **(e) Premium payment status;**
35 **(6) "Retained asset account", any mechanism whereby the settlement of proceeds**
36 **payable under a policy or contract is accomplished by the insurer or an entity acting on**
37 **behalf of the insurer depositing the proceeds into an account with check or draft writing**
38 **privileges, where those proceeds are retained by the insurer or its agent, under a**
39 **supplementary contract not involving annuity benefits other than death benefits.**

376.2052. 1. An insurer shall perform a comparison of its insureds' in-force life
2 **insurance policies, contracts, and retained asset accounts against a Death Master File on**
3 **at least a semiannual basis by using the full Death Master File one time and thereafter**
4 **using the Death Master File update files for future comparisons to identify potential**
5 **matches of its insureds. Nothing in this section shall limit an insurer from requesting a**
6 **valid death certificate as part of any claims validation process. For those potential matches**
7 **identified as a result of a Death Master File match, the insurer shall, within ninety days of**
8 **a Death Master File match:**

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

12 **(2) Determine whether benefits are due in accordance with the applicable policy**
13 **or contract and, if benefits are due in accordance with the applicable policy or contract:**

14 **(a) Use good-faith efforts, which shall be documented by the insurer, to locate the**
15 **beneficiary or beneficiaries; and**

16 **(b) Provide the appropriate claims forms or instructions to each beneficiary or**
17 **beneficiaries to make a claim, including the need to provide an official death certificate if**
18 **applicable under the policy or contract.**

19 **2. In the event an insurer is unable to confirm the death of a person following a**
20 **Death Master File match, an insurer may consider such policy, annuity, or retired asset**
21 **account to be in force according to its terms.**

22 **3. With respect to group life insurance, insurers are required only to confirm the**
23 **possible death of an insured when the insurers maintain at least the following information**
24 **of those covered under a policy or certificate:**

25 **(1) Social Security number or name and date of birth;**

26 **(2) Beneficiary designation information;**

27 **(3) Coverage eligibility;**

28 **(4) Benefit amount; and**

29 **(5) Premium payment status.**

30 **4. To the extent permitted by law, the insurer may disclose the minimum necessary**
31 **personal information about the insured or beneficiary to a person whom the insurer**
32 **reasonably believes may be able to assist the insurer to locate the beneficiary or a person**
33 **otherwise entitled to payment of the claims proceeds.**

34 **5. An insurer or its service provider shall not charge any beneficiary or other**
35 **authorized representative for any fees or costs associated with a Death Master File search**
36 **or verification of a Death Master File match conducted in accordance with this section.**

37 **6. The benefits from a policy, contract, or retained asset account, plus any**
38 **applicable accrued contractual interest, shall first be payable to the designated**
39 **beneficiaries or owners, or in the event such beneficiaries or owners cannot be found shall**
40 **escheat to the state as unclaimed property under section 447.510. Interest payable under**
41 **section 408.020 or 20 CSR 100-1.050(1)(H) shall not be payable as unclaimed property**
42 **under section 447.510 or section 447.533.**

43 **7. The director may promulgate rules and regulations as may be reasonably**
44 **necessary to implement the provisions of sections 376.2050 to 376.2053. Any rule or**
45 **portion of a rule, as that term is defined in section 536.010, that is created under the**
46 **authority delegated in this section shall become effective only if it complies with and is**
47 **subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This**

48 section and chapter 536 are nonseverable, and if any of the powers vested with the general
49 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove
50 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
51 authority and any rule proposed or adopted after August 28, 2016, shall be invalid and
52 void.

53 8. The failure to meet any requirements of sections 376.2050 to 376.2053 with such
54 frequency as to constitute a general business practice shall constitute an unfair trade
55 practice under the provisions of sections 375.930 to 375.948. Nothing in sections 376.2050
56 to 376.2053 shall be construed to create or imply a private cause of action for a violation
57 of sections 376.2050 to 376.2053.

376.2053. Sections 376.2050 to 376.2053 shall apply only to life insurance policies,
2 annuity contracts, and retained asset accounts issued and delivered in this state and that
3 are issued or entered into on or after January 1, 2018.

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