

HCS HB 2150 -- UNCLAIMED LIFE INSURANCE BENEFIT ACT

SPONSOR: Gosen

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Property, Casualty, and Life Insurance by a vote of 6 to 2. Voted "Do Pass with HCS" by the Select Committee on Insurance by a vote of 11 to 0.

This bill creates the Unclaimed Life Insurance Benefits Act. The bill requires life insurance companies to compare policies, annuities, and accounts against the United States Social Security Administration's death master file on at least a semiannual basis to find potential matches on insureds who have passed away. The life insurance company shall then make a good faith effort to find potential beneficiaries and provide them with appropriate claims forms for the purpose of paying any benefits due. In the event such beneficiaries or owners cannot be found the company shall remit the unclaimed benefits to the State Treasurer as unclaimed property under Section 447.510, RSMo.

These provisions will apply to companies that used the death master file prior to January 1, 2018 to find annuitants that were deceased retrospectively. All other companies the provision will apply to new accounts issued or entered into on or after January 1, 2018.

PROPOSERS: Supporters say that the bill will require life insurance companies to compare policies against Social Security Administration's death master file on at least a semiannual basis to find potential matches on insureds who have passed away. This is equal and fair to all companies by doing this on a prospective basis.

Testifying for the bill were Representative Gosen; John Camillo, The Reliable Life Insurance Company; Missouri Insurance Coalition; American Council of Life Insurance; Life Insurance Association of Missouri; and MetLife.

OPPOSERS: Those who oppose the bill say that it is important to check all persons. This needs to go back retrospectively to include all policies a company has. This would be more fair to consumers.

Testifying against the bill was State Treasurers Office.

OTHERS: Others testifying on the bill say that back in 2008 state treasurers were asking insurers if they were using the death master file to look up policies. They found that many companies were only checking to stop from having to pay on annuities, they were not

checking on life insurance policies. This got the Department of Insurance to look into this issue and find a possible solution.

Testifying on the bill was Missouri Department of Insurance, Financial Institutions & Professional Registration.