



March 27, 2015

ENGROSSED SENATE BILL No. 425

DIGEST OF SB 425 (Updated March 25, 2015 7:46 pm - DI 97)

Citations Affected: IC 4-6; IC 27-2; IC 32-34.

Synopsis: Unclaimed life insurance benefits. Requires the attorney general to establish and post on the Internet information concerning life insurance. Specifies that the law concerning unclaimed life insurance benefits: (a) applies to policies, annuities, and retained asset accounts issued after June 30, 2015; and (b) does not prevent the attorney general from performing certain examinations of life insurance companies. Provides for attorney general examinations of certain insurance company records. Repeals a requirement for insurer procedures related to death master file search data.

Effective: July 1, 2015.

Holdman, Walker

(HOUSE SPONSOR — LEHMAN)

January 12, 2015, read first time and referred to Committee on Insurance & Financial Institutions.

February 19, 2015, amended, reported favorably — Do Pass.

February 23, 2015, read second time, amended, ordered engrossed.

February 24, 2015, engrossed. Read third time, passed. Yeas 37, nays 13.

HOUSE ACTION

March 5, 2015, read first time and referred to Committee on Insurance.

March 26, 2015, amended, reported — Do Pass.

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March 27, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 425

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-6-2-13 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 13. The attorney general shall develop, post, and**
4 **maintain on the attorney general's Internet web site information**
5 **related to life insurance, including the manner in which an**
6 **individual may do the following:**

- 7 (1) **Obtain information concerning the existence of a life**
8 **insurance policy.**
9 (2) **File a claim for life insurance benefits.**
10 (3) **Make provision for resolution of financial affairs after the**
11 **individual's death, including notification of life insurance**
12 **beneficiaries and making financial documents known and**
13 **accessible to survivors.**

14 SECTION 2. IC 27-2-23-4, AS ADDED BY P.L.90-2014,
15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2015]: Sec. 4. (a) As used in this chapter, "annuity" refers to

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1 an annuity contract issued in Indiana **after June 30, 2015.**

2 (b) The term does not include an annuity contract used to fund an
3 employment based retirement plan, the sponsor or administrator of
4 which directs the insurer that issues the annuity contract.

5 SECTION 3. IC 27-2-23-9, AS ADDED BY P.L.90-2014,
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2015]: Sec. 9. (a) As used in this chapter, "policy" means a
8 policy or certificate issued in Indiana **after June 30, 2015**, that
9 provides the kind of insurance described in Class 1 of IC 27-1-5-1.

10 (b) The term does not include the following:

11 (1) A policy or certificate that provides a death benefit under:

12 (A) an employee benefit plan that is subject to the federal
13 Employee Retirement Income Security Act of 1974 (29 U.S.C.
14 1001 et seq.); or

15 (B) a federal employee benefit program.

16 (2) A policy or certificate that is used to fund a preneed funeral
17 contract or prearrangement.

18 (3) A policy or certificate of credit life or accidental death
19 insurance.

20 (4) A policy issued to a group policy owner for which the insurer
21 does not provide record keeping services.

22 SECTION 4. IC 27-2-23-10.2 IS ADDED TO THE INDIANA
23 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2015]: **Sec. 10.2. As used in this chapter,**
25 **"retained asset account" refers to a retained asset account that is**
26 **issued in Indiana after June 30, 2015.**

27 SECTION 5. IC 27-2-23-13 IS REPEALED [EFFECTIVE JULY 1,
28 2015]. ~~Sec. 13: An insurer shall implement procedures to account for~~
29 ~~the following in complying with the requirements of this chapter:~~

30 (1) ~~Common nicknames; initials used instead of a first or middle~~
31 ~~name; use of a middle name; compound first and middle names;~~
32 ~~and interchanged first and middle names.~~

33 (2) ~~Compound last names; maiden or married names; and~~
34 ~~hyphens; blank spaces; or apostrophes in last names.~~

35 (3) ~~Transposition of the month and date parts of the date of birth.~~

36 (4) ~~Incomplete Social Security number.~~

37 SECTION 6. IC 27-2-23-21 IS ADDED TO THE INDIANA CODE
38 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
39 1, 2015]: **Sec. 21. This chapter does not prevent the attorney**
40 **general from conducting an examination of the records of an**
41 **insurance company under IC 32-34-1-42.**

42 SECTION 7. IC 32-34-1-42, AS AMENDED BY P.L.64-2007,



1 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2015]: Sec. 42. (a) The attorney general may require a person
3 who has not filed a report, or a person who the attorney general
4 believes has filed an inaccurate, an incomplete, or a false report, to file
5 a verified report in a form prescribed by the attorney general stating the
6 following:

7 (1) Whether the person is holding any unclaimed property
8 reportable or deliverable under this chapter.

9 (2) Describing any property not previously reported or as to which
10 the attorney general has made inquiry.

11 (3) Specifically identifying and stating the amounts of property
12 that may be in issue.

13 (b) The attorney general, at reasonable times and upon reasonable
14 notice, may examine the records of a person to determine whether the
15 person has complied with this chapter. The attorney general may
16 conduct the examination even if the person believes the person is not
17 in possession of any property reportable or deliverable under this
18 chapter. When making an examination under this chapter, the attorney
19 general may retain attorneys, appraisers, independent actuaries,
20 independent certified public accountants, or other professionals and
21 specialists as examiners.

22 (c) The attorney general may examine the records of an agent,
23 including a dividend disbursing agent or transfer agent, of a business
24 association that is the holder of property presumed abandoned if the
25 attorney general has given the notice required by subsection (b) to both
26 the business association and the agent at least ninety (90) days before
27 the examination.

28 (d) If an examination of the records of a person under subsection (b)
29 results in the disclosure of property reportable and deliverable under
30 this chapter, the attorney general may assess the cost of the
31 examination against the holder at a reasonable rate established by the
32 attorney general. The cost of an examination of the records of an agent
33 of a business association under subsection (c) may be imposed only
34 against the business association.

35 (e) If a holder fails to maintain the records required under section 43
36 of this chapter and the available records of the holder are insufficient
37 to permit the preparation of a report, the attorney general may require
38 the holder to report and pay an amount that may reasonably be
39 estimated from any available records of the holder or on the basis of
40 any other reasonable estimating technique that the attorney general may
41 select.

42 (f) **An examination by the attorney general of the records of an**



- 1 **insurance company under this section may include:**
2 **(1) the records of any insurance policy or certificate, annuity**
3 **contract, or retained asset account against a death master file**
4 **to identify potential death master file matches, regardless of**
5 **the date on which the:**
6 **(A) insurance policy or certificate was issued;**
7 **(B) annuity contract was issued or entered into; or**
8 **(C) retained asset account was established; and**
9 **(2) a review of identifying information that is relevant to the**
10 **examination.**



COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 425, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 27-2-23-4, AS ADDED BY P.L.90-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) As used in this chapter, "annuity" refers to an annuity contract issued in Indiana **after June 30, 2015.**

(b) The term does not include an annuity contract used to fund an employment based retirement plan, the sponsor or administrator of which directs the insurer that issues the annuity contract.

SECTION 2. IC 27-2-23-9, AS ADDED BY P.L.90-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 9. (a) As used in this chapter, "policy" means a policy or certificate issued in Indiana **after June 30, 2015**, that provides the kind of insurance described in Class 1 of IC 27-1-5-1.

(b) The term does not include the following:

(1) A policy or certificate that provides a death benefit under:

(A) an employee benefit plan that is subject to the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or

(B) a federal employee benefit program.

(2) A policy or certificate that is used to fund a preneed funeral contract or prearrangement.

(3) A policy or certificate of credit life or accidental death insurance.

(4) A policy issued to a group policy owner for which the insurer does not provide record keeping services.

SECTION 3. IC 27-2-23-10.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 10.2. As used in this chapter,**



"retained asset account" refers to a retained asset account that is issued in Indiana after June 30, 2015."

Page 2, delete lines 1 through 2.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 425 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 8, Nays 2.

SENATE MOTION

Madam President: I move that Senate Bill 425 be amended to read as follows:

Page 2, after line 23, begin a new paragraph and insert:

"SECTION 5. IC 27-2-23-21 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 21. This chapter does not prevent an unclaimed property examination of an insurance company by the attorney general under IC 32-34-1.**"

(Reference is to SB 425 as printed February 20, 2015.)

HOLDMAN

COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred Senate Bill 425, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-6-2-13 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 13. The attorney general shall develop, post, and maintain on the attorney general's Internet web site information related to life insurance, including the manner in which an individual may do the following:**

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- (1) Obtain information concerning the existence of a life insurance policy.**
- (2) File a claim for life insurance benefits.**
- (3) Make provision for resolution of financial affairs after the individual's death, including notification of life insurance beneficiaries and making financial documents known and accessible to survivors."**

Page 2, line 26, delete "an unclaimed" and insert "**the attorney general from conducting an examination of the records of an insurance company under IC 32-34-1-42.**".

Page 2, delete lines 27 through 28, begin a new paragraph and insert:

"SECTION 7. IC 32-34-1-42, AS AMENDED BY P.L.64-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 42. (a) The attorney general may require a person who has not filed a report, or a person who the attorney general believes has filed an inaccurate, an incomplete, or a false report, to file a verified report in a form prescribed by the attorney general stating the following:

- (1) Whether the person is holding any unclaimed property reportable or deliverable under this chapter.
- (2) Describing any property not previously reported or as to which the attorney general has made inquiry.
- (3) Specifically identifying and stating the amounts of property that may be in issue.

(b) The attorney general, at reasonable times and upon reasonable notice, may examine the records of a person to determine whether the person has complied with this chapter. The attorney general may conduct the examination even if the person believes the person is not in possession of any property reportable or deliverable under this chapter. When making an examination under this chapter, the attorney general may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners.

(c) The attorney general may examine the records of an agent, including a dividend disbursing agent or transfer agent, of a business association that is the holder of property presumed abandoned if the attorney general has given the notice required by subsection (b) to both the business association and the agent at least ninety (90) days before the examination.

(d) If an examination of the records of a person under subsection (b) results in the disclosure of property reportable and deliverable under



this chapter, the attorney general may assess the cost of the examination against the holder at a reasonable rate established by the attorney general. The cost of an examination of the records of an agent of a business association under subsection (c) may be imposed only against the business association.

(e) If a holder fails to maintain the records required under section 43 of this chapter and the available records of the holder are insufficient to permit the preparation of a report, the attorney general may require the holder to report and pay an amount that may reasonably be estimated from any available records of the holder or on the basis of any other reasonable estimating technique that the attorney general may select.

(f) An examination by the attorney general of the records of an insurance company under this section may include:

(1) the records of any insurance policy or certificate, annuity contract, or retained asset account against a death master file to identify potential death master file matches, regardless of the date on which the:

(A) insurance policy or certificate was issued;

(B) annuity contract was issued or entered into; or

(C) retained asset account was established; and

(2) a review of identifying information that is relevant to the examination."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 425 as reprinted February 24, 2015.)

LEHMAN

Committee Vote: yeas 12, nays 0.

