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## DIGEST

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HB 464 Original

2017 Regular Session

Robby Carter

**Abstract:** Enacts the "Unclaimed Life Insurance Benefits Law", requiring life insurers to periodically perform a comparison of their in-force life insurance policies to the death master file from the U.S. Social Security Administration to determine if benefits may be due under a policy; further provides that the proceeds of an unclaimed policy shall escheat to the state.

Proposed law enacts the Unclaimed Life Insurance Benefits Law.

Present law requires that all death claims arising under policies of insurance issued or delivered within this state shall be settled by the insurer within 60 days after the date of receipt of due proof of death, and further provides that if the insurer fails to do so without just cause, the amount due shall bear interest at the rate of 8% per annum from date of receipt of due proof of death by the insurer until paid.

Proposed law retains present law.

Proposed law provides that an insurer shall perform a comparison of its insureds' in-force policies, contracts, and retained asset accounts against a death master file, on at least a semi-annual basis.

Proposed law requires a life insurer, within 90 days of learning of a possible match, to determine if benefits may be due and pay the benefits and any accrued contractual interest to the designated beneficiaries or owners.

Proposed law allows the insurer, to the extent permitted by law, to disclose minimum necessary personal information about the insured or beneficiary to a person whom the insurer reasonably believes may be able to assist the insurer to locate the beneficiary or a person otherwise entitled to payment of the claims proceeds.

Proposed law does not apply to an insurer that has not engaged in asymmetric conduct prior to Jan. 1, 2018, with respect to policies, annuities, or retained asset accounts issued prior to Jan. 1, 2018.

Proposed law allows the commissioner to exempt an insurer if the insurer demonstrates to the commissioner's satisfaction that compliance would result in undue hardship to the insurer.

Proposed law prohibits an insurer or its service provider from charging any beneficiary or other authorized representative for any fees or costs associated with a death master file search or verification of a death master file match conducted pursuant to proposed law.

Proposed law provides that the benefits from a policy, contract, or a retained asset account, plus any applicable accrued contractual interest, shall escheat to the state as unclaimed property pursuant to the Uniform Unclaimed Property Act, in the event the beneficiary or account owner cannot be located.

Proposed law provides that the failure to meet any requirement of proposed law with such frequency as to constitute a general business practice is a violation of the present law prohibition against unfair claims settlement practices, and further provides that proposed law shall be construed to create or imply a private cause of action for a violation of proposed law.

Effective Jan. 1, 2018.

(Adds R.S. 22:1812-1814)