

HOUSE No. 24

So much of the recommendations of the Department of the State Treasurer (House, No. 21) as relates to unclaimed property and life insurance proceeds. The Judiciary.

The Commonwealth of Massachusetts

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In the One Hundred and Eighty-Ninth General Court

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An Act relative to unclaimed property and life insurance proceeds.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 200A of the General Laws, as appearing in the 2012 Official Edition, is
2 hereby amended by placing after section 5B the following new section:-

3 Section 5C Life insurance proceeds, death match index

4 (1) As used in this section:

5 (a) “Contract” means annuity contract. The term “contract” shall not
6 include any annuity used to fund an employment-based retirement plan or program where the
7 insurer is not committed by terms of the annuity contract to pay death benefits to the
8 beneficiaries of specific plan participants.

9 (b) “Death Master File” means United States Social Security
10 Administration’s Death Master File or any other database or service that is at least as
11 comprehensive as the United States Social Security Administration’s Death Master File for
12 determining that person has reportedly died;

13 (c) "Death Master File Match" means a search of the Death Master File
14 that results in a match of the Social Security number or the name and date of birth of an insured,
15 annuity owner, or retained asset account holder; and

16 (d) "Policy" means any policy or certificate of life insurance that
17 provides a death benefit. The term "policy" should not include;

18 (1) Any policy or certificate of life insurance that provides a death
19 benefit under;

20 (a) An employee benefit plan, subject to Employee Retirement Income
21 Security Act of 1974, as defined by 29 U.S.C. sec 1002(3)

22 (b) A governmental plan as defined by 29 U.S.C. sec 1002(32);

23 (c) A church plan as defined by 29 U.S.C. sec 1002(33); or

24 (d) Any federal employee benefit program;

25 (2) Any policies or certificates of insurance on the life of a debtor
26 pursuant to or in

27 connection with a specific loan or other credit transaction, or any group policy
28 issued to a creditor to insure the lives of the debtors and any certificates issued under such
29 policies.

30 All other terms used in this section shall be interpreted in a manner consistent
31 with all the definitions used in M.G.L. Chapter 200A.

32 (2) (a) An insurer shall preform a comparison of its insured's' in-force
33 life insurance policies and retained asset accounts against a Death Master File , on at least a
34 semi-annual basis, to identify potential matches of its insureds.

35 (b) For those potential matches identified as a result of a Death Master File
36 match, the insured shall:

37 (1) Within ninety (90) days of a Death Master File Match:

38 (a) Complete a good faith effort, which shall be documented by the
39 insurer, to confirm the death of the insured or retain asset account holder against other available
40 records and information; and

41 (b) Determine whether benefits are due in accordance with the
42 applicable policy or contract, and if benefits are due in accordance with the applicable policy or
43 contract:

44 i. Use good faith efforts, which shall be documented by the insurer, to
45 locate the beneficiaries; and

46 ii. Provide the appropriate claims forms or instructions to each
47 beneficiary to make a claim, including the need to provide an official death certificate if
48 applicable under the policy contract.

49 (c) With respect to group life insurance, insurers are required only to
50 confirm the possible death of an insured when the insurers provide full record- keeping services
51 under the group policy holder,

52 (d) To the extent permitted by law, the insurer may disclose minimum
53 necessary personal information about the insured to beneficiary to a person who the insurer
54 reasonably believes may be able to assist the insurer to locate the beneficiary or a person
55 otherwise entitled to payment of the claims proceeds.

56 (3) An insurer shall not charge insureds, account holders or beneficiaries
57 for any fees or costs associated with a search or verification conducted pursuant to this section.

58 (4) The benefits from a life insurance policy or retained asset account,
59 plus any applicable accrued interest , shall first be payable to the designated beneficiaries or
60 owners and in the event those beneficiaries or owners cannot be found, shall escheat to the state
61 as unclaimed property pursuant to M.G.L. Chapter 200A. For purposes of this section, the
62 dormancy period shall be the date of death of the insured.

63 (5) The insurer shall submit the unclaimed life insurance benefits or
64 unclaimed retained asset accounts, plus any applicable accrued interest, to the State Treasurer.