

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2150
98TH GENERAL ASSEMBLY

5640H.03C

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
2 **"Unclaimed Life Insurance Benefits Act".**

376.2051. As used in sections 376.2050 to 376.2053, the following terms mean:

2 **(1) "Asymmetric conduct", an insurer's use of the Death Master File prior to**
3 **January 1, 2018 in connection with searching for information regarding whether**
4 **annuitants under the insurer's contracts might be deceased, but not in connection with**
5 **whether the insureds or account owners under its policies or retained asset accounts might**
6 **be deceased;**

7 **(2) "Contract", an annuity contract. The term "contract" shall not include an**
8 **annuity used to fund an employment-based retirement plan or program in which the**
9 **insurer does not perform the record-keeping services or the insurer is not committed by**
10 **terms of the annuity contract to pay death benefits to the beneficiaries of specific plan**
11 **participants;**

12 **(3) "Death Master File", the United States Social Security Administration's Death**
13 **Master File or any other database or service that is at least as comprehensive as the United**
14 **States Social Security Administration's Death Master File for determining that a person**
15 **has reportedly died;**

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

19 (5) "Policy", any policy or certificate of life insurance issued on or after January
20 1, 2018, that provides a death benefit. The term "policy" shall not include:

21 (a) Any policy or certificate of life insurance that provides a death benefit under:

22 a. An employee benefit plan, subject to the Employee Retirement Income Security
23 Act of 1974, as defined by 29 U.S.C. Section 1002(3), as periodically amended; or

24 b. Any federal employee benefit program;

25 (b) Any policy or certificate of life insurance that is used to fund a preneed funeral
26 contract or arrangement;

27 (c) Any policy or certificate of credit life or accidental death insurance; or

28 (d) Any policy issued to a group master policyholder for which the insurer does not
29 provide record-keeping services;

30 (6) "Record-keeping services", those circumstances under which the insurer has
31 agreed with a group policy or contract customer to be responsible for obtaining,
32 maintaining, and administering in its own or its agents' systems at least the following
33 information about each individual insured under an insured's group insurance contract,
34 or a line of coverage thereunder:

35 (a) Social Security number or name and date of birth;

36 (b) Beneficiary designation information;

37 (c) Coverage eligibility;

38 (d) Benefit amount; and

39 (e) Premium payment status;

40 (7) "Retained asset account", any mechanism whereby the settlement of proceeds
41 payable under a policy or contract is accomplished by the insurer or an entity acting on
42 behalf of the insurer depositing the proceeds into an account with check or draft writing
43 privileges, where those proceeds are retained by the insurer or its agent, under a
44 supplementary contract not involving annuity benefits other than death benefits.

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

7 a Death Master File match, the insurer shall, within ninety days of a Death Master File
8 match:

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

12 (2) Use good-faith efforts to determine whether benefits are due in accordance with
13 the applicable policy or contract and, if benefits are due in accordance with the applicable
14 policy or contract:

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

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

20 2. To the extent that an insurer's records of its in-force policies, contracts, and
21 account owners are available electronically, an insurer shall perform the comparison
22 required by subsection 1 of this section using such electronic records. To the extent that
23 an insurer's records of its in-force policies, contracts, and account owners are not available
24 electronically, an insurer shall perform the comparison required by subsection 1 of this
25 section using the records most easily accessible by the insurer.

26 3. In the event an insurer is unable to confirm the death of a person following a
27 Death Master File match and completion of the good-faith efforts described in subsection
28 1 of this section, an insurer may consider such policy, contract, or retired asset account to
29 be in force according to its terms.

30 4. With respect to group life insurance, the insurer is required to confirm the
31 possible death of an insured or certificate holder only if the insurer has agreed to provide
32 record-keeping services.

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

37 6. An insurer or its service provider shall not charge any beneficiary or other
38 authorized representative for any fees or costs associated with a Death Master File search
39 or verification of a Death Master File match conducted in accordance with this section.

40 7. The benefits from a policy, contract, or retained asset account, plus any
41 applicable accrued contractual interest, shall first be payable to the designated

42 beneficiaries or owners, or in the event such beneficiaries or owners cannot be found shall
43 escheat to the state as unclaimed property under section 447.510.

44 8. The director may promulgate rules and regulations as may be reasonably
45 necessary to implement the provisions of sections 376.2050 to 376.2053. Any rule or
46 portion of a rule, as that term is defined in section 536.010, that is created under the
47 authority delegated in this section shall become effective only if it complies with and is
48 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This
49 section and chapter 536 are nonseverable, and if any of the powers vested with the general
50 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove
51 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
52 authority and any rule proposed or adopted after August 28, 2016, shall be invalid and
53 void.

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

59 10. Nothing in sections 376.2050 to 376.2053 limits an insurer from requiring
60 compliance with the terms and conditions of the policy or contract relative to filing and
61 payment of claims.

62 11. The director may exempt an insurer from the comparison required by
63 subsection 1 of this section if the insurer demonstrates to the director's satisfaction that
64 compliance would result in undue hardship to the insurer.

376.2053. An insurer that has not engaged in any asymmetric conduct prior to
2 January 1, 2018, shall not be required to comply with the requirements of sections 376.2050
3 to 376.2053 with respect to any policies, contracts, or retained asset accounts that are
4 issued and delivered in this state and that are issued or entered into prior to January 1,
5 2018. Sections 376.2050 to 376.2053 shall apply to all policies, contracts, and retained asset
6 accounts that are issued and delivered in this state and that are issued or entered into on
7 or after January 1, 2018.

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