

HOUSE BILL 2148

By Hale

AN ACT to amend Tennessee Code Annotated, Title 35;
Title 56 and Title 62, Chapter 5, relative to life
insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 2, is amended by
adding the following as a new section:

(a) As used in this section:

(1) "Department" means the department of commerce and insurance;

(2) "Funeral director" means an individual who is:

(A) Engaged in the practice of funeral directing, as defined in §
62-5-101; and

(B) Licensed pursuant to § 62-5-305;

(3) "Funeral establishment" has the same meaning as defined in § 62-5-
101;

(4) "Life insurance":

(A) Has the same meaning as defined in § 56-2-201; and

(B) Does not include a prearrangement insurance policy;

(5) "Life insurer":

(A) Means an entity that writes, issues, or otherwise provides life
insurance contracts in this state, including an insurance company, annuity
company, or trust company; and

(B) Does not include an insurance company selling a
prearrangement insurance policy; and

(6) "Prearrangement insurance policy" has the same meaning as defined in § 62-5-403.

(b)

(1) A funeral director or funeral establishment providing funeral services for a deceased person insured or believed to be insured under a contract of life insurance may request information regarding the deceased person's life insurance contracts by providing a life insurer with:

(A) Information of a notification of death; and

(B) Written authorization from the person with legal authority to direct disposition of the deceased person's body pursuant to §§ 62-5-703-62-5-706.

(2) The information required by subdivisions (b)(1)(A) and (B) must be provided to a designated email address provided by the life insurer on its website or in another manner prescribed by the life insurer.

(c) Notwithstanding any law related to protecting personal financial information, a funeral director or funeral establishment may make an inquiry regarding the following for purposes of compliance with this section:

(1) The existence of a contract insuring the life of the deceased person;

(2) Confirmation that the person who signed the authorization form described in subdivision (b)(1)(B) is or is not a beneficiary on record under any life insurance contract insuring the life of the deceased person; and

(3) If the authorization is signed by a beneficiary, then confirmation that the life insurance policy may or may not be of a benefit amount that will cover the planned funeral arrangements, subject to other contractual terms of the insurance policy being met at the time of payment of the benefit amount.

(d) The life insurer shall provide the information requested pursuant to this section to the funeral director or funeral establishment no later than five (5) business days after receiving all of the information required by subsection (b).

(e) Information provided by the life insurer does not require the life insurer to pay such proceeds in a manner other than required pursuant to the contract of life insurance.

(f) The life insurer must be held harmless for information provided pursuant to this section, including whether the policy proceeds are collateral for an outstanding loan, are otherwise committed, or are not available to pay or cover the funeral expenses for any reason, including contractual terms of the contract.

(g) If the life insurer fails to provide the information requested pursuant to subsection (b), then the funeral director or funeral establishment may file a complaint with the department. The complaint must include all of the information provided to the life insurer under subsection (b) as well as copies of all communications and information received from the life insurer regarding the request for information.

(h) The funeral director or funeral establishment shall inform all beneficiaries and each person with legal authority to direct disposition of the deceased's body in writing in bold print that the beneficiary of a life insurance policy has no legal duty or obligation to spend all or a portion of the life insurance policy money on the funeral, debts, or obligations of the deceased before discussing the financial arrangements for burial of the deceased.

(i) This section does not preempt or alter the terms of a contract for life insurance, and information provided by the life insurer does not affect or waive contractual requirements under or defenses to the claim.

SECTION 2. This act takes effect January 1, 2025, the public welfare requiring it, and applies to conduct occurring, and policies entered into, amended, or renewed, on or after that date.