

HOUSE BILL NO. HB0029

Unclaimed life insurance benefits.

Sponsored by: Representative(s) Zwonitzer and Senator(s) Case

A BILL

for

1 AN ACT relating to insurance; imposing requirements on
2 providers of life insurance, annuity contracts and retained
3 asset accounts to confirm deaths of persons as specified;
4 providing penalties; modifying related provisions within the
5 Uniform Unclaimed Property Act; and providing for an
6 effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 26-16-505 is created to read:

11

12 **26-16-505. Unclaimed life insurance benefits.**

13

14 (a) An insurer shall perform a comparison of its
15 insureds' policies and retained asset accounts against a
16 death master file on at least a semi-annual basis by using

1 the full death master file once and thereafter using the death
2 master file update files for future comparisons in order to
3 identify potential matches of its insureds.

4

5 (b) Not fewer than ninety (90) days after a death master
6 file match an insurer shall:

7

8 (i) Complete and document a good faith effort to
9 confirm the death of the insured or retained asset account
10 holder against other available records and information; and

11

12 (ii) Determine whether benefits are due in
13 accordance with the applicable policy. If benefits are due in
14 accordance with the applicable policy the insurer shall
15 complete and document good faith efforts to locate the
16 beneficiary. The insurer shall also provide the appropriate
17 claims forms or instructions to the beneficiary to make a
18 claim including the need to provide an official death
19 certificate, if applicable under the policy.

20

21 (c) With respect to group life insurance, an insurer
22 shall confirm the possible death of an insured pursuant to
23 paragraph (b)(i) of this section if the insurer maintains at

1 least the following information on those covered under a
2 policy:

3

4 (i) Social security number or name and date of
5 birth;

6

7 (ii) Beneficiary designation;

8

9 (iii) Coverage eligibility;

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11 (iv) Benefit amount; and

12

13 (v) Premium payment status.

14

15 (d) Every insurer shall implement procedures to account
16 for all of the following:

17

18 (i) Common nicknames, initials used in lieu of a
19 first or middle name, use of a middle name, compound first
20 and middle names and interchanged first and middle names;

21

22 (ii) Compound last names, maiden or married names
23 and hyphens, blank spaces or apostrophes in last names;

1

2 (iii) Transposition of the month and date within
3 a date of birth;

4

5 (iv) Incomplete social security numbers.

6

7 (e) To the extent permitted by law, an insurer may
8 disclose minimum necessary personal information about the
9 insured or beneficiary to a person whom the insurer reasonably
10 believes may be able to assist the insurer in locating the
11 beneficiary.

12

13 (f) An insurer or its service provider shall not charge
14 any beneficiary or other authorized representative for any
15 fees or costs associated with a death master file search or
16 verification of a death master file match conducted pursuant
17 to this section.

18

19 (g) Benefits due and owing from a policy or a retained
20 asset account, plus any applicable accrued contractual
21 interest, shall first be payable to the designated
22 beneficiary. If the beneficiary cannot be found, the insurer
23 shall comply with the applicable provisions of the Uniform

1 Unclaimed Property Act. Interest otherwise payable as
2 required by law shall not be considered unclaimed property
3 pursuant to W.S. 34-24-120(a).

4

5 (h) Once benefits and accrued contractual interest are
6 presumed abandoned under W.S. 34-24-108, the insurer shall
7 notify the state treasurer, as part of the report sent under
8 W.S. 34-24-118, that:

9

10 (i) A beneficiary has not submitted a claim with
11 the insurer; and

12

13 (ii) The insurer has complied with this section
14 and has been unable, after good faith efforts documented by
15 the insurer, to contact the beneficiary.

16

17 (j) Failure to meet any requirement of this section
18 with such frequency as to constitute a general business
19 practice is an unfair business practice and is subject to the
20 penalty provided in W.S. 26-1-107.

21

22 (k) As used in this section:

23

1 (i) "Death master file" means the United States
2 social security administration's death master file or any
3 other database or service that is at least as comprehensive
4 as the United States social security administration's death
5 master file for determining that a person has reportedly died;

6

7 (ii) "Death master file match" means a search of
8 the death master file that results in a match of the social
9 security number or the name and date of birth of an insured,
10 annuity owner or retained asset account holder;

11

12 (iii) "Policy" means any policy or certificate of
13 life insurance that provides a death benefit or any annuity
14 contract, except that the term shall not include:

15

16 (A) Any policy or certificate of life
17 insurance that provides a death benefit under an employee
18 benefit plan that is:

19

20 (I) Subject to the Employee Retirement
21 Income Security Act of 1974; or

22

1 (II) Part of a federal employee benefit
2 program.

3

4 (B) Any policy or certificate of life
5 insurance that is used to fund a prearranged funeral contract;

6

7 (C) Any policy or certificate of credit life
8 or accidental death insurance;

9

10 (D) Any policy issued to a group master
11 policyholder for which the insurer does not provide record
12 keeping services; or

13

14 (E) An annuity used to fund an employment
15 based retirement plan or program if the insurer:

16

17 (I) Does not perform the record keeping
18 services; or

19

20 (II) Is not committed by terms of the
21 annuity contract to pay death benefits to the beneficiaries
22 of specific plan participants.

23

1 (iv) "Record keeping services" means services
2 provided by an insurer for a group policy customer pursuant
3 to an agreement under which the insurer is responsible for
4 obtaining, maintaining and administering, in its own or its
5 agent's systems, at least the following information about
6 each individual insured under the group policy or a line of
7 coverage thereunder:

8

9 (A) Social security number or name and date
10 of birth;

11

12 (B) Beneficiary designation information;

13

14 (C) Coverage eligibility;

15

16 (D) Benefit amount; and

17

18 (E) Premium payment status.

19

20 (v) "Retained asset account" means any mechanism
21 whereby the settlement of proceeds payable under a policy is
22 accomplished by the insurer or an entity acting on behalf of
23 the insurer depositing the proceeds into an account with check

1 or draft writing privileges, where those proceeds are
2 retained by the insurer or its agent, pursuant to a
3 supplementary contract not involving annuity benefits other
4 than death benefits.

5

6 **Section 2.** W.S. 26-16-101, 34-24-118(b)(ii) and
7 34-24-120(a) are amended to read:

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9 **26-16-101. Scope and applicability of chapter.**

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11 This chapter, except W.S. 26-16-118, ~~and~~ 26-16-120 and
12 26-16-505, applies only to contracts of life insurance and
13 annuities, other than reinsurance, group life insurance and
14 group annuities.

15

16 **34-24-118. Report of abandoned property.**

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18 (b) The report shall be verified and shall include:

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20 (ii) In the case of unclaimed funds of fifty
21 dollars (\$50.00) or more held or owing under any insurance
22 policy or annuity contract, the full name and last known
23 address of the insured policy owner or annuitant and of the

1 beneficiary according to the records of the insurance company
2 holding or owing the funds. The report shall also include any
3 information required by W.S. 26-16-505(h);
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5 **34-24-120. Payment or delivery of abandoned property.**
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7 (a) At the time of the filing of the report required by
8 W.S. 34-24-118 and with that report, the person holding
9 property deemed abandoned and subject to custody as unclaimed
10 property shall pay or deliver to the administrator all of the
11 property shown on the report and remaining unclaimed by the
12 apparent owner. Upon written request showing good cause, the
13 administrator may postpone the payment or delivery upon such
14 terms or conditions as the administrator deems necessary and
15 appropriate. The property paid or delivered to the
16 administrator shall include all interest, dividends,
17 increments and accretions due, payable or distributable on
18 the property on November 1 of the year in which the report is
19 required, except that interest accrued on a policy as defined
20 in W.S. 26-16-505(k)(iii) or a retained asset account as
21 defined in W.S. 26-16-505(k)(v) shall not be considered
22 unclaimed property. If payment or delivery is postponed, the
23 property paid or delivered to the administrator shall include

1 all interest, dividends, increments and accretions due,
2 payable or distributable on the day that the property is paid
3 or delivered to the administrator.

4

5 **Section 3.** This act is effective July 1, 2019.

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(END)