**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

Unclaimed life insurance benefits.

Sponsored by: Representative(s) Zwonitzer

A BILL

for

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

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

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STAFF COMMENT

This bill draft has not been through the complete LSO internal review process and further technical or substantive changes may be required.

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

26-16-505. Unclaimed life insurance benefits.

(a) An insurer shall perform a comparison of its insureds' policies and retained asset accounts against a death master file on at least a semi-annual basis by using the full death master file once and thereafter using the death master file update files for future comparisons in order to identify potential matches of its insureds.

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

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

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

(c) With respect to group life insurance, an insurer shall confirm the possible death of an insured pursuant to paragraph (b)(i) of this section if the insurer maintains at least the following information on those covered under a policy:

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

(ii) Beneficiary designation;

(iii) Coverage eligibility;

(iv) Benefit amount; and

(v) Premium payment status.

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

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

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

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

(iv) Incomplete social security numbers.

(e) To the extent permitted by law, an insurer may 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 in locating the beneficiary.

(f) An insurer or its service provider shall not charge 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 this section.

(g) Benefits due and owing from a policy or a retained asset account, plus any applicable accrued contractual interest, shall first be payable to the designated beneficiary. If the beneficiary cannot be found, the insurer shall comply with the applicable provisions of the Uniform Unclaimed Property Act. Interest otherwise payable as required by law shall not be considered unclaimed property pursuant to W.S. 34-24-120(a).

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

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

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

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

(k) As used in this section:

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

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

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

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

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

(II) Part of a federal employee benefit program.

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

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

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

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

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

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

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

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

(B) Beneficiary designation information;

(C) Coverage eligibility;

(D) Benefit amount; and

(E) Premium payment status.

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

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

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

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

34-24-118. Report of abandoned property.

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

(ii) In the case of unclaimed funds of fifty dollars ($50.00) or more held or owing under any insurance policy or annuity contract, the full name and last known address of the insured policy owner or annuitant and of the beneficiary according to the records of the insurance company holding or owing the funds<u>. The report shall also include any information required by W.S. 26-16-505(h)</u>;

34-24-120. Payment or delivery of abandoned property.

(a) At the time of the filing of the report required by W.S. 34-24-118 and with that report, the person holding property deemed abandoned and subject to custody as unclaimed property shall pay or deliver to the administrator all of the property shown on the report and remaining unclaimed by the apparent owner. Upon written request showing good cause, the administrator may postpone the payment or delivery upon such terms or conditions as the administrator deems necessary and appropriate. The property paid or delivered to the administrator shall include all interest, dividends, increments and accretions due, payable or distributable on the property on November 1 of the year in which the report is required, except that interest accrued on a policy as defined in W.S. 26-16-505(k)(iii) or a retained asset account as defined in W.S. 26-16-505(k)(v) shall not be considered unclaimed property. If payment or delivery is postponed, the property paid or delivered to the administrator shall include all interest, dividends, increments and accretions due, payable or distributable on the day that the property is paid or delivered to the administrator.

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

(END)