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Chapter No. 431  
14/SS26/R916SG  
Ch. 1B/Rc

**SENATE BILL NO. 2796**

Originated in Senate Greg Walz Secretary

SENATE BILL NO. 2796

AN ACT TO CREATE THE "UNCLAIMED LIFE INSURANCE BENEFITS ACT"; TO DEFINE TERMS USED IN THE ACT; TO REQUIRE AN INSURER TO PERFORM A COMPARISON OF ITS IN-FORCE POLICIES, ANNUITIES AND RETAINED ASSET ACCOUNTS ISSUED IN THIS STATE AGAINST A DEATH MASTER FILE TO IDENTIFY POTENTIAL DEATH MASTER FILE MATCHES; TO PROVIDE THAT ONCE PROCEEDS ARE REPORTED AND REMITTED, THE INSURER SHALL BE INDEMNIFIED FROM ANY LIABILITY TO ANY PERSON RELATING TO THE PROCEEDS REPORTED AND REMITTED; TO PROVIDE THAT ANY PROCEEDS REMITTED TO THE STATE OF MISSISSIPPI SHALL BE DEPOSITED INTO THE ABANDONED PROPERTY FUND MAINTAINED BY THE STATE TREASURER; TO PROHIBIT THE COMMISSIONER OF INSURANCE AND THE STATE TREASURER FROM PROMULGATING RULES OR REGULATIONS THAT IMPOSE ADDITIONAL DUTIES ON INSURERS BEYOND THOSE SET FORTH IN THIS ACT; TO CREATE A NEW SECTION OF LAW TO PROVIDE THAT CERTAIN UNITED STATES SAVINGS BONDS WHICH ARE UNCLAIMED PROPERTY SHALL ESCHEAT TO THE STATE OF MISSISSIPPI; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

**SECTION 1.** **Short title.** This act shall be known as the "Unclaimed Life Insurance Benefits Act."

**SECTION 2.** **Purpose.** This act confirms the applicability of the escheat and unclaimed property statutes of Mississippi to any method of payment for life insurance death benefits regulated by the Mississippi Department of Insurance, and establishes the sole

standards by which such escheat and unclaimed property statutes are applicable to such payments.

**SECTION 3. Definitions.** As used in this act:

(a) "Account owner" means the owner of a retained asset account who is a resident of this state.

(b) "Annuity" means an annuity contract issued in this state. The term "annuity" shall not include any annuity contract used to fund an employment-based retirement plan or program where the insurer takes direction from the plan sponsor and plan administrator.

(c) "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.

(d) "Death master file match" means a search of the death master file that results in a match of a person's name and social security number, or the name and date of birth.

(e) "Insurer" means a life insurance company as defined in Section 83-7-1.

(f) "Knowledge of death" shall, for purposes of this act, for purposes of Section 83-7-6, and for purposes of establishing the presumption of abandonment of funds held or owing by a life insurance corporation under Section 89-12-7 mean (i) receipt of an original or valid copy of a certified death

certificate, or (ii) a death master file match validated by a secondary source by the insurer.

(g) "Person" means the policy owner, insured, annuity owner, annuitant or account owner, as applicable under the policy, annuity, or retained asset account subject to this act.

(h) "Policy" means any policy or certificate of life insurance issued in this state; except the term "policy" shall not include (i) any policy or certificate of life insurance that provides a death benefit under an employee benefit plan subject to The Employee Retirement Income Security Act of 1974 [29 USC 1002], as periodically amended, or under any federal employee benefit program, (ii) any policy or certificate of life insurance that is used to fund a preneed funeral contract or prearrangement, (iii) any policy or certificate of credit life or accidental death insurance, (iv) any policy or certificate of industrial life insurance, or (v) any policy issued to a group master policyholder for which the insurer does not provide record keeping services.

(i) "Record keeping services" means those circumstances under which the insurer has agreed with a group policyholder to be responsible for obtaining, maintaining and administering in its own systems information about each individual insured under an insured's group insurance contract (or a line of coverage thereunder), at least the following information: (i) social security number or name and date of birth, (ii) beneficiary

designation information, (iii) coverage eligibility, (iv) benefit amount, and (v) premium payment status.

**SECTION 4. Insurer conduct.** (1) An insurer shall perform a comparison of its in-force policies, annuities and retained asset accounts issued in this state against a death master file, on at least a semiannual basis, to identify potential death master file matches.

(a) An insurer may comply with the requirements of this section by using the full death master file once annually and using the death master file update files for the remaining comparisons in that year.

(b) Nothing in this section shall limit the insurer from requesting a valid death certificate as part of any claims validation process.

(2) If an insurer obtains knowledge of the death of a person, then the insurer shall within ninety (90) days:

(a) Complete a good-faith effort, which shall be documented by the insurer, to confirm the death of the person against other available records and information;

(b) Review its records to determine whether the deceased person had purchased any other products with the insurer;

(c) Determine whether benefits may be due in accordance with any applicable policy, annuity or retained asset account issued or assumed by the insurer; and

(d) If the beneficiary or other authorized representative has not communicated with the insurer within the ninety-day period, take reasonable steps, which shall be documented by the insurer, to locate and contact the beneficiary or beneficiaries or other authorized representative on any such policy, annuity or retained asset account, including, but not limited to, sending the beneficiary information regarding the insurer's claims process, including the need to provide an official death certificate if applicable under the policy, annuity or retained asset account.

(e) In the event the insurer is unable to confirm the death of a person following a death master file match, an insurer may consider such policy, annuity or retained asset account to be in force in accordance with its terms.

(3) An insurer shall not be required to do the comparison under this section or take the steps described in this section with respect to policies, annuities or retained asset accounts issued and delivered prior to the effective date of this act.

(4) To the extent permitted by law, an insurer may disclose minimum necessary personal information about a person or beneficiary to a person who the insurer reasonably believes may be able to assist the insurer in locating the beneficiary or a person otherwise entitled to payment of the policy, annuity or retained asset account proceeds.

(5) 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.

(6) The benefits from a policy, annuity or retained asset account, plus any applicable accrued contractual interest shall first be payable to the designated beneficiaries or owners and in the event said beneficiaries or owners cannot be found, shall escheat to the state as unclaimed property pursuant to Section 89-12-7. Interest payable under Section 83-7-6 shall not be payable as unclaimed property under Section 89-12-7(1) or (3).

(7) The Commissioner of Insurance shall have exclusive authority and jurisdiction on behalf of the State Treasurer to examine the records of insurers to determine if they have complied with the Mississippi escheat and unclaimed property laws, and may adopt such rules and regulations as may be reasonably necessary to implement the provisions of this act.

(8) The Commissioner of Insurance may, in his or her reasonable discretion, make an order:

(a) Limiting an insurer's death master file comparisons required under subsection (1) to the insurer's electronic searchable files or approving a plan and timeline for conversion of the insurer's files to electronic searchable files;

(b) Exempting an insurer from the death master file comparisons required under subsection (1) or permitting an insurer

to perform such comparisons less frequently than semiannually upon a demonstration of financial hardship by the insurer; or

(c) Phasing-in compliance with this section according to a plan and timeline approved by the Commissioner of Insurance.

(9) A violation of this act shall be subject to the penalty provisions set forth in Section 83-5-17, as well as other penalty provisions under applicable law. Nothing herein shall be construed to create or imply a private cause of action for a violation of this act.

**SECTION 5. Insurer unclaimed property reporting.** In the event that an insurer: (a) has identified a person as deceased through a death master file match through a search described in Section 4(1) or other information source, (b) has validated such information through a secondary information source, and (c) is unable to locate a beneficiary under the policy, annuity or retained asset account after conducting reasonable search efforts during the period of up to one (1) year after the insurer's validation of the death master file match, or if no beneficiary, if the person, as applicable for unclaimed reporting purposes, has a last-known address in this state, then the insurer is authorized to report and remit the proceeds of such policy, annuity or retained asset account due to the state on an early reporting basis, without further notice or consent by the state, after attempting to contact such beneficiary pursuant to Section 89-12-7. Once reported and proceeds are remitted, the insurer

shall be relieved and indemnified from any and all additional liability to any person relating to the proceeds reported and remitted, including, but not limited to, any liability under for all proceeds reported and remitted to the state pursuant to this act. This indemnification from liability shall be in addition to any other protections provided by law. Any proceeds remitted to the state pursuant to this act shall be deposited in the Abandoned Property Fund maintained by the State Treasurer.

**SECTION 6.** Neither the Commissioner of Insurance nor the State Treasurer shall promulgate rules, regulations or issue bulletins that impose, or interpret this act to impose, additional duties and obligations on insurers beyond those set forth in this act, or otherwise attempt to expand the requirements of this act.

**SECTION 7.** In the event that any resolution agreement, regulatory settlement agreement, or a voluntary disclosure agreement between an insurer who has used the death master file to terminate annuity payments but not to locate life beneficiaries and the Commissioner of Insurance or the State Treasurer conflicts with this act, the terms of the agreement shall supersede this act.

**SECTION 8.** (1) Notwithstanding the provisions of any other section of law, United States savings bonds which are unclaimed property and subject to the provisions of Section 89-12-57 et seq., shall escheat to the State of Mississippi three (3) years after becoming unclaimed property by virtue of the provisions of

Section 89-12-57 et seq., and all property rights and legal title to and ownership of such United States savings bonds or proceeds from such bonds, including all rights, powers and privileges of survivorship of any owner, co-owner or beneficiary, shall vest solely in the State of Mississippi according to the procedure set forth in subsections (2) through (5) of this section.

(2) Within one hundred eighty (180) days after the three (3) years prescribed in subsection (1) of this section, if no claim has been filed in accordance with the provisions of Section 89-12-57 et seq., for such United States savings bonds, the State Treasurer shall commence a civil action in the Circuit Court of the First Judicial District of Hinds County for a determination that such United States savings bonds shall escheat to the State of Mississippi. The State Treasurer may postpone the bringing of such action until sufficient United States savings bonds have accumulated in the State Treasurer custody to justify the expense of such proceedings.

(3) If no person shall file a claim or appear at the hearing to substantiate a claim or where the court determines that a claimant is not entitled to the property claimed by such claimant, then the court, if satisfied by evidence that the State Treasurer has substantially complied with the laws of the State of Mississippi, shall enter a judgment that the subject United States savings bonds have escheated to the State of Mississippi, and all property rights and legal title to and ownership of such United

States savings bonds or proceeds from such bonds, including all rights, powers and privileges of survivorship of any owner, co-owner or beneficiary, shall vest solely in the State of Mississippi.

(4) The State Treasurer shall redeem such United States savings bonds escheated to the State of Mississippi and the proceeds from such redemption of United States savings bonds shall be deposited in the State General Fund. The State Treasurer shall not deposit the proceeds from the redemption of the United States savings bonds in the Abandoned Property Fund or the Abandoned Property Claims Payment Fund in accordance with the provisions of Section 89-12-37.

(5) Any person making a claim for the United States savings bonds escheated to the State of Mississippi under this subsection, or for the proceeds from such bonds, may file a claim in accordance with the provisions of Section 89-12-57 et seq. Upon providing sufficient proof of the validity of such person's claim, the State Treasurer may pay such claim in accordance with the provisions of Section 89-12-57 et seq.

**SECTION 9.** This act shall take effect and be in force from and after July 1, 2015.

PASSED BY THE SENATE  
March 13, 2014

  
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PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES  
February 26, 2014

  
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SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR

  
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GOVERNOR  
3/24/2014 4:25pm