

The House Committee on Insurance offers the following substitute to HB 920:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 25 of Title 33 of the Official Code of Georgia Annotated, relating to life
2 insurance, so as to provide for unclaimed life insurance benefits provisions; to provide for
3 a short title; to provide for a purpose; to provide for definitions; to provide for insurer
4 conduct; to provide for insurer unclaimed property reporting; to provide for applicability; to
5 provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 25 of Title 33 of the Official Code of Georgia Annotated, relating to life insurance,
9 is amended by adding a new Code section to read as follows:

10 "33-25-14.

11 (a) This Code section shall be known and may be cited as the 'Unclaimed Life Insurance
12 Benefits Act.'

13 (b) This Code section shall require recognition of the escheat or unclaimed property
14 statutes of this state and require the complete and proper disclosure, transparency, and
15 accountability relating to any method of payment for life insurance death benefits regulated
16 by the Insurance Department; provided, however, that neither the Commissioner nor the
17 State Treasurer shall promulgate regulations or issue bulletins that impose, or interpret this
18 Code section to impose, additional duties and obligations on insurers, beyond those set
19 forth in this Code section, or otherwise attempt to expand the requirements of this Code
20 section.

21 (c) As used in this Code section, the term:

22 (1) 'Account owner' means the owner of a retained asset account who is a resident of this
23 state.

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

27 (3) 'Death Master File' means the Social Security Administration's Death Master File or
 28 any other data base or service that is at least as comprehensive as the Social Security
 29 Administration's Death Master File for determining that a person has reportedly died.

30 (4) 'Death Master File match' means a search of the Death Master File that results in a
 31 match of a person's name and social security number or the name and date of birth.

32 (5) 'Insurer' means a life insurance company authorized to transact the class of insurance
 33 designated in Code Section 33-3-5 as Class (1).

34 (6) 'Knowledge of death' means, for purposes of this chapter and Article 5 of Chapter 12
 35 of Title 44:

36 (A) A receipt of an original or valid copy of a certified death certificate; or

37 (B) A Death Master File match validated by a secondary source by the insurer.

38 (7) 'Person' means the policy owner, insured, annuity owner, annuitant, or account
 39 owner, as applicable under the policy, annuity, or retained asset account subject to this
 40 Code section.

41 (8) 'Policy' means any policy or certificate of life insurance issued in this state. The term
 42 'policy' shall not include:

43 (A) Any policy or certificate of life insurance that provides a death benefit under an
 44 employee benefit plan subject to the Employee Retirement Income Security Act of
 45 1974, 29 U.S.C. Section 1002, as periodically amended, or under any federal employee
 46 benefit program;

47 (B) Any policy or certificate of life insurance that is used to fund a preneed funeral
 48 contract or prearrangement;

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

50 (D) Any policy issued to a group master policyholder for which the insurer does not
 51 provide record keeping services.

52 (9) 'Record keeping services' means those circumstances under which the insurer has
 53 agreed with a group policyholder to be responsible for obtaining, maintaining, and
 54 administering in its own systems information about each individual insured under an
 55 insured's group insurance contract, or a line of coverage thereunder, at least the following
 56 information:

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

58 (B) Beneficiary designation information;

59 (C) Coverage eligibility;

60 (D) Benefit amount; and

61 (E) Premium payment status.

62 (d)(1)(A) An insurer shall perform a comparison of its in-force policies, annuities, and
63 retained asset accounts issued in this state against a Death Master File, on at least a
64 semiannual basis, to identify potential Death Master File matches.

65 (B) An insurer may comply with the requirements of this subsection by using the full
66 Death Master File once and thereafter using the Death Master File update files for
67 future comparisons.

68 (C) Nothing in this subsection shall limit the insurer from requesting a valid death
69 certificate as part of any claims validation process.

70 (2)(A) If an insurer learns of the possible death of a person, through a Death Master
71 File match or otherwise, then the insurer shall within 90 days:

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

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

76 (iii) Determine whether benefits may be due in accordance with any applicable
77 policy, annuity, or retained asset account; and

78 (iv) If the beneficiary or other authorized representative has not communicated with
79 the insurer within the 90 day period, take reasonable steps, which shall be
80 documented by the insurer, to locate and contact the beneficiary or beneficiaries or
81 other authorized representative on any such policy, annuity, or retained asset account,
82 including but not limited to sending the beneficiary information regarding the
83 insurer's claims process, including the need to provide an official death certificate if
84 applicable under the policy, annuity, or retained asset account.

85 (B) In the event the insurer is unable to confirm the death of a person following a
86 Death Master File match, an insurer may consider such policy, annuity, or retained
87 asset account to be in-force in accordance with its terms.

88 (3) To the extent permitted by law, an insurer may disclose minimum necessary personal
89 information about a person or beneficiary to a person who the insurer reasonably believes
90 may be able to assist the insurer in locating the beneficiary or a person otherwise entitled
91 to payment of the claims proceeds.

92 (4) An insurer or its service provider shall not charge any beneficiary or other authorized
93 representative for any fees or costs associated with a Death Master File search or
94 verification of a Death Master File match conducted pursuant to this subsection.

95 (5) The benefits from a life insurance policy, annuity, or retained asset account, plus any
96 applicable accrued interest, shall be payable pursuant to the terms of the contract or, if
97 applicable, in accordance with probate law. In the event the proper recipients cannot be
98 found, the benefits shall escheat to the state as unclaimed property pursuant to Code

99 Section 44-12-198. Interest payable under Code Section 33-25-10 shall not be payable
 100 as unclaimed property under Code Section 44-12-198.

101 (6) The Commissioner may adopt such rules and regulations as may be reasonably
 102 necessary to implement the provisions of this subsection.

103 (7) The Commissioner may, in his or her reasonable discretion, make an order:

104 (A) Limiting an insurer's Death Master File comparisons required under paragraph (1)
 105 of this subsection to the insurer's electronic searchable files or approving a plan and
 106 timeline for conversion of the insurer's files to electronic searchable files;

107 (B) Exempting an insurer from the Death Master File comparisons required under
 108 paragraph (1) of this subsection or permitting an insurer to perform such comparisons
 109 less frequently than semiannually upon a demonstration of financial hardship by the
 110 insurer; or

111 (C) Phasing in compliance with this subsection according to a plan and timeline
 112 approved by the Commissioner.

113 (8) Failure to meet any requirement of this subsection with such frequency as to
 114 constitute a general business practice is a violation of Chapter 6 of this title. Nothing
 115 herein shall be construed to create or imply a private cause of action for a violation of this
 116 subsection.

117 (e) In the event that an insurer:

118 (1) Has identified a person as deceased through a Death Master File match through a
 119 search described in paragraph (1) of subsection (d) of this Code section or other
 120 information source;

121 (2) Has validated such information through a secondary information source; and

122 (3) Is unable to locate a beneficiary located in this state under the policy, annuity, or
 123 retained asset account after conducting reasonable search efforts during the period of up
 124 to one year after the insurer's validation of the Death Master File match, or if no
 125 beneficiary, if the person, as applicable for unclaimed reporting purposes, has a last
 126 known address in this state,

127 then the insurer is authorized to report and remit the proceeds of such policy, annuity, or
 128 retained asset account due to this state on an early reporting basis, without further notice
 129 or consent by the state, after attempting to contact such beneficiary pursuant to Code
 130 Section 44-12-198. Once reported and proceeds remitted, the insurer shall be relieved and
 131 indemnified from any and all additional liability to any person relating to the proceeds
 132 reported and remitted, including but not limited to any liability under Code
 133 Section 44-12-214 for all proceeds reported and remitted to the state pursuant to this
 134 subsection. This indemnification from liability shall be in addition to any other protections
 135 provided by law."

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SECTION 2.

137 This Act shall be applicable to policies issued or renewed on or after January 1, 2015.

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SECTION 3.

139 All laws and parts of laws in conflict with this Act are repealed.