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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 851, L.D. 1229, Bill, “An Act To Ensure Life Insurance Claims Are Paid”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 24-A MRSA §4551, as amended by PL 2003, c. 20, Pt. T, §14, is further amended to read:

§4551. Disposition of unclaimed funds

All unclaimed money held and owing by any life insurer doing business in this State must be disposed of according to Title 33, chapter 41. Before disposing of any unclaimed money in accordance with Title 33, chapter 41, a life insurer doing business in this State shall comply with this section.

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Contract" means an annuity contract. "Contract" does not include an annuity used to fund an employment-based retirement plan or program in which the insurer does not perform the record-keeping services or the insurer is not committed by terms of the annuity contract to pay death benefits to the beneficiaries of specific plan participants.

B. "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 that is used for determining and recording that a person has been reported to have died.

C. "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, an annuity owner or a retained asset account holder.

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1 D. "Knowledge of death" means the receipt of an original or valid copy of a certified
2 death certificate or a death master file match validated by the insurer in accordance
3 with this section.

4 E. "Policy" means any policy or certificate of life insurance that provides a death
5 benefit. "Policy" does not include:

6 (1) Any policy or certificate of life insurance that provides a death benefit under
7 an employee benefit plan subject to the federal Employee Retirement Income
8 Security Act of 1974, as amended;

9 (2) Any policy or certificate of life insurance that provides a death benefit under
10 any federal employee benefit program;

11 (3) Any policy or certificate of life insurance that is used to fund a pre-need
12 funeral contract or prearrangement;

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

14 (5) Any policy issued to a group master policyholder for which the insurer does
15 not provide record-keeping services.

16 F. "Record-keeping services" means those circumstances under which the insurer has
17 agreed with a group policy or contract customer to be responsible for obtaining,
18 maintaining and administering in its own or its agents' systems at least the following
19 information about each individual insured under an insured's group insurance contract
20 or a line of coverage thereunder: the individual insured's social security number or
21 name and date of birth, beneficiary designation information, coverage eligibility,
22 benefit amount and premium payment status.

23 G. "Retained asset account" means an account in which the settlement of proceeds
24 payable under a policy or contract occurs when the insurer, or an entity acting on
25 behalf of the insurer, deposits the proceeds into an account with check or draft
26 writing privileges and those proceeds are retained by the insurer or its agent pursuant
27 to a supplementary contract not involving annuity benefits other than death benefits.

28 **2. Insurer conduct.** An insurer shall perform a comparison of its insureds' in-force
29 policies, contracts and retained asset accounts against a death master file, on at least a
30 semiannual basis, by using the death master file once for each insured and thereafter
31 using the death master file update files for future comparisons to identify potential
32 matches of the insurer's insureds. For those potential matches identified as a result of a
33 death master file match, the insurer shall:

34 A. Within 90 days of a death master file match, complete a good faith effort, which
35 must be documented by the insurer, to confirm the death of an insured, an annuity
36 owner or retained asset account holder against other available records and
37 information;

38 B. Determine whether benefits are due in accordance with the applicable policy or
39 contract and, if benefits are due in accordance with the applicable policy or contract:

40 (1) Use good faith efforts, which must be documented by the insurer, to locate
41 the beneficiary or beneficiaries; and

