

SB088 L.004

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business, Labor, & Technology.

SB19-088 be amended as follows:

1 Amend printed bill, page 25, line 27, strike "BY:".

2 Page 26, strike lines 1 through 7 and substitute "BY THE "UNCLAIMED LIFE
3 INSURANCE BENEFITS ACT", PART 8 OF ARTICLE 7 OF TITLE 10.".

4 Page 94, after line 12 insert:

5 **"SECTION 4.** In Colorado Revised Statutes, **add** part 8 to article
6 7 of title 10 as follows:

PART 8

UNCLAIMED LIFE

INSURANCE BENEFITS ACT

10 **10-7-801. Short title.** THIS SHORT TITLE OF THIS PART 8 IS THE
11 "UNCLAIMED LIFE INSURANCE BENEFITS ACT".

12 **10-7-802. Definitions.** AS USED IN THIS PART 8, UNLESS THE
13 CONTEXT OTHERWISE REQUIRES:

14 (1) "CONTRACT" MEANS AN ANNUITY CONTRACT. THE TERM DOES
15 NOT INCLUDE AN ANNUITY USED TO FUND AN EMPLOYMENT-BASED
16 RETIREMENT PLAN OR PROGRAM IF:

17 (a) THE INSURER DOES NOT PERFORM THE RECORD-KEEPING
18 SERVICES; OR

19 (b) THE INSURER IS NOT COMMITTED BY TERMS OF THE ANNUITY
20 CONTRACT TO PAY DEATH BENEFITS TO THE BENEFICIARIES OF SPECIFIC
21 PLAN PARTICIPANTS.

(2) "DEATH MASTER FILE" MEANS THE UNITED STATES SOCIAL SECURITY ADMINISTRATION DEATH MASTER FILE OR OTHER DATABASES OR SERVICE THAT IS AT LEAST AS COMPREHENSIVE AS THE UNITED STATES SOCIAL SECURITY ADMINISTRATION DEATH MASTER FILE FOR DETERMINING THAT AN INDIVIDUAL REPORTEDLY HAS DIED.

27 (3) "DEATH MASTER FILE MATCH" MEANS A SEARCH OF THE DEATH
28 MASTER FILE THAT RESULTS IN A MATCH OF THE SOCIAL SECURITY NUMBER
29 OR THE NAME AND DATE OF BIRTH OF AN INSURED, ANNUITY OWNER, OR
30 RETAINED ASSET ACCOUNT HOLDER.

31 (4) "KNOWLEDGE OF DEATH" MEANS:

32 (a) RECEIPT OF AN ORIGINAL OR VALID COPY OF A CERTIFIED
33 DEATH CERTIFICATE; OR

34 (b) A DEATH MASTER FILE MATCH VALIDATED BY THE INSURER IN
35 ACCORDANCE WITH SECTION 10-7-803 (2)(a)(I) OF THIS SECTION.

(5) "POLICY" MEANS ANY POLICY OR CERTIFICATE OF LIFE INSURANCE THAT PROVIDES A DEATH BENEFIT. THE TERM DOES NOT

1 INCLUDE:

2 (a) A POLICY OR CERTIFICATE OF LIFE INSURANCE THAT PROVIDES
3 A DEATH BENEFIT UNDER AN EMPLOYEE BENEFIT PLAN:

4 (I) SUBJECT TO THE "EMPLOYEE INCOME SECURITY ACT OF 1974",
5 29 U.S.C. SEC. 1002, AS AMENDED; OR

6 (II) UNDER ANY FEDERAL EMPLOYEE BENEFIT PROGRAM;

7 (b) A POLICY OR CERTIFICATE OF LIFE INSURANCE THAT IS USED TO
8 FUND A PRE-NEED FUNERAL CONTRACT OR PREARRANGEMENT;

9 (c) A POLICY OR CERTIFICATE OF CREDIT LIFE OR ACCIDENTAL
10 DEATH INSURANCE; OR

11 (d) A POLICY ISSUED TO A GROUP MASTER POLICYHOLDER FOR
12 WHICH THE INSURER DOES NOT PROVIDE RECORD-KEEPING SERVICES.

13 (6) "RECORD-KEEPING SERVICES" MEANS THOSE SERVICES WHICH
14 THE INSURER HAS AGREED WITH A GROUP POLICY OR CONTRACT CUSTOMER
15 TO BE RESPONSIBLE FOR OBTAINING, MAINTAINING, AND ADMINISTERING
16 IN ITS OWN OR ITS AGENTS' SYSTEMS INFORMATION ABOUT EACH
17 INDIVIDUAL INSURED UNDER AN INSURED'S GROUP INSURANCE CONTRACT,
18 OR A LINE OF COVERAGE THEREUNDER, AT LEAST THE FOLLOWING
19 INFORMATION:

20 (a) SOCIAL SECURITY NUMBER OR NAME AND DATE OF BIRTH;

21 (b) BENEFICIARY DESIGNATION INFORMATION;

22 (c) COVERAGE ELIGIBILITY;

23 (d) BENEFIT AMOUNT; AND

24 (e) PREMIUM PAYMENT STATUS.

25 (7) "RETAINED ASSET ACCOUNT" MEANS A MECHANISM WHEREBY
26 THE SETTLEMENT OF PROCEEDS PAYABLE UNDER A POLICY OR CONTRACT
27 IS ACCOMPLISHED BY THE INSURER OR AN ENTITY ACTING ON BEHALF OF
28 THE INSURER DEPOSITING THE PROCEEDS INTO AN ACCOUNT WITH CHECK
29 OR DRAFT WRITING PRIVILEGES, IF THOSE PROCEEDS ARE RETAINED BY THE
30 INSURER OR ITS AGENT, PURSUANT TO A SUPPLEMENTARY CONTRACT NOT
31 INVOLVING ANNUITY BENEFITS OTHER THAN DEATH BENEFITS.

32 **10-7-803. Insurers - duty to compare names of insureds with
33 death master file and to locate beneficiaries.** (1) AN INSURER SHALL
34 MAKE A GOOD FAITH EFFORT TO DETERMINE THE DEATH OF AN INSURED
35 UPON RECEIPT OF KNOWLEDGE OF DEATH.

36 (2) AN INSURER SHALL PERFORM A COMPARISON OF ITS INSURED'S
37 IN-FORCE POLICIES, CONTRACTS, AND RETAINED ASSET ACCOUNTS
38 AGAINST A DEATH MASTER FILE, ON AT LEAST A SEMIANNUAL BASIS, BY
39 USING THE FULL DEATH MASTER FILE ONCE AND THEREAFTER USING THE
40 DEATH MASTER FILE UPDATE FILES FOR FUTURE COMPARISONS TO IDENTIFY
41 POTENTIAL MATCHES OF ITS INSURED. FOR THOSE POTENTIAL MATCHES
42 IDENTIFIED AS A RESULT OF A DEATH MASTER FILE MATCH, THE INSURER
43 SHALL DO THE FOLLOWING:

(a) WITHIN NINETY DAYS OF A DEATH MASTER FILE MATCH, THE INSURER SHALL:

(I) COMPLETE A GOOD FAITH EFFORT, WHICH MUST BE DOCUMENTED BY THE INSURER, 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 OR CONTRACT, AND IF BENEFITS ARE DUE IN ACCORDANCE WITH THE APPLICABLE POLICY OR CONTRACT:

(A) USE GOOD FAITH EFFORTS, WHICH SHALL BE DOCUMENTED BY THE INSURER, TO LOCATE THE BENEFICIARY OR BENEFICIARIES; AND

(B) PROVIDE THE APPROPRIATE CLAIMS FORMS OR INSTRUCTIONS TO THE BENEFICIARY OR BENEFICIARIES TO MAKE A CLAIM INCLUDING THE NEED TO PROVIDE AN OFFICIAL DEATH CERTIFICATE, IF APPLICABLE UNDER THE POLICY OR CONTRACT.

(b) WITH RESPECT TO GROUP LIFE INSURANCE, THE INSURER SHALL CONFIRM THE POSSIBLE DEATH OF AN INSURED IF THE INSURER MAINTAINS AT LEAST THE FOLLOWING INFORMATION OF THOSE COVERED UNDER A POLICY OR CERTIFICATE:

- (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.

(c) AN INSURER SHALL IMPLEMENT PROCEDURES TO ACCOUNT FOR:

(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" PORTIONS OF THE DATE OF BIRTH: AND

(IV) INCOMPLETE SOCIAL SECURITY NUMBERS.

(d) TO THE EXTENT PERMITTED BY LAW, THE INSURER MAY DISCLOSE MINIMUM NECESSARY PERSONAL INFORMATION ABOUT THE INSURED OR BENEFICIARY TO A PERSON WHO THE INSURER REASONABLY BELIEVES MAY BE ABLE TO ASSIST THE INSURER LOCATE THE BENEFICIARY OR PERSON OTHERWISE ENTITLED TO PAYMENT OF THE CLAIMS PROCEEDS

(3) 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.

(4) THE BENEFITS FROM A POLICY, CONTRACT, OR A RETAINED

1 ASSET ACCOUNT, PLUS ANY APPLICABLE ACCRUED CONTRACTUAL
2 INTEREST SHALL FIRST BE PAYABLE TO THE DESIGNATED BENEFICIARIES OR
3 OWNERS AND IN THE EVENT SAID BENEFICIARIES OR OWNERS CANNOT BE
4 FOUND, SHALL BE TRANSFERRED TO THE COLORADO ADMINISTRATOR AS
5 UNCLAIMED PROPERTY PURSUANT TO THE "REVISED UNIFORM UNCLAIMED
6 PROPERTY ACT", ARTICLE 13 OF TITLE 38.

7 (5) AN INSURER THAT FAILS TO COMPLY WITH THIS SECTION IS
8 SUBJECT TO THE CIVIL PENALTIES IN ACCORDANCE WITH SECTION
9 10-1-310. A PRIVATE CAUSE OF ACTION FOR A VIOLATION OF THIS SECTION
10 IS NOT PERMITTED.".

11 Rerumber succeeding sections accordingly.

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