

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:

7 PART 8  
8 UNCLAIMED LIFE  
9 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.

22 (2) "DEATH MASTER FILE" MEANS THE UNITED STATES SOCIAL  
23 SECURITY ADMINISTRATION DEATH MASTER FILE OR OTHER DATABASES OR  
24 SERVICE THAT IS AT LEAST AS COMPREHENSIVE AS THE UNITED STATES  
25 SOCIAL SECURITY ADMINISTRATION DEATH MASTER FILE FOR DETERMINING  
26 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.

36 (5) "POLICY" MEANS ANY POLICY OR CERTIFICATE OF LIFE  
37 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'S. FOR THOSE POTENTIAL MATCHES  
42 IDENTIFIED AS A RESULT OF A DEATH MASTER FILE MATCH, THE INSURER  
43 SHALL DO THE FOLLOWING:

1 (a) WITHIN NINETY DAYS OF A DEATH MASTER FILE MATCH, THE  
2 INSURER SHALL:  
3 (I) COMPLETE A GOOD FAITH EFFORT, WHICH MUST BE  
4 DOCUMENTED BY THE INSURER, TO CONFIRM THE DEATH OF THE INSURED  
5 OR RETAINED ASSET ACCOUNT HOLDER AGAINST OTHER AVAILABLE  
6 RECORDS AND INFORMATION; AND  
7 (II) DETERMINE WHETHER BENEFITS ARE DUE IN ACCORDANCE  
8 WITH THE APPLICABLE POLICY OR CONTRACT, AND IF BENEFITS ARE DUE IN  
9 ACCORDANCE WITH THE APPLICABLE POLICY OR CONTRACT:  
10 (A) USE GOOD FAITH EFFORTS, WHICH SHALL BE DOCUMENTED BY  
11 THE INSURER, TO LOCATE THE BENEFICIARY OR BENEFICIARIES; AND  
12 (B) PROVIDE THE APPROPRIATE CLAIMS FORMS OR INSTRUCTIONS  
13 TO THE BENEFICIARY OR BENEFICIARIES TO MAKE A CLAIM INCLUDING THE  
14 NEED TO PROVIDE AN OFFICIAL DEATH CERTIFICATE, IF APPLICABLE UNDER  
15 THE POLICY OR CONTRACT.  
16 (b) WITH RESPECT TO GROUP LIFE INSURANCE, THE INSURER SHALL  
17 CONFIRM THE POSSIBLE DEATH OF AN INSURED IF THE INSURER MAINTAINS  
18 AT LEAST THE FOLLOWING INFORMATION OF THOSE COVERED UNDER A  
19 POLICY OR CERTIFICATE:  
20 (I) SOCIAL SECURITY NUMBER OR NAME AND DATE OF BIRTH;  
21 (II) BENEFICIARY DESIGNATION INFORMATION;  
22 (III) COVERAGE ELIGIBILITY;  
23 (IV) BENEFIT AMOUNT; AND  
24 (V) PREMIUM PAYMENT STATUS.  
25 (c) AN INSURER SHALL IMPLEMENT PROCEDURES TO ACCOUNT FOR:  
26 (I) COMMON NICKNAMES, INITIALS USED IN LIEU OF A FIRST OR  
27 MIDDLE NAME, USE OF A MIDDLE NAME, COMPOUND FIRST AND MIDDLE  
28 NAMES, AND INTERCHANGED FIRST AND MIDDLE NAMES;  
29 (II) COMPOUND LAST NAMES, MAIDEN OR MARRIED NAMES, AND  
30 HYPHENS, BLANK SPACES OR APOSTROPHES IN LAST NAMES;  
31 (III) TRANSPOSITION OF THE "MONTH" AND "DATE" PORTIONS OF  
32 THE DATE OF BIRTH; AND  
33 (IV) INCOMPLETE SOCIAL SECURITY NUMBERS.  
34 (d) TO THE EXTENT PERMITTED BY LAW, THE INSURER MAY  
35 DISCLOSE MINIMUM NECESSARY PERSONAL INFORMATION ABOUT THE  
36 INSURED OR BENEFICIARY TO A PERSON WHO THE INSURER REASONABLY  
37 BELIEVES MAY BE ABLE TO ASSIST THE INSURER LOCATE THE BENEFICIARY  
38 OR PERSON OTHERWISE ENTITLED TO PAYMENT OF THE CLAIMS PROCEEDS.  
39 (3) AN INSURER OR ITS SERVICE PROVIDER SHALL NOT CHARGE ANY  
40 BENEFICIARY OR OTHER AUTHORIZED REPRESENTATIVE FOR ANY FEES OR  
41 COSTS ASSOCIATED WITH A DEATH MASTER FILE SEARCH OR VERIFICATION  
42 OF A DEATH MASTER FILE MATCH CONDUCTED PURSUANT TO THIS SECTION.  
43 (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 Renumber succeeding sections accordingly.

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