

**507B.4C Unclaimed life insurance.**

1. *Purpose.* The purpose of [this section](#) is to require complete and proper disclosure, transparency, and accountability relating to any method of payment for life insurance death benefits regulated by the commissioner.

2. *Definitions.* As used in [this section](#), unless the context otherwise requires:

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. “*Annuity*” does not include any annuity contract used to fund an employment-based retirement plan or program where the insurer takes direction from the plan sponsor or plan administrator.

c. “*Authorized person*” means a policy owner, insured, annuity owner, annuitant, or account holder, as applicable under a policy, annuity, or retained asset account.

d. “*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 died.

e. “*Death master file match*” means a search of the death master file that results in a match of an authorized person’s name and social security number or an authorized person’s name and date of birth.

f. “*Insurer*” means a life insurance company regulated under [chapter 508](#).

g. “*Policy*” means any policy or certificate of life insurance issued in this state. “*Policy*” does not include any of the following:

(1) A policy or certificate of life insurance which provides a death benefit under an employee benefit plan subject to the federal Employee Retirement Income Security Act of 1974, Pub. L. No. 93-406, as codified at 29 U.S.C. §1002 et seq.

(2) A policy or certificate of life insurance which provides a death benefit under an employee benefit plan subject to a federal employee benefit program.

(3) A policy or certificate of life insurance which is used to fund a preneed plan for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof.

(4) A policy or certificate of credit life or accidental death insurance.

(5) A policy issued to a group master policyowner for which the insurer does not provide recordkeeping services.

h. “*Recordkeeping services*” means services provided by an insurer who has entered into an agreement with a group policy customer to be responsible for obtaining, maintaining, and administering in the insurer’s own recordkeeping systems at least all of the following information about each individual insured under the insured’s group insurance contract or a line of coverage thereunder:

(1) Social security number or name and date of birth.

(2) Beneficiary designation information.

(3) Coverage eligibility.

(4) Benefit amount.

(5) Premium payment status.

i. “*Retained asset account*” means an interest-bearing account set up by an insurer in the name of the beneficiary of a policy or annuity upon the death of the insured.

3. *Insurer duties.*

a. For any in-force policy, annuity, or retained asset account issued for delivery in this state for which the insurer has not previously been notified of a claim, an insurer shall perform a comparison of such policy, annuity, or retained asset account against the death master file, on at least a semiannual basis, to identify potential death master file matches.

(1) An insurer may comply with the requirements of [this subsection](#) by using the full death master file for the initial comparison and thereafter using the death master file update files for subsequent comparisons.

(2) Nothing in [this section](#) shall be interpreted to limit the right of an insurer to request a valid death certificate as part of any claims validation process.

b. If an insurer learns of the possible death of an authorized person through a death master file match or otherwise, the insurer shall, within ninety days, do all of the following:

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

(2) Review the insurer's records to determine whether the deceased authorized person had purchased any other products from the insurer.

(3) Determine whether benefits may be due in accordance with the applicable policy, annuity, or retained asset account.

(4) If the beneficiary or an authorized person 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 any beneficiary or other authorized person on the policy, annuity, or retained asset account, including sending the beneficiary or other authorized person information regarding the insurer's claims process and regarding the need to provide an official death certificate, if applicable under the policy, annuity, or retained asset account.

c. Every insurer shall implement procedures to account for all of the following:

(1) 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.

(2) Compound last names, maiden or married names, and hyphens, blank spaces, or apostrophes in last names.

(3) Transposition of the month and date portions of the date of birth.

(4) Incomplete social security numbers.

d. An insurer may disclose minimum necessary personal information about a beneficiary or authorized person to an individual or entity whom the insurer reasonably believes may be able to assist the insurer in locating the beneficiary or authorized person entitled to payment of the claims proceeds.

e. An insurer or its service provider shall not charge a beneficiary or authorized person any fees or costs associated with a death master file search conducted pursuant to [this section](#).

f. The benefits from a policy, annuity, or retained asset account, plus any applicable accrued interest, shall first be payable to designated beneficiaries or authorized persons, and in the event that the beneficiaries or authorized persons cannot be found, shall be reported and remitted to the state as unclaimed property pursuant to [chapters 556](#) and [633](#).

4. *Rules.* The commissioner shall adopt rules to administer the provisions of [this section](#).

5. *Orders.* The commissioner may issue an order doing any of the following:

a. Limiting the death master file comparisons required under [subsection 3](#), paragraph "a", to an insurer's electronic searchable files or approving a plan and timeline for conversion of an insurer's files to electronic searchable files.

b. Exempting an insurer from the death master file comparisons required under [subsection 3](#), paragraph "a", or permitting an insurer to perform such comparisons less frequently than semiannually, upon a demonstration of financial hardship by the insurer.

c. Phasing in requirements for compliance with [this section](#) according to a plan and timeline approved by the commissioner.

6. *Unfair trade practice.* Failure to meet any requirement of this section with such frequency as to constitute a general business practice is an unfair method of competition and an unfair or deceptive act or practice in the business of insurance under [this chapter](#).

7. *Insurer unclaimed property reporting.*

a. If an insurer identifies a person as deceased through a death master file match as described in [subsection 3](#), paragraph "a", or other information source, and validates such information through a secondary information source, the insurer may report and remit the proceeds of the policy, annuity, or retained asset account due to the state prior to the dates required for such reporting and remittance under [chapter 556](#), without further notice to or consent by the state, after attempting to contact any beneficiary under either of the following circumstances:

(1) The insurer is unable to locate a beneficiary who is located in this state under the policy, annuity contract, or retained asset account, after conducting reasonable search efforts of up to one year after the insurer's validation of the death master file match.

(2) No beneficiary or person, as applicable for unclaimed property reporting purposes under [chapter 556](#), has a last known address in this state.

b. Once the insurer has reported upon and remitted the proceeds of the policy, annuity, or

retained asset account to the state pursuant to [chapter 556](#), the insurer is relieved from any and all additional liability to any beneficiary or authorized person relating to the proceeds reported upon and remitted.

[2014 Acts, ch 1134, §23, 24](#); [2016 Acts, ch 1073, §146](#)

Subsection 5, paragraph b amended