**HOUSE . . . . . . . . . . . . . . . . . No. 20** 

So much of the recommendations of the Department of the State Treasurer (House, No. 17) as relates to unclaimed property and life insurance proceeds. The Judiciary.

## The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to unclaimed property and life insurance proceeds.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 Chapter 200A of the General Laws, as appearing in the 2012 Official Edition, is hereby 2 amended by placing after section 5B the following new section:-
- 3 Section 5C Life insurance proceeds, death match index
- 4 (1) As used in this section:
- 5 (a) "Contract" means annuity contract. The term "contract" shall not include any
- 6 annuity used to fund an employment-based retirement plan or program where the insurer is not
- 7 committed by terms of the annuity contract to pay death benefits to the beneficiaries of specific
- 8 plan participants.
- 9 (b) "Death Master File" means United States Social Security Administration's Death
- 10 Master File or any other database or service that is at least as comprehensive as the United States
- 11 Social Security Administration's Death Master File for determining that person has reportedly
- 12 died;
- 13 (c) "Death Master File Match" means a search of the Death Master File that results in
- 14 a match of the Social Security number or the name and date of birth of an insured, annuity
- 15 owner, or retained asset account holder; and
- 16 (d) "Policy" means any policy or certificate of life insurance that provides a death
- 17 benefit. The term "policy" should not include;
- 18 (1) Any policy or certificate of life insurance that provides a death benefit under;

- 19 (a) An employee benefit plan, subject to Employee Retirement Income Security Act 20 of 1974, as defined by 29 U.S.C. sec 1002(3)
- 21 (b) A governmental plan as defined by 29 U.S.C. sec 1002(32);
- 22 (c) A church plan as defined by 29 U.S.C. sec 1002(33); or
- 23 (d) Any federal employee benefit program;
- 24 (2) Any policies or certificates of insurance on the life of a debtor pursuant to or in
- connection with a specific loan or other credit transaction, or any group policy issued to a creditor to insure the lives of the debtors and any certificates issued under such policies.
- All other terms used in this section shall be interpreted in a manner consistent with all the definitions used in M.G.L. Chapter 200A.
- 29 (2) (a) An insurer shall preform a comparison of its insured's' in-force life insurance 30 policies and retained asset accounts against a Death Master File, on at least a semi-annual basis, 31 to identify potential matches of its insureds.
- 32 (b) For those potential matches identified as a result of a Death Master File match, the 33 insured shall:
- 34 (1) Within ninety (90) days of a Death Master File Match:
- Complete a good faith effort, which shall be documented by the insurer, to confirm the death of the insured or retain asset account holder against other available records and information; and
- 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 i. Use good faith efforts, which shall be documented by the insurer, to locate the 41 beneficiaries; and
- 42 ii. Provide the appropriate claims forms or instructions to each beneficiary to make a claim, including the need to provide an official death certificate if applicable under the policy contract.
- 45 (c) With respect to group life insurance, insurers are required only to confirm the 46 possible death of an insured when the insurers provide full record- keeping services under the 47 group policy holder,
- 48 (d) To the extent permitted by law, the insurer may disclose minimum necessary 49 personal information about the insured to beneficiary to a person who the insurer reasonably

- believes may be able to assist the insurer to locate the beneficiary or a person otherwise entitled to payment of the claims proceeds.
- 52 (3) An insurer shall not charge insureds, account holders or beneficiaries for any fees 53 or costs associated with a search or verification conducted pursuant to this section.
- The benefits from a life insurance policy or retained asset account, plus any applicable accrued interest, shall first be payable to the designated beneficiaries or owners and in the event those beneficiaries or owners cannot be found, shall escheat to the state as unclaimed property pursuant to M.G.L. Chapter 200A. For purposes of this section, the dormancy period shall be the date of death of the insured.
- 59 (5) The insurer shall submit the unclaimed life insurance benefits or unclaimed 60 retained asset accounts, plus any applicable accrued interest, to the State Treasurer.