

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

SENATE BILL 270

By: Stanislawski

AS INTRODUCED

An Act relating to life insurance; amending 60 O.S. 2011, Section 653, which relates to funds held under life insurance policies; modifying time in which funds held or owing under certain insurance policies becomes abandoned; modifying applicability of act to certain persons; modifying situations in which certain policies shall be considered mature without proof of death; requiring an insurer to compare certain records to the United States Social Security Death Master File; requiring an insurer to use Death Master File for future comparisons regarding its annuities; specifying terms of comparison against Death Master File; authorizing an insurer to perform comparisons using certain services; declaring certain persons deceased in certain situations; providing an exception to certain presumptions; instructing an insurer to account for certain information; declaring certain documents in force in certain situations; exempting insurers with certain policies payable under certain circumstances; instructing insurers to perform certain tasks upon the death of certain persons; authorizing insurers to disclose certain information about an insured or other certain persons; prohibiting charging certain persons certain fees; conforming language; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 60 O.S. 2011, Section 653, is amended to read as follows:

1 Section 653. ~~(a)~~ A. Funds held or owing under any life or
2 endowment insurance policy or annuity contract that has matured or
3 terminated are presumed abandoned if unclaimed for more than five
4 (5) years after the ~~funds became due and payable as established from~~
5 ~~the records of the insurance company holding or owing the funds~~ date
6 of death of the insured, annuitant or the retained asset account
7 holder, but property described in paragraph ~~(2)~~ 4 of subsection ~~(e)~~
8 C of this section is presumed abandoned if unclaimed for more than
9 two (2) years.

10 ~~(b)~~ B. If a person other than the insured ~~or~~, annuitant, or the
11 retained asset account holder is entitled to the funds and an
12 address of the person is not known to the company or it is not
13 definite and certain from the records who is entitled to the funds,
14 it is presumed that the last-known address of the person entitled to
15 the funds is the same as the last-known address of the insured or
16 annuitant according to the records of the company.

17 ~~(c)~~ C. For purposes of ~~this act~~ the Uniform Unclaimed Property
18 Act, a life or endowment insurance policy or annuity contract not
19 matured by actual proof of death of the insured, the annuitant or
20 the retained asset account holder according to the records of the
21 company is matured and the proceeds due and payable if any of the
22 following applies:

23 ~~(1)~~ 1. ~~the~~ The company knows that the insured ~~or~~, annuitant or
24 the retained asset account holder has died; ~~or~~;

~~(2)~~ 2. A presumption of death made in accordance with paragraph 2 of subsection H of this section has not been rebutted;

3. The policy or contract has reached its maturity date;

~~(A)~~ 4. a. the insured has attained, or would have attained if he were living, the limiting age under the mortality table on which the reserve is based~~7, 1~~

~~(B)~~ b. the policy was in force at the time the insured attained, or would have attained, the limiting age specified in subparagraph ~~(A)~~ a of this paragraph~~7, 1~~ and

~~(C)~~ c. neither the insured nor any person appearing to have an interest in the policy within the preceding two (2) years, according to the records of the company, has assigned, readjusted, or paid premiums on the policy, subjected the policy to loan, or corresponded in writing with the company concerning the policy, or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the company~~7; 1~~

~~(d)~~ D. For purposes of ~~this act~~ the Uniform Unclaimed Property Act, the application of an automatic premium loan provision or other nonforfeiture provisions contained in an insurance policy does not prevent a policy from being matured or terminated under subsection ~~(a)~~ A of this section if the insured has died or the insured or the

1 beneficiary of the policy otherwise has become entitled to the
2 proceeds thereof before the depletion of the cash surrender value of
3 a policy by the application of those provisions~~;~~;

4 ~~(e)~~ E. If the laws of this state or the terms of the life
5 insurance policy require the company to give notice to the insured
6 or the owner that an automatic premium loan provision or other
7 nonforfeiture provision has been exercised and the notice, given to
8 an insured or owner whose last-known address according to the
9 records of the company is in this state, is undeliverable, the
10 company shall make a reasonable search to ascertain the
11 policyholder's correct address to which the notice must be mailed~~;~~;

12 ~~(f)~~ F. Notwithstanding any other provision of law, if the
13 company learns of the death of the insured ~~or~~, annuitant or the
14 retained asset account holder and the beneficiary has not
15 communicated with the insurer within four (4) months after the
16 death, the company shall take reasonable steps to pay the proceeds
17 to the beneficiary~~;~~;

18 ~~(g)~~ G. Every change of beneficiary form issued by an insurance
19 company under any life or endowment insurance policy or annuity
20 contract to an insured or owner who is a resident of the state shall
21 include, but not be limited to:

22 ~~(1)~~ 1. the name of each beneficiary, or if a class of
23 beneficiaries is named, the name of each current beneficiary in the
24 class;

1 ~~(2)~~ 2. the address of each beneficiary; and

2 ~~(3)~~ 3. the relationship of each beneficiary to the insured+.

3 H. 1. Notwithstanding any other provision of law, an insurer
4 shall compare the records of its insureds' life or endowment
5 insurance policies, annuity contracts that provide a death benefit,
6 and retained asset accounts that were in force at any time on or
7 after January 1, 1992, against the United States Social Security
8 Death Master File once to determine whether the death of an insured,
9 an annuitant or a retained asset account holder is indicated and
10 shall thereafter use the Death Master File update files for future
11 comparisons. The comparisons shall use the name and social security
12 number or date of birth of the insured, the annuitant or the
13 retained asset account holder. The comparisons shall be made on at
14 least an annual basis before August 31 of each year. If an insurer
15 performs such comparisons regarding its annuities or other books of
16 business more frequently than once a year, the insurer shall also
17 make comparisons of its life insurance policies, asset annuity
18 contracts that provide a death benefit and retained asset accounts
19 at the same frequency as is made regarding its annuities or other
20 books or lines of business. An insurer may perform the comparisons
21 required by this paragraph using any database or service that the
22 Treasurer determines is at least as comprehensive as the United
23 States Social Security Death Master File for the purpose of
24 indicating that a person has died.

1 2. An insured, annuitant or a retained asset account holder is
2 presumed deceased if the date of his or her death is indicated by
3 the comparison required under paragraph 1 unless the insurer has in
4 its records competent and substantial evidence that the person is
5 living including, but not limited to, a contact made by the insurer
6 with such person or his or her legal representative. The insurer
7 shall account for common variations in data and for any partial
8 names, social security numbers, dates of birth and addresses of the
9 insured, the annuitant or the retained asset account holder which
10 would otherwise preclude an exact match.

11 3. For purposes of this section, a policy, an annuity contract
12 or a retained asset account is deemed to be in force if it has not
13 lapsed, has not been cancelled or has not been terminated at the
14 time of death of the insured, annuitant or the retained asset
15 account holder.

16 4. This subsection does not apply to an insurer with respect to
17 benefits payable under:

- 18 a. an annuity that is issued in connection with an
19 employment-based plan subject to the Employee
20 Retirement Income Security Act of 1974 or that is
21 issued to fund an employment-based retirement plan,
22 including any deferred compensation plan,
23 b. a policy of credit life or accidental death insurance.

- 1 c. a joint and survivor annuity contract if an annuitant
2 is still living,
- 3 d. a policy issued to a group master policy owner for
4 which the insurer does not perform recordkeeping
5 functions. For purposes of this subparagraph, the
6 term "recordkeeping" means those circumstances under
7 which the insurer has agreed through a group
8 policyholder to be responsible for obtaining,
9 maintaining, and administering, in its own or its
10 agents' systems, information about each individual
11 insured under a group insurance policy or a line of
12 coverage thereunder, including at least the following:
13 (1) the social security number, or name and date of
14 birth,
15 (2) beneficiary designation information,
16 (3) coverage eligibility,
17 (4) the benefit amount, and
18 (5) premium payment status,
- 19 e. any policy or certificate of life insurance that is
20 assigned to a person licensed under Section 6121 of
21 Title 36 of the Oklahoma Statutes to fund a preneed
22 funeral merchandise or service contract.

23 I. No later than one hundred twenty (120) days after learning
24 of the death of an insured, the annuitant or the retained asset

1 account holder against through a comparison under subsection H, an
2 insurer shall:

3 1. Complete and document an effort to confirm the death of the
4 insured, annuitant or retained asset account holder against other
5 available records and information;

6 2. Review its records to determine whether the insured,
7 annuitant or the retained asset account holder purchased other
8 products from the insurer;

9 3. Determine whether benefits may be due under a policy, an
10 annuity or a retained asset account; and

11 4. Complete and document an effort to locate and contact the
12 beneficiary or authorized representative under a policy, an annuity
13 or a retained asset account if such person has not communicated with
14 the insurer before the expiration of the 120-day period. The effort
15 shall include:

16 a. sending to the beneficiary or authorized
17 representative information concerning the claim
18 process of the insurer, and

19 b. notice of any requirement to provide a certified
20 original or copy of the death certificate if
21 applicable under the policy, annuity or retained asset
22 account.

23 J. An insurer may, to the extent permitted by law, disclose the
24 minimum necessary personal information about an insured, annuitant,

1 a retained asset account owner or a beneficiary to an individual or
2 entity reasonably believed by the insurer to possess the ability to
3 assist the insurer in locating the beneficiary or any other
4 individual or entity that is entitled to payment of the claim
5 proceeds.

6 K. An insurer, or any agent or third party that it engages or
7 that works on its behalf, may not charge insureds, annuitants,
8 retained asset account holders, beneficiaries of an estate any fees
9 or costs associated with any search, verification, claim or delivery
10 of funds conducted pursuant to this section.

11 ~~(h)~~

12 L. With respect to any funds held or owing under any life or
13 endowment insurance policy or annuity contract presumed abandoned
14 pursuant to this section or property distributable in the course of
15 a demutualization or reorganization of an insurance company pursuant
16 to Section 653.1 of this title, the insurance company holding or
17 owing such funds shall provide any information reasonably requested
18 by the State Treasurer, if such information is reasonably available,
19 to assist the State Treasurer in its consideration of a claim
20 pursuant to Section 675 of this title.

21 SECTION 2. This act shall become effective November 1, 2017.

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23 56-1-680

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