

**HOUSE . . . . . No. 1221**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Tackey Chan*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to unclaimed life insurance benefits.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Tackey Chan</i>	<i>2nd Norfolk</i>	<i>1/12/2021</i>

**HOUSE . . . . . No. 1221**

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By Mr. Chan of Quincy, a petition (accompanied by bill, House, No. 1221) of Tackey Chan relative to unclaimed life insurance benefits. Financial Services.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 933 OF 2019-2020.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Second General Court  
(2021-2022)**  
\_\_\_\_\_

An Act relative to unclaimed life insurance benefits.

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

1 SECTION 1. Chapter 175 of the General Laws is hereby amended by inserting after  
2 section 119C the following section:-

3 119D Unclaimed Life Insurance Benefits

4 A. As used in this section, the following words shall, unless the context clearly requires  
5 otherwise, have the following meanings:-

6 “Contract”, an annuity contract. The term “Contract” shall not include an annuity used to  
7 fund an employment-based retirement plan or program where (a) the insurer does not perform  
8 the Record Keeping Services or (b) the insurer is not committed by terms of the annuity contract  
9 to pay death benefits to the beneficiaries of specific plan participants.

10 "Death Master File", the United States Social Security Administration's Death Master  
11 File or any other database or service that is at least as comprehensive as the United States Social  
12 Security Administration's Death Master File for determining that a person has reportedly died.

13 "Death Master File Match", a search of the Death Master File that results in a match of  
14 the social security number or the name and date of birth of an insured, annuity owner, or retained  
15 asset accountholder.

16 "Knowledge of Death", (a) receipt of an original or valid copy of a certified death  
17 certificate or (b) a Death Master File Match validated by the Insurer in accordance with this  
18 section.

19 "Policy", any policy or certificate of life insurance that provides a death benefit. The term  
20 "Policy" shall not include (a) any policy or certificate of life insurance that provides a death  
21 benefit under an employee benefit plan (1) subject to The Employee Retirement Income Security  
22 Act of 1974 [29 USC 1002], as periodically amended, or (2) under any Federal employee benefit  
23 program, or (b) any policy or certificate of life insurance that is used to fund a preneed funeral  
24 contract or prearrangement, or (c) any policy or certificate of credit life or accidental death  
25 insurance, or (iv) any policy issued to a group master policyholder for which the insurer does not  
26 provide Record Keeping services.

27 "Record Keeping Services", those circumstances under which the Insurer has agreed with  
28 a group Policy or Contract customer to be responsible for obtaining, maintaining and  
29 administering in its own or its agents' systems information about each individual insured under  
30 an Insured's group insurance contract (or a line of coverage thereunder), at least the following  
31 information: (a) Social Security number or name and date of birth, and (b) beneficiary

32 designation information, (c) coverage eligibility, (d) benefit amount, and (e) premium payment  
33 status.

34 “Retained Asset Account”, any mechanism whereby the settlement of proceeds payable  
35 under a Policy or Contract is accomplished by the insurer or an entity acting on behalf of the  
36 insurer depositing the proceeds into an account with check or draft writing privileges, where  
37 those proceeds are retained by the insurer or its agent, pursuant to a supplementary contract not  
38 involving annuity benefits other than death benefits.

39 “Treasurer”, the treasurer and receiver general.

40 B. An insurer shall perform a comparison of its insureds’ in-force Policies, Contracts, and  
41 Retained Asset Accounts against a Death Master File, on at least a semi-annual basis, by using  
42 the full Death Master File once and thereafter using the Death Master File update files for future  
43 comparisons to identify potential matches of its insureds. For those potential matches identified  
44 as a result of a Death Master File Match, the insurer shall:

45 (a) within ninety (90) days of a Death Master File Match:(1) complete a good faith effort,  
46 which shall be documented by the insurer, to confirm the death of the insured or retained asset  
47 account holder against other available records and information; (2) determine whether benefits  
48 are due in accordance with the applicable policy or contract, and if benefits are due in  
49 accordance with the applicable policy or contract: (i) use good faith efforts, which shall be  
50 documented by the insurer, to locate the beneficiary or beneficiaries; and (ii) provide the  
51 appropriate claims forms or instructions to the beneficiary or beneficiaries to make a claim  
52 including the need to provide an official death certificate, if applicable under the policy, contract.

53 (b). With respect to group life insurance, insurers are required to confirm the possible  
54 death of an insured when the insurers maintain at least the following information of those  
55 covered under a policy or certificate: (1) Social Security number or name and date of birth, and  
56 (2) beneficiary designation information, (3) coverage eligibility, (4) benefit amount, and (5)  
57 premium payment status.

58 (c). Every insurer shall implement procedures to account for: (1) common nicknames,  
59 initials used in lieu of a first or middle name, use of a middle name, compound first and middle  
60 names, and interchanged first and middle names; (2) compound last names, maiden or married  
61 names, and hyphens, blank spaces or apostrophes in last names; (3) transposition of the “month”  
62 and “date” portions of the date of birth; and (4) incomplete social security numbers.

63 (d). To the extent permitted by law, the insurer may disclose minimum necessary  
64 personal information about the insured or beneficiary to a person who the insurer reasonably  
65 believes may be able to assist the insurer locate the beneficiary or a person otherwise entitled to  
66 payment of the claims proceeds.

67 An Insurer or its service provider shall not charge any beneficiary or other authorized  
68 representative for any fees or costs associated with a Death Master File Search or verification of  
69 a Death Master File Match conducted pursuant to this section.

70 The benefits from a Policy, Contract or a Retained Asset Account, plus any applicable  
71 accrued contractual interest shall first be payable to the designated beneficiaries or owners and in  
72 the event said beneficiaries or owners cannot be found, shall escheat to the state as unclaimed  
73 property pursuant to Chapter 200A, section 5A. Interest payable under Section 119C shall not be  
74 payable as unclaimed property under Chapter 200A, section 5A.

75           An insurer shall notify the treasurer upon the expiration of the statutory time period for  
76   escheat that: (1) a Policy or Contract beneficiary or Retained Asset Account holder has not  
77   submitted a claim with the insurer; and (2) the insurer has complied with this section and has  
78   been unable, after good faith efforts documented by the insurer, to contact the Retained Asset  
79   Account holder, beneficiary or beneficiaries

80           Upon such notice, an insurer shall immediately submit the unclaimed Policy or Contract  
81   benefits or unclaimed Retained Asset Accounts, plus any applicable accrued interest, to the  
82   treasurer.

83           Failure to meet any requirement of this section with such frequency as to constitute a  
84   general business practice is a violation of Chapter 176D. Nothing herein shall be construed to  
85   create or imply a private cause of action for a violation of this Section.

86           SECTION 2. This Act shall take effect on January 1, 2023.