

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Unclaimed Life Insurance Benefits Act is
5 amended by changing Sections 10, 15, and 35 as follows:

6 (215 ILCS 185/10)

7 Sec. 10. Definitions. As used in this Act:

8 "Annuity contract" does not include an annuity contract
9 used to fund an employment-based retirement plan or program
10 where (1) the insurer does not perform the record keeping
11 services or (2) the insurer is not committed by the terms of
12 the annuity contract to pay death benefits to the beneficiaries
13 of specific plan participants.

14 "Date of death" means the date on which an insured, annuity
15 owner, or retained asset account holder died.

16 "Date of death notice" means the date the insurer first has
17 notice of the date of death of an insured, annuity owner, or
18 retained asset account holder. "Date of death notice" includes,
19 but is not limited to, the date the insurer received
20 information or gained knowledge of a Death Master File match or
21 any other source or record maintained or located in insurer
22 records of the death of an insured, annuity owner, or retained
23 asset account holder.

1 "Death Master File" means the United States Social Security
2 Administration's Death Master File or any other database or
3 service that is at least as comprehensive as the United States
4 Social Security Administration's Death Master File for
5 determining that a person has reportedly died.

6 "Death Master File match" means a match of the social
7 security number or the name and date of birth of an insured,
8 annuity owner, or retained asset account holder resulting from
9 a search of the Death Master File.

10 "Department" means the Department of Insurance.

11 "Lost policy finder" means a service made available by the
12 Department on its website or otherwise developed by the
13 Department to assist consumers with locating unclaimed life
14 insurance benefits.

15 "Policy" means any policy or certificate of life insurance
16 that provides a death benefit, including a policy that has
17 lapsed or been terminated. "Policy" does not include any policy
18 or certificate of credit life or accidental death insurance or
19 health coverages, including, but not limited to, disability and
20 long-term care arising from the reported death of a person
21 insured under the coverage, or any policy issued to a group
22 master policyholder for which the insurer does not provide
23 record keeping services.

24 "Record keeping services" means services provided under
25 circumstances in which the insurer has agreed with a group
26 policy or annuity contract customer to be responsible for

1 obtaining, maintaining, and administering its own or its
2 agents' systems information about each individual insured
3 under an insured's group insurance contract, or a line of
4 coverage thereunder, including, but not limited to, the
5 following: (1) social security number or name and date of
6 birth, (2) beneficiary designation information, (3) coverage
7 eligibility, (4) benefit amount, and (5) premium payment
8 status.

9 "Retained asset account" means any mechanism whereby the
10 settlement of proceeds payable under a policy or annuity
11 contract is accomplished by the insurer or an entity acting on
12 behalf of the insurer depositing the proceeds into an account
13 with check or draft writing privileges, where those proceeds
14 are retained by the insurer or its agent pursuant to a
15 supplementary contract not involving annuity benefits other
16 than death benefits.

17 (Source: P.A. 99-893, eff. 1-1-17.)

18 (215 ILCS 185/15)

19 Sec. 15. Insurer conduct.

20 (a) An insurer shall initially perform a comparison of its
21 insureds', annuitants', and retained asset account holders'
22 in-force policies, annuity contracts, and retained asset
23 accounts by using the full Death Master File. The initial
24 comparison shall be completed on or before December 31, 2017,
25 unless extended by the Department pursuant to administrative

1 rule. Thereafter, an insurer shall perform a comparison on at
2 least a semi-annual basis using the Death Master File update
3 files for comparisons to identify potential matches of its
4 insureds, annuitants, and retained asset account holders. In
5 the event that one of the insurer's lines of business conducts
6 a search for matches of its insureds, annuitants, and retained
7 asset account holders against the Death Master File at
8 intervals more frequently than semi-annually, then all lines of
9 the insurer's business shall conduct searches for matches
10 against the Death Master File with the same frequency. Within 6
11 months after acquisition of policies, annuity contracts, or
12 retained asset accounts from another insurer, the acquiring
13 insurer shall compare all newly acquired policies, annuity
14 contracts, and retained asset accounts that were not searched
15 by the previous insurer in compliance with this Act against the
16 complete Death Master File to identify potential matches of its
17 insureds, annuitants, and retained asset account holders. Upon
18 any subsequent acquisition of policies, annuity contracts, or
19 retained asset accounts from another insurer, when the previous
20 insurer has already conducted a search of the newly acquired
21 policies, annuity contracts, and retained asset accounts using
22 the complete Death Master File, the acquiring insurer shall
23 compare all newly acquired policies, annuity contracts, and
24 retained asset accounts using all of the Death Master File
25 updates since the time the previous insurer conducted the
26 complete search to identify potential matches of its insureds,

1 annuitants, and retained asset account holders.

2 An insured, an annuitant, or a retained asset account
3 holder is presumed dead if the date of his or her death is
4 indicated by the comparison required in this subsection (a),
5 unless the insurer has competent and substantial evidence that
6 the person is living, including, but not limited to, a contact
7 made by the insurer with the person or his or her legal
8 representative.

9 For those potential matches identified as a result of a
10 Death Master File match, the insurer shall within 120 days
11 after the date of death notice, if the insurer has not been
12 contacted by a beneficiary, determine whether benefits are due
13 in accordance with the applicable policy or contract and, if
14 benefits are due in accordance with the applicable policy or
15 contract:

16 (1) use good faith efforts, which shall be documented
17 by the insurer, to locate the beneficiary or beneficiaries;
18 the Department shall establish by administrative rule
19 minimum standards for what constitutes good faith efforts
20 to locate a beneficiary, which shall include: (A) searching
21 insurer records; (B) the appropriate use of First Class
22 United States mail, e-mail addresses, and telephone calls;
23 and (C) reasonable efforts by insurers to obtain updated
24 contact information for the beneficiary or beneficiaries;
25 good faith efforts shall not include additional attempts to
26 contact the beneficiary at an address already confirmed not

1 to be current; and

2 (2) provide the appropriate claims forms or
3 instructions to the beneficiary or beneficiaries to make a
4 claim, including the need to provide an official death
5 certificate if applicable under the policy or annuity
6 contract.

7 (b) Insurers shall implement procedures to account for the
8 following when conducting searches of the Death Master File:

9 (1) common nicknames, initials used in lieu of a first
10 or middle name, use of a middle name, compound first and
11 middle names, and interchanged first and middle names;

12 (2) compound last names, maiden or married names, and
13 hyphens, blank spaces, or apostrophes in last names;

14 (3) transposition of the "month" and "date" portions of
15 the date of birth; and

16 (4) incomplete social security numbers.

17 (c) To the extent permitted by law, an insurer may disclose
18 the minimum necessary personal information about the insured,
19 annuity owner, retained asset account holder, or beneficiary to
20 a person whom the insurer reasonably believes may be able to
21 assist the insurer with locating the beneficiary or a person
22 otherwise entitled to payment of the claims proceeds.

23 (d) An insurer or its service provider shall not charge any
24 beneficiary or other authorized representative for any fees or
25 costs associated with a Death Master File search or
26 verification of a Death Master File match conducted pursuant to

1 this Act.

2 (e) The benefits from a policy, annuity contract, or a
3 retained asset account, plus any applicable accrued interest,
4 shall first be payable to the designated beneficiaries or
5 owners and, in the event the beneficiaries or owners cannot be
6 found, shall be reported and delivered to the State Treasurer
7 pursuant to the Uniform Disposition of Unclaimed Property Act.
8 Nothing in this subsection (e) is intended to alter the amounts
9 reportable under the existing provisions of the Uniform
10 Disposition of Unclaimed Property Act or to allow the
11 imposition of additional statutory interest under Article XIV
12 of the Illinois Insurance Code.

13 (f) Failure to meet any requirement of this Section with
14 such frequency as to constitute a general business practice is
15 a violation of Section 424 of the Illinois Insurance Code.
16 Nothing in this Section shall be construed to create or imply a
17 private cause of action for a violation of this Section.

18 (g) At no later than the date of policy delivery or the
19 establishment of an account, and upon any change of insured or
20 beneficiary, an insurer shall request information sufficient
21 to ensure that all benefits or proceeds are distributed to the
22 appropriate persons upon the death of the insured, including,
23 at a minimum, the name, address, date of birth, social security
24 number, and telephone number of every insured and beneficiary
25 of the policy or account, as applicable. However, where an
26 insurer issues a policy or provides an account based on

1 information received directly from an insured's employer, the
2 insurer may obtain the beneficiary information by
3 communicating with the insured after the insurer's receipt of
4 the information from the insured's employer.

5 (Source: P.A. 99-893, eff. 1-1-17.)

6 (215 ILCS 185/35)

7 Sec. 35. Application. The provisions of this Act apply to
8 policies, annuity contracts, and retained asset accounts in
9 force at any time on or after January 1, 1996 ~~the effective~~
10 ~~date of this Act.~~ This Act does not apply to a lapsed or
11 terminated policy with no benefits payable that was compared
12 against the Death Master File within the 18 months following
13 the date of the lapse or termination of the applicable policy
14 or that was searched more than 18 months prior to the most
15 recent comparison against the Death Master File conducted by
16 the insurer.

17 (Source: P.A. 99-893, eff. 1-1-17.)

18 Section 10. The Vital Records Act is amended by adding
19 Section 24.6 as follows:

20 (410 ILCS 535/24.6 new)

21 Sec. 24.6. Access to records; State Treasurer. Any
22 information contained in the vital records shall be made
23 available at no cost to the State Treasurer for administrative

1 purposes related to the Uniform Disposition of Unclaimed
2 Property Act.

3 Section 15. The Uniform Disposition of Unclaimed Property
4 Act is amended by changing Section 20 as follows:

5 (765 ILCS 1025/20) (from Ch. 141, par. 120)

6 Sec. 20. Determination of claims.

7 (a) The State Treasurer shall consider any claim filed
8 under this Act and may, in his discretion, hold a hearing and
9 receive evidence concerning it. Such hearing shall be conducted
10 by the State Treasurer or by a hearing officer designated by
11 him. No hearings shall be held if the payment of the claim is
12 ordered by a court, if the claimant is under court
13 jurisdiction, or if the claim is paid under Article XXV of the
14 Probate Act of 1975. The State Treasurer or hearing officer
15 shall prepare a finding and a decision in writing on each
16 hearing, stating the substance of any evidence heard by him,
17 his findings of fact in respect thereto, and the reasons for
18 his decision. The State Treasurer shall review the findings and
19 decision of each hearing conducted by a hearing officer and
20 issue a final written decision. The final decision shall be a
21 public record. Any claim of an interest in property that is
22 filed pursuant to this Act shall be considered and a finding
23 and decision shall be issued by the Office of the State
24 Treasurer in a timely and expeditious manner.

1 (b) If the claim is allowed, ~~and after deducting an amount~~
2 ~~not to exceed \$20 to cover the cost of notice publication and~~
3 ~~related clerical expenses,~~ the State Treasurer shall make
4 payment forthwith.

5 (c) In order to carry out the purpose of this Act, no
6 person or company shall be entitled to a fee for discovering
7 presumptively abandoned property during the period beginning
8 on the date the property was presumed abandoned under this Act
9 and ending 24 months after the payment or delivery of the
10 property to ~~until it has been in the custody of~~ the Unclaimed
11 Property Division of the Office of the State Treasurer ~~for at~~
12 ~~least 24 months.~~ Fees for discovering property that has been in
13 the custody of that division for more than 24 months shall be
14 limited to not more than 10% of the amount collected.

15 (d) A person or company attempting to collect a contingent
16 fee for discovering, on behalf of an owner, presumptively
17 abandoned property must be licensed as a private detective
18 pursuant to the Private Detective, Private Alarm, Private
19 Security, Fingerprint Vendor, and Locksmith Act of 2004.

20 (e) This Section shall not apply to the fees of an attorney
21 at law duly appointed to practice in a state of the United
22 States who is employed by a claimant with regard to probate
23 matters on a contractual basis or to contest a denial of a
24 claim for recovery of the property.

25 (f) Any person or company offering to identify, discover,
26 or collect ~~presumptively abandoned property or~~ property which

1 may become presumptively abandoned on behalf of the putative
2 owner of such property in exchange for a fee, must provide the
3 owner with a written disclosure. The disclosure shall be set
4 forth in a clear and conspicuous manner and at a minimum shall
5 state the following:

6 Each state maintains an office of unclaimed property.
7 Generally, if for a number of years an owner of property
8 has not communicated directly with the holder of the
9 property, and has not otherwise indicated an interest in or
10 claimed the property, the property will be delivered to a
11 state administered unclaimed property program. Upon such
12 delivery, the owner will be able to recover the property
13 from the state administered program without charge by the
14 state. The unclaimed asset referred to in this Agreement
15 has not yet been reported or remitted to any state
16 unclaimed property office. Since you reside (or resided) in
17 Illinois, you may obtain information about the Illinois
18 unclaimed property program by logging onto its website at
19 www.illinoistreasurer.gov ~~www.treasurer.il.gov~~.

20 ~~A person or company may not charge a fee greater than~~
21 ~~25% of the property's value for the recovery of that~~
22 ~~property where the property is not yet reportable under~~
23 ~~this Act and the designated owner of that property, as~~
24 ~~reflected within the books and records of the holder, is~~
25 ~~living.~~

26 ~~A person or company may not charge a fee greater than~~

1 ~~33% of the property's value for the recovery of that~~
2 ~~property where the property is not yet reportable under~~
3 ~~this Act and the recovery of that property involves~~
4 ~~documentation of the owner's death or any elements of~~
5 ~~estate or trust administration.~~

6 (Source: P.A. 95-613, eff. 9-11-07; 95-1003, eff. 6-1-09.)

1 INDEX

2 Statutes amended in order of appearance

3 215 ILCS 185/10

4 215 ILCS 185/15

5 215 ILCS 185/35

6 410 ILCS 535/24.6 new

7 765 ILCS 1025/20 from Ch. 141, par. 120