

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, 30, 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 in force on or after January 1, 2017 by using the full
24 Death Master File. The initial comparison shall be completed on
25 or before December 31, 2017, ~~unless extended by the Department~~

1 ~~pursuant to administrative rule.~~ An insurer required to perform
2 a comparison of its insureds', annuitants', and retained asset
3 account holders' in-force policies, annuity contracts, and
4 retained asset accounts in force on or after January 1, 2012
5 shall perform a comparison of policies, annuity contracts, and
6 retained asset accounts in force between January 1, 2012 and
7 December 31, 2016 on or before December 31, 2018 by using the
8 full Death Master File. An insurer required to perform a
9 comparison of electronic searchable files concerning its
10 insureds', annuitants', and retained asset account holders'
11 in-force policies, annuity contracts, and retained asset
12 accounts in force on or after January 1, 2000 shall perform a
13 comparison of policies, annuity contracts, and retained asset
14 accounts in force between January 1, 2000 and December 31, 2016
15 on or before December 31, 2018 by using the full Death Master
16 File. Thereafter, an insurer shall perform a comparison on at
17 least a semi-annual basis using the Death Master File update
18 files for comparisons to identify potential matches of its
19 insureds, annuitants, and retained asset account holders. In
20 the event that one of the insurer's lines of business conducts
21 a search for matches of its insureds, annuitants, and retained
22 asset account holders against the Death Master File at
23 intervals more frequently than semi-annually, then all lines of
24 the insurer's business shall conduct searches for matches
25 against the Death Master File with the same frequency. Within 6
26 months after acquisition of policies, annuity contracts, or

1 retained asset accounts from another insurer, the acquiring
2 insurer shall compare all newly acquired policies, annuity
3 contracts, and retained asset accounts that were not searched
4 by the previous insurer in compliance with this Act against the
5 complete Death Master File to identify potential matches of its
6 insureds, annuitants, and retained asset account holders. Upon
7 any subsequent acquisition of policies, annuity contracts, or
8 retained asset accounts from another insurer, when the previous
9 insurer has already conducted a search of the newly acquired
10 policies, annuity contracts, and retained asset accounts using
11 the complete Death Master File, the acquiring insurer shall
12 compare all newly acquired policies, annuity contracts, and
13 retained asset accounts using all of the Death Master File
14 updates since the time the previous insurer conducted the
15 complete search to identify potential matches of its insureds,
16 annuitants, and retained asset account holders.

17 An insured, an annuitant, or a retained asset account
18 holder is presumed dead if the date of his or her death is
19 indicated by the comparison required in this subsection (a),
20 unless the insurer has competent and substantial evidence that
21 the person is living, including, but not limited to, a contact
22 made by the insurer with the person or his or her legal
23 representative.

24 For those potential matches identified as a result of a
25 Death Master File match, the insurer shall within 120 days
26 after the date of death notice, if the insurer has not been

1 contacted by a beneficiary, determine whether benefits are due
2 in accordance with the applicable policy or contract and, if
3 benefits are due in accordance with the applicable policy or
4 contract:

5 (1) use good faith efforts, which shall be documented
6 by the insurer, to locate the beneficiary or beneficiaries;
7 the Department shall establish by administrative rule
8 minimum standards for what constitutes good faith efforts
9 to locate a beneficiary, which shall include: (A) searching
10 insurer records; (B) the appropriate use of First Class
11 United States mail, e-mail addresses, and telephone calls;
12 and (C) reasonable efforts by insurers to obtain updated
13 contact information for the beneficiary or beneficiaries;
14 good faith efforts shall not include additional attempts to
15 contact the beneficiary at an address already confirmed not
16 to be current; and

17 (2) provide the appropriate claims forms or
18 instructions to the beneficiary or beneficiaries to make a
19 claim, including the need to provide an official death
20 certificate if applicable under the policy or annuity
21 contract.

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

24 (1) common nicknames, initials used in lieu of a first
25 or middle name, use of a middle name, compound first and
26 middle names, and interchanged first and middle names;

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

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

5 (4) incomplete social security numbers.

6 (c) To the extent permitted by law, an insurer may disclose
7 the minimum necessary personal information about the insured,
8 annuity owner, retained asset account holder, or beneficiary to
9 a person whom the insurer reasonably believes may be able to
10 assist the insurer with locating the beneficiary or a person
11 otherwise entitled to payment of the claims proceeds.

12 (d) An insurer or its service provider shall not charge any
13 beneficiary or other authorized representative for any fees or
14 costs associated with a Death Master File search or
15 verification of a Death Master File match conducted pursuant to
16 this Act.

17 (e) The benefits from a policy, annuity contract, or a
18 retained asset account, plus any applicable accrued interest,
19 shall first be payable to the designated beneficiaries or
20 owners and, in the event the beneficiaries or owners cannot be
21 found, shall be reported and delivered to the State Treasurer
22 pursuant to the Uniform Disposition of Unclaimed Property Act.
23 Nothing in this subsection (e) is intended to alter the amounts
24 reportable under the existing provisions of the Uniform
25 Disposition of Unclaimed Property Act or to allow the
26 imposition of additional statutory interest under Article XIV

1 of the Illinois Insurance Code.

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

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

8 (215 ILCS 185/30)

9 Sec. 30. Administrative rules. ~~(a)~~ The Department shall
10 adopt rules to administer and implement this Act, including
11 defining "electronic searchable files" for the purposes of this
12 Act.

13 ~~(b) The Department may limit an insurer's Death Master File~~
14 ~~comparisons required under Section 15 of this Act to the~~
15 ~~insurer's electronic searchable files or approve a plan and~~
16 ~~timeline for conversion of the insurer's files to searchable~~
17 ~~electronic files upon a demonstration of hardship by the~~
18 ~~insurer.~~

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

20 (215 ILCS 185/35)

21 Sec. 35. Application.

22 (a) Except as provided in subsections (b), (c), and (d),
23 the ~~The~~ provisions of this Act apply to policies, annuity
24 contracts, and retained asset accounts in force at any time on

1 or after January 1, 2012 ~~the effective date of this Act.~~

2 (b) For an insurer that has entered into a written
3 agreement with the State Treasurer on or before December 31,
4 2018 to resolve an unclaimed property examination pursuant to
5 the Uniform Disposition of Unclaimed Property Act, the
6 provisions of this Act apply to policies, annuity contracts,
7 and retained asset accounts in force on or after January 1,
8 2017.

9 (c) Notwithstanding subsection (a), the provisions of this
10 Act shall apply to policies, annuity contracts, and retained
11 asset accounts in force at any time on or after January 1, 2000
12 to the extent that an insurer has electronic searchable files
13 concerning such policies, annuity contracts, and retained
14 asset accounts.

15 (d) This Act does not apply to a lapsed or terminated
16 policy with no benefits payable that was compared against the
17 Death Master File within the 18 months following the date of
18 the lapse or termination of the applicable policy or that was
19 searched more than 18 months prior to the most recent
20 comparison against the Death Master File conducted by the
21 insurer.

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

23 Section 10. The Vital Records Act is amended by adding
24 Section 24.6 as follows:

1 (410 ILCS 535/24.6 new)

2 Sec. 24.6. Access to records; State Treasurer. Any
3 information contained in the vital records shall be made
4 available at no cost to the State Treasurer for administrative
5 purposes related to the Uniform Disposition of Unclaimed
6 Property Act.

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

9 (765 ILCS 1025/20) (from Ch. 141, par. 120)

10 Sec. 20. Determination of claims.

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

1 public record. Any claim of an interest in property that is
2 filed pursuant to this Act shall be considered and a finding
3 and decision shall be issued by the Office of the State
4 Treasurer in a timely and expeditious manner.

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

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

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

24 (e) This Section shall not apply to the fees of an attorney
25 at law duly appointed to practice in a state of the United
26 States who is employed by a claimant with regard to probate

1 matters on a contractual basis or to contest a denial of a
2 claim for recovery of the property.

3 (f) Any person or company offering to identify, discover,
4 or collect ~~presumptively abandoned property or~~ property which
5 may become presumptively abandoned on behalf of the putative
6 owner of such property in exchange for a fee, must provide the
7 owner with a written disclosure. The disclosure shall be set
8 forth in a clear and conspicuous manner and at a minimum shall
9 state the following:

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

24 ~~A person or company may not charge a fee greater than~~
25 ~~25% of the property's value for the recovery of that~~
26 ~~property where the property is not yet reportable under~~

1 ~~this Act and the designated owner of that property, as~~
2 ~~reflected within the books and records of the holder, is~~
3 ~~living.~~

4 ~~A person or company may not charge a fee greater than~~
5 ~~33% of the property's value for the recovery of that~~
6 ~~property where the property is not yet reportable under~~
7 ~~this Act and the recovery of that property involves~~
8 ~~documentation of the owner's death or any elements of~~
9 ~~estate or trust administration.~~

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