



Sen. Jacqueline Y. Collins

Filed: 5/25/2017

10000HB0302sam001

LRB100 05672 SMS 27019 a

1 AMENDMENT TO HOUSE BILL 302

2 AMENDMENT NO. _____. Amend House Bill 302 by replacing
3 everything after the enacting clause with the following:

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

1 notice of the date of death of an insured, annuity owner, or
2 retained asset account holder. "Date of death notice" includes,
3 but is not limited to, the date the insurer received
4 information or gained knowledge of a Death Master File match or
5 any other source or record maintained or located in insurer
6 records of the death of an insured, annuity owner, or retained
7 asset account holder.

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

13 "Death Master File match" means a match of the social
14 security number or the name and date of birth of an insured,
15 annuity owner, or retained asset account holder resulting from
16 a search of the Death Master File.

17 "Department" means the Department of Insurance.

18 "Lost policy finder" means a service made available by the
19 Department on its website or otherwise developed by the
20 Department to assist consumers with locating unclaimed life
21 insurance benefits.

22 "Policy" means any policy or certificate of life insurance
23 that provides a death benefit, including a policy that has
24 lapsed or been terminated. "Policy" does not include any policy
25 or certificate of credit life or accidental death insurance or
26 health coverages, including, but not limited to, disability and

1 long-term care arising from the reported death of a person
2 insured under the coverage, or any policy issued to a group
3 master policyholder for which the insurer does not provide
4 record keeping services.

5 "Record keeping services" means services provided under
6 circumstances in which the insurer has agreed with a group
7 policy or annuity contract customer to be responsible for
8 obtaining, maintaining, and administering its own or its
9 agents' systems information about each individual insured
10 under an insured's group insurance contract, or a line of
11 coverage thereunder, including, but not limited to, the
12 following: (1) social security number or name and date of
13 birth, (2) beneficiary designation information, (3) coverage
14 eligibility, (4) benefit amount, and (5) premium payment
15 status.

16 "Retained asset account" means any mechanism whereby the
17 settlement of proceeds payable under a policy or annuity
18 contract is accomplished by the insurer or an entity acting on
19 behalf of the insurer depositing the proceeds into an account
20 with check or draft writing privileges, where those proceeds
21 are retained by the insurer or its agent pursuant to a
22 supplementary contract not involving annuity benefits other
23 than death benefits.

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

1 Sec. 15. Insurer conduct.

2 (a) An insurer shall initially perform a comparison of its
3 insureds', annuitants', and retained asset account holders'
4 in-force policies, annuity contracts, and retained asset
5 accounts in force on or after January 1, 2017 by using the full
6 Death Master File. The initial comparison shall be completed on
7 or before December 31, 2017, ~~unless extended by the Department~~
8 ~~pursuant to administrative rule.~~ An insurer required to perform
9 a comparison of its insureds', annuitants', and retained asset
10 account holders' in-force policies, annuity contracts, and
11 retained asset accounts in force on or after January 1, 2012
12 shall perform a comparison of policies, annuity contracts, and
13 retained asset accounts in force between January 1, 2012 and
14 December 31, 2016 on or before December 31, 2018 by using the
15 full Death Master File. An insurer required to perform a
16 comparison of electronic searchable files concerning its
17 insureds', annuitants', and retained asset account holders'
18 in-force policies, annuity contracts, and retained asset
19 accounts in force on or after January 1, 2000 shall perform a
20 comparison of policies, annuity contracts, and retained asset
21 accounts in force between January 1, 2000 and December 31, 2016
22 on or before December 31, 2018 by using the full Death Master
23 File. Thereafter, an insurer shall perform a comparison on at
24 least a semi-annual basis using the Death Master File update
25 files for comparisons to identify potential matches of its
26 insureds, annuitants, and retained asset account holders. In

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

24 An insured, an annuitant, or a retained asset account
25 holder is presumed dead if the date of his or her death is
26 indicated by the comparison required in this subsection (a),

1 unless the insurer has competent and substantial evidence that
2 the person is living, including, but not limited to, a contact
3 made by the insurer with the person or his or her legal
4 representative.

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

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

24 (2) provide the appropriate claims forms or
25 instructions to the beneficiary or beneficiaries to make a
26 claim, including the need to provide an official death

1 certificate if applicable under the policy or annuity
2 contract.

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

5 (1) common nicknames, initials used in lieu of a first
6 or middle name, use of a middle name, compound first and
7 middle names, and interchanged first and middle names;

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

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

12 (4) incomplete social security numbers.

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

19 (d) An insurer or its service provider shall not charge any
20 beneficiary or other authorized representative for any fees or
21 costs associated with a Death Master File search or
22 verification of a Death Master File match conducted pursuant to
23 this Act.

24 (e) The benefits from a policy, annuity contract, or a
25 retained asset account, plus any applicable accrued interest,
26 shall first be payable to the designated beneficiaries or

1 owners and, in the event the beneficiaries or owners cannot be
2 found, shall be reported and delivered to the State Treasurer
3 pursuant to the Uniform Disposition of Unclaimed Property Act.
4 Nothing in this subsection (e) is intended to alter the amounts
5 reportable under the existing provisions of the Uniform
6 Disposition of Unclaimed Property Act or to allow the
7 imposition of additional statutory interest under Article XIV
8 of the Illinois Insurance Code.

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

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

15 (215 ILCS 185/30)

16 Sec. 30. Administrative rules. ~~(a)~~ The Department shall
17 adopt rules to administer and implement this Act, including
18 defining "electronic searchable files" for the purposes of this
19 Act.

20 ~~(b) The Department may limit an insurer's Death Master File~~
21 ~~comparisons required under Section 15 of this Act to the~~
22 ~~insurer's electronic searchable files or approve a plan and~~
23 ~~timeline for conversion of the insurer's files to searchable~~
24 ~~electronic files upon a demonstration of hardship by the~~
25 ~~insurer.~~

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

2 (215 ILCS 185/35)

3 Sec. 35. Application.

4 (a) Except as provided in subsections (b), (c), and (d),
5 the ~~The~~ provisions of this Act apply to policies, annuity
6 contracts, and retained asset accounts in force at any time on
7 or after January 1, 2012 ~~the effective date of this Act.~~

8 (b) For an insurer that has entered into a written
9 agreement with the State Treasurer on or before December 31,
10 2018 to resolve an unclaimed property examination pursuant to
11 the Uniform Disposition of Unclaimed Property Act, the
12 provisions of this Act apply to policies, annuity contracts,
13 and retained asset accounts in force on or after January 1,
14 2017.

15 (c) Notwithstanding subsection (a), the provisions of this
16 Act shall apply to policies, annuity contracts, and retained
17 asset accounts in force at any time on or after January 1, 2000
18 to the extent that an insurer has electronic searchable files
19 concerning such policies, annuity contracts, and retained
20 asset accounts.

21 (d) This Act does not apply to a lapsed or terminated
22 policy with no benefits payable that was compared against the
23 Death Master File within the 18 months following the date of
24 the lapse or termination of the applicable policy or that was
25 searched more than 18 months prior to the most recent

1 comparison against the Death Master File conducted by the
2 insurer.

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

4 Section 10. The Vital Records Act is amended by adding
5 Section 24.6 as follows:

6 (410 ILCS 535/24.6 new)

7 Sec. 24.6. Access to records; State Treasurer. Any
8 information contained in the vital records shall be made
9 available at no cost to the State Treasurer for administrative
10 purposes related to the Uniform Disposition of Unclaimed
11 Property Act.

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

14 (765 ILCS 1025/20) (from Ch. 141, par. 120)

15 Sec. 20. Determination of claims.

16 (a) The State Treasurer shall consider any claim filed
17 under this Act and may, in his discretion, hold a hearing and
18 receive evidence concerning it. Such hearing shall be conducted
19 by the State Treasurer or by a hearing officer designated by
20 him. No hearings shall be held if the payment of the claim is
21 ordered by a court, if the claimant is under court
22 jurisdiction, or if the claim is paid under Article XXV of the

1 Probate Act of 1975. The State Treasurer or hearing officer
2 shall prepare a finding and a decision in writing on each
3 hearing, stating the substance of any evidence heard by him,
4 his findings of fact in respect thereto, and the reasons for
5 his decision. The State Treasurer shall review the findings and
6 decision of each hearing conducted by a hearing officer and
7 issue a final written decision. The final decision shall be a
8 public record. Any claim of an interest in property that is
9 filed pursuant to this Act shall be considered and a finding
10 and decision shall be issued by the Office of the State
11 Treasurer in a timely and expeditious manner.

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

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

26 (d) A person or company attempting to collect a contingent

1 fee for discovering, on behalf of an owner, presumptively
2 abandoned property must be licensed as a private detective
3 pursuant to the Private Detective, Private Alarm, Private
4 Security, Fingerprint Vendor, and Locksmith Act of 2004.

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

10 (f) Any person or company offering to identify, discover,
11 or collect ~~presumptively abandoned property or~~ property which
12 may become presumptively abandoned on behalf of the putative
13 owner of such property in exchange for a fee, must provide the
14 owner with a written disclosure. The disclosure shall be set
15 forth in a clear and conspicuous manner and at a minimum shall
16 state the following:

17 Each state maintains an office of unclaimed property.
18 Generally, if for a number of years an owner of property
19 has not communicated directly with the holder of the
20 property, and has not otherwise indicated an interest in or
21 claimed the property, the property will be delivered to a
22 state administered unclaimed property program. Upon such
23 delivery, the owner will be able to recover the property
24 from the state administered program without charge by the
25 state. The unclaimed asset referred to in this Agreement
26 has not yet been reported or remitted to any state

1 unclaimed property office. Since you reside (or resided) in
2 Illinois, you may obtain information about the Illinois
3 unclaimed property program by logging onto its website at
4 www.illinoistreasurer.gov ~~www.treasurer.il.gov~~.

5 ~~A person or company may not charge a fee greater than
6 25% of the property's value for the recovery of that
7 property where the property is not yet reportable under
8 this Act and the designated owner of that property, as
9 reflected within the books and records of the holder, is
10 living.~~

11 ~~A person or company may not charge a fee greater than
12 33% of the property's value for the recovery of that
13 property where the property is not yet reportable under
14 this Act and the recovery of that property involves
15 documentation of the owner's death or any elements of
16 estate or trust administration.~~

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