

**ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017**  
**COMMITTEE STATEMENT**  
**LB137**

---

**Hearing Date:** Monday January 30, 2017  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Lindstrom  
**One Liner:** Adopt the Unclaimed Life Insurance Benefits Act

---

**Roll Call Vote - Final Committee Action:**  
Advanced to General File

---

**Vote Results:**

**Aye:** 8 Senators Baker, Brewer, Craighead, Kolterman, Lindstrom, McCollister, Schumacher, Williams  
**Nay:**  
**Absent:**  
**Present Not Voting:**

---

**Verbal Testimony:**

**Proponents:**

Senator Brett Lindstrom  
Director Bruce Ramage  
Don Stenberg  
Jim Hall  
Galen Ullstrom

**Representing:**

Introducer  
NE Department of Insurance  
NE State Treasurer  
American Council of Life Insurers  
Mutual of Omaha Insurance Cos. and NE Insurance Federation

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

---

**Summary of purpose and/or changes:**

LB137 (Lindstrom), introduced on behalf of the Director of Insurance, would adopt the Unclaimed Life Insurance Benefits Act. The act requires life insurers to perform a comparison of its insureds' in-force policies and retained asset accounts against the Death Master File of the United States Social Security Administration, or similar database, to identify possible matches of insureds and determine whether or not benefits are due. The legislation would provide, section by section, as follows:

Section 1 names sections 1 through 6 the Unclaimed Life Insurance Benefits Act.

Section 2 provides the definitions used in the act.

Section 3 provides duties to insurers. First, an insurer is required to perform semi-annual comparison of its insureds' in-force policies and retained asset accounts against a death master file to search for potential matches. Any potential match would require the insurer to make a good faith effort to confirm death and determine whether or not benefits are due. The section also clarifies duties related to group life insurance. Additionally, the section requires insurers to establish procedures to account for commonly used but inexact personal identifiers, authorizes the insurers to disclose minimally necessary personal information of an insured to a possible beneficiary, and prohibits the insurer from charging

beneficiaries for the search and investigation. The section also clearly states that the section shall not be construed to limit the ability of the insurer to request a valid death certificate.

Section 4 establishes the required conduct of an insurer once it determines that benefits are due to a beneficiary. If a beneficiary cannot be found, the section states the insurer must comply with the section 69-1303, which relates to unclaimed property, and, once the funds are presumed abandoned, inform the State Treasurer.

Section 5 provides discretion to the Director of Insurance to limit death master file comparisons to electronic files, to exempt or limit a death master file comparison due to hardship on an insurer, and to allow a phase in of compliance with the act.

Section 6 provides that a failure to meet any requirement of the act shall be an unfair trade practice in the business of insurance subject to the Unfair Insurance Trade Practices Act.

Section 7 provides an operative date of January 1, 2018 for the act.

---

---

Brett Lindstrom, Chairperson