

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB137

Chairperson: Senator Brett Lindstrom

Committee: Banking, Commerce and Insurance

Date of Hearing: January 30, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 137, introduced on behalf of the Director of Insurance, adopts the Unclaimed Life Insurance Benefits Act. The legislation, as introduced, is similar to laws enacted in over twenty other states requiring 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.

The intent of the legislation is to establish the statutory requirements for insurer conduct in the performance of a death master file search. The legislation requires the insurers to search the death master file at least semi-annually and establishes requirements on the insurer when a possible match occurs.

The legislation also provides the Director of Insurance flexibility to make orders exempting portions of the requirements or phasing in the requirement if an insurer can show hardship. Failure of an insurer to comply with the Unclaimed Life Insurance Benefits Act shall be an unfair trade practice in the business of insurance and will subject the insurer to possible penalties levied by the Department of Insurance.

Principal Introducer: _____

Senator Brett Lindstrom