

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H

D

HOUSE DRH80399-MHF-117 (05/04)

Short Title: Insurance Burial Benefits Notification.

(Public)

Sponsors: Representative Bryant.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THAT PERSONS WHO BELIEVE THEMSELVES TO BE BENEFICIARIES OF LIFE INSURANCE POLICIES BE NOTIFIED OF THEIR BENEFICIARY STATUS AND OTHER INFORMATION WITHIN TWO BUSINESS DAYS OF PROVIDING THE INSURANCE COMPANY WITH A COPY OF THE NOTIFICATION OF DEATH, AND TO AUTHORIZE THE DEPARTMENT OF INSURANCE TO ESTABLISH A PROGRAM TO ASSIST INDIVIDUALS WITH LOCATING LOST INSURANCE POLICIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 58 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-58-97. Confirmation of beneficiary status upon notification of insured's death.

(a) If an individual believes he or she is a beneficiary under a life insurance contract, the individual (or any person authorized in writing to act on behalf of the individual) may request information regarding the individual's beneficiary status by providing an insurer with a copy of a notification of death filed pursuant to G.S. 130A-112. Within two business days from receipt of the request, the life insurance company shall inform the individual or the individual's representative who provided the notification whether that individual is a beneficiary on record under any life insurance contract between the decedent and the insurer, the amount of any liens or loans outstanding on the policy, and the amount of benefits payable to the individual. The insurer shall also provide a claim form to the person making the request.

(b) If any person making a request under subsection (a) of this section does not receive a timely response from the insurer, then the person may refer the request to the Department. The Department shall investigate and attempt to expedite the request.

(c) The Commissioner of Insurance shall adopt rules to implement this section. The rules shall, in addition to other requirements specified in this Article, establish the following:

- (1) A procedure for responding to referral of requests under subsection (b) of this section within five business days following the referral.
- (2) A process for documenting requests for confirmation of beneficiary status under this section, including the individual making the request, the reason for the request, the insurer receiving the request, the date of policy if known or determined, the reason for any refusal or delay in responding to the request, and the outcome.



* D R H 8 0 3 9 9 - M H F - 1 1 7 *

1 (d) In order to meet the costs of administering the beneficiary notification program, the
2 Department is authorized to charge and collect a fee of five dollars (\$5.00) upon the issuance of
3 any life insurance policy to any resident of North Carolina.

4 (e) The Life Insurance Beneficiary Notification Account is established as a
5 nonreverting account within the Department. Fees collected under this section shall be credited
6 to the Account and shall be applied to the costs of administering this section."

7 **SECTION 2.** The Department shall report to the Chairs of the House Insurance
8 Committee and the Senate Commerce Committee by March 1 of every year the number of
9 beneficiary status inquiries referred to it by insurers, the identity of the insurers making the
10 referrals, the reasons the insurers were unable to respond to the inquiries, and any
11 recommendations for enhancing the ability of individuals to obtain timely access to information
12 about life insurance policies naming them as beneficiaries.

13 **SECTION 3.** This act becomes effective October 1, 2010.