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STATE SENATOR

Senate Committee on Insurance, Housing & Trade
11 October 2017
Senate Bill 274
Senator David Craig, 28th Senate District

Chairman Lasee and Committee Members,

Thank you for hearing testimony on Senate Bill 274.

This bipartisan bill will strengthen consumer protections in the life insurance industry by requiring the disclosure, transparency, uniformity, and accountability relating to payment for life insurance death benefits regulated by the state's insurance department.

The bill requires that a company providing life insurance policies, annuity contracts or retained asset accounts must compare its records, on at least a semi-annual basis, to the death master file maintained by the federal Social Security Administration or another index decided by the commissioner of insurance.

If a death index match is found, the company must, within 90 days, make a good faith effort to confirm the death of the individual, determine whether benefits are due in accordance with the applicable policy or contract, locate the beneficiary or beneficiaries and provide the appropriate forms or instructions to the beneficiary or beneficiaries.

The bill language is based off the National Conference of Insurance Legislators (NCOIL) "Unclaimed Life Insurance Benefits Act", with input from the state Office of the Commissioner of Insurance. The NCOIL model was the result of a multi-year effort that included guidance from many industry groups. Close to 30 states have either enacted statutes or have pending legislation similar to the NCOIL "Unclaimed Life Insurance Benefits Act".

Wisconsin companies have already principally incorporated these regular checks against death records as industry standard. This statutory change will more precisely codify current practice and bolster consumer confidence in the market space.

Again, I appreciate your hearing of this bill today and I look forward to answering any questions you may have.