

1999 SENATE BILL 257

October 20, 1999 - Introduced by Senators BRESKE, RUDE and SHIBILSKI, cosponsored by Representatives F. LASEE, MUSSER, RYBA, LA FAVE, PETTIS, WASSERMAN, HOVEN, GROTHMAN, UNDERHEIM and ALBERS. Referred to Committee on Insurance, Tourism, Transportation and Corrections.

1 **AN ACT to amend** 632.41 (2) (b) 2. and 632.43 (8) (a) (intro.) of the statutes;
2 **relating to:** minimum standards for life insurance policies in which the
3 proceeds are assigned to funeral directors or funeral establishment operators.

Analysis by the Legislative Reference Bureau

Under current law, life insurance policies are subject to certain requirements that are administered by the commissioner of insurance. One of these requirements is that a life insurance policy may provide for the assignment of the proceeds of the policy to a funeral director or operator of a funeral establishment only if certain requirements, including requirements regarding the sale of the policy, are satisfied. In addition, the commissioner of insurance is required to promulgate rules that establish minimum standards for benefits, claims payments, marketing practices, compensation arrangements and reporting practices for such policies.

This bill eliminates the authority of the commissioner of insurance to promulgate rules establishing minimum standards for benefits and compensation arrangements for such policies, but does not affect the commissioner's other rule-making authority for such policies, nor does the bill affect other requirements regarding life insurance policies that are administered by the commissioner under current law. In addition, the bill specifies that policies that provide for the assignment of proceeds to a funeral director or funeral establishment operator must

