

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1647

Short Title: Insurance Burial Benefits Notification. (Public)

Sponsors: Representatives Bryant, K. Alexander (Primary Sponsors); and Harrison.

Referred to: Insurance, if favorable, Finance.

May 7, 2009

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

9 The General Assembly of North Carolina enacts:

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

12 "**§ 58-58-97. Confirmation of beneficiary status upon notification of insured's death.**

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

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

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

27 (1) A procedure for responding to referral of requests under subsection (b) of
28 this section within five business days following the referral.

29 (2) A process for documenting requests for confirmation of beneficiary status
30 under this section, including the individual making the request, the reason
31 for the request, the insurer receiving the request, the date of policy if known
32 or determined, the reason for any refusal or delay in responding to the
33 request, and the outcome.

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



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

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

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