

2023 Kansas Statutes

40-4,203. Same; comparison to death master file; determination of beneficiaries, process; escheat to state, when. (a) An insurer shall perform a comparison of its insureds' in-force policies, contracts, and retained asset accounts against a death master file, on at least a semi-annual basis, by using the full death master file once and thereafter using the death master file update files for future comparisons to identify potential matches of its insureds. For those potential matches identified as a result of a death master file match, the insurer shall:

(1) Within 90 days of a death master file match:

(A) Complete a good faith effort that shall be documented by the insurer to confirm the death of the insured or retained asset account holder against other available records and information;

(B) determined whether benefits are due in accordance with the applicable policy or contract. If benefits are due in accordance with the applicable policy or contract:

(i) Use good faith efforts that shall all be documented by the insurer to locate the beneficiary or beneficiaries; and

(ii) provide the appropriate claim forms or instructions to the beneficiary or beneficiaries to make a claim including the need to provide an official death certificate, if applicable under the policy contract.

(2) With respect to group life insurance, insurers shall confirm the possible death of an insured when the insurers maintain at least the following information of those covered under a policy or certificate: (A) Social security number or name and date of birth; (B) beneficiary designation information; (C) coverage eligibility; (D) benefit amount; and (E) premium payment status.

(3) Every insurer shall implement procedures to account for:

(A) Common nicknames, initials used in lieu of a first or middle name, use of a middle name, compound first and middle names and interchanged first and middle names;

(B) compound last names, maiden or married names, and hyphens, blank spaces or apostrophes in last names;

(C) transposition of the month and date portions of the date of birth; and

(D) incomplete social security numbers.

(4) To the extent permitted by law, the insurer may disclose minimum, necessary personal information about the insured or beneficiary to a person who the insurer reasonably believes may be able to assist the insurer locate the beneficiary or a person otherwise entitled to payment of the claims proceeds.

(b) An insurer or its service provider shall not charge any beneficiary or other authorized representative for any fees or costs associated with a death master file search or verification of a death master file match conducted pursuant to this section.

(c) The benefits from a policy, contract or a retained asset account, plus any applicable accrued contractual interest shall first be payable to the designated beneficiaries or owners, and in the event the beneficiaries or owners can not be found, shall escheat to the state as unclaimed property pursuant to K.S.A. 58-3936, and amendments thereto. Interest payable under K.S.A. 40-447, and amendments thereto, shall not be payable as unclaimed property.

(d) An insurer shall notify the state treasurer upon the expiration of the statutory time period for escheat that:

(1) A policy or contract beneficiary or retained asset account holder has not submitted a claim with the insurer; and

(2) the insurer has complied with subsection (a) and has been unable, after good faith efforts, documented by the insurer, to contact the retained asset account holder, beneficiary or beneficiaries.

(e) Upon such notice, an insurer shall immediately submit the unclaimed policy or contract benefits or unclaimed retained asset accounts, plus any applicable accrued interest, to the state treasurer in accordance with the unclaimed property act.

(f) Failure to meet any requirement of this section with such frequency as to constitute a general business practice shall be considered an unfair or deceptive act or practice under K.S.A. 40-2404, and amendments thereto, and subject to the

penalties contained under K.S.A. 40-2401 et seq., and amendments thereto. Nothing herein shall be construed to create or imply a private cause of action for a violation of this section.

(g) The provisions of this section shall take effect on and after July 1, 2019.

History: L. 2019, ch. 54, § 3; May 9.