

**CHAPTER 26.1-55**  
**UNCLAIMED LIFE INSURANCE BENEFITS**

**26.1-55-01. Definitions.**

As used in this chapter:

1. "Contract" means an annuity contract issued in this state. The term does not include an annuity used to fund an employment-based retirement plan or program in which the insurer is not committed by terms of the annuity contract to pay death benefits to the beneficiaries of specific plan participants.
2. "Death master file" means the United States social security administration's death master file or any other database or service the commissioner has determined is at least as comprehensive as the United States social security administration's death master file for determining that an individual has reportedly died.
3. "Death master file match" means a search of the death master file or revised death master file which results in a match of the social security number or of the name and date of birth of an insured, annuity owner, or retained asset accountholder.
4. "Policy" means any policy or certificate of life insurance issued in this state which provides a death benefit. The term does not include:
  - a. A policy or certificate of life insurance which provides a death benefit under an employee benefit plan subject to the federal Employee Retirement Income Security Act of 1974 [Pub. L. 93-406; 29 U.S.C. 1002 et seq.];
  - b. A policy or certificate of life insurance which provides a death benefit under an employee benefit plan under any federal employee benefit program;
  - c. A policy or certificate of life insurance which is used to fund a pre-need funeral contract or prearrangement; or
  - d. A policy or certificate of credit life or accidental death insurance.
5. "Revised death master file" means the names added to the death master file since the insurer's most recent semiannual comparison required under this chapter.

**26.1-55-02. Insurer conduct.**

1. Before November 1, 2014, an insurer shall perform a comparison of the insurer's insureds' in-force life insurance policies and retained asset accounts against a death master file in order to identify potential matches of the insurer's insureds. Semiannually, an insurer shall perform a comparison of the insurer's insureds' in-force life insurance policies and retained asset accounts against the revised death master file in order to identify the potential matches of the insurer's insureds.
2. For each potential match identified as a result of a death master file or revised death master file match, within twelve months of the potential match, the insurer shall:
  - a. Complete a good-faith effort, which the insurer shall document, to confirm the death of the insured or retained asset accountholder against other available records and information;
  - b. Review the insurer's records to determine whether the individual who has died purchased any other products with the insurer; and
  - c. Determine whether benefits are due in accordance with the applicable policy or contract, and if benefits are due in accordance with the applicable policy or contract the insurer shall:
    - (1) Use good-faith efforts, which the insurer shall document, to locate the beneficiary or beneficiaries; and
    - (2) Provide the appropriate claims 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 or contract.
3. With respect to group life insurance, for each potential match identified as a result of a death master file or revised death master file match, the insurer shall confirm the possible death of an insured if the insurer maintains at least the following information of those covered under a policy or certificate:
  - a. The social security number or the name and date of birth;

- b. Beneficiary designation information;
  - c. Coverage eligibility;
  - d. Benefit amount; and
  - e. Premium payment status.
4. Every insurer shall implement procedures to account for:
    - a. 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, and apostrophes in last names;
    - c. Incomplete date of birth data and transposition of the month and date portions of a date of birth; and
    - d. Incomplete social security numbers.
  5. To the extent permitted by law, for each potential match identified as a result of a death master file or revised death master file match, the insurer may disclose minimum necessary personal information about the insured or beneficiary to:
    - a. A person the insurer reasonably believes may be able to assist the insurer locate the beneficiary; or
    - b. A person otherwise entitled to payment of the claims proceeds.
  6. An insurer or an insurer's service provider may not charge an insured, account holder, or beneficiary for any fees or costs associated with a comparison, search, or verification conducted pursuant to this section.
  7. The benefits from a life insurance policy or a retained asset account, plus any applicable accrued interest must be first payable to the designated beneficiaries or owners and if the beneficiaries or owners cannot be found, escheat to the state as unclaimed property as provided under this chapter.
  8. Within twelve months following a potential match identified as a result of a death master file or revised death master file match, an insurer shall:
    - a. Notify the state abandoned property office that a life insurance policy beneficiary or retained asset account holder has not submitted and completed a claim with the insurer and that the insurer has complied with subsections 2 and 3 and has been unable, after good-faith efforts documented by the insurer, to contact the retained asset account holder, beneficiary, or beneficiaries and unable to complete the necessary payment; and
    - b. Submit any unclaimed life insurance benefits or unclaimed retained asset accounts, plus any applicable accrued interest, to the state abandoned property office under chapter 47-30.2.
  9. Except as otherwise provided under this chapter, chapter 47-30.2 applies to the escheatment of unclaimed life insurance benefits or unclaimed retained asset accounts.

#### **26.1-55-03. Rulemaking.**

The commissioner may adopt rules to limit an insurer's death master file comparisons and revised death master file comparisons required under this chapter to the insurer's electronic searchable files, to allow the commissioner to approve an insurer's plan and timeline for conversion of the insurer's files to electronic searchable files, and to allow for phasing-in compliance with this chapter according to an insurer's plan and timeline approved by the commissioner.

#### **26.1-55-04. Application.**

Chapter 47-30.2, relating to unclaimed property, applies to a contract or policy to the extent the laws do not conflict with this chapter.

#### **26.1-55-05. Unfair trade practices - Liability limitation.**

Failure to meet any requirement of this chapter is a violation of chapter 26.1-04. This chapter does not create a private cause of action for violation of this chapter. Once an insurer

submits unclaimed life insurance benefits or unclaimed retained asset accounts, plus any applicable accrued interests, to the state abandoned property office in compliance with this chapter, the insurer is relieved and indemnified from additional liability to any person relating to the proceeds submitted. This indemnification from liability is in addition to any other protections provided by law.