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TO: Members of the Assembly Committee on Insurance

FROM: Rep. André Jacque

DATE: Nov. 16, 2017

RE: Assembly Bill 334

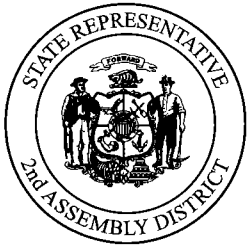
Chairman Petersen and Members of the Assembly Committee on Insurance,

Thank you for the opportunity to testify before you in support of Assembly Bill 334, which will require the complete and proper disclosure, transparency, uniformity and accountability relating to any method of payment for life insurance death benefits regulated by the state's insurance department. Sen. Craig and I have introduced this common-sense model legislation with bi-partisan co-sponsorship within this committee and both chambers of the legislature, and I am pleased to note that the Senate companion to AB 334 passed committee unanimously in the Senate and the full Senate earlier this month on a voice vote.

AB 334 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.

An insurer or its service provider will not be allowed to charge a beneficiary or other authorized representative fees or costs associated with a death master file search or the verification of a death master file match. These regular checks of death records are essentially already an industry standard in Wisconsin, but it is very important to codify this standard in state statute to promote nationwide uniformity, prevent bad actors, reinforce current practice and bolster consumer confidence.

My impetus for bringing forward this legislation was a question from a constituent last year at one of my listening sessions, in response to a national network TV story. I did some further research and drafted the language in the proposal based on the National Conference of Insurance Legislators (NCOIL) Unclaimed Life Insurance Benefits Act, with helpful input from the



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state Office of the Commissioner of Insurance. The NCOIL model was itself the result of a multi-year effort which 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.

Thank you for your consideration of AB 334.

