

Regular Session, 2014

HOUSE BILL NO. 1124

BY REPRESENTATIVE RITCHIE

INSURANCE/LIFE: Authorizes funeral directors to determine life insurance coverage of deceased person

1 AN ACT

2 To enact R.S. 22:918, relative to life insurance coverage; to allow funeral directors to make
3 inquiries of insurers regarding life insurance on deceased persons; and to provide for
4 related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:918 is hereby enacted to read as follows:

7 §918. Provision of life insurance information upon notification of insured's death

8 A.(1) Any person licensed as a funeral director by the state of Louisiana and
9 requested to provide funeral directing services pursuant to R.S. 37:831 et seq. for a
10 deceased person insured or believed to be insured under a contract of life insurance
11 or under a group life insurance policy may request information regarding the
12 deceased person's life insurance contracts by providing an insurer with the following:

13 (a) A written statement by the funeral director stating that he has been
14 requested to provide funeral directing services for the deceased person identified
15 therein.

16 (b) Written authorization from any person who claims legal authority
17 pursuant to R.S. 8:655 or by order of a court of competent jurisdiction to direct
18 disposition of the deceased person's remains.

1 (c) In the case of a deceased person covered or believed to be covered under
2 a group life insurance policy, the affiliation of the deceased person with the group
3 entitling him to coverage under the group life insurance policy.

4 (2) As soon as possible after the receipt of the request, the life insurer shall
5 inform the funeral director making the request of all of the following:

6 (a) The existence of any contract insuring the life of the deceased person.

7 (b) The date of issuance and the policy number.

8 (c) The identity of any beneficiaries on record under any life insurance
9 contract insuring the life of the deceased person.

10 (d) The existence of any assignments and amount of any liens or loans
11 outstanding on the policy.

12 (e) The amount of the policy proceeds payable to the beneficiaries.

13 (f) Whether the policy has been reinstated within the last two years.

14 (g) Whether the policy proceeds are assignable.

15 (3) The insurer shall provide a claim form to any person making the request
16 pursuant to this Subsection at the same time the insurer provides information
17 pursuant to Paragraph (2) of this Subsection.

18 B.(1) The failure of an insurer to timely respond to a written request under
19 Subsection A of this Section may be considered an unfair trade practice under R.S.
20 22:1961 et seq. and subject to regulation by the commissioner of insurance.

21 (2) Nothing in this Subsection shall be construed to grant a person making
22 a request pursuant to Subsection A of this Section a private cause of action for
23 damages against an insurer who fails to timely provide the requested information.

24 C. The funeral director shall, upon request, provide all beneficiaries with a
25 copy of all documents and information received from the insurance company. The
26 funeral director shall not make any representation that the beneficiary has a legal
27 duty or obligation to assign or use life insurance proceeds for payment of the funeral
28 expenses of the deceased person.

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D. Any funeral director who makes a false request for information under Subsection A of this Subsection or fails to comply with Subsection C of this Section may be deemed guilty of dishonest conduct and subject to disciplinary action by the Louisiana State Board of Embalmers and Funeral Directors.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ritchie

HB No. 1124

Abstract: Provides that funeral directors may request information from life insurance companies regarding possible insurance on the life of a deceased person.

Proposed law allows funeral directors providing funeral directing services for a deceased person to ask life insurers about the possible existence of life insurance policies when authorized to do so by the person with legal authority to direct the disposition of the deceased person's remains.

Proposed law provides that the commissioner of insurance may impose sanctions on insurers who fail to timely comply with the requests of funeral directors

Proposed law provides that the La. State Board of Embalmers may impose disciplinary action on a funeral director who makes a false request for information or represents that the beneficiary of a life insurance policy has a legal duty or obligation to assign or use the life insurance proceeds for payment of the deceased person's funeral expenses.

(Adds R.S. 22:918)