**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38‑55‑325 SO AS TO REQUIRE THAT A LIFE INSURANCE COMPANY MUST PROVIDE CERTAIN INFORMATION ABOUT A DECEASED INSURED’S LIFE INSURANCE TO A FUNERAL DIRECTOR OR AN EMPLOYEE OF A FUNERAL DIRECTOR, AND TO PROVIDE REMEDIES FOR A VIOLATION.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 3, Chapter 55, Title 38 of the 1976 Code is amended by adding:

“Section 38‑55‑325. (A)(1) A person licensed to practice funeral directing or an employee of a funeral establishment licensed under the provisions of Chapter 19, Title 40 who is providing funeral service for a deceased person insured or believed to be insured under a contract of life insurance may request information regarding the deceased person’s life insurance contracts by providing an insurer with a copy of a notification of death filed and written authorization from the person or persons with legal authority to direct disposition of the deceased’s body.

(2) Within twenty‑four hours after receipt of the request, the life insurance company shall inform the person making an inquiry pursuant to subsection (A) of:

(a) the existence of a contract insuring the life of the deceased person;

(b) the beneficiaries on record under any life insurance contract insuring the life of the deceased person;

(c) the amount of any liens or loans outstanding on the policy;

(d) the cash value or amount of benefits payable to the beneficiaries; and

(e) whether the policy has been reinstated within the preceding twenty‑four months.

(3) The insurer shall provide a claim form to any person making the request pursuant to this subsection. The department shall develop this form and make it available at no charge.

(B) If a person making a written request under subsection (A) has provided all required information from that subsection but does not receive a response from the insurer within twenty‑four hours after the request was made, then he may refer the request to the Department of Consumer Affairs, which shall treat the referral as a consumer complaint. The referral must include all information provided to the insurer under subsection (A) and copies of all communications and information received from the insurer regarding the request for information.

(C) If the beneficiary of record under the life insurance contract is not the estate of the deceased, then any person authorized to request information under subsection (A) shall make reasonable efforts to locate the beneficiaries within seventy‑two hours after receiving information from the insurance carrier regarding any life insurance contracts and shall provide to all beneficiaries all documents and information obtained from the insurance carrier. The person obtaining the information also shall inform all beneficiaries in writing in bold print that ‘THE BENEFICIARY OF A LIFE INSURANCE POLICY HAS NO LEGAL DUTY OR OBLIGATION TO SPEND ANY OF THAT MONEY ON THE FUNERAL, DEBTS, OR OBLIGATIONS OF THE DECEASED’ and shall do so before discussing with the beneficiaries financial arrangements for burial of the deceased.

(D) Any licensee or employee of a funeral establishment licensed who makes a false request for information under this section or fails to do that required by subsection (C) is guilty of fraud or misrepresentation in the practice of funeral service under Section 40‑19‑110(1).”

SECTION 2. This act takes effect upon approval by the Governor.

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