**A** **BILL**

TO AMEND SECTION 40‑19‑300 OF THE 1976 CODE, RELATING TO THE AUTHORITY OF ONE WITH A FIDUCIARY RELATIONSHIP WITH DECEASED PERSONS, TO ALLOW THOSE LICENSED TO PRACTICE FUNERAL SERVICES TO OBTAIN INFORMATION REGARDING THE EXISTENCE OF LIFE INSURANCE, TO REQUIRE A TIMELY RESPONSE FROM INSURANCE COMPANIES, TO AUTHORIZE THE DEPARTMENT OF INSURANCE TO TREAT AN UNTIMELY RESPONSE AS A CONSUMER COMPLAINT, TO REQUIRE A PERSON REQUESTING INFORMATION TO LOCATE AND INFORM BENEFICIARIES WITHIN ONE HUNDRED HOURS, AND TO PROVIDE THAT A LICENSEE MAKING A FALSE REQUEST OR FAILING TO FOLLOW THE OBLIGATIONS IMPOSED IS UNFIT TO PRACTICE FUNERAL SERVICES.

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

SECTION 1. Section 40‑19‑300 of the 1976 Code is amended to read:

“Section 40‑19‑300. (A) Any person licensed to practice funeral services or any employee of a funeral establishment licensed under this chapter who provides funeral services, as defined in Section 40‑19‑20(18), 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:

(1) a copy of notification of death filed in accordance with law; and

(2) written authorization from the person with legal authority to direct the disposition of the deceased’s body as authorized by law.

(B) As soon as possible, not to exceed two days, after receiving the request for life insurance information, the life insurance company shall disclose to the person authorized by this section to make an inquiry the following information:

(1) the existence and origination date of any contract insuring the life of the deceased person;

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

(3) the face amount of the policy and the amount of any liens of loans outstanding on the policy;

(4) the amount of benefits payable to the beneficiaries; and

(5) whether the policy has been reinstated within the last twenty-four months.

The insurer shall provide a standard claim form to any person or assignee making the request for life insurance information under this section.

(C) If any person making a written request under subsection (A), after providing all the required information, does not receive a timely response from the insurer, then the person may refer the request to the South Carolina Department of Insurance, which shall treat the referral as a consumer complaint. The referral shall include all the information provided to the insurer under subsection (A), as well as copies of all communications and information received from the insurer regarding the request for information.

(D) 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 one hundred hours of receiving information from the insurer regarding any life insurance contracts and shall provide to all beneficiaries all documents and information obtained from the insurer. 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 concerning the burial of the deceased.

(E) Any licensee or employee of a funeral establishment licensed under Section 40‑19‑30 who makes a false request for information under this section or fails to do that required by subsection (D) shall be deemed guilty of fraud or misrepresentation in the practice of funeral service as defined in Section 40‑19‑20(18) and unfit to practice funeral service.

(F) Any insurer and persons acting on the insurer’s behalf that releases information pursuant to this chapter is immune from any liability arising out of the notification or release.

(G) Nothing contained in this chapter may be construed to govern or limit the authority of an administrator or executor, trustee, or other person having a fiduciary relationship with the deceased. Further, nothing contained in this chapter may be construed to prohibit the sale of burial vaults by persons engaged in the business of operating a commercial cemetery.”

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

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